



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: SB 2920

January 31, 2024

SPONSOR: Martwick

SYSTEM: CTPF

FISCAL IMPACT

SB 2920 extends the sunset dates for two separate provisions allowing retired teachers in the Chicago Teacher's Pension Fund (CTPF) to return to service without impairing their retirement annuities. To the extent that retirement pensions would be paid out that would otherwise be prohibited under current law, there would be a fiscal impact to the pension fund commensurate with the number of retired teachers and administrators who return to work on a temporary and non-annual or hourly basis, or retired teachers who return to service in a subject shortage area. The number of retired teachers who have historically participated in these programs is not known.

SUBJECT MATTER: SB 2920 amends the Chicago Teacher article of the Pension Code. The bill would allow annuitants to be re-employed as a teacher or administrator for 140 days per school year until July 1, 2027 and 120 days per school year on or after July 1, 2027 without impairing their retirement pension. Furthermore, the bill would allow annuitants to be re-employed as a teacher in a subject area shortage until June 30, 2027 without impairing their retirement pension if the employer meets specific requirements, as outlined below in the Comment section.

COMMENT:

Extension of Sunset date for P.A. 102-1090; CTPF Teacher and Administrator Return-to-Service
P.A. 102-1090, which became effective on June 10, 2022, allows Chicago Teacher pensioners to be re-employed as a teacher or administrator without impairment of retirement status given that the annuitant does not receive compensation for more than 140 days in a school year until July 1, 2024, and 120 days in a school year on or after July 1, 2024. Moreover, current law

states that a re-employed teacher or administrator who is drawing a pension shall not make contributions to the pension fund, shall not accrue service credit in the pension fund for that service, or be considered an active member in the pension fund for that period of time. SB 2920 would extend the sunset date until July 1, 2027, before which retired teachers and administrators may be re-employed for 140 days without loss of annuity and after which retired teachers and administrators may be re-employed for 120 days without loss of annuity.

Extension of Sunset Date for P.A. 102-1013; CTPF Annuitant Return-to-Service for Subject Matter Shortage Areas

P.A. 102-1013, which became effective on May 27, 2022 allows Chicago Teacher pensioners, until June 30, 2024, to be re-employed without impairment of retirement status if the annuitant is employed in a subject shortage area and the employer of the retired annuitant meets specific requirements as follows:

- vacant positions must first be offered to any teachers legally qualified to hold positions in the subject shortage area that have been honorably dismissed in the preceding calendar year for which the employer seeks to employ a retired annuitant; and
- in the 6 months prior to the beginning of the term for which the employer seeks to employ a retired annuitant, the employer must properly advertise and search for a qualified candidate.

SB 2920 would extend the sunset date until June 30, 2027 for retired teachers in CTPF to be re-employed in subject shortage areas.

MH:bs

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