

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

98th GENERAL ASSEMBLY

BILL NO: **HB 3371**

March 20, 2013

SPONSOR(S): Morrison

SYSTEM(S): Teachers Retirement System (TRS)

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FISCAL IMPACT: HB 3371 will reduce the pension liabilities of TRS because after the effective date of this act employees will no longer receive optional service credit for the 10 reasons specified in current law. The fiscal impact upon TRS cannot be precisely determined because the amount of optional service credit not granted in the future cannot be determined at this time.

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SUBJECT MATTER: HB 3371 amends the Downstate Teachers Article of the Illinois Pension Code to prohibit the granting of optional service credit for TRS eligible employees.

FISCAL IMPACT: HB 3371 will reduce the pension liabilities of TRS because after the effective date of this act employees will no longer receive optional service credit for the 10 reasons specified in current law. The fiscal impact upon TRS cannot be precisely determined because the amount of optional service credit not granted in the future cannot be determined at this time.

COMMENT: Under HB 3371 optional service credit will no longer be granted for the following reasons: (1) Prior service as a teacher, (2) Service in a service similar to a teacher for a public school, (3) Any periods immediately following teaching service as a recreation worker for the Illinois Department of Public Safety served prior to 2/1/1951, (4) Any periods served as a member of the General Assembly, (5) Any periods for which a teacher is granted a leave of absence, (6) Any days of unused and uncompensated sick leave earned by a teacher, (7) Any periods served as an employee of the Illinois Mathematics and Science Academy prior to 2/1/1987, (8) Service as a substitute teacher served prior to 7/1/1990, (9) Service as a part time teacher served prior to 7/1/1990, (10) Up to 2 years of employment with Southern Illinois University – Carbondale served prior to 8/31/1961 or with Governors State University served prior to 8/31/1974.

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