

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **HB 4194**

December 11, 2007

SPONSOR (S): Lang - Molaro

SYSTEM(S): SERS, Judges' Retirement System

FISCAL IMPACT: HB 4194 will have a very minor fiscal impact on SERS as the number of new members added to the alternative formula is expected to be minimal.

SUBJECT MATTER: HB 4194 amends the State Employees' and Judges Retirement articles of the Illinois Pension Code as outlined in the Comments section below:

FISCAL IMPACT: HB 4194 will have a very minor fiscal impact on SERS as the number of new members added to the alternative formula is expected to be minimal.

COMMENTS:

Gaming Enforcement Investigators

HB 4194 amends the State Employees' Article of the Illinois Pension Code to allow investigators for the Office of Gaming Enforcement to qualify for the alternative (State Police) retirement formula. The bill stipulates that such investigators must be vested with peace officer duties that would render the person ineligible for coverage under the Social Security Act. Under the SERS alternative formula, members who are not coordinated with Social Security may retire at age 50 with 25 years of service, or at age 55 with 20 years of service. Alternative formula members who do not receive Social Security contribute 12.5% of pay towards their pensions and accrue service credit at a rate of 3.0% of final average salary for each year of service credit, up to a maximum of 80% of final average salary.

Gaming Board Employees/Director of Gaming Enforcement

HB 4194 amends the State Employees' Article of the Illinois Pension Code to allow SERS annuitants who accept employment as a member of the Illinois Gaming Board or as the Director of Gaming Enforcement to elect not to participate in SERS with respect to that service. Effectively, an SERS annuitant who elects not participate in SERS with respect to service in either of the foregoing positions shall not be an active member in the system and will not accrue any additional pension service credit.

In addition, HB 4194 amends the Judges' Retirement Article of the Illinois Pension Code to stipulate that a retired judge who serves on the Illinois Gaming Board or as the Director of Gaming Enforcement and has elected not to participate in SERS with respect to that service shall not be considered to be regularly employed for compensation by an employer other than a county, nor to have resumed service as a judge. Currently, when retired judges accept employment by an employer other than a county, in any capacity, their retirement annuities are suspended during such periods of employment.

DH:bs

LRB095 15068 AMC 41028 b