

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102nd GENERAL ASSEMBLY

BILL NO: **SB 2149**

March 16, 2021

SPONSOR (S): Wilcox

SYSTEM(S): TRS

FISCAL IMPACT: The fiscal impact of SB 2149 is not known as the number of members who may wish to purchase optional service credit is not known. Inasmuch as members are contributing the employee contribution, the employer's normal cost, plus interest to establish this optional service, the fiscal impact to the system would presumably be minimal.

SUBJECT MATTER: SB 2149 amends the TRS article of the Pension Code to provide an exemption to the 5-year limitation on establishing optional service credit for military service in cases where annual training or involuntary service is required.

COMMENT: Currently, active TRS members may purchase up to 5 years of optional service credit for military service. There are two types of military service for which service may be purchased: 1) military service that immediately followed public school teaching, and 2) military service that preceded public school teaching. The cost to the teacher for establishing this service is equal to the contributions to TRS that would have been required from the date of first membership or the amount that would have been required had the member continued teaching. SB 2149 would provide that the 5-year limitation on optional military service credit would not apply to up to 30 days per calendar year of annual training or time spent in involuntary service, drill, or battle assembly, or other mandatory training.

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