

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: HB 4644, as amended by HA 1 April 15, 2010
SPONSOR (S): Poe – Brauer (Bomke)
SYSTEM(S): SERS, SURS

FISCAL IMPACT: HB 4644, as amended by HA 1, requires SERS members to contribute an amount equal to the employee contribution, the employer's normal cost, plus interest at the actuarially assumed rate (8.5% per year, compounded annually) to establish up to 12 days of service credit due to furlough days. SURS members must also pay the full cost to receive credit for furlough days.

SUBJECT MATTER: HB 4644, as amended by HA 1, amends the State Employees article of the Illinois Pension Code to allow employees to establish up to 12 days of service credit for voluntary or involuntary furlough days taken during FY 2010. The bill also amends the SURS article to allow for the purchase of an unlimited number of furlough days during FY 2010 and FY 2011. The bill requires employees in both systems to pay employee contributions, the employer's normal cost, plus interest to establish the credit.

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COMMENT: HB 4644, as amended by HA 1, requires employees who wish to establish service credit for 12 furlough days taken during FY 2010 to apply by December 31, 2010. Because affected employees are paying the employee contributions, the employer's normal cost, plus interest at the actuarially assumed rate of return, the cost should be minimal. SURS members must also pay the full cost to establish service credit for furlough days taken during Fiscal Years 2010 and 2011.