

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

99TH GENERAL ASSEMBLY

BILL NO: **HB 2500**

February 20, 2015

SPONSOR (S): D. Burke - Cabello

SYSTEM(S): SERS

FISCAL IMPACT: HB 2500 will have a negative effect on SERS liabilities, as between 25-50 employees will presumably take part in the more costly retirement annuity than previously, according to SERS. As Tier One employees are replaced by Tier Two employees, liabilities would also increase due to the additional increase in liabilities from Tier Two to the Alternative annuity available to this subset of Tier One. A full actuarial impact analysis has not been provided to CGFA.

SUBJECT MATTER: HB 2500 amends the Illinois Pension Code to allow the availability of the alternative retirement annuity in the State Employees Article of the code to people employed by state agencies or the Secretary of State if they have investigative, law enforcement or peace officer duties that render them ineligible for Social Security coverage.

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COMMENT: The alternative retirement annuity is currently available for State policemen, fire fighters in the fire protection service of a department, or Department of Corrections and Department of Juvenile Justice security employees.

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