

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

98TH GENERAL ASSEMBLY

BILL NO:           **HB 1261**

February 6, 2013

SPONSOR (S):     Sosnowski

SYSTEM(S):       SERS

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**FISCAL IMPACT:** HB 1261 would have a positive effect on the SERS. Eliminating overtime pay as compensation would limit its impact in boosting salary in the period before retirement, thereby reducing state pension obligations.

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**SUBJECT MATTER:** HB 1261 amends the State Employee Article of the Illinois Pension Code. The proposed legislation would eliminate overtime pay as a factor for determining employee compensation for pension purposes.

**FISCAL IMPACT:** HB 1261 would have a positive effect on the SERS. Eliminating overtime pay as compensation would limit its impact in boosting salary in the period before retirement, thereby reducing state pension obligations.

**COMMENT:** The proposed legislation would limit compensation considered for pension purposes to regular take-home pay and other currently allowed compensation options (sick pay, etc.).

AB:dkb

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