



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: **HB 4662**

February 5, 2024

SPONSOR: Elik

SYSTEM: TRS

FISCAL IMPACT

TRS reports that a total of 42 members were approved to work in the Subject Shortage Area program in 2021-2022, and 78 members were approved to work in the Subject Shortage Area program in 2022-2023. As of February 5th, 2024, TRS has approved 59 members for the 2023-2024 school year. HB 4662 would extend the sunset date for teacher shortage return-to-work until June 30, 2029. To the extent that retirement annuities would be paid out that would otherwise be suspended as a result of an annuitant returning to active service, there will be a fiscal impact upon TRS. However, inasmuch as participation in this program is confined to a relatively small number of participants, the impact would be very minor.

SUBJECT MATTER: HB 4662 extends the sunset date of a law that allows TRS annuitants to return to work in subject shortage areas while still retaining their retirement annuity from June 30, 2024 to June 30, 2029, subject to certain provisions as explained below.

COMMENT: P.A. 93-0320 (SB 195), which took effect on July 23, 2003, first established the TRS return-to-work provision in teacher subject shortage areas. The act set a sunset date of June 30, 2008. The sunset date for the program has been extended several times since its inception. Most recently, P.A. 102-0440 extended the sunset date until June 30, 2024. Retired teachers may return to service for an unlimited amount of time under this program, i.e., they are not subject to any daily or hourly limitations in a given school year.

The statute sets forth several conditions under which a teacher subject shortage area is deemed to exist, such as a school experiencing a shortage of teachers in a specific subject area. Other conditions were added to the subject shortage return-to-work law during its existence. For

example, if the annuitant retired before age 60 with less than 34 years of service, the return-to-work employment cannot begin within the year following the effective date of retirement. Also, the retired teacher who returns to work must maintain compliance with laws governing the certification and conduct of teachers. As previously mentioned, P.A. 102-0440 re-opened the subject shortage return-to-work window and set a new sunset date of June 30, 2024. HB 4662 would extend the sunset date to June 30, 2029.

MH:bs

LRB103 36714 RPS 66824 b