This Bill Analysis reflects the contents of the bill as it was presented in committee.

SENATE BILL 399: Rehire High-Need Teachers.

2019-2020 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	June 17, 2019
Introduced by:	Sens. Horner, Berger, Chaudhuri	**Prepared by:**	Tawanda N. Foster Committee Counsel
Analysis of:	Third Edition		

OVERVIEW: Senate Bill 399 allows retired teachers to return to work in certain high-needs schools without adversely impacting their retirement benefits.

CURRENT LAW: For a retiree of the Teachers' and State Employees' Retirement System (TSERS) who wishes to wish to return to work with a TSERS employer and wishes to continue to receive his or her TSERS monthly retirement benefit, the retiree must meet the following conditions:

- Be retired for at least 6 months before returning to work for a TSERS employer.
- Work in a position that does not require membership in TSERS (membership in TSERS is required if a person is a permanent employee who works at least 30 hours per week for 9 months per year).
- Be subject to earnings restrictions. The retiree can earn (i) 50% of the gross pre-retirement salary or (ii) $33,560 (2019 amount), whichever is greater.

BILL ANALYSIS: Senate Bill 399 would allow certain retired teachers to return to work in certain high-need schools and still receive their full retirement benefits. In order to qualify, a high-need retired teacher would be required to meet the following:

- Have retired on or before February 1, 2019, after attaining one of the following:
  - The age of 65 with 5 years of creditable service.
  - The age of 60 with 25 years of creditable service.
  - 30 years of creditable service.
- Be reemployed by a local board of education to teach at a high-need school.

<u>High-Need School</u>: A high-need school would be defined as a school that, at any point on or after July 1, 2017, (i) is a Title I school as defined by federal law or (ii) receives an overall school performance grade of D or F, as calculated by the State Board of Education.

<u>Salary During Reemployment</u>: High-need retired teachers would be paid on the 1st step of the teacher salary schedule. If the high-need retired teacher was reemployed to teach STEM (science, technology, engineering, and math) or special education, the high-need retired teacher would be paid on the 6th step of the salary schedule. High-need retired teachers could not receive any State salary supplements or bonuses and could not move to higher salary steps on the salary schedule.

<u>Local Salary Supplement</u>: High-need retired teachers would receive any local salary supplements that are given to other employees of the local board of education.

<u>Term of Contract:</u> The contract between a local board of education and a high-need retired teacher could not be for more than one school year.

The Superintendent of Public Instruction would identify and provide to local school administrative units (LEAs) a list of STEM and special education licensure areas that qualify for reemployment and the LEAs would make this available to high-need retired teachers. The Department of Public Instruction would certify to TSERS that a retiree is employed to teach as high-need retired teacher.

The State Treasurer would be required to seek a private letter ruling from the Internal Revenue Service regarding the provisions of this act. If the Internal Revenue Service determined that allowing retired teachers to return to work in certain high-need schools while receiving their retirement benefits would jeopardize the status of the TSERS under the Internal Revenue Code, then this act would be repealed 30 days from receipt of that determination by the State Treasurer. The State Treasurer would then notify all LEAs of the repeal and publicly notice the information on the website for the Department of State Treasurer. LEAs would be required to notify all high-need retired teachers who are employed of the repeal.

Any beneficiary employed to teach by a LEA as a high-need retired teacher would not be eligible to elect into a position that would lead him or her to be eligible to accrue any additional benefits under TSERS.

EFFECTIVE DATE: SB 399 would become effective July 1, 2019, and would expire June 30, 2021.

The summary was substantially contributed to by Drupti Chauhan, Staff Attorney.