



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *104th General Assembly*

BILL NO: HB 4096

October 29, 2025

SPONSOR: La Ha

SYSTEM: SURS

FISCAL IMPACT

The fiscal impact of HB 4096 is commensurate with the number of annuitants who returned to service during the COVID emergency period and exceeded prescribed earnings limitations. The number of annuitants who might be impacted is not known, but one case that is summarized below is the impetus for this bill. If there are any annuitants whose payments for exceeding earnings limitations would be suspended, or if SURS had to refund such payments to annuitants, there would be a slight negative impact upon SURS.

SUBJECT MATTER: HB 4096 amends the SURS article of the Pension Code. The bill allows annuitants to return to service without having their annuities suspended if they are returning to service to perform a critical operation during a state of emergency, or had returned to service after being informed by SURS that their annuity would not be suspended in such an emergency situation. Annuitants that returned to service after March 9th 2020 but before the effective date of the bill shall also be eligible to receive a payment plus interest for annuities that were suspended.

COMMENT:

Under current law, SURS annuitants age 60 or older are allowed to collect a salary from an SURS employer, but this salary must not exceed the difference between their highest pensionable earnings and their pension. For illustration, if an annuitant's highest pre-retirement salary was \$100,000 and their pension was \$80,000, they are only allowed to collect a salary of less than \$20,000 upon a return to service. Should their salary exceed the difference, their pension shall be reduced proportionally. Upon the enactment of P.A. 98-968 (eff. 8/16/2012), SURS

employers became obligated to report to the retirement system when an annuitant returns to service, their salary (unless they are compensated with grants), and number of days worked so such return-to-service information can be tracked.

HB 4096 comes about as a result of a media story about a retired UIC physician who returned to work full-time during the COVID-19 pandemic after being informed by both his employer and an SURS representative that his grant-funded service would not affect his SURS pension. In this instance, the alleged overpayment of annuity amounts to \$80,000 plus interest. SURS has told the doctor in question that he must repay this amount. (Armentrout, “Chicago doc was called out of retirement to fight COVID-19, now state pension fund demands he repay \$80,000”, Chicago Sun Times, July 4, 2025).

HB 4096 creates two new exemptions for return to service if:

- The return to service is to perform a “critical operation” (teaching, medical services, etc.) during a state of emergency, as declared by the governor. Annuitants that returned to service for the aforementioned reasons between March 9th, 2020 and the effective date of HB 4096 shall receive their full annuities plus interest.
- The annuitant was “reasonably informed” by a SURS representative that their annuity would not be suspended.

In the case of the doctor featured in the Sun-Times article, his pension was never suspended or canceled; SURS simply determined that his COVID-era earnings exceeded the statutory cap, and the retirement system now demands repayment. Under HB 4096, that repayment obligation would be nullified, and SURS would be required to treat his service as exempt from the earnings limit.

The bill has an immediate effective date.

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