



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB2147

Introduced 2/7/2023, by Rep. Janet Yang Rohr and Dan Caulkins

SYNOPSIS AS INTRODUCED:

40 ILCS 5/16-118	from Ch. 108 1/2, par. 16-118
40 ILCS 5/16-127	from Ch. 108 1/2, par. 16-127
40 ILCS 5/20-109	from Ch. 108 1/2, par. 20-109
30 ILCS 805/8.47 new	

Amends the Illinois Pension Code. In the Downstate Teacher Article: provides that through June 30, 2026 (instead of June 30, 2023), an annuitant may accept employment as a teacher without impairing his or her retirement status if that employment is not within the school year during which service was terminated and does not exceed 120 paid days or 600 paid hours in each school year; deletes language concerning an additional 20 days or 100 paid hours that an annuitant may accept employment as a teacher without impairing his or her retirement status for the period between July 1, 2021 and June 30, 2022; and provides that a person may receive optional credit for certain periods of service as a student teacher. Makes conforming changes. Amends the Retirement Systems Reciprocal Act (Article 20) of the Code. In the definition of "pension credit", provides that the one-year limitation does not apply to persons who acquire credit as a substitute teacher covered under the Downstate Teacher Article and reach retirement eligibility under the Illinois Municipal Retirement Fund (IMRF) Article. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB103 25501 RPS 51850 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 Sections 16-118, 16-127, and 20-109 as follows:

6 (40 ILCS 5/16-118) (from Ch. 108 1/2, par. 16-118)

7 Sec. 16-118. Retirement. "Retirement": Entry upon a
8 retirement annuity or receipt of a single-sum retirement
9 benefit granted under this Article after termination of active
10 service as a teacher.

11 (a) An annuitant receiving a retirement annuity other than
12 a disability retirement annuity may accept employment as a
13 teacher from a school board or other employer specified in
14 Section 16-106 without impairing retirement status, if that
15 employment:

16 (1) is not within the school year during which service
17 was terminated; and

18 (2) does not exceed the following:

19 (i) before July 1, 2001, 100 paid days or 500 paid
20 hours in any school year;

21 (ii) during the period beginning July 1, 2001
22 through June 30, 2011, 120 paid days or 600 paid hours
23 in each school year;

1 (iii) during the period beginning July 1, 2011
2 through June 30, 2018, 100 paid days or 500 paid hours
3 in each school year;

4 (iv) beginning July 1, 2018 through June 30, 2026
5 ~~2023~~, 120 paid days or 600 paid hours in each school
6 year, but not more than 100 paid days in the same
7 classroom;

8 (v) (blank); and ~~during the period between July 1,~~
9 ~~2021 and June 30, 2022, an additional 20 paid days or~~
10 ~~100 paid hours shall be added to item (iv) of this~~
11 ~~paragraph (2) to assist with addressing the substitute~~
12 ~~teacher shortage that has been exacerbated by the~~
13 ~~ongoing global pandemic; and~~

14 (vi) beginning July 1, 2026 ~~2023~~, 100 paid days or
15 500 paid hours in each school year.

16 Where such permitted employment is partly on a daily and
17 partly on an hourly basis, a day shall be considered as 5
18 hours.

19 (b) Subsection (a) does not apply to an annuitant who
20 returns to teaching under the program established in Section
21 16-150.1, for the duration of his or her participation in that
22 program.

23 (Source: P.A. 101-645, eff. 6-26-20; 102-537, eff. 8-20-21;
24 102-709, eff. 4-22-22.)

1 Sec. 16-127. Computation of creditable service.

2 (a) Each member shall receive regular credit for all
3 service as a teacher from the date membership begins, for
4 which satisfactory evidence is supplied and all contributions
5 have been paid.

6 (b) The following periods of service shall earn optional
7 credit and each member shall receive credit for all such
8 service for which satisfactory evidence is supplied and all
9 contributions have been paid as of the date specified:

10 (1) Prior service as a teacher.

11 (2) Service in a capacity essentially similar or
12 equivalent to that of a teacher, in the public common
13 schools in school districts in this State not included
14 within the provisions of this System, or of any other
15 State, territory, dependency or possession of the United
16 States, or in schools operated by or under the auspices of
17 the United States, or under the auspices of any agency or
18 department of any other State, and service during any
19 period of professional speech correction or special
20 education experience for a public agency within this State
21 or any other State, territory, dependency or possession of
22 the United States, and service prior to February 1, 1951
23 as a recreation worker for the Illinois Department of
24 Public Safety, for a period not exceeding the lesser of
25 $2/5$ of the total creditable service of the member or 10
26 years. The maximum service of 10 years which is allowable

1 under this paragraph shall be reduced by the service
2 credit which is validated by other retirement systems
3 under paragraph (i) of Section 15-113 and paragraph 1 of
4 Section 17-133. Credit granted under this paragraph may
5 not be used in determination of a retirement annuity or
6 disability benefits unless the member has at least 5 years
7 of creditable service earned subsequent to this employment
8 with one or more of the following systems: Teachers'
9 Retirement System of the State of Illinois, State
10 Universities Retirement System, and the Public School
11 Teachers' Pension and Retirement Fund of Chicago. Whenever
12 such service credit exceeds the maximum allowed for all
13 purposes of this Article, the first service rendered in
14 point of time shall be considered. The changes to this
15 subdivision (b) (2) made by Public Act 86-272 shall apply
16 not only to persons who on or after its effective date
17 (August 23, 1989) are in service as a teacher under the
18 System, but also to persons whose status as such a teacher
19 terminated prior to such effective date, whether or not
20 such person is an annuitant on that date.

21 (3) Any periods immediately following teaching
22 service, under this System or under Article 17, (or
23 immediately following service prior to February 1, 1951 as
24 a recreation worker for the Illinois Department of Public
25 Safety) spent in active service with the military forces
26 of the United States; periods spent in educational

1 programs that prepare for return to teaching sponsored by
2 the federal government following such active military
3 service; if a teacher returns to teaching service within
4 one calendar year after discharge or after the completion
5 of the educational program, a further period, not
6 exceeding one calendar year, between time spent in
7 military service or in such educational programs and the
8 return to employment as a teacher under this System; and a
9 period of up to 2 years of active military service not
10 immediately following employment as a teacher.

11 The changes to this Section and Section 16-128
12 relating to military service made by P.A. 87-794 shall
13 apply not only to persons who on or after its effective
14 date are in service as a teacher under the System, but also
15 to persons whose status as a teacher terminated prior to
16 that date, whether or not the person is an annuitant on
17 that date. In the case of an annuitant who applies for
18 credit allowable under this Section for a period of
19 military service that did not immediately follow
20 employment, and who has made the required contributions
21 for such credit, the annuity shall be recalculated to
22 include the additional service credit, with the increase
23 taking effect on the date the System received written
24 notification of the annuitant's intent to purchase the
25 credit, if payment of all the required contributions is
26 made within 60 days of such notice, or else on the first

1 annuity payment date following the date of payment of the
2 required contributions. In calculating the automatic
3 annual increase for an annuity that has been recalculated
4 under this Section, the increase attributable to the
5 additional service allowable under P.A. 87-794 shall be
6 included in the calculation of automatic annual increases
7 accruing after the effective date of the recalculation.

8 Credit for military service shall be determined as
9 follows: if entry occurs during the months of July,
10 August, or September and the member was a teacher at the
11 end of the immediately preceding school term, credit shall
12 be granted from July 1 of the year in which he or she
13 entered service; if entry occurs during the school term
14 and the teacher was in teaching service at the beginning
15 of the school term, credit shall be granted from July 1 of
16 such year. In all other cases where credit for military
17 service is allowed, credit shall be granted from the date
18 of entry into the service.

19 The total period of military service for which credit
20 is granted shall not exceed 5 years for any member unless
21 the service: (A) is validated before July 1, 1964, and (B)
22 does not extend beyond July 1, 1963. Credit for military
23 service shall be granted under this Section only if not
24 more than 5 years of the military service for which credit
25 is granted under this Section is used by the member to
26 qualify for a military retirement allotment from any

1 branch of the armed forces of the United States. The
2 changes to this subdivision (b)(3) made by Public Act
3 86-272 shall apply not only to persons who on or after its
4 effective date (August 23, 1989) are in service as a
5 teacher under the System, but also to persons whose status
6 as such a teacher terminated prior to such effective date,
7 whether or not such person is an annuitant on that date.

8 (4) Any periods served as a member of the General
9 Assembly.

10 (5) (i) Any periods for which a teacher, as defined in
11 Section 16-106, is granted a leave of absence, provided he
12 or she returns to teaching service creditable under this
13 System or the State Universities Retirement System
14 following the leave; (ii) periods during which a teacher
15 is involuntarily laid off from teaching, provided he or
16 she returns to teaching following the lay-off; (iii)
17 periods prior to July 1, 1983 during which a teacher
18 ceased covered employment due to pregnancy, provided that
19 the teacher returned to teaching service creditable under
20 this System or the State Universities Retirement System
21 following the pregnancy and submits evidence satisfactory
22 to the Board documenting that the employment ceased due to
23 pregnancy; and (iv) periods prior to July 1, 1983 during
24 which a teacher ceased covered employment for the purpose
25 of adopting an infant under 3 years of age or caring for a
26 newly adopted infant under 3 years of age, provided that

1 the teacher returned to teaching service creditable under
2 this System or the State Universities Retirement System
3 following the adoption and submits evidence satisfactory
4 to the Board documenting that the employment ceased for
5 the purpose of adopting an infant under 3 years of age or
6 caring for a newly adopted infant under 3 years of age.
7 However, total credit under this paragraph (5) may not
8 exceed 3 years.

9 Any qualified member or annuitant may apply for credit
10 under item (iii) or (iv) of this paragraph (5) without
11 regard to whether service was terminated before the
12 effective date of this amendatory Act of 1997. In the case
13 of an annuitant who establishes credit under item (iii) or
14 (iv), the annuity shall be recalculated to include the
15 additional service credit. The increase in annuity shall
16 take effect on the date the System receives written
17 notification of the annuitant's intent to purchase the
18 credit, if the required evidence is submitted and the
19 required contribution paid within 60 days of that
20 notification, otherwise on the first annuity payment date
21 following the System's receipt of the required evidence
22 and contribution. The increase in an annuity recalculated
23 under this provision shall be included in the calculation
24 of automatic annual increases in the annuity accruing
25 after the effective date of the recalculation.

26 Optional credit may be purchased under this subsection

1 (b) (5) for periods during which a teacher has been granted
2 a leave of absence pursuant to Section 24-13 of the School
3 Code. A teacher whose service under this Article
4 terminated prior to the effective date of P.A. 86-1488
5 shall be eligible to purchase such optional credit. If a
6 teacher who purchases this optional credit is already
7 receiving a retirement annuity under this Article, the
8 annuity shall be recalculated as if the annuitant had
9 applied for the leave of absence credit at the time of
10 retirement. The difference between the entitled annuity
11 and the actual annuity shall be credited to the purchase
12 of the optional credit. The remainder of the purchase cost
13 of the optional credit shall be paid on or before April 1,
14 1992.

15 The change in this paragraph made by Public Act 86-273
16 shall be applicable to teachers who retire after June 1,
17 1989, as well as to teachers who are in service on that
18 date.

19 (6) Any days of unused and uncompensated accumulated
20 sick leave earned by a teacher. The service credit granted
21 under this paragraph shall be the ratio of the number of
22 unused and uncompensated accumulated sick leave days to
23 170 days, subject to a maximum of 2 years of service
24 credit. Prior to the member's retirement, each former
25 employer shall certify to the System the number of unused
26 and uncompensated accumulated sick leave days credited to

1 the member at the time of termination of service. The
2 period of unused sick leave shall not be considered in
3 determining the effective date of retirement. A member is
4 not required to make contributions in order to obtain
5 service credit for unused sick leave.

6 Credit for sick leave shall, at retirement, be granted
7 by the System for any retiring regional or assistant
8 regional superintendent of schools at the rate of 6 days
9 per year of creditable service or portion thereof
10 established while serving as such superintendent or
11 assistant superintendent.

12 (7) Periods prior to February 1, 1987 served as an
13 employee of the Illinois Mathematics and Science Academy
14 for which credit has not been terminated under Section
15 15-113.9 of this Code.

16 (8) Service as a substitute teacher for work performed
17 prior to July 1, 1990.

18 (9) Service as a part-time teacher for work performed
19 prior to July 1, 1990.

20 (10) Up to 2 years of employment with Southern
21 Illinois University - Carbondale from September 1, 1959 to
22 August 31, 1961, or with Governors State University from
23 September 1, 1972 to August 31, 1974, for which the
24 teacher has no credit under Article 15. To receive credit
25 under this item (10), a teacher must apply in writing to
26 the Board and pay the required contributions before May 1,

1 1993 and have at least 12 years of service credit under
2 this Article.

3 (11) Periods of service as a student teacher as
4 described in Section 24-8.5 of the School Code for which
5 the student teacher received a salary.

6 (b-1) A member may establish optional credit for up to 2
7 years of service as a teacher or administrator employed by a
8 private school recognized by the Illinois State Board of
9 Education, provided that the teacher (i) was certified under
10 the law governing the certification of teachers at the time
11 the service was rendered, (ii) applies in writing on or before
12 June 30, 2023, (iii) supplies satisfactory evidence of the
13 employment, (iv) completes at least 10 years of contributing
14 service as a teacher as defined in Section 16-106, and (v) pays
15 the contribution required in subsection (d-5) of Section
16 16-128. The member may apply for credit under this subsection
17 and pay the required contribution before completing the 10
18 years of contributing service required under item (iv), but
19 the credit may not be used until the item (iv) contributing
20 service requirement has been met.

21 (c) The service credits specified in this Section shall be
22 granted only if: (1) such service credits are not used for
23 credit in any other statutory tax-supported public employee
24 retirement system other than the federal Social Security
25 program; and (2) the member makes the required contributions
26 as specified in Section 16-128. Except as provided in

1 subsection (b-1) of this Section, the service credit shall be
2 effective as of the date the required contributions are
3 completed.

4 Any service credits granted under this Section shall
5 terminate upon cessation of membership for any cause.

6 Credit may not be granted under this Section covering any
7 period for which an age retirement or disability retirement
8 allowance has been paid.

9 Credit may not be granted under this Section for service
10 as an employee of an entity that provides substitute teaching
11 services under Section 2-3.173 of the School Code and is not a
12 school district.

13 (Source: P.A. 102-525, eff. 8-20-21.)

14 (40 ILCS 5/20-109) (from Ch. 108 1/2, par. 20-109)

15 Sec. 20-109. "Pension credit": Credit or equities acquired
16 by an employee in the form of contributions, earnings or
17 service as defined under the law governing each of the systems
18 in which he has credits or equities, except credits and
19 equities (1) of less than one year in any one system, except
20 that this one-year limitation shall not apply to (A) employees
21 who transfer or are transferred, as a class, from one
22 participating system to another or who are persons to whom
23 Section 14-108.2a or 14-108.2b applies, ~~or~~ (B) persons who
24 move from participation with a school district as a teacher
25 aide under Article 7 to participation under Article 16, or (C)

1 persons who acquire credit as a substitute teacher covered
2 under Article 16 and reach retirement eligibility under
3 Article 7; or (2) which have previously been forfeited by
4 acceptance of a refund or which have been applied towards a
5 retirement annuity and have not been reestablished in
6 accordance with the law governing the system from which the
7 refund or retirement annuity had been received. If a
8 retirement system provides no refund of contributions, the
9 pension credit in the case of any employee who has
10 participated in that system shall be considered effective for
11 the purposes of this Article.

12 (Source: P.A. 94-834, eff. 6-6-06.)

13 Section 90. The State Mandates Act is amended by adding
14 Section 8.47 as follows:

15 (30 ILCS 805/8.47 new)

16 Sec. 8.47. Exempt mandate. Notwithstanding Sections 6 and
17 8 of this Act, no reimbursement by the State is required for
18 the implementation of any mandate created by this amendatory
19 Act of the 103rd General Assembly.

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