

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 Illinois Pension Code is amended by  
5 changing Section 17-149 as follows:

6 (40 ILCS 5/17-149) (from Ch. 108 1/2, par. 17-149)

7 Sec. 17-149. Cancellation of pensions.

8 (a) If any person receiving a disability retirement  
9 pension from the Fund is re-employed as a teacher by an  
10 Employer, the pension shall be cancelled on the date the  
11 re-employment begins, or on the first day of a payroll period  
12 for which service credit was validated, whichever is earlier.

13 (b) If any person receiving a service retirement pension  
14 from the Fund is re-employed as a teacher on a permanent or  
15 annual basis by an Employer, the pension shall be cancelled on  
16 the date the re-employment begins, or on the first day of a  
17 payroll period for which service credit was validated,  
18 whichever is earlier. However, subject to the limitations and  
19 requirements of subsection (c-5), (c-6), (c-7), or (c-10), the  
20 pension shall not be cancelled in the case of a service  
21 retirement pensioner who is re-employed on a temporary and  
22 non-annual basis or on an hourly basis.

23 (c) If the date of re-employment on a permanent or annual

1 basis occurs within 5 school months after the date of previous  
2 retirement, exclusive of any vacation period, the member shall  
3 be deemed to have been out of service only temporarily and not  
4 permanently retired. Such person shall be entitled to pension  
5 payments for the time he could have been employed as a teacher  
6 and received salary, but shall not be entitled to pension for  
7 or during the summer vacation prior to his return to service.

8 When the member again retires on pension, the time of  
9 service and the money contributed by him during re-employment  
10 shall be added to the time and money previously credited. Such  
11 person must acquire 3 consecutive years of additional  
12 contributing service before he may retire again on a pension  
13 at a rate and under conditions other than those in force or  
14 attained at the time of his previous retirement.

15 (c-5) For school years beginning on or after July 1, 2019  
16 and before July 1, 2022, the service retirement pension shall  
17 not be cancelled in the case of a service retirement pensioner  
18 who is re-employed as a teacher on a temporary and non-annual  
19 basis or on an hourly basis, so long as the person (1) does not  
20 work as a teacher for compensation on more than 120 days in a  
21 school year or (2) does not accept gross compensation for the  
22 re-employment in a school year in excess of (i) \$30,000 or (ii)  
23 in the case of a person who retires with at least 5 years of  
24 service as a principal, an amount that is equal to the daily  
25 rate normally paid to retired principals multiplied by 100.  
26 These limitations apply only to school years that begin on or

1 after July 1, 2019 and before July 1, 2022. Such re-employment  
2 does not require contributions, result in service credit, or  
3 constitute active membership in the Fund.

4 The service retirement pension shall not be cancelled in  
5 the case of a service retirement pensioner who is re-employed  
6 as a teacher on a temporary and non-annual basis or on an  
7 hourly basis, so long as the person (1) does not work as a  
8 teacher for compensation on more than 100 days in a school year  
9 or (2) does not accept gross compensation for the  
10 re-employment in a school year in excess of (i) \$30,000 or (ii)  
11 in the case of a person who retires with at least 5 years of  
12 service as a principal, an amount that is equal to the daily  
13 rate normally paid to retired principals multiplied by 100.  
14 These limitations apply only to school years that begin on or  
15 after August 8, 2012 (the effective date of Public Act 97-912)  
16 and before July 1, 2019. Such re-employment does not require  
17 contributions, result in service credit, or constitute active  
18 membership in the Fund.

19 Notwithstanding the 120-day limit set forth in item (1) of  
20 this subsection (c-5), the service retirement pension shall  
21 not be cancelled in the case of a service retirement pensioner  
22 who teaches only driver education courses after regular school  
23 hours and does not teach any other subject area, so long as the  
24 person does not work as a teacher for compensation for more  
25 than 900 hours in a school year. The \$30,000 limit set forth in  
26 subitem (i) of item (2) of this subsection (c-5) shall apply to

1 a service retirement pensioner who teaches only driver  
2 education courses after regular school hours and does not  
3 teach any other subject area.

4 To be eligible for such re-employment without cancellation  
5 of pension, the pensioner must notify the Fund and the Board of  
6 Education of his or her intention to accept re-employment  
7 under this subsection (c-5) before beginning that  
8 re-employment (or if the re-employment began before August 8,  
9 2012 (the effective date of Public Act 97-912), then within 30  
10 days after that effective date).

11 An Employer must certify to the Fund the temporary and  
12 non-annual or hourly status and the compensation of each  
13 pensioner re-employed under this subsection at least  
14 quarterly, and when the pensioner is approaching the earnings  
15 limitation under this subsection.

16 If the pensioner works more than 100 days or accepts  
17 excess gross compensation for such re-employment in any school  
18 year that begins on or after August 8, 2012 (the effective date  
19 of Public Act 97-912), the service retirement pension shall  
20 thereupon be cancelled.

21 If the pensioner who only teaches drivers education  
22 courses after regular school hours works more than 900 hours  
23 or accepts excess gross compensation for such re-employment in  
24 any school year that begins on or after August 12, 2016 (the  
25 effective date of Public Act 99-786), the service retirement  
26 pension shall thereupon be cancelled.

1           If the pensioner works more than 120 days or accepts  
2 excess gross compensation for such re-employment in any school  
3 year that begins on or after July 1, 2019, the service  
4 retirement pension shall thereupon be cancelled.

5           The Board of the Fund shall adopt rules for the  
6 implementation and administration of this subsection.

7           (c-6) For school years beginning on or after July 1, 2022  
8 and before July 1, 2027 ~~2024~~, the service retirement pension  
9 shall not be cancelled in the case of a service retirement  
10 pensioner who is re-employed as a teacher or an administrator  
11 on a temporary and non-annual basis or on an hourly basis, so  
12 long as the person does not work as a teacher or an  
13 administrator for compensation on more than 140 days in a  
14 school year. Such re-employment does not require  
15 contributions, result in service credit, or constitute active  
16 membership in the Fund.

17           (c-7) For school years beginning on or after July 1, 2027  
18 ~~2024~~, the service retirement pension shall not be cancelled in  
19 the case of a service retirement pensioner who is re-employed  
20 as a teacher or an administrator on a temporary and non-annual  
21 basis or on an hourly basis, so long as the person does not  
22 work as a teacher or an administrator for compensation on more  
23 than 120 days in a school year. Such re-employment does not  
24 require contributions, result in service credit, or constitute  
25 active membership in the Fund.

26           (c-10) Until June 30, 2027 ~~2024~~, the service retirement

1 pension of a service retirement pensioner shall not be  
2 cancelled if the service retirement pensioner is employed in a  
3 subject shortage area and the Employer that is employing the  
4 service retirement pensioner meets the following requirements:

5 (1) If the Employer has honorably dismissed, within  
6 the calendar year preceding the beginning of the school  
7 term for which it seeks to employ a service retirement  
8 pensioner under this subsection, any teachers who are  
9 legally qualified to hold positions in the subject  
10 shortage area and have not yet begun to receive their  
11 service retirement pensions under this Article, the vacant  
12 positions must first be tendered to those teachers.

13 (2) For a period of at least 90 days during the 6  
14 months preceding the beginning of either the fall or  
15 spring term for which it seeks to employ a service  
16 retirement pensioner under this subsection, the Employer  
17 must, on an ongoing basis, (i) advertise its vacancies in  
18 the subject shortage area in employment bulletins  
19 published by college and university placement offices  
20 located near the school; (ii) search for teachers legally  
21 qualified to fill those vacancies through the Illinois  
22 Education Job Bank; and (iii) post all vacancies on the  
23 Employer's website and list the vacancy in an online job  
24 portal or database.

25 An Employer of a teacher who is unable to continue  
26 employment with the Employer because of documented illness,

1 injury, or disability that occurred after being hired by the  
2 Employer under this subsection is exempt from the provisions  
3 of paragraph (2) for 90 school days. However, the Employer  
4 must on an ongoing basis comply with items (i), (ii), and (iii)  
5 of paragraph (2).

6 The Employer must submit documentation of its compliance  
7 with this subsection to the regional superintendent. Upon  
8 receiving satisfactory documentation from the Employer, the  
9 regional superintendent shall certify the Employer's  
10 compliance with this subsection to the Fund.

11 (d) Notwithstanding Sections 1-103.1 and 17-157, the  
12 changes to this Section made by Public Act 90-32 apply without  
13 regard to whether termination of service occurred before the  
14 effective date of that Act and apply retroactively to August  
15 23, 1989.

16 Notwithstanding Sections 1-103.1 and 17-157, the changes  
17 to this Section and Section 17-106 made by Public Act 92-599  
18 apply without regard to whether termination of service  
19 occurred before June 28, 2002 (the effective date of Public  
20 Act 92-599).

21 Notwithstanding Sections 1-103.1 and 17-157, the changes  
22 to this Section made by Public Act 97-912 apply without regard  
23 to whether termination of service occurred before August 8,  
24 2012 (the effective date of Public Act 97-912).

25 (Source: P.A. 102-1013, eff. 5-27-22; 102-1090, eff. 6-10-22;  
26 103-154, eff. 6-30-23.)

1           Section 99. Effective date. This Act takes effect upon  
2           becoming law.