

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **SB 1713**

March 3, 2009

SPONSOR (S): Harmon - Luechtefeld

SYSTEM(S): Teachers' Retirement System

FISCAL IMPACT: The fiscal impact of SB 1713 cannot be determined because the number of employees affected is not known. However, if any employees are affected, there will be a negative fiscal effect on the Teacher's Retirement System.

SUBJECT MATTER: SB 1713 amends the Downstate Teacher Article of the Illinois Pension Code to provide that, when assessing payment for any amount due for salary increases in excess of 6%, the System shall exclude earnings increases resulting from induction or mentoring.

FISCAL IMPACT: The fiscal impact of SB 1713 cannot be determined because the number of employees affected is not known. However, if any employees are affected, there will be a negative fiscal effect on the Teacher's Retirement System.

COMMENTS: The Illinois Pension Code requires the teacher's employer to pay to the System the present value of the increase in pension benefits resulting from the portion of any salary increase (during the period used to determine final average salary) that is in excess of 6%. In addition, a number of specific situations are excluded from the requirement for these employer payments. SB 1713 amends the Code to provide that, when assessing payment for any amount due for salary increases in excess of 6%, the System shall also exclude any earnings increases resulting from induction or mentoring.

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