

I. RETURN TO WORK LIMITS

The Illinois Pension Code limits the number of days a retiree can work and the amount of compensation a retiree can earn when returning to work in an ISBE licensed/certified position for the Chicago Board of Education or a charter school (Employer) while receiving a pension from CTPF.

The CTPF Board of Trustees adopted rules for the implementation and administration of the statutory limitations on retirees returning to work for one or more Employer(s). All contributors, as defined by Section 17-106 of the Illinois Pension Code, including, but not limited to members of the teaching force and Administrators, are subject to the return to work limitations.

A. Permanent Re-Employment

A retiree may go to work for any entity other than an Employer without restriction. However, if a retiree is re-employed on a permanent or annual basis by an Employer, the pension shall be cancelled 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 95 days before terminating employment. The retiree's pension **WILL** be cancelled 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** be cancelled because the re-employment was permanent in nature.

B. Temporary and Non-Annual Employment

A retiree may return or go to work for one or more Employer(s) without having his or her pension cancelled, if the employment is temporary and non-annual, or on an hourly basis, so long as the following limitations are not exceeded:

1. Employment Limit

A retiree is limited to working no more than 100 days in a year for an Employer(s). This includes retirees who are employees of third party contractors, of an employment agency, or of any other vendor who are licensed/certified and who contract with the Board of Education or a Chicago charter school to provide services in a position that requires an ISBE license/certificate. Also included are retiree's with a contract or agreement that characterizes the retiree as an independent contractor.

A retiree who teaches only drivers education courses after regular school hours is limited to working no more than 900 hours in a year. A year is July 1 – June 30.

Example 1

A retiree who teaches drivers education courses and teaches as a day-for-day substitute teacher has worked on 116 days in a year. The retiree's pension **WILL** be cancelled because the retiree does not exclusively teach drivers education courses after regular school hours and the total number of days worked is more than 100 days in the year.

Example 2

A retiree who is a school psychologist for the Board of Education or a Chicago charter school, and is an employee of a third party contractor, has worked 102 days in a year. The retiree's pension **WILL** be cancelled because the total number of days worked is more than 100 days in the year.

2. Compensation Limit

The retiree must not earn more than \$30,000 gross compensation from the Employer(s) in a year. A year is July 1 – June 30. In the case of a person who retires with at least 5 years of service as an Administrator, the limit is \$50,000 in a year. The gross compensation limit applies to all retirees, including retirees who teach only drivers education courses after regular school hours.

Example 1

A retiree has worked on less than 100 days in a year. The total amount of gross compensation earned was \$32,000. The retiree's pension **WILL** be cancelled because the amount of compensation exceeded the \$30,000 limit.

Example 2

A retiree had 4.5 years of active service as a principal. The total amount of gross compensation earned was \$45,000. The retiree has worked less than 100 days. The retiree's pension **WILL** be cancelled because the \$30,000 gross compensation limit has been exceeded and the retiree did not have 5 years of active service as an Administrator.

Example 3

A retiree who teaches drivers education courses after regular school hours has worked 890 hours in a year. The total gross compensation earned was \$32,000. The retiree's pension **WILL** be cancelled because the amount of compensation exceeded the \$30,000 limit.

3. Retiree's Obligation to Notify CTPF

A retiree who intends to return to work must notify his or her Employer(s) and CTPF before re-employment begins.

CTPF notification is made by filing CTPF Form 770 for temporary and non-annual employment, or filing CTPF Form 773 for permanent or annual re-employment. The Employer(s) will establish its own notification process and retirees are responsible for completing those requirements.

II. TEMPORARY AND NON-ANNUAL EMPLOYMENT PROCEDURES

If CTPF receives notice from the Employer(s) that a retiree has exceeded the re-employment limit and/or the compensation limit, CTPF will:

A. Cancellation Notice to Retiree

CTPF will notify the retiree that information was received indicating that a retiree's employment may be 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 cancelled 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 25% of the gross monthly pension benefit payments until CTPF is repaid in full.

III. DISCLAIMER

This fact sheet contains a summary of Public Act 97-0912 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 prevail.

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 97-0912 can be found at www.ctpf.org.