



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: HB 2853

February 23, 2023

SPONSOR (S): Severin

SYSTEM: General Provisions, Downstate Teachers

FISCAL IMPACT

HB 2853 establishes one additional day of TRS service credit for each day of service credit earned between March 16, 2020 and June 30, 2021 for teachers who provided in-person instruction during this period. The bill permits the system to waive the reduction in retirement annuity for members by one year for Tier 1 and Tier 2 members. Qualifying members shall be deemed one year older than their actual age in the calculation of total accumulated service credit. Members who are eligible to retire with an unreduced annuity as a result of waiving the reduction in retirement annuity by age by 1 year would increase the accrued liabilities of the Teachers Retirement System, although the overall fiscal impact is believe to be minor as a relatively small number of teachers provided in-person instruction during this time period.

SUBJECT MATTER: HB 2853 amends the General Provisions and Downstate Teacher Articles of the Illinois Pension Code. The bill provides one additional day of service credit to a teacher for each day of service credit earned between March 16, 2020 and June 30, 2021 in which the teacher provided in-person instruction, so long as sufficient evidence of service is met. The bill waives the reduction in retirement annuity by 1 year according to existing Tier 1 and Tier 2 retirement age rules. Members who have not yet attained qualifying retirement age who earned additional service credit as a result of their in-person instruction during the 2020-2021 school year shall be deemed as one year older than their actual age.

COMMENT: HB 2853 proposes to reward teachers with additional days of service credit for in-person instruction between March 16, 2020 and June 30, 2021, considered to be the period greatly affected by the COVID-19 pandemic. Teachers who earned service credit during this

period will earn one additional day of service credit per day of service so long as the member supplies satisfactory evidence of in-person instruction.

As a result, HB 2853 waives the reduction in retirement annuity for members based on their Tier status. For Tier 1 members, the System shall waive the reduction in retirement annuity for any member who has attained age 59 and earned service credit for the 2020-2021 school year. For members who are younger than age 59 and who earned service credit for the 2020-2021 school year, members are deemed to be one year older than their actual age as a result. This acceleration in members' retirement schedule also applies to Tier 2 members. If a Tier 2 member has attained age 66 and earned service credit for the applicable period, the reduction in retirement annuity before age 67 is thereby waived. Similarly, for teachers not yet 66, members shall be deemed to be one year older than their actual age for the purposes of accruing age-and-service credit.

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