

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: SB 2356

March 9, 2009

SPONSOR (S): Dillard

SYSTEM(S): Illinois Municipal Retirement Fund

FISCAL IMPACT: The fiscal impact of SB 2356 cannot be calculated as the number of State's attorneys who do not elect or are ineligible to participate in an alternative annuity for county officer's and all special investigators employed on a full-time basis in the office of the State's attorney that will elect sheriff's law enforcement employee (SLEP) status is not known.

SUBJECT MATTER: SB 2356 amends the IMRF Article of the Illinois Pension code to change the definition of "Sheriff's law enforcement employee" to include a State's attorney who does not elect or is ineligible to participate in an alternative annuity for county officers and all special investigators employed on a full-time basis in the office of the State's attorney. SB 2356 limits the provisions to persons employed on or after the effective date of this amendatory Act in such a position, but it allows for conversion of employment before the effective date of this amendatory Act.

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COMMENT: The Illinois Municipal Retirement Fund 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 2356 changes the definition of "Sheriff's law enforcement employee" to include State's attorneys who do not elect or are ineligible to participate in an alternative annuity for county officers and all special investigators employed on a full-time basis in the office of the State's attorney. This change in definition only applies to individuals who were employed on or after the effective date of this amendatory Act of the 96th General Assembly in such a position.

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 the 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 2356 also permits these State's attorneys and special investigators electing SLEP status to convert their creditable service for such employment prior to the date of this election deemed service as a SLEP member by applying in writing to the System within 6 months after the effective date of this amendatory Act and by paying to the Fund the additional required contributions.

SB 2356 also amends the State Mandates Act to require implementation without reimbursement by the State.

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