A CTPF retiree may decide to return to work as a teacher, but there are some rules to be aware of to avoid a pension suspension, cancellation, and possible benefit overpayment. Returning to work on a permanent, annual basis will generally result in your pension being immediately canceled, to resume only upon re-retirement.

A retiree can return to work as a teacher on a temporary and non-annual basis without affecting their pension and, if applicable, health insurance subsidy for that fiscal/school year (July 1 – June 30). However, retirees are restricted as to how many days during each fiscal/school year they can work for a Chicago Public, charter or contract school (Employer). A retiree may go to work for any entity other than an Employer without restriction. However, reciprocal retirees must meet all return to work requirements from each reciprocal retirement system.

Serious financial consequences can occur (including the loss and/or required repayment of your pension and, if applicable, health insurance subsidy for that fiscal/school year) when limitations are exceeded. You must notify CTPF in writing before beginning employment with an Employer.

Who is Impacted
A “teacher” is defined as any educational, administrative, professional, or other staff member whose position requires certification or licensure under the Illinois School Code.

All managerial, supervisory, confidential employees, at contract schools are excluded from the definition of teacher. If you are unsure if a job you are considering falls under this definition, you may submit a job description to CTPF for review prior to accepting the position.

Definition of Day
A retiree will be considered to have worked a “day” for return to work purposes, if the employer reports the retiree as having worked for one hour or more during a calendar day. However, a “day” shall not include an “in service” day that the retiree must attend in order to qualify as a substitute.

Note: This definition of a “day” does not affect the accumulation and tracking of hours worked teaching only drivers education courses—i.e. any portion of an hour worked counts toward the “no more than 900 hours” limitation.

RETURN TO WORK LIMITS

1. Permanent or Annual Re-Employment
A retiree may go to work for any entity other than an Employer without restriction. However, reciprocal retirees must meet all return to work requirements from each reciprocal retirement system. If a retiree is re-employed on a permanent or annual basis by an Employer (except possible exception for subject shortage areas, see below) the pension will generally be canceled 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.

Example 1
A retiree accepts a full-time teaching position with the Chicago Board of Education and works for 115 days before terminating employment. The retiree’s pension will be canceled because the re-employment was permanent in nature.

Example 2
A retiree accepts a full-time paraprofessional position at a Chicago charter school and works for 70 days before terminating employment. The retiree’s pension will immediately be canceled because the re-employment was permanent in nature.

2. Temporary and Non-Annual Employment
A retiree may work for one or more Employer(s) without having his or her pension canceled, if the employment is temporary and non-annual, or on an hourly basis, so long as the following limitations are not exceeded:

A. Days/Hours Worked Limit
A retiree who returns to work on a temporary and non-annual basis is limited to working for an Employer on no more than 140 days per school year for the time period of July 1, 2022 – June 30, 2024, only. (The limit was 120 days prior to July 1, 2022.)

Example 1
A retiree who teaches ONLY drivers education courses, is limited to working no more than 900 hours in a year.

Example 2
A retiree who returns to work to teach drivers education courses and teaches as a day-for-day substitute teacher has worked on 141 days in a year. The retiree’s pension will be canceled because the retiree does not exclusively teach drivers education courses after regular school hours and the total number of days worked is more than 140.

Example 2
A retiree who returns to work for an Employer as school psychologist and works 141 days during the 2022/2023 school year. The retiree’s pension will be canceled because the total number of days worked is more than 140.

B. Compensation Limit
Effective July 1, 2022, compensation limits have been eliminated. Prior to July 1, 2022, the compensation limit was $30,000 or the daily rate normally paid to retired principals multiplied by 100 for individuals who retired with at least 5 years of service as a principal.
NOTIFICATION PROCESS WHEN LIMITS EXCEEDED

If CTPF receives notice from the Employer(s) that a retiree has exceeded the days-worked limit and/or the compensation limit, CTPF will proceed as follows:

A. Cancellation Notice to Retiree
CTPF will notify the retiree that information was received indicating that a retiree's employment is in excess of the statutory limit, and that his or her pension benefits and health insurance subsidy (if applicable) are subject to cancellation retroactive to the date the limit was exceeded. CTPF will determine if the retiree exceeds the return to work limitations by the certified payroll records received from the Employer.

B. Administrative Hearing
Prior to the cancellation of a pension, the retiree will have the opportunity to request an administrative hearing. The hearing will determine if the re-employment exceeded the re-employment limit and/or the compensation limit.

C. Cancellation and Repayment
If the Board of Trustees determines that the time worked or compensation earned was in excess of the limitations, the retiree’s pension benefits and health insurance subsidy (as applicable) will be canceled retroactive to the date the limit was exceeded. The retiree will be obligated to repay all pension benefits and health insurance subsidies received from the date the limit was exceeded. IT IS THE RETIREE’S SOLE RESPONSIBILITY TO INDEPENDENTLY TRACK ALL TIME WORKED AND COMPENSATION EARNED DURING RE-EMPLOYMENT.

The retiree shall have the right to offset any amount owed to CTPF against future pension benefit payments. The offset shall be deducted at a rate not to exceed 15% of the gross monthly pension benefit payments until CTPF is repaid in full.

DISCLAIMER

This fact sheet contains a summary of section 5/17-149 of the Pension Code and the Board-established rules for administration of the statute. This is not a legal reference or a complete statement of the laws or administrative rules of the Chicago Teachers’ Pension Fund. If there is any conflict between this information and Illinois laws or administrative rules, the laws and administrative rules shall control.

The interpretation and application by CTPF of specific laws and rules in a given case depends on the facts of each case and other applicable laws, rules, and court decisions. The complete text of Public Act 101-0340 can be found at www.ctpf.org.