

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **HB 4014**

February 27, 2009

SPONSOR (S): Brauer

SYSTEM(S): State Employees' Retirement System

FISCAL IMPACT: The fiscal impact of HB 4014 cannot be determined as the number of employees who may wish to purchase optional service credit for contractual service is unknown. The bill requires the employee to pay the employer's normal cost and the employee contribution, plus interest on both, from the date of service to the date of payment. Therefore, the cost, if any, would be minimal.

SUBJECT MATTER: HB 4014 amends the State Employee Article of the Illinois Pension Code to allow the purchase of service credit by any employee who rendered full-time contractual services the Illinois Institute of Natural Resources and the Illinois Department of Energy and Natural Resources. The bill allows eligible individuals to establish up to 4 years of credit for those services.

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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 4014 amends the State Employees Article of the Pension Code to add service as a contractor the Illinois Institute of Natural Resources and the Illinois Department of Energy and Natural Resources as persons who may purchase service credit. Members are required to pay all contributions as of the date specified. In addition, HB 4014 states that allowing employees to establish service credit for this type of service constitutes a new benefit increase and this increase shall be funded by the additional employee and employer contributions.

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