



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: SB 2366

February 27, 2023

SPONSOR (S): Martwick

SYSTEM: Chicago Teachers Article

FISCAL IMPACT

The fiscal impact of SB 2366 is unknown as the number of pensioners who participate in the subject shortage area return-to-work program is not known. To the extent that the Chicago Teacher Pension Fund will be receiving a portion of the annuitant's salary during re-employment that they were not previously receiving, there will be a positive impact to the fund.

SUBJECT MATTER: SB 2366 amends the Chicago Teacher article of the Pension code. This bill provides that pensioners that become re-employed as teachers in subject shortage areas will have 9% of their salary deducted to contribute to the pension fund. This contribution will be regarded as a "sustainability contribution," and no additional service credit will be earned by the annuitant during this period of employment.

COMMENT: Under current law, a Chicago Teacher Pension Fund annuitant may lose their retirement pension benefits if they become re-employed as a teacher. However, until June 30, 2024, the service retirement pension will not be cancelled if the pensioner is employed in a subject shortage area. This exemption was implemented pursuant to P.A. 102-1013, which took effect on May 27, 2022. To receive this exemption, the employer must first give the position to any teachers who had been honorably dismissed in the calendar year preceding the beginning of the current term, and be actively searching for teachers to fill the vacancies. SB 2366 provides that, along with these two requirements, the pensioner shall have 9% of their salary deducted and contributed to the Fund as a sustainability contribution. The pensioner shall not earn service credit during that re-employment period, and the service retirement pension will not be recalculated.

GR:bs

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