

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **SB 0159**

February 3, 2007

SPONSOR (S): DeLeo

SYSTEM(S): Chicago Teachers' Pension Fund

FISCAL IMPACT: According to an analysis prepared by the Fund's actuary, SB 0159 is estimated to increase total accrued liabilities by \$43.8 million. The increase in total annual costs is estimated to be \$4.9 million, or 0.28% of payroll. The growth in annual cost will be commensurate with payroll.

SUBJECT MATTER: SB 0159 amends the Chicago Teachers' Article of the Pension Code to increase the amount of unused sick days that may be used in calculating retirement pension from 244 days to 315 days.

FISCAL IMPACT: According to an analysis prepared by the Fund's actuary, SB 0159 is estimated to increase total accrued liabilities by \$43.8 million. The increase in total annual costs is estimated to be \$4.9 million, or 0.28% of payroll. The growth in annual cost will be commensurate with payroll.

COMMENT/DISCUSSION: Currently, members of the Chicago Teachers' Pension fund can include 244 unused sick days as service credit when calculating their retirement annuity. SB 0159 increases the number of unused sick days that may be used for service credit to 315. Therefore, teachers who retire with more than 244 sick days after the effective date of this Amendatory Act would receive a higher annuity than they would under current law.

Public Act 92-0867 (HB 5169) increased the amount of sick days that Downstate teachers in the Teachers' Retirement System may use for service credit from 170 days to 340 days. For Downstate teachers, 340 days equals two years of service credit.

SB 0159 amends the State Mandates Act to require implementation without reimbursement.

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