

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **HB 3435**

March 6, 2007

SPONSOR (S): Black

SYSTEM(S): State Employees' Retirement System, State Universities' Retirement System

FISCAL IMPACT: The fiscal impact of HB 3435 cannot be determined as the number of employees who may wish to purchase service credit for military service cannot be calculated. The bill requires the employee to pay the employee contribution and the employer's normal cost, without interest.

SUBJECT MATTER: HB 3435 amends the State Employees' and State Universities' Articles of the Illinois Pension Code to permit employees to purchase, without interest, service credit for time spent in military service.

FISCAL IMPACT: The fiscal impact of HB 3435 cannot be determined as the number of employees who may wish to purchase service credit for military service cannot be calculated. The bill requires the employee to pay the employee contribution and the employer's normal cost, without interest.

COMMENTS: The Illinois Pension Code lists specific conditions and periods of service for which an employee may purchase service credit. HB 3435 amends the State Employees' and State Universities' Articles of the Pension Code to add employees with military service to this eligible list. Employees are required to apply within 120 days of the effective date for HB 3435 and pay all required contributions as of the date specified. Changes made by HB 3435 do not entitle any person to a refund of interest already paid.

GS:dkb

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