

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102ND GENERAL ASSEMBLY

BILL NO: SB 1796

March 10, 2021

SPONSOR (S): Martwick

SYSTEM(S): SERS

FISCAL IMPACT: According to SERS, the prior Tier 1 service portion of SB 1796 would have a minimal fiscal impact to the state, as employee contributions, employer normal cost, plus interest at the actuarially assumed rate for the service credit being applied for by the participants is being paid by the member.

SUBJECT MATTER: SB 1796 amends the State Employees article of the Illinois Pension Code to allow certain Tier 1 State police officers to convert service credit earned in IMRF or the Cook County Employees Pension Fund to the alternative retirement formula in SERS by paying to SERS the amounts specified below.

COMMENT: SB 1796 allows Tier 1 State police officers to establish alternative retirement formula creditable service for up to 5 years for police duties under IMRF, as a county corrections officer, or a court services officer (under the Cook County article). In order to establish this service credit, the officer must apply within 6 months of the effective date of the bill, and pay to SERS an amount equal to (i) the difference between the amount of employee and employer contributions that would have been contributed had such contributions been made in SERS at the time of service, plus (ii) the difference, if any, between the employee contribution and the employer's normal cost associated with the service being established, plus (iii) interest on the foregoing items at the actuarially assumed rate of return, compounded annually, from the date of service to the date of payment.

AB:bs

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