



TRS Rules Expiring on July 1

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Due to inaction by the Illinois General Assembly in the most recent legislative session, two important Teachers' Retirement System (TRS) rules are set to expire on July 1 of this year.

First, the post-employment work restrictions for TRS annuitants are set to revert back to previous levels. Retired TRS annuitants are currently permitted to work up to 120 days or 600 hours in a TRS-covered position. If an annuitant exceeds these limitations, then TRS must be notified, the annuitant's pension will be suspended, the annuitant will re-enter active contributing membership with TRS, and the annuitant's pension may be recalculated. The 120 day / 600 hour rule is a temporary rule that would have been extended by Senate Bill 2279, but the bill did not pass in this legislative session. Therefore, beginning on July 1, 2011, the 120 day / 600 hour restriction will revert back to the original statutory limitation of 100 days or 500 hours. As a result, all school districts should closely review their work arrangements with any TRS annuitants to ensure that the lower day and hour limitations are not exceeded (in any period of July 1 to June 30) after July 1.

Second, a number of temporary exemptions from TRS salary increase penalties are set to expire. Most importantly, salary increases related to certain promotions, overload work, summer school work, and payments from the State of Illinois or ISBE over which the school district does not have discretion are currently exempt from TRS salary increase penalties. However, all of these exemptions are temporary in two respects: (1) the exemptions apply only with respect to contracts or collective bargaining agreements entered into before July 1, 2011, and (2) even for contracts or collective bargaining agreements entered into before July 1, 2011, the exemptions only apply until July 1, 2014, at the latest. These temporary exemptions would have been extended by Senate Bill 2187, but the bill did not pass in this legislative session. Therefore, for any new contracts or collective bargaining agreements entered into on or after July 1, 2011, these temporary exemptions from TRS salary increase penalties will no longer apply at all.

Employers should review their contracts and collective bargaining agreements to determine where such exemptions are currently being utilized, and where penalty exposure may exist in the future.

More Information

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