

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: HB 1148, as engrossed April 23, 2009

SPONSOR (S): Joyce – Brosnahan, et al. (Dillard - Harmon, et al.)

SYSTEM(S): Teachers’ Retirement System

FISCAL IMPACT: The fiscal impact of HB 1148, as engrossed, cannot be determined as the number of teachers who may wish to purchase optional service credit for up to 2 years of service as a teacher or administrator employed by a private school is unknown. The bill requires the teacher to pay the employer and employee contributions based upon the first year actual salary received as a teacher under the Illinois Teachers’ Retirement System, plus interest at the actuarially assumed rate, from the date of service to the date of payment. Therefore, the cost should be minimal.

SUBJECT MATTER: HB 1148, as engrossed, amends the Downstate Teachers’ Article of the Illinois Pension Code to grant optional service credit to any teacher for up to 2 years of service as a teacher or administrator employed by a private school.

FISCAL IMPACT: The fiscal impact of HB 1148, as engrossed, cannot be determined as the number of teachers who may wish to purchase optional service credit for up to 2 years of service as a teacher or administrator employed by a private school is unknown. The bill requires the teacher to pay the employer and employee contributions based upon the first year actual salary received as a teacher under the Illinois Teachers’ Retirement System, plus interest at the actuarially assumed rate, from the date of service to the date of payment. Therefore, the cost should be minimal.

COMMENTS: Currently, the Illinois Pension Code lists specific periods of service for which a member may purchase optional service credit. HB 1148, as engrossed, amends the Downstate Teacher Article of the Pension Code to add service as a teacher or administrator for a private school to this approved list. Members are required to: (1) Be certified at the time of service, (2) Apply in writing on or after August 1, 2009, and before August 1, 2012, (3) Supply satisfactory evidence of employment, (4) Complete at least 10 years of contributing service as a teacher, and (5) Pay all the required contributions by the date specified.