

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **SB 2474, amended by SA #1**

March 2, 2010

SPONSOR (S): Bomke – Righter, et al.

SYSTEM(S): State Employees' Retirement System

FISCAL IMPACT: SB 2474, as amended, would not have a significant increase in normal cost for SERS because any member who opts to establish this service credit for 25 furlough days must make any and all employee contributions required, plus the employer's normal cost of the benefit with interest at the actuarially assumed rate from the day of service for which the credit and earnings are being established to the date of payment.

SUBJECT MATTER: SB 2474, as amended, amends the State Employee Article of the Illinois Pension Code to allow employees to receive up to 25 days of service credit for voluntary or involuntary furloughs used to address a State fiscal emergency.

FISCAL IMPACT: SB 2474, as amended, would not have a significant increase in normal cost for SERS because any member who opts to establish this service credit for 25 furlough days must make any and all employee contributions required, plus the employer's normal cost of the benefit with interest at the actuarially assumed rate from the day of service for which the credit and earnings are being established to the date of payment.

COMMENT: SB 2474, as amended, would allow employees who were furloughed, either voluntarily or involuntarily, to receive up to 25 days of service credit for the applicable time of the furlough period. SB 2474, as amended, requires that the furlough must begin on or after July 1, 2008 and must end on or before June 30, 2011. An SERS member must submit in writing to the System on or before July 1, 2013 to receive this credit. SB 2474, as amended, clarifies that any member who applies for this credit must make the required employee contributions, plus an amount determined by the Board that is equal to the employer's normal cost of the benefit, plus interest at the actuarially assumed rate from the day of service for which the credit and earnings are being established to the date of payment.

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