

Questions and Answers about the Two-Tier Pension Law (P.A. 96-0889)

Question: *I am a current active/retired IEA member and I have heard a lot about the two-tier pension bill. Does the law impact me?*

Answer: The two-tier law clearly does not impact you in any retirement system in which you are currently a member or from which you have retired. Below are additional questions to help clarify additional questions that we have received.

Question: *If I work in a position covered under Illinois Municipal Retirement Fund (IMRF) but then move to a position covered by the Teachers' Retirement System (TRS) after the effective date of the law on January 1, 2011, will I be covered under the old benefits, or the new set of reduced pension benefits?*

Answer: Based on discussions with legislative staff, the retirement systems are taking the pro-member position that if a person establishes service credit in any of the reciprocal systems prior to January 1, 2011, leaves that system and establishes credit in a second system after January 1, 2011, that they are entitled to the benefits under the second system that were in effect prior to January 1, 2011. While this position benefits our members, we caution that this position is not clearly supported by either statutory or case law.

Question: *If I am unemployed as a result of an employment termination, involuntary layoff or reduction in force (RIF) and I return to work after the effective date of the new pension law, will I be under the new or old pension benefits?*

Answer: If you have one day of service in a retirement system before the effective date of the law (January 1, 2011) and return to work in a job covered by the same retirement system, you are entitled for the entirety of your career to the same pension benefits that you were promised the day you first became a participant in that retirement system.

Question: *I am retired or I am an active member that wants to substitute teach. Will I now be unable to substitute teach?*

Answer: You can still substitute teach under the same rules that you retired under. Active teachers that will move into retirement will also be able to substitute teach. Additionally, TRS believes that the members that enter into the new-tier of benefits will also be able to substitute teach upon retirement without having their annuity impaired.

Question: *I am in IMRF and would like to return to work without having my annuity impaired. How does the new law prohibit me from returning to work on a part-time basis?*

Answer: The law does not impact your ability to return to work on a part-time basis.

Question: *Does the current law prevent me from receiving a pension and returning to work in a different public sector position that is covered by another retirement system or fund?*

Answer: The law does not prevent a retiree or current active that will retire under the current benefits from earning a pension in another pension system or fund while receiving an annuity from another pension system or fund.

For additional information regarding the two-tier pension law, please go to www.trs.illinois.gov, www.surs.org, and/ or www.imrf.org.”

6/7/10