

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **SB 1481, as engrossed**

April 27, 2007

SPONSOR (S): Demuzio – Martinez (Joyce)

SYSTEM(S): State Employees' Retirement System

FISCAL IMPACT: The fiscal impact of SB 1481, as engrossed, cannot be determined as the number of nurses who may wish to purchase service credit for contractual work has not been calculated, but is expected to be minor. The bill requires the nurse to pay the employee contribution plus interest from the date of service to the date of payment. The Department of Human Services is required to make an employer contribution determined by SERS to be equal to the employer's normal cost of the benefit, plus interest.

SUBJECT MATTER: SB 1481, as engrossed, amends the State Employees' Article of the Illinois Pension Code to permit nurses to purchase service credit for any work under a contractual agreement for the Department of Public Aid, or its successor agency, the Department of Human Services. The employee had to work in the Client Assessment Unit and subsequently be classified a State Employee by the United States Internal Revenue Service and the Illinois Labor Relations Board.

FISCAL IMPACT: The fiscal impact of SB 1481, as engrossed, cannot be determined as the number of nurses who may wish to purchase service credit for contractual work has not been calculated, but is expected to be minor. The bill requires the nurse to pay the employee contribution plus interest from the date of service to the date of payment. The Department of Human Services is required to make an employer contribution determined by SERS to be equal to the employer's normal cost of the benefit, plus interest.

COMMENTS: Currently, the Illinois Pension Code lists specific conditions and periods of service for which an employee may purchase service credit. SB 1481, as engrossed, amends the State Employees' Article of the Pension Code to add members who worked as a nurse under a contractual agreement for the Department of Public Aid or its successor agency, the Department of Human Services, in the Client Assessment Unit and were subsequently determined to be State employees by the United States Internal Revenue Service and Illinois Labor Relations Board. Members are required to apply by July 1, 2008 and pay all required contributions as of the date specified. The Department of Human Services is required to make an employer contribution determined by SERS to be equal to the employer's normal cost of the benefit, plus interest. In addition, SB 1481, as engrossed, states that allowing nurses to establish service credit for contractual work does not constitute a new benefit increase.

GS:dkb

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