

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

101ST GENERAL ASSEMBLY

BILL NO: HB 3858

November 25, 2019

SPONSOR (S): Skillicorn

SYSTEM(S): TRS

FISCAL IMPACT: HB 3858 provides that substitute teachers are no longer required to participate in TRS as a condition of employment. TRS currently records 27,000 members who are classified as substitute teachers. However, TRS is unable to predict the impact of fewer people contributing to the system as the number of substitute teachers who would cease participation is unknown.

SUBJECT MATTER: HB 3858 amends the Downstate Teacher Article of the Illinois Pension Code. The bill provides that substitute teachers are no longer required to participate in the System as a condition of employment.

COMMENT: Under the current law, all teachers covered under the TRS article of the Pension Code are required to participate in the System as a condition of employment. This membership shall continue until the date a member becomes an annuitant, dies, accepts a retirement benefit, accepts a refund, or forfeits the right to a refund.

HB 3858 amends the Downstate Teacher Article of the Illinois Pension Code by adding a provision that substitute teachers are no longer required to participate in the System as a condition of employment. Under this bill, an active substitute teacher may terminate his or her membership in the System by notifying the System in writing. Termination of membership would result in a refund of contributions minus benefits received prior to termination of membership.

DA:bs

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