

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **SB 1648, as engrossed**

April 1, 2009

SPONSOR (S): DeLeo – Meeks (Brady)

SYSTEM(S): Illinois Municipal Retirement Fund

FISCAL IMPACT: The fiscal impact of SB 1648 cannot be calculated as the number of elected or appointed coroners that will elect sheriff's law enforcement employee (SLEP) status is not known. The statewide fiscal impact is expected to be minimal. *See chart below for the difference in average employer contribution rates for regular members versus SLEP members.*

SUBJECT MATTER: SB 1648 amends the IMRF Article of the Illinois Pension code to provide that an elected or appointed coroner may elect to participate in the Fund under the sheriff's law enforcement employee (SLEP) classification.

FISCAL IMPACT: The fiscal impact of SB 1648 cannot be calculated as the number of elected or appointed coroners that will elect sheriff's law enforcement employee (SLEP) status is not known. The statewide fiscal impact is expected to be minimal.

Average IMRF Employer Contribution Rates for the 2009 Calendar Year (Source – IMRF 2007 Comprehensive Annual Financial Report)					
Member Type	Normal Cost	Prior Service Cost	Disability and Death	Supplemental Retirement Benefit	Total
Regular	7.42%	0.90%	0.33%	0.62%	9.27%
SLEP	11.63%	6.07%	0.33%	0.62%	18.65%

COMMENT: The Illinois Municipal Retirement Fund article of the Illinois Pension Code contains a list of job classifications under which an IMRF participant may be considered eligible for SLEP pension classification. SB 1648 adds elected or appointed coroners to this list of eligible job classifications.

The SLEP pension requires a 7.5% employee contribution and results in a pension amount equal to 2.5% of the employee's final rate of earnings for each year of employment, up to a maximum annuity of 80% of the final rate of earnings. SLEP participants may retire with full benefits at age 50 with 20 years of SLEP service. A SLEP employee who has service in any other capacity may convert up to 10 years of that service into service as a SLEP employee by paying to the Fund an amount equal to the additional required employee contribution plus the additional required employer contribution plus interest at the prescribed rate from the date of service to the date of payment.

Regular IMRF employees pay a 4.5% employee contribution and receive a pension amount equal to: (1) 1.67% of the employee's final rate of earnings for each employment year from 1 through 15, plus (2) 2.0% of the employee's final rate of earnings for each employment year in excess of 15, up to a maximum annuity of 75% of the final rate of earnings. Regular formula employees are eligible to retire at age 60 with 8 or more years of service. These employees also may retire at age 55 with 35 years of service.

SB 1648 also permits coroners electing SLEP status to have their service as a coroner prior to the date of this election deemed service as a SLEP member by paying to the Fund the additional required contributions, plus interest thereon at the prescribed rate from the date of service to the date of payment. There is no limit on the number of years which may be converted.

MDM:dkb
LRB096 10370 AMC 20540 b