

**SB3309**



**99TH GENERAL ASSEMBLY**

**State of Illinois**

**2015 and 2016**

**SB3309**

Introduced 2/19/2016, by Sen. John J. Cullerton

**SYNOPSIS AS INTRODUCED:**

40 ILCS 5/17-149

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

Amends the Chicago Teacher Article of the Illinois Pension Code. In a provision concerning compensation limitations in the case of a service retirement pensioner who is re-employed as a teacher, provides that a 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. Effective immediately.

LRB099 20731 RPS 45374 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

**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 changing  
5 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 pension  
9 from the Fund is re-employed as a teacher by an Employer, the  
10 pension shall be cancelled on the date the re-employment  
11 begins, or on the first day of a payroll period for which  
12 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), the pension shall not be  
20 cancelled in the case of a service retirement pensioner who is  
21 re-employed on a temporary and non-annual basis or on an hourly  
22 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 at  
13 a rate and under conditions other than those in force or  
14 attained at the time of his previous retirement.

15 (c-5) The service retirement pension shall not be cancelled  
16 in the case of a service retirement pensioner who is  
17 re-employed as a teacher on a temporary and non-annual basis or  
18 on an hourly basis, so long as the person (1) does not work as a  
19 teacher for compensation on more than 100 days in a school year  
20 or (2) does not accept gross compensation for the re-employment  
21 in a school year in excess of (i) \$30,000 or (ii) in the case of  
22 a person who retires with at least 5 years of service as a  
23 principal, an amount that is equal to the daily rate normally  
24 paid to retired principals multiplied by 100. These limitations  
25 apply only to school years that begin on or after August 8,  
26 2012 (the effective date of Public Act 97-912) ~~this amendatory~~

1 ~~Act of the 97th General Assembly~~. Such re-employment does not  
2 require contributions, result in service credit, or constitute  
3 active membership in the Fund.

4 Notwithstanding the 100-day limit set forth in item (1) of  
5 this subsection (c-5), the service retirement pension shall not  
6 be cancelled in the case of a service retirement pensioner who  
7 teaches only driver education courses after regular school  
8 hours and does not teach any other subject area, so long as the  
9 person does not work as a teacher for compensation for more  
10 than 900 hours in a school year. The \$30,000 limit set forth in  
11 subitem (i) of item (2) of this subsection (c-5) shall apply to  
12 a service retirement pensioner who teaches only driver  
13 education courses after regular school hours and does not teach  
14 any other subject area.

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

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

26 If the pensioner works more than 100 days or accepts excess

1 gross compensation for such re-employment in any school year  
2 that begins on or after August 8, 2012 (the effective date of  
3 Public Act 97-912) ~~this amendatory Act of the 97th General~~  
4 ~~Assembly~~, the service retirement pension shall thereupon be  
5 cancelled.

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

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

14 (d) Notwithstanding Sections 1-103.1 and 17-157, the  
15 changes to this Section made by Public Act 90-32 apply without  
16 regard to whether termination of service occurred before the  
17 effective date of that Act and apply retroactively to August  
18 23, 1989.

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

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

1 (Source: P.A. 99-176, eff. 7-29-15.)

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