

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **HB 4962**

January 25, 2010

SPONSOR (S): Poe

SYSTEM(S): SERS

FISCAL IMPACT: HB 4962 requires employees to make contributions equal to the employee contribution, the employer's normal cost, plus interest at the actuarially assumed rate of return (8.5% compounded annually) in order to establish creditable service for a period of voluntary or involuntary furlough. Therefore, the cost should be minimal.

SUBJECT MATTER: HB 4962 amends the State Employees' Article of the Illinois Pension Code to allow a member to establish service credit for up to 12 days of voluntary or involuntary furlough used to address a State fiscal emergency.

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COMMENT: In order to qualify for the service credit being made available by HB 4962, a member must apply in writing to the system before December 31, 2011, and make contributions equal to the employee contribution, the employer's normal cost, plus interest at the actuarially assumed rate of return (8.5% compounded annually).

DH:bj
LRB096 16063 AMC 31311 b