

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **SB 1971**

March 4, 2009

SPONSOR (S): Dillard

SYSTEM(S): Teachers' Retirement System

FISCAL IMPACT: The fiscal impact of SB 1971 cannot be determined as the number of teachers who may wish to purchase optional service credit for up to 2 years of service as a teacher or administrator employed by a private school is unknown. The bill requires the teacher to pay the employer's normal cost and the employee contribution, plus interest, from the date of service to the date of payment. Therefore, the cost should be minimal.

SUBJECT MATTER: SB 1971 amends the Downstate Teachers' Article of the Illinois Pension Code to grant optional service credit to any teacher for up to 2 years of service as a teacher or administrator employed by a private school.

FISCAL IMPACT: The fiscal impact of SB 1971 cannot be determined as the number of teachers who may wish to purchase optional service credit for up to 2 years of service as a teacher or administrator employed by a private school is unknown. The bill requires the teacher to pay the employer's normal cost and the employee contribution, plus interest, from the date of service to the date of payment. Therefore, the cost should be minimal.

COMMENTS: Currently, the Illinois Pension Code lists specific periods of service for which a member may purchase optional service credit. SB 1971 amends the Downstate Teacher Article of the Pension Code to add service as a teacher or administrator for a private school to this approved list. Members are required to: (1) Be certified at the time of service, (2) Apply in writing before June 30, 2014, (3) Supply satisfactory evidence of employment, (4) Complete at least 10 years of contributing service as a teacher, and (5) Pay all the required contributions by the date specified.

GS:dkb

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