

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

99TH GENERAL ASSEMBLY

BILL NO: **SB 0235, as Amended by HA 1**

May 23, 2016

SPONSOR (S): Bertino-Tarrant – Manar (B. Mitchell – Pritchard, et al.)

SYSTEM(S): Teachers' Retirement System (TRS)

FISCAL IMPACT: According to TRS, SB 0235, as amended by HA 1, would result in a minor increase in cost by increasing the maximum employment time during which an annuitant may return to work without impairing their retirement status. TRS does not know the number of teachers who return to work without impairing their retirement status, although TRS notes that in FY 2015, there were 46 retirees who worked more than the maximum allowed number of days/hours and were therefore considered active employees; accordingly, their retirement annuities were stopped as a result of working excess hours.

SUBJECT MATTER: SB 0235, as amended by HA 1, replaces everything after the enacting clause. The bill amends the Downstate Teachers Article of the Illinois Pension Code. It specifies the maximum number of days/hours a retired teacher may work without impairing their retirement status.

COMMENT: Under current law, an annuitant's retirement annuity would not be impaired even while returning to work on two conditions; 1) the employment is not within the school year during which service was terminated and 2) the maximum employment time shall not exceed 100 paid days or 500 paid hours in any school year.

However, under this bill, the maximum employment time that a retiree may work without impairing their retirement annuity is specified depending on time periods.

- Before July 1, 2001: 100 paid days or 500 paid hours in any school year;
- Between July 1, 2001 and June 30, 2011: 120 paid days or 600 paid hours in each school year;
- Between July 1, 2011 and June 30, 2016: 100 paid days or 500 paid hours in each school year;
- Between July 1, 2016 and June 30, 2018: 120 paid days or 600 paid hours in each school year; and
- Beginning July 1, 2018: 100 paid days or 500 paid hours in each school year.

JB:dkb

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