## COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

## 98TH GENERAL ASSEMBLY

BILL NO: SB 2887, as amended by SA 1 March 19, 2014

SPONSOR(S): Biss

SYSTEM(S): State Universities' Retirement System (SURS)

FISCAL IMPACT: The fiscal impact of SB 2887, as amended by SA 1, is indiscernibly small but would reduce contributions to the System. According to SUPS, the provisions of this bill would exempt the employers of 227 of the

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under 1.A. 77-0700.

<u>SUBJECT MATTER</u>: SB 2887, as amended by SA 1, amends the SURS article of the <u>Illinois Pension Code</u> with regard to the designation of certain return-to-work situations being labeled as "Affected Annuitants."

<u>FISCAL IMPACT</u>: The fiscal impact of SB 2887, as amended by SA 1, is indiscernibly small but would reduce contributions to the System. According to SURS, the provisions of this bill would exempt the employers of 227 of the 2,856 Affected Annuitants from making the additional contributions required under P.A. 97-0968

<u>COMMENT</u>: Public Act 97-968 created a return-to-work program allowing SURS annuitants to be employed on a contractual basis. Such employees will be designated "Affected Annuitants" on the first day of the first academic year following their reemployment on the condition that their new level of compensation is less than or equal to 40% of their highest annual earnings prior to retirement.

SB 2887, as amended by SA 1, adds a monetary floor to the categorization of "affected annuitant." Any employee who would otherwise be labelled an "affected annuitant" by this section but does not receive an annualized retirement annuity of at least \$10,000 will not be categorized as such.

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