



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB1651

Introduced 1/28/2025, by Rep. Ryan Spain

#### SYNOPSIS AS INTRODUCED:

5 ILCS 375/6.20 new  
40 ILCS 5/16-118  
40 ILCS 5/16-150.1

from Ch. 108 1/2, par. 16-118

Amends the State Employees Group Insurance Act of 1971. Provides that the eligibility of an annuitant or TRS benefit recipient to participate in the program of health benefits established under specified provisions of the Act shall not be suspended for any period during which he or she accepts employment from a school board or other employer in accordance with a provision of the Downstate Teacher Article of the Illinois Pension Code that allows annuitants to accept employment as a teacher without impairing retirement status if certain conditions are met, including a limit on the number of paid days the annuitant may work, or a provision for annuitants returning to teach in a subject shortage area. Provides that an annuitant or TRS benefit recipient shall not be deemed an active teacher based solely on the annuitant's or TRS benefit recipient's employment exceeding the limit on the number of paid days an annuitant may work without impairing retirement status. Amends the Downstate Teacher Article of the Illinois Pension Code to make conforming changes.

LRB104 07662 RPS 17706 b

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The State Employees Group Insurance Act of 1971  
5 is amended by adding Section 6.20 as follows:

6 (5 ILCS 375/6.20 new)

7 Sec. 6.20. Retired teacher returning to service.  
8 Notwithstanding any other provision of this Act, the  
9 eligibility of an annuitant or TRS benefit recipient to  
10 participate in the program of health benefits established  
11 under Section 6 or 6.5 of this Act shall not be suspended for  
12 any period during which he or she accepts employment from a  
13 school board or other employer in accordance with Section  
14 16-118 or Section 16-150.1 of the Illinois Pension Code. An  
15 annuitant or TRS benefit recipient shall not be deemed an  
16 active teacher based solely on the annuitant's or TRS benefit  
17 recipient's employment exceeding the limits under paragraph  
18 (2) of subsection (a) of Section 16-118 of the Illinois  
19 Pension Code or participation in the program under Section  
20 16-150.1 of the Illinois Pension Code.

21 Section 10. The Illinois Pension Code is amended by  
22 changing Sections 16-118 and 16-150.1 as follows:

1 (40 ILCS 5/16-118) (from Ch. 108 1/2, par. 16-118)  
2 Sec. 16-118. Retirement. "Retirement": Entry upon a  
3 retirement annuity or receipt of a single-sum retirement  
4 benefit granted under this Article after termination of active  
5 service as a teacher.

6 (a) An annuitant receiving a retirement annuity other than  
7 a disability retirement annuity may accept employment as a  
8 teacher from a school board or other employer specified in  
9 Section 16-106 without impairing retirement status, if that  
10 employment:

11 (1) is not within the school year during which service  
12 was terminated; and

13 (2) does not exceed the following:

14 (i) before July 1, 2001, 100 paid days or 500 paid  
15 hours in any school year;

16 (ii) during the period beginning July 1, 2001  
17 through June 30, 2011, 120 paid days or 600 paid hours  
18 in each school year;

19 (iii) during the period beginning July 1, 2011  
20 through June 30, 2018, 100 paid days or 500 paid hours  
21 in each school year;

22 (iv) beginning July 1, 2018 through June 30, 2026,  
23 120 paid days or 600 paid hours in each school year,  
24 but not more than 100 paid days in the same classroom;

25 (v) (blank); and

1 (vi) beginning July 1, 2026, 100 paid days or 500  
2 paid hours in each school year.

3 Where such permitted employment is partly on a daily and  
4 partly on an hourly basis, a day shall be considered as 5  
5 hours.

6 An annuitant whose employment exceeds the amount specified  
7 in paragraph (2) shall not be deemed an active teacher for  
8 purposes of eligibility for group health benefits and may  
9 continue to participate in the program of health benefits  
10 established under Section 6 or 6.5 of the State Employees  
11 Group Insurance Act of 1971.

12 (b) Subsection (a) does not apply to an annuitant who  
13 returns to teaching under the program established in Section  
14 16-150.1, for the duration of his or her participation in that  
15 program.

16 (Source: P.A. 102-537, eff. 8-20-21; 102-709, eff. 4-22-22;  
17 103-88, eff. 6-9-23; 103-525, eff. 8-11-23.)

18 (40 ILCS 5/16-150.1)

19 Sec. 16-150.1. Return to teaching in subject shortage  
20 area.

21 (a) As used in this Section, "eligible employment" means  
22 employment beginning on or after July 1, 2003 and ending no  
23 later than June 30, 2027, in a subject shortage area at a  
24 qualified school, in a position requiring certification under  
25 the law governing the certification of teachers.

1           As used in this Section, "qualified school" means a public  
2 elementary or secondary school that meets all of the following  
3 requirements:

4           (1) At the time of hiring a retired teacher under this  
5 Section, the school is experiencing a shortage of teachers  
6 in the subject shortage area for which the teacher is  
7 hired.

8           (2) The school district to which the school belongs  
9 has complied with the requirements of subsection (e), and  
10 the regional superintendent has certified that compliance  
11 to the System.

12           (3) If the school district to which the school belongs  
13 provides group health benefits for its teachers generally,  
14 substantially similar health benefits are made available  
15 for teachers participating in the program under this  
16 Section, without any limitations based on pre-existing  
17 conditions.

18           (b) An annuitant receiving a retirement annuity under this  
19 Article (other than a disability retirement annuity) may  
20 engage in eligible employment at a qualified school without  
21 impairing his or her retirement status or retirement annuity,  
22 subject to the following conditions:

23           (1) the eligible employment does not begin within the  
24 school year during which service was terminated;

25           (2) the annuitant has not received any early  
26 retirement incentive under Section 16-133.3, 16-133.4, or

1 16-133.5;

2 (3) if the annuitant retired before age 60 and with  
3 less than 34 years of service, the eligible employment  
4 does not begin within the year following the effective  
5 date of the retirement annuity;

6 (4) if the annuitant retired at age 60 or above or with  
7 34 or more years of service, the eligible employment does  
8 not begin within the 90 days following the effective date  
9 of the retirement annuity; and

10 (5) before the eligible employment begins, the  
11 employer notifies the System in writing of the annuitant's  
12 desire to participate in the program established under  
13 this Section.

14 (c) An annuitant engaged in eligible employment in  
15 accordance with subsection (b) shall be deemed a participant  
16 in the program established under this Section for so long as he  
17 or she remains employed in eligible employment.

18 (d) A participant in the program established under this  
19 Section continues to be a retirement annuitant, rather than an  
20 active teacher, for all of the purposes of this Code, but shall  
21 be deemed an active teacher for other purposes, such as  
22 inclusion in a collective bargaining unit, ~~eligibility for~~  
23 ~~group health benefits,~~ and compliance with the laws governing  
24 the employment, regulation, certification, treatment, and  
25 conduct of teachers. A participant in the program established  
26 under this Section may continue to participate in the program

1 of health benefits established under Section 6 or 6.5 of the  
2 State Employees Group Insurance Act of 1971.

3 With respect to an annuitant's eligible employment under  
4 this Section, neither employee nor employer contributions  
5 shall be made to the System and no additional service credit  
6 shall be earned. Eligible employment does not affect the  
7 annuitant's final average salary or the amount of the  
8 retirement annuity.

9 (e) Before hiring a teacher under this Section, the school  
10 district to which the school belongs must do the following:

11 (1) If the school district to which the school belongs  
12 has honorably dismissed, within the calendar year  
13 preceding the beginning of the school term for which it  
14 seeks to employ a retired teacher under the program  
15 established in this Section, any teachers who are legally  
16 qualified to hold positions in the subject shortage area  
17 and have not yet begun to receive their retirement  
18 annuities under this Article, the vacant positions must  
19 first be tendered to those teachers.

20 (2) For a period of at least 90 days during the 6  
21 months preceding the beginning of either the fall or  
22 spring term for which it seeks to employ a retired teacher  
23 under the program established in this Section, the school  
24 district must, on an ongoing basis, (i) advertise its  
25 vacancies in the subject shortage area in employment  
26 bulletins published by college and university placement

1 offices located near the school; (ii) search for teachers  
2 legally qualified to fill those vacancies through the  
3 Illinois Education Job Bank; and (iii) post all vacancies  
4 on the school district's website and list the vacancy in  
5 an online job portal or database.

6 A school district replacing a teacher who is unable to  
7 continue employment with the school district because of  
8 documented illness, injury, or disability that occurred after  
9 being hired by a school district under this Section shall be  
10 exempt from the provisions of paragraph (2) for 90 school  
11 days. However, the school district must on an ongoing basis  
12 comply with items (i), (ii), and (iii) of paragraph (2).

13 The school district must submit documentation of its  
14 compliance with this subsection to the regional  
15 superintendent. Upon receiving satisfactory documentation from  
16 the school district, the regional superintendent shall certify  
17 the district's compliance with this subsection to the System.

18 (f) This Section applies without regard to whether the  
19 annuitant was in service on or after the effective date of this  
20 amendatory Act of the 93rd General Assembly.

21 (Source: P.A. 102-440, eff. 8-20-21; 103-588, eff. 6-5-24.)