

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), 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) 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 and (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 the effective date of this amendatory Act of the 97th

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

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).

The Board of Education 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 the effective date of this amendatory Act of the 97th General Assembly, the service retirement pension shall thereupon be cancelled.

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

(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 ~~this amendatory Act of the 92nd General Assembly~~ apply without regard to whether termination of service occurred before the effective date of that ~~this amendatory~~ Act.

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. 92-416, eff. 8-17-01; 92-599, eff. 6-28-02.)

Section 90. The State Mandates Act is amended by adding Section 8.36 as follows:

(30 ILCS 805/8.36 new)

Sec. 8.36. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 97th General Assembly.

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