

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102ND GENERAL ASSEMBLY

BILL NO: **HB 4457**

January 18, 2022

SPONSOR (S): Zalewski

SYSTEM(S): SERS

FISCAL IMPACT: According to SERS, there would be an insignificant increase in the pension fund's actuarial liability due to this proposed legislation, as it affects 15 current employees whose positions were covered under the alternative formula before they were moved to the Liquor Control Commission.

SUBJECT MATTER: HB 4457 amends the General Provisions and State Employees articles of the Illinois Pension Code to allow Illinois Liquor Control Commission investigators to qualify for the alternative (state police) formula in SERS for future service. The bill also allows these individuals the option to upgrade up to 8 years of past service under the regular formula by paying the amounts enumerated below.

COMMENT: HB 4456 is being sought because 15 investigators for the Liquor Control Commission had previously worked for the Department of Revenue, and as such, were eligible for the Alternative (State Police) formula in SERS. Under current law, investigators for the Liquor Control Commission are not eligible to participate in the alternative formula, and HB 4457 allows for future service accruals for these individuals in the alternative formula, regardless of Tier status. The bill allows these individuals to convert up to 8 years of past regular formula service credit to alternative formula service by paying to SERS the difference between the employee contributions for that period of service and the amounts that would have been contributed had the member been participating in the alternative formula, plus interest at 6.5%, compounded annually, from the date of service to the date of payment.

The bill would also allow Liquor Control investigators to establish up to 5 years of creditable service in SERS for service rendered in a Downstate Police Pension Fund, IMRF Sheriff's Law Enforcement position, or a police position covered by the Cook County Pension Fund by paying to SERS the difference between the amount of employee and employer contributions transferred from the pertinent fund and the amounts that would have been contributed to SERS

had the service been rendered while in SERS, plus interest at the actuarially assumed rate of return, compounded annually, from the date of service to the date of payment.

HB 4456 and HB 4457 are functionally identical with regard to the foregoing provisions. HB 4456 contains several updates to past Public Act numbers (cases where the pertinent Public Act number replaces the phrase “this amendatory Act”). HB 4457 does not contain the Public Act cleanup changes.

AB:bs

LRB102 17775 RPS 24057 b