

Chapter Ten: Post-Retirement Matters

Collecting contributions from employees who are TRS annuitants

On the pay-period contribution report, report retired teachers as contribution category of 99-Retired. The time an annuitant worked will be reported in hours. Do not remit TRS or THIS Fund contributions for TRS annuitants unless TRS post-retirement employment limitations are exceeded or the annuitant returns to service during the same school year in which he or she last contributed to TRS.

Eligibility for a TRS retirement annuity (80 IL Administrative Code 1650.511)

To be eligible for a TRS retirement annuity, the Illinois Pension Code requires members to terminate active service. To satisfy the termination of service requirement, the retiring member must comply with the following guidelines:

- The member must formally resign from his or her teaching position.
- The member must wait at least 30 calendar days from the date of resignation before performing any duties requiring teacher licensure for the same employer.
- The member cannot prearrange post-retirement employment with the same employer prior to the effective date of retirement.

Designations such as “temporary,” “interim,” and “independent contractor” will not suffice to establish termination of active service if the continued employment is with the same employer.

Annuitants who have established termination of service may not return to post-retirement teaching in the same school year they last contributed to TRS.

Once pension eligibility is established, annuitants must comply with post-retirement employment limitations.

Employment limitations for TRS Tier 1 annuitants (80 IL Administrative Code 1650.511)

When annuitants return to teaching and are receiving a TRS retirement annuity, certain restrictions apply regarding from whom annuitants may accept employment, the type of position in which they may be employed, and the number of days and hours they may work.

Employment limitation

TRS annuitants may be employed in any positions that are not TRS-covered positions without limitation. For example, an annuitant may be employed by any college, university or private school. In addition, he or she may be employed by a TRS-covered employer in a position not covered by TRS without limitation. For example, an annuitant may be employed as a bus driver for any number of days or hours.

An annuitant who relinquishes his or her teaching license and continues in the same position must adhere to the termination of service requirements and to the post-retirement limitations.



An annuitant whose pre-retirement job no longer requires teacher licensure due to a change in job title or a minor change in job duties is subject to the termination of service requirements and the post-retirement limitations.

Once members are retired, they may not resume employment in a TRS-covered position, including substitute and summer school teaching, in the same school year in which they last contributed to TRS. The school year is July 1 through June 30. Therefore, if a member retires during the school year, the member may teach summer school following retirement only if his or her first day of teaching is after June 30.

If a member waited to attain a certain age in order to retire, he/she cannot return to TRS-covered employment until the day following the retirement date. For example, a member's last day of work is June 2, 2021. He turns 55 on September 20, 2021, and his retirement annuity commences on that day. The annuitant cannot return to TRS-covered employment until September 21, 2021.

For questions regarding the termination of service requirements and/or post-retirement limitations, contact the Employer Services Department at (888) 678-3675 or via email at employers@trsill.org.

120 days/600 hours limitation

Following the school year in which a member last contributed to TRS, an annuitant may be employed in a TRS-covered position for up to 120 paid days or 600 paid hours per school year and still receive a retirement annuity. **The 120 days/600 hours limit is in effect through June 30, 2023.**

For post-retirement employment purposes, the Illinois Pension Code equates one full day with five hours. An annuitant's time worked must be reported in hours. Each full day (five or more hours) would be counted as five hours, even if the annuitant actually worked more than five hours on that date. For partial days, the actual number of clock hours worked would be counted. For example if an annuitant worked on two days during a given week, three hours on Tuesday and seven hours on Thursday, a total of eight hours (three for Tuesday and five for Thursday) would be counted toward the 600 hours limitation. TRS recommends that each annuitant maintain a record of his or her time worked.

Only work that requires teacher licensure is subject to the days or hours post-retirement employment limitation. This work includes:

- summer school,
- substitute teaching and
- attendance during the work week at teachers' institutes, workshops and parent/teacher conferences scheduled in the school calendar.

All time that a teacher or administrator is required to be present for duties requiring teacher licensure is subject to the limitation. For teachers, this includes preparation periods and time before, between, and after classes. For administrators, this includes all time that is required to be spent on administrative duties, such as attendance at board meetings and contract negotiations. Paid sick, personal, and vacation days are subject to the post-retirement employment limitation.

Extra duties that do not require teacher licensure (e.g., coaching, lunchroom supervision, chaperoning) should not be reported and are not subject to the 120 days or 600 hours post-retirement employment limitation.



Retiree Return to Work in Subject Shortage Area

To help alleviate the classroom teacher shortage problem in Illinois, a law that allows retired TRS members to teach for a full school year in districts declared to be subject shortage areas has been extended until 2024. Under the law, which was set to expire in 2019, retired teachers who go back to these designated districts are not subject to “return-to-work” restrictions imposed on other retirees. The regional superintendent must designate the employment to be in a subject shortage area in order for a retiree to be able to return to work without limitation. For additional information, refer to [Employer Bulletin FY22-11](#).

Exceeding the limitations

In the Employer Packet, employers will receive a report detailing the total number of hours an annuitant worked, including the hours worked for all TRS-covered employers. In addition, employers will receive an edit on their pay-period contribution reports when an annuitant is close to reaching the post-retirement limits and another edit if the annuitant has exceeded the limits.

If an annuitant exceeds the post-retirement employment limitations after retiring for one complete school year, the:

- retirement annuity will be suspended;
- annuitant will re-enter active membership effective with the next pay-period contribution report;
- employer must remit TRS contributions on all creditable earnings on the pay-period monthly contribution report following the report in which the post-retirement employment limitations were exceeded; and
- member’s insurance will be cancelled effective the 1st of the month following re-entry into active service.

There are two circumstances in which an annuitant will be required to repay all annuity payments in full from the date of retirement:

- if teaching is resumed in the same school year in which the annuitant last contributed, or
- if the annuitant exceeds employment limitations in the first school year following retirement.

Special consequences apply if an annuitant exceeds the employment limitations following a teacher’s retirement under any 5&5 Early Retirement Incentive (ERI) program. All enhanced age and service credit are forfeited and may not be used again at retirement. No member or employer ERI contributions will be refunded.

Employment limitations for TRS Tier 2 annuitants

In addition to the employment limitations indicated for Tier 1 annuitants, Tier 2 annuitants have the following additional restrictions:

- The law suspends a Tier 2 member’s retirement benefits if the member accepts full-time employment in a position covered by another pension system that has reciprocal rights with TRS.



- For those Tier 2 members who first become a member on or after Jan. 1, 2012, the law suspends the annuitant's retirement benefits if the annuitant accepts a contractual position from the same employer from which he or she retired. Failure to notify TRS as well as his or her contractual employer of his or her retirement status prior to accepting contractual employment may result in a Class A misdemeanor and a fine of \$1,000.

Employment limitations for single-sum retirement benefit recipients

A member with fewer than five years of creditable service who taught after July 1, 1947, is eligible to receive a single-sum retirement benefit at age 65. To be eligible, the member must terminate TRS-covered employment.

Upon receipt of the single-sum benefit application by TRS, a member may teach in TRS-covered positions without restriction. Contributions are not required, regardless of the number of days or hours worked.

Reciprocal retirement

A member who retires under the Illinois Retirement Systems Reciprocal Act must adhere to the post-retirement employment limitations of each retirement system that is, or will be, paying retirement benefits. The member must adhere to the post-retirement limitations of the system under which he or she returns to work. Therefore, the member should contact each applicable reciprocal system regarding employment limitations. All systems will discontinue benefits if the limitations are exceeded.

Retirement with CTPF

Public Act 101-0502 amends the Pension Code and requires Chicago Teacher's Pension Fund (CTPF) annuitants be treated the same as other non-TRS annuitants for membership and post-retirement purposes.

Effective with the 2019-20 school year, teachers who retired under CTPF independently working in a TRS-covered position qualify for TRS membership on their first day of employment. These teachers are no longer subject to the post-retirement limitations. Employers who hire CTPF annuitants to work in TRS-covered positions must report all their service and earnings to TRS.

Health insurance available after retirement

The Teachers' Retirement Insurance Program (TRIP) offers several coverage options. Each option provides prescription drug benefits and comprehensive coverage for medically necessary services; however, the benefits under each option may differ. Benefit recipients have the choice of a traditional major medical indemnity plan or one of several managed care plans. The availability of the different coverage options will vary based upon the benefit recipient's residential address.

TRAIL Medicare Advantage Program

A Medicare Advantage Program called Total Retiree Advantage Illinois (TRAIL) is available for annuitants and survivors enrolled in both Medicare Parts A and B. Visit www.cms.illinois.gov/thetrail for eligibility information.



MyBenefits Service Center

The State of Illinois offers a web-based online enrollment platform called MyBenefits. The MyBenefits platform includes information for current insurance benefits, making enrollment decisions, changing current coverage and finding contact information for all plan administrators. Members may call for assistance or enrollment over the phone, Monday through Friday, 8 a.m. - 6 p.m. CST at 844-251-1777, TTY at 844-251-1778 or visit the website at [MyBenefits.illinois.gov](https://mybenefits.illinois.gov).

Eligibility

In addition to current participants, enrollment in TRIP is open to:

- any member who has eight or more years of TRS service credit and is receiving a monthly retirement benefit.
- any beneficiary who is receiving a survivor benefit through a member who had eight or more years of service credit.
- any member who is receiving a disability benefit, regardless of the years of service credit.

Enrollment

Enrollment in TRIP is available at four different times:

- **When a member applies for monthly pension benefits.** If the member wants to enroll at this point, he/she must enroll no later than 60 days after the effective date of the pension benefits.
- **When a member turns 65.** TRS will mail the member enrollment information within 90 days of his/her 65th birthday along with a checklist to assist with his/her Medicare enrollment. Benefit recipients deemed eligible for Medicare Parts A and B have an opportunity to enroll into the Medicare Advantage TRAIL Program within 60 days of their 65th birth months. Benefit recipients who are not deemed eligible for Medicare Parts A and B can still enroll in a standard TRIP plan, but will be subject to a higher Not Medicare Primary Age 65 & Above premium.
- **When coverage is terminated by a former plan.** The member may continue coverage with another plan rather than enroll in TRIP. If this occurs, the member and his/her eligible dependents may enroll in TRIP when coverage under the other plan is terminated. The termination must be initiated by the plan. He/she must enroll with a letter from the plan stating the effective date of termination no later than 60 days after the termination of the plan's coverage.
- **During the Benefit Choice Period.** The member may be eligible to enroll in TRIP during the Benefit Choice Period (usually May 1 through May 31 each year). The insurance becomes effective on July 1. Additionally, a fall enrollment occurs for those eligible for the Medicare Advantage TRAIL Program.

Administration

TRIP is administered by Central Management Services (CMS). TRS acts as an agent for CMS in collecting the member contribution and employer contributions to help fund the Teachers' Health Insurance Security (THIS) Fund, which finances TRIP. No TRS monies are used to fund TRIP.



Premium payment

A benefit recipient's premium will be based upon his or her residential address and accessibility to a managed care plan. Premiums are deducted from the annuitant's monthly annuity received at the end of the month of coverage. If the annuity is not sufficient to cover the premiums, the benefit recipient will receive a direct pay statement that requires monthly payments.

Employers may pay a portion or all of an annuitant's share of the premium for participating in TRIP. TRS will accept the annuitant's premium cost for each designated benefit recipient from the employer. In addition, the employer may also elect to pay premiums for a benefit recipient's dependents. The employer is responsible for notifying TRS of any coverage changes. If an employer makes premium payments for annuitants or dependents who have changed their TRIP coverage, TRS may refund a maximum of six months of prior payments.

The retiring member receives a TRIP Participation Election form with the initial Retirement Application form. This form contains a section where the employer agrees to pay monthly premiums. The retiring member is responsible for contacting the employer to obtain the authorization. If the employer agrees to pay the monthly premium, the district representative must sign the form and identify the employer name and number.

The first time TRS receives a signed TRIP Participation Election form, the employer will be sent a Health Insurance Premium Payment Agreement to be completed and returned to TRS. This authorizes TRS to bill the district monthly for the TRIP premium.



TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS



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 Springfield, IL 62794-9253
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 (877) 9-ASK-TRS (877-927-5877)
 FAX: (217) 753-0964

**Teachers' Retirement Insurance Program (TRIP)
 Participation Election Form**

Members must complete Sections 1 and 2

School District must complete Section 3 if any portion of the retirement insurance premiums are to be paid by the District

1. TRS member information

Jane A Doe 1234 Main St Apt B Anytown IL 12345		Member ID: 12345 County of residence: County Home telephone number: (555) 555-1234 Gender: Female Date of birth: 01/01/1953
Email address		
Effective date of retirement	Date School District Coverage Ends	Requested Date for Retirement Insurance Coverage to Begin

Please attach your Medicare card. If you are ineligible for Medicare coverage, attach a statement of Medicare ineligibility from the Social Security Administration

2. Authorized signature

I agree to abide by all Group Insurance Program rules when I enroll. I authorize the annual established premiums to be deducted from my benefit check. I understand that if the amount of my benefit check is insufficient to cover the premiums, I will be direct billed from TRS. I understand it is my responsibility to review my check and verify the amounts of the insurance deductions are accurate. Falsification of the information contained on this form may result in the Department of Central Management Services (CMS) imposing a financial penalty, including, but not limited to, repayment of all premiums the Program made on behalf of the enrolled individual, as well as expenses incurred by the Program. All information furnished on this election is true and complete to the best of my knowledge. This authorization will remain in effect until further written notice.

By signing, I certify that this information is correct. I am aware that pursuant to the Illinois Pension Code, 40 ILCS 5/1-135, any person who knowingly makes any false statement or falsifies or permits to be falsified any record in an attempt to defraud the Teachers' Retirement System is guilty of a Class 3 felony. Please be advised that if the TRS Board has a reasonable suspicion that a false record has been filed with the System, it is required to report the matter to the appropriate state's attorney for investigation.

Signature (member or legal representative)	Date
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3. School district authorization for paying premium. If the school district is paying your portion of the monthly premium or your portion and your dependent's premium, the district representative **must** complete the appropriate information and sign the appropriate line. The district representative must also identify the district name and TRS code.

Are you paying for (select one): Member Member and spouse or civil union partner Member and all dependents

Will you pay (select one): Managed Care PPO

Will you pay rate increases? Yes No

If one of the above boxes is not selected, please indicate a specified dollar amount or percentage rate:

Monthly dollar amount _____ Percentage rate of total premiums _____

Effective date of paying premium _____ (required entry) Termination date of paying premium _____ (required entry)

District name and TRS code	District representative's signature	Date
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You may return your completed form in two ways. TRS will acknowledge receipt of this form

1. **Preferred Method:** Sign in to the Member Account Access area on the TRS website and upload the application using the Document Upload Center. See instructions on the reverse side of the Medicare Checklist.

2. United States Postal Service – use this address:
 Teachers' Retirement System of the State of Illinois
 2815 West Washington
 PO Box 19253
 Springfield, IL 62794-9253



TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS



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Jane A Doe 1234 Main St Apt B Anytown IL 12345		Member ID: 12345 County of residence: County Home telephone number: (555) 555-1234 Gender: Female Date of birth: 01/01/1953
Email address «InternetEmailAddr»		
Effective date of retirement	Date School District Coverage Ends	Requested Date for Retirement Insurance Coverage to Begin

2. Authorized signature

I agree to abide by all Group Insurance Program rules when I enroll. I authorize the annual established premiums to be deducted from my benefit check. I understand that if the amount of my benefit check is insufficient to cover the premiums, I will be direct billed from TRS. I understand it is my responsibility to review my check and verify the amounts of the insurance deductions are accurate. Falsification of the information contained on this form may result in the Department of Central Management Services (CMS) imposing a financial penalty, including, but not limited to, repayment of all premiums the Program made on behalf of the enrolled individual, as well as expenses incurred by the Program. All information furnished on this election is true and complete to the best of my knowledge. This authorization will remain in effect until further written notice.

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