

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **HB 3816** April 8, 2009

SPONSOR (S): Watson

SYSTEM(S): Downstate Police Pension Funds, Chicago Police Pension Fund, Illinois Municipal Retirement Fund, Chicago Municipal Employees Pension Fund, Cook County Employees Pension Fund, Metropolitan Water Reclamation District Retirement Fund, State Universities Retirement System

FISCAL IMPACT: The fiscal impact of HB 3816 cannot be determined as the number of police officers who may wish to purchase optional service credit for up to 4 years of military service before employment is unknown. The bill requires the employee to pay the employer's normal cost and the employee contribution, plus interest, from the date of employment commencement to the date of payment. Therefore, the cost should be minimal.

SUBJECT MATTER: HB 3816 amends the Downstate Police, Chicago Police, IMRF, Chicago Municipal, Cook County, Metropolitan Water and State Universities Articles of the Illinois Pension Code to allow the purchase of optional retirement service credit for military service of up to 4 years.

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COMMENTS: Currently, the Illinois Pension Code lists specific periods of service for which a member may purchase optional service credit. HB 3816 amends the Pension Code to add 4 years of military service prior to employment to this approved list.

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