

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

98th GENERAL ASSEMBLY

BILL NO: HB 3372, as amended by HA 1 April 15, 2013

SPONSOR(S): Senger - McSweeney, et al.

SYSTEM(S): Illinois Municipal Retirement Fund (IMRF), State Employees Retirement System (SERS), State Universities Retirement System (SURS), Teachers Retirement System (TRS), Cook County Employees Pension Fund (Cook)

FISCAL IMPACT: Pension payments made by the affected retirement systems would decline under HB 3372, as amended by HA 1. The fiscal impact upon the various retirement systems cannot be precisely determined because the exact number of annuitants receiving lump-sum payments for unused sick and vacation days in the future cannot be determined at this time. The State Systems have all reported that they expect the fiscal impact to be minimal, but positive.

SUBJECT MATTER: HB 3372, as amended by HA 1, changes the Illinois Pension Code for IMRF, SURS, TRS and Cook annuitants to eliminate any lump-sum payments for unused sick or vacation days from the calculation of pensionable salary for all employees hired after the effective date of the bill.

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COMMENT: For IMRF, SURS, TRS and Cook annuitants, HB 3372, as amended by HA 1, prohibits any consideration of lump-sum payments for unused sick or vacation days within the calculation of an employee's pensionable salary. This modification of the Illinois Pension Code affects only those employees hired after the effective date of HB 3372, as amended by HA 1. In addition, SERS employees compensation (as used to determine pensions) will no longer include any payments or reimbursements for travel vouchers, and service credit will not be available for unused sick leave, vacation days or personal business days..