



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: SB 1468, as amended by SA 002

March 30, 2023

SPONSOR (S): Bennett – Rezin, et al.

SYSTEM: Downstate Teachers' Retirement System (TRS) Article

FISCAL IMPACT

The fiscal impact of SB 1468, as amended by SA 002, is not known, as TRS claims that the number of individuals who take advantage of the annuitant return-to-service program is not known. SA 2 extends the sunset date of the current limitations on annuitant return-to-service (120 paid days or 600 paid hours in each school year) by three years, to June 30, 2026. Under current law, the aforementioned limitations are scheduled to sunset on July 1, 2023, at which time the new return-to-work limitations of 100 paid days or 500 paid hours will begin. Therefore, SA 002 allows retired teachers to return to service for a slightly longer period of time than would be allowed under current law beginning on July 1, 2023. The impact on TRS of allowing retired teachers to work 20 more days or 100 more hours in a school year without impacting their retirement annuity is expected to be very minor.

SUBJECT MATTER: SB 1468, as amended by SA 002, amends the Downstate Teachers' Retirement System article of the Illinois Pension Code. The bill extends the limits at which retired teachers may accept employment without impairing their pension benefits by three years; the bill also delays the start of the new limitation schedule for the annuitant return-to-work program by three years (from July 1, 2023 to July 1, 2026). More details are provided below in the Comment section.

COMMENT: Under current law, TRS allows retired teachers other than disability annuitants to return to work as a teacher without impairment of retirement status, provided that employment is not within the school year during which service was terminated and does not exceed 120 paid days or 600 paid hours in each school year, but not more than 100 paid days in the same

classroom. Beginning July 1, 2023, these limits will be decreased to 100 paid days or 500 paid hours in each school year.

SB 1468, as amended by SA 002, amends the TRS article by postponing the start of the limit of 100 paid days or 500 paid hours from July 1, 2023 to July 1, 2026.

Impact of SA 002: The underlying bill originally amended the TRS article by allowing annuitants, beginning July 1, 2023 through June 30, 2026, to accept employment as a teacher without impairing their retirement benefits provided that the employment does not exceed 150 paid days or 750 paid hours in each school year. SA 001 decreased these limits to 120 paid days and 600 paid hours; or, in other words, the amendment simply allows the current limitations to remain in force until June 30, 2026, at which time they would sunset in favor of a limitation of 100 paid days or 500 paid hours, with no sunset date.

GR:bs

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