

**COMMISSION ON GOVERNMENT  
FORECASTING AND ACCOUNTABILITY**

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO:           **HB 4469**

February 14, 2007

SPONSOR (S):    Mitchell, Jerry

SYSTEM(S):       State Employees' Retirement System

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**FISCAL IMPACT:** The fiscal impact of HB 4469 will be minimal as members are required to pay employee contributions for periods of unemployment, in addition to the employer's normal cost, plus interest.

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**SUBJECT MATTER:** HB 4469 amends the State Employees' Article of the Illinois Pension Code. This bill allows terminated employees who have been rehired within 6 months (after termination) to establish retroactive service credit during the period of unemployment.

**FISCAL IMPACT:** The fiscal impact of HB 4469 will be minimal as members are required to pay employee contributions for periods of unemployment, in addition to the employer's normal cost, plus interest.

**COMMENT:** Currently there are no provisions for SERS employees who have been terminated and rehired to purchase service credit equal to their time of unemployment. HB 4469 provides that a terminated employee who was rehired by any department under the State Employee Retirement System (SERS) within 6 months after being terminated may establish creditable service for the period during which he or she was terminated. The rehired employee must apply within 6 months after the effective date of this Act. This bill also provides that the required employee contribution shall be based on the rehired salary rate plus the contribution rate in effect. The required interest shall be calculated from the date of returning to employment after the termination to the date of payment.

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