



FY25-08

EMPLOYER BULLETIN

REPORTING REQUIREMENTS FOR INDEPENDENT CONTRACTORS, CONSULTANTS OR VENDORS

March 2025

We are providing further guidance about the reporting requirements of independent contractors, consultants or vendors due to recent employer inquiries.

An individual who contracts with an employer to provide services for which teacher licensure is required and who holds a valid Illinois teaching license qualifies as a TRS member. Contributions on earnings are required even if the contract characterizes the individual as an “independent contractor” or “consultant.” Paying an individual who qualifies as a TRS member through accounts payable rather than through payroll does not exempt that individual from TRS contributions.

State law does not allow participation in TRS to be optional. Individuals cannot avoid TRS reporting by calling themselves independent contractors or consultants. Similarly, an employer cannot negate an individual’s right to participate in TRS by treating the individual as a vendor and paying the individual through accounts payable rather than payroll.

Three Rule Exceptions

Three exceptions apply to this rule.

- 1. Internal Revenue Service confirmation.** If the Internal Revenue Service recognized the individual as an independent contractor, he/she would not be reportable to TRS. To apply for the independent contractor status, the individual must file Form SS-8, Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding, with the Internal Revenue Service seeking confirmation of independent contractor status. If the IRS issues confirmation that the individual qualifies as an independent contractor, the individual can send a copy of the IRS determination to TRS and be exempted thereafter from TRS participation.
- 2. Third-party staffing agencies hiring substitute teachers.** Public Act 100-813 allows a school district to hire substitute teachers from third-party staffing agencies if certain requirements and procedures are met as outlined in Section 5/2-3.173 of the School Code. The Illinois State Board of Education (ISBE) has adopted rules to operate the program. Districts must complete an ISBE form and submit it to ISBE to hire third-party substitute teachers from employment agencies. Substitute teachers hired from third-party agencies are not reportable to TRS.
- 3. Contracted speech-language pathologist.** Public Act 93-0110 amended the School Code (Section 105 ILCS 5/14-6.04) to permit TRS-covered employers to contract for speech-language pathology services while making reasonable efforts to employ a speech-language pathologist or after reasonable efforts have been unsuccessful. Contracted speech-language pathologists under 105 ILCS 5/14-6.04 are not

(more)

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TRS members and should not be reported to TRS. Employers must complete a form certifying that the requirements of Section 5/14-6.04 of the School Code have been met. If employers have a contracted speech-language pathologist under Section 5/14-6.04 of the School Code, they should contact TRS Employer Services to request the Contracting for Speech-Language Pathologist Certification form. Once the form has been submitted and approved by TRS, the individual will be exempted from TRS participation.

Reporting Individuals from Prior School Years

Please contact TRS at 1-888-678-3675, option 1, if you **have not** reported individuals who qualified for TRS-membership during the 2020-21, 2021-22, 2022-23 and 2023-24 school years so that we may determine if corrections are required.

Questions?

If you have any questions, email employers@trsill.org or call the TRS Employer Services Department at 888-678-3675, option 1.

