

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **HB 4644**

January 12, 2010

SPONSOR (S): Poe - Brauer

SYSTEM(S): SERS

FISCAL IMPACT: HB 4644 requires employees 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. The cost should be minimal.

SUBJECT MATTER: HB 4644 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 requires the employee to pay employee contributions, the employer's normal cost, plus interest to establish the credit.

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COMMENT: HB 4644 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.

DH:dkb

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