

AN ACT concerning public employee benefits.

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

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

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

Sec. 17-149. Cancellation of pensions.

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

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

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

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

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

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

July 1, 2019. Such re-employment does not require contributions, result in service credit, or constitute active membership in the Fund.

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

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

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

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

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

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

If the pensioner who only teaches drivers education courses after regular school hours works more than 900 hours or accepts excess gross compensation for such re-employment in any school year that begins on or after the effective date of this amendatory Act of the 99th General Assembly, the service retirement pension shall thereupon be cancelled.

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

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

(c-10) Until June 30, 2024, the service retirement pension of a service retirement pensioner shall not be cancelled if the service retirement pensioner is employed in a subject shortage area and the Employer that is employing the service retirement pensioner meets the following requirements:

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

(2) For a period of at least 90 days during the 6 months preceding the beginning of either the fall or spring term for which it seeks to employ a service retirement pensioner under this subsection, the Employer must, on an ongoing basis, (i) advertise its vacancies in the subject shortage area in employment bulletins published by college and university placement offices

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

An Employer of a teacher who is unable to continue employment with the Employer because of documented illness, injury, or disability that occurred after being hired by the Employer under this subsection is exempt from the provisions of paragraph (2) for 90 school days. However, the Employer must on an ongoing basis comply with items (i), (ii), and (iii) of paragraph (2).

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

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

Notwithstanding Sections 1-103.1 and 17-157, the changes to this Section and Section 17-106 made by Public Act 92-599 apply without regard to whether termination of service occurred before the effective date of that Act.

Public Act 102-1013

SB3465 Enrolled

LRB102 23987 RPS 33193 b

Notwithstanding Sections 1-103.1 and 17-157, the changes to this Section made by this amendatory Act of the 97th General Assembly apply without regard to whether termination of service occurred before the effective date of this amendatory Act.

(Source: P.A. 101-340, eff. 8-9-19.)

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