

EMPLOYER BULLETIN

PUBLIC ACT 102-0525 SIGNED INTO LAW

September 2021

Background

Public Act 94-0004 requires employers to pay contributions equal to the actuarial value of the pension benefit resulting from a salary increase over 6 percent that is used to calculate a retiring member's final average salary. These contributions are referred to as "employer contributions for excess salary increases."

Public Act 94-0004 is revised by Public Act 102-0525 which was signed into law August 20, 2021

For a limited time, Public Act 102-0525 allows employers to request an exemption from employer contributions for excess salary increases for teaching summer school. The exemption applies to salary increases resulting from teaching summer school on or after May 1, 2021 and before September 15, 2022. An employer may be exempt from employer contributions on only the portion of a member's salary increase that is due for teaching summer school or other qualifying exemptions. Please refer to [Employer Bulletin FY22-08](#) for salary exemptions provided under Public Acts 102-0016 and 94-1057.

Summer School

Employers may be eligible for exemption of salary increases due to summer school teaching between May 1, 2021 and September 15, 2022.

The exemption applies to summer school teaching only. It does not apply to summer school administration, tutoring during the summer school session, summer duties not requiring licensure such as curriculum writing or attendance at workshops.

Requesting Exemptions

During the processing of a member's retirement benefit, TRS will provide employers a separate notification for each member with an employer contribution due for salary increases in excess of 6 percent. After the initial employer contribution notification, the amounts due will be reflected on the monthly Employer Bill (emailed notification of the bill sent around the 25th of each month).

The employer should review the nature of the member's salary increases to determine eligibility for an exemption under Public Act 102-0525. To claim exemptions, the employer must:

- complete and sign the Salary Exemption Affidavit included with this Employer Bulletin and
- return it to TRS no later than 30 days after receipt of the applicable monthly Employer Bill.

(more)

TRS assumes the Employer Bill is received by the employer on the first of the month following the date of the email notification for the Employer Bill. If the Salary Exemption Affidavit is not received within 30 days of receipt of the Employer Bill, the employer contributions for salary increases in excess of 6 percent cannot be recalculated. Contributions owed may be paid as a lump sum within 90 days of receipt of the Employer Bill. Contributions not paid within 90 days will accrue interest until paid. The bill must be paid within three years of receipt.

1. Please note that the salary increase for which an exemption is claimed by the employer on the Salary Exemption Affidavit must be new to the member or have increased by at least 6 percent in the year(s) the employer is seeking exemption. Only then will the recalculated employer contribution be lower than the amount provided in the original employer notification. When excess salary increases are due partially to circumstances that qualify for exemption and partially to circumstances that do not qualify for exemption, the employer may be eligible for a partial waiver of the employer contribution.
2. For anyone who has already retired during the 2020-21 school year and the employer has received a notification of employer contributions due for salary increases in excess of 6 percent, the employer must return the Salary Exemption Affidavit by October 8, 2021 for the employer to be eligible for a recalculation of the employer contribution for excess salary increase.
3. TRS is working on providing the Salary Exemption Affidavit with the employer's notification for each member with an employer contribution due for salary increases in excess of 6 percent. If you receive the affidavit with the notification letter, do not complete the affidavit included with this bulletin.

Questions

If you have questions, please contact the Employer Services Department by calling (888) 678-3675 or by email at employers@trsill.org.

