

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

96th GENERAL ASSEMBLY

May 7, 2009

**BILL NO:** SB 1479, as amended by House Committee Amendment 1

**SPONSOR (S):** Raoul – Jones, et al. (Howard – Dunkin, et al.)

**SYSTEM(S):** State Employees' Retirement System

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**FISCAL IMPACT:** SB 1479, as amended by House Committee Amendment 1, allows employees to receive up to 5 days service credit for a period of voluntary or involuntary furlough. The bill, as amended, requires the employee to make the appropriate employee contributions, plus an amount determined by the board to be equal to the employer's normal cost of the benefit, plus interest at the actuarially assumed rate. SB 1479, as amended by House Committee Amendment 1, will have no fiscal impact on the State Employees' Retirement System since the employee receiving the benefit will pay the all costs associated with the credit.

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**SUBJECT MATTER:** SB 1479, as amended by House Committee Amendment 1, amends the State Employee Article of the Illinois Pension Code. The bill would allow employees to receive up to 5 days of service credit for voluntary or involuntary furloughs used to address a State fiscal emergency. The amended version of the bill requires the employee to make the employee and employer contribution, plus interest at the actuarially assumed rate in order to receive the credit. SB 1479 would be effective upon becoming law.

**FISCAL IMPACT:** SB 1479, as amended by House Committee Amendment 1, allows employees to receive up to 5 days service credit for a period of voluntary or involuntary furlough. The bill, as amended, requires the employee to make the appropriate employee contributions, plus an amount determined by the board to be equal to the employer's normal cost of the benefit, plus interest at the actuarially assumed rate. SB 1479, as amended by House Committee Amendment 1, will have no fiscal impact on the State Employees' Retirement System since the employee receiving the benefit will pay the all costs associated with the credit.

COMMENTS: SB 1479, as amended by House Committee Amendment 1, would allow employees who were furloughed, either voluntarily or involuntarily, to receive up to 5 days service credit for the applicable time of the furlough period. The bill requires that the furlough must take place on or after July 1, 2008 and must have an ending on or before June 30, 2009. An SERS member must submit in writing to the system or their employer before July 1, 2012 to receive this credit.

Public Act 92-0566 allowed employees to receive up to 5 days credit for a period of voluntary or involuntary furlough, beginning on or after December 1, 2001 and ending before January 1, 2003, that were furloughed to address a State fiscal emergency.

MM:dkb

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