

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

101ST GENERAL ASSEMBLY

BILL NO: **HB 3256**

February 25, 2019

SPONSOR (S): Brady

SYSTEM(S): State Universities Retirement System (SURS)

FISCAL IMPACT: SURS currently estimates that there are 443 Tier 2 police officers and Tier 2 firefighters (the breakout of the headcount between the two categories was not provided). Under HB 3256, Tier 2 police officers would be able to retire early with fewer years of service credit, as compared to the current law. An actuarial cost study would be needed to assess the increase in accrued liabilities that would result from this change.

SUBJECT MATTER: HB 3256 amends the State Universities Retirement System (SURS) of the Illinois Pension Code. The bill proposes new age and service requirements for Tier 2 police officers as described below.

COMMENT: Currently, under the SURS article, a Tier 2 police officer's retirement eligibility for a full retirement annuity is age 67 with at least 20 years of service. Benefits are reduced for early retirement beginning at age 62. Under HB 3256, the retirement eligibility for a Tier 2 police officer to receive a full retirement annuity would be lowered to age 55 with at least 10 years of service credit. If the member wishes to retire between age 50 and 55, the annuity would be reduced by 6% for each year that the member is under age 55.

JB:bj

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