

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102nd GENERAL ASSEMBLY

BILL NO: **SB 3954**

January 31, 2022

SPONSOR (S): Syverson

SYSTEM(S): Downstate Teacher Article

FISCAL IMPACT: As of this writing, TRS has not provided CGFA with pertinent background information as to how many teachers would fall under the retirement effective date as defined in this bill, and what the overall fiscal impact would be. A definition of "de minimis post-termination employment" has not been provided by TRS. An updated note will be issued when this information is obtained.

SUBJECT MATTER: SB 3954 amends the Downstate Teacher Article of the Illinois Pension Code to allow the effective date of a retirement annuity to be after the date of official termination of employment but before "de minimis post-termination employment" if employment meets certain requirements as defined below.

COMMENT: Under current law, the Downstate Teacher Article of the Pension Code provides that members who meet specific eligibility conditions are entitled to apply to the board for a retirement annuity that shall commence on a date set forth by the member, provided that the effective date is no earlier than the day following the last day of creditable service, regardless of the date of official termination of employment.

SB 3954 makes an exception to the above, stating that the effective date of a retirement annuity may be after the date of official termination of employment but before "de minimis post-termination employment" as long as such employment is (1) less than 10 days in length, (2) less than \$2,000 in compensation, and (3) is deemed de minimis by the System.

JK

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