



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB3346

Introduced 2/7/2024, by Sen. Robert F. Martwick

SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-149

from Ch. 108 1/2, par. 17-149

30 ILCS 805/8.48 new

Amends the Chicago Teacher Article of the Illinois Pension Code. In a provision allowing a service retirement pensioner to be re-employed as a teacher for a specified number of days without cancellation of the service retirement pension, provides that if a service retirement pensioner works more than the number of days allowed under that provision in any school year, the service retirement pension benefit shall be withheld on a pro rata basis for each day worked in excess of the number of days allowed. Provides that if a pensioner who only teaches drivers education courses after regular school hours works more than 900 hours in any school year, the service retirement pension benefit shall be withheld on a pro rata basis for each period of 7.5 hours in excess of 900 hours. Provides that the changes made by the amendatory Act are retroactive to July 1, 2020. Provides that all service retirement pensioners whose service retirement pensions were cancelled as a result of re-employment as a teacher during the period of July 1, 2020 through the effective date of the amendatory Act shall have their overpayments recalculated on a pro rata basis consistent with the changes made by the amendatory Act, and the difference between the initial overpayment and the recalculated overpayment shall be refunded to those service retirement pensioners with interest. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB103 38204 RPS 68338 b

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

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, 2024, the service retirement pension shall
9 not be cancelled in the case of a service retirement pensioner
10 who is re-employed as a teacher or an administrator on a
11 temporary and non-annual basis or on an hourly basis, so long
12 as the person does not work as a teacher or an administrator
13 for compensation on more than 140 days in a school year. Such
14 re-employment does not require contributions, result in
15 service credit, or constitute active membership in the Fund.

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

25 (c-10) Until June 30, 2024, the service retirement pension
26 of a service retirement pensioner shall not be cancelled if

1 the service retirement pensioner is employed in a subject
2 shortage area and the Employer that is employing the service
3 retirement pensioner meets the following requirements:

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

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

24 An Employer of a teacher who is unable to continue
25 employment with the Employer because of documented illness,
26 injury, or disability that occurred after being hired by the

1 Employer under this subsection is exempt from the provisions
2 of paragraph (2) for 90 school days. However, the Employer
3 must on an ongoing basis comply with items (i), (ii), and (iii)
4 of paragraph (2).

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

10 (c-15) If a service retirement pension is required to be
11 canceled because the service retirement pensioner worked more
12 than the number of days allowed under this Section in any
13 school year, the service retirement pension benefit shall be
14 withheld on a pro rata basis for each day worked in excess of
15 the number of days allowed under this Section.

16 If a service retirement pensioner who only teaches drivers
17 education courses after regular school hours works more than
18 900 hours in any school year, the service retirement pension
19 benefit shall be withheld on a pro rata basis for each period
20 of 7.5 hours in excess of 900 hours.

21 (d) Notwithstanding Sections 1-103.1 and 17-157, the
22 changes to this Section made by Public Act 90-32 apply without
23 regard to whether termination of service occurred before the
24 effective date of that Act and apply retroactively to August
25 23, 1989.

26 Notwithstanding Sections 1-103.1 and 17-157, the changes

1 to this Section and Section 17-106 made by Public Act 92-599
2 apply without regard to whether termination of service
3 occurred before June 28, 2002 (the effective date of Public
4 Act 92-599).

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

9 The changes made by this amendatory Act of the 103rd
10 General Assembly are retroactive to July 1, 2020. All service
11 retirement pensioners whose service retirement pensions were
12 cancelled as a result of re-employment as a teacher pursuant
13 to this Section during the period of July 1, 2020 through the
14 effective date of this amendatory Act of the 103rd General
15 Assembly shall have their overpayments recalculated on a pro
16 rata basis consistent with the changes made by this amendatory
17 Act of the 103rd General Assembly, and the difference between
18 the initial overpayment and the recalculated overpayment shall
19 be refunded to those service retirement pensioners with
20 interest.

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

23 Section 90. The State Mandates Act is amended by adding
24 Section 8.48 as follows:

1 (30 ILCS 805/8.48 new)

2 Sec. 8.48. Exempt mandate. Notwithstanding Sections 6 and
3 8 of this Act, no reimbursement by the State is required for
4 the implementation of any mandate created by this amendatory
5 Act of the 103rd General Assembly.

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.