COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **SB 1946, as engrossed**   February 24, 2009

SPONSOR (S):   Raoul – Martinez, et al. (Currie)

SYSTEM(S):   State Employees' Retirement System

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FISCAL IMPACT: The fiscal impact of SB 1946, as engrossed, cannot be determined because the number of employees taking leaves and the length of their leaves are not known. However, members who wish to establish earnings credit for a leave of absence must make contributions equal to the employee contributions, the employer's normal cost, plus interest at the actuarially assumed rate of return for the period of the leave. Therefore, the cost should be minimal.

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SUBJECT MATTER: SB 1946, as engrossed, amends the State Employee Article of the Illinois Pension Code to add a provision stating whenever an employee on a leave of absence makes appropriate contributions during such leave, the rate of compensation is assumed to be equal to the rate of compensation on the date the leave commenced.

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COMMENTS: Employees on a leave of absence, with or without pay, may receive service credit for the time off work by making all appropriate contributions at the specified time. If the time spent on leave is part of the calculation for final average compensation used in determining their pension annuity, SB 1946, as engrossed amends the Code to provide that the rate of compensation for the entire leave period will be the rate of compensation on the date the leave began.

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