

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **SB 2995**

February 8, 2010

SPONSOR(S): Sullivan, J.

SYSTEM(S): State Employees' Retirement System

FISCAL IMPACT: The fiscal impact of SB 2995 cannot be determined as the number of specified employees who may wish to purchase optional service credit for prior service at Illinois Veterans Homes is unknown. The bill requires the employee 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 to the System should be minimal.

SUBJECT MATTER: SB 2995 amends the State Employee Article of the Illinois Pension Code to allow a person employed on a full-time basis by the Illinois Department of Transportation in the position of highway maintainer who has in excess of 20 years of eligible creditable service under the alternative formula to elect to establish eligible creditable service under the alternative formula for up to 5 years of his or her service at Illinois Veterans Homes.

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COMMENT: Currently, the Illinois Pension Code lists specific circumstances under which a member may purchase optional service credit. SB 2995 amends the State Employee Article of the Code to provide that a highway maintainer employed on a full-time basis by the Illinois Department of Transportation who has at least 20 years of eligible creditable service under the SERS alternative formula may elect, not later than 6 months after the effective date of this Act, to establish eligible creditable service under the alternative formula for up to 5 years of service at Illinois Veterans Homes. This bill requires the employee to pay the employer's normal cost and the employee contribution, plus interest, from the date of service to the date of payment.

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