

Senate Bill 3181 (Schimpf/Cunningham/Hastings)

TRS Private/Parochial School Service Credit

SUPPORT

The Issue: In 2002, the General Assembly allowed for the purchase of up to 2 years of private/parochial school service credit by TRS active participants. The provision closed in 2005. In 2009, the General Assembly allowed for a 3 year window to be opened for individuals to purchase this type of service credit again.

SB 3181 reopens the window upon becoming law until June 30th, 2020. The bill requires that members in TRS that wish to purchase this service credit must:

1. Have been a teacher in a private school recognized by ISBE
2. Be a certified teacher when that service was rendered
3. Apply in writing to TRS before June 30th, 2020
4. Complete at least 10 years of TRS contributing service

Required member contributions are equal to the employee and employer contribution that would have been required had such service been rendered as a member based on the annual salary rate during the first year of full-time employment as a teacher following the private or parochial school service, plus (ii) interest thereon at the actuarially assumed rate from the date of first full-time employment as a teacher following the private or parochial school service to the date of payment, compounded annually, at the TRS assumed rate of return (Currently, 7%).