

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 100TH GENERAL ASSEMBLY

BILL NO: **SB 3181**

March 9, 2018

SPONSOR (S): Schimpf – Cunningham, et al.

SYSTEM(S): Teachers' Retirement System (TRS)

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FISCAL IMPACT: According to TRS, there would be a minor cost to the system as a member who purchases the optional service credit as a teacher or administrator employed by a private school covers both the employee and employer costs, plus interest at the actuarially assumed rate.

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SUBJECT MATTER: SB 3181 amends the Downstate Teacher (TRS) Article of the Illinois Pension Code by allowing teachers to establish up to 2 years of certain optional service credit.

COMMENT: This legislation reopens a window so a member can earn optional service credit of up to 2 years as a teacher or an administrator employed by a private school. Such optional service credit can be established if a teacher:

- 1) Was certified under the law at the time the service was rendered;
- 2) Applies in writing on or before June 30, 2020;
- 3) Provides satisfactory evidence of the employment;
- 4) Completes at least 10 years of contributing service; and
- 5) Pays the required contributions, both the employee and employer contributions, plus interest at the actuarially assumed rate.

Under current law, the establishment of optional service credit as a teacher or administrator employed by a private school is currently unavailable as a window was closed after the last window period of 3 years between August 1, 2009, and August 1, 2012.

JB:bj

LRB100 19941 RPS 35222 b