

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

102ND GENERAL ASSEMBLY

BILL NO: **HB 5343**

February 3, 2022

SPONSOR (S): Hurley - Stuart

SYSTEM(S): SERS

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**FISCAL IMPACT:** According to SERS, 603 current Tier Two state troopers would be affected by this legislation. An actuarial study would be required to assess the total impact on SERS of lowering the retirement age for current and future Tier Two State Troopers.

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**SUBJECT MATTER:** HB 5343 amends the State Employees Article of the Illinois Pension Code to reduce the Tier 2 retirement age under the alternative retirement formula for state troopers from 60 years of age to 55 years of age. The bill does not change the minimum retirement vesting period of at least 20 years of eligible credible service.

**COMMENT:** Under current law, Tier 2 members of SERS who qualify for the alternative (State Police) formula can retire at age 60 with 20 years of service. Members contribute 12.5% of salary toward their pensions and accrue service credit at 3.0% of final average salary for each year of service. State troopers do not participate in Social Security. Tier 1 members make the same contribution and accrue pensionable credit at the same rate but have a retirement age of 55 with 20 years of service or 50 with 25 years of service.

HB 5343 amends the SERS article of the Pension Code to allow Tier 2 state troopers to retire under the alternative formula at age 55 with 20 years of service. The bill would apply to active members and vested inactive members. In the case of a vested inactive Tier 2 member, if that member withdrew from service at age 55 with 20 years of service prior to the passage of this bill, upon enactment of the bill into law, that vested inactive member would immediately qualify for a pension rather than having to wait until age 60 to start collecting a pension.

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