

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **HB 5610**

April 1, 2008

SPONSOR (S): Sacia

SYSTEM(S): State Employees' Retirement System

FISCAL IMPACT: The fiscal impact of HB 5610 cannot be determined as the number of specified employees who may wish to purchase optional service credit for prior policeman service is unknown. The bill requires the employee to pay the employer's normal cost and the employee contribution, plus interest on both, from the date of service to the date of payment. Therefore, the cost should be minimal.

SUBJECT MATTER: HB 5610 amends the State Employees' Article of the Illinois Pension Code to establish eligible service credit to an investigator for the Secretary of State for up to 5 years of service as a policeman with a municipal or county police department.

FISCAL IMPACT: The fiscal impact of HB 5610 cannot be determined as the number of specified employees who may wish to purchase optional service credit for prior policeman service is unknown. The bill requires the employee to pay the employer's normal cost and the employee contribution, plus interest on both, from the date of service to the date of payment. Therefore, the cost should be minimal.

COMMENTS: Currently, the Illinois Pension Code lists specific circumstances under which a member may purchase optional service credit. HB 5610 amends the State Employees Article of the Code to provide that an investigator for the Secretary of State may elect, not later than six months after the effective date, to establish eligible creditable service for up to 5 years of service as a policeman with a municipal or county police department for which they are otherwise not entitled to benefits under the Code (including by reason or acceptance of a refund). The bill requires the employee to pay the employer's normal cost and the employee contribution, plus interest on both, from the date of service to the date of payment. In addition, HB 5610 specifies that allowing these employees to purchase service credit for prior service as a policeman does not constitute a new benefit increase.