



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: **HB 4580**

February 5, 2024

SPONSOR: Spain

SYSTEM: TRS

FISCAL IMPACT

CMS does not anticipate any impact to the Teachers' Retirement Insurance Program by allowing retired annuitants to retain eligibility for TRIP regardless of the days or hours worked in the pertinent return-to-service program. The changes to the TRS article of the Pension Code deal solely with eligibility for TRIP for retired teachers who return to service; hence, there is nothing in the bill that will have a fiscal impact upon TRS.

SUBJECT MATTER: HB 4580 amends the Teachers Retirement Article of the Pension Code and the State Employees Group Insurance Act to allow annuitants who return to service to retain access to the Teachers' Retirement Insurance Program (TRIP), regardless of days or hours worked under the pertinent return-to-work program as described below.

COMMENT: Under current law, retired TRS members are eligible for participation in the Teachers' Retirement Insurance Program, commonly known as TRIP. To participate, the retired member must have at least 8 years of service credit. TRIP provides a program of health, prescription, and behavioral health coverage for retired suburban and Downstate teachers.

Current law dictates that there are two ways in which TRS annuitants may return to service. Under the general return-to-service provision, they may return for up to 120 paid days or 600 paid hours in a school year, but not more than 100 paid days in the same classroom, until June 30, 2026. After that date, the limits for the general return program will change to 100 paid days or 500 paid hours in a school year, with no sunset date.

Retired teachers are also allowed to return to service with no hourly or daily limitation in subject matter shortage areas. This provision will sunset on June 30, 2024, pursuant to P.A. 102-0440,

which took effect on Aug. 20, 2021. In both return-to-service programs, retired teachers are not considered active members in TRS, and they do not make member contributions to TRS or accrue additional TRS service credit.

HB 4580 amends the TRS Article of the Pension Code and the State Employees' Group Insurance Act to stipulate that retired teachers who return to service in the general return-to-work program and exceed the prescribed daily or hourly limitations shall not, under any circumstances, be expelled from TRIP as a result of such a violation. The bill also states that retired teachers who return to work in subject matter shortage areas will also not be expelled from TRIP as a result of their participation in said program.

CMS does not have knowledge of any teachers being removed from TRIP due to violating return-to-service limitations, as TRS determines an annuitant's eligibility for TRIP. CMS does not anticipate any fiscal impact to TRIP if HB 4580 were to become law; therefore, it's unknown whether HB 4580 is meant to address an ongoing situation or whether it is simply clarifying legislation. An updated impact note will be issued as more information is gathered.

MH:bs

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