

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

102ND GENERAL ASSEMBLY

BILL NO:       **SB 2273**

March 10, 2021

SPONSOR (S):   Stewart

SYSTEM(S):     SERS

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**FISCAL IMPACT:** According to SERS, the prior service portion of SB 2273 would have a minimal fiscal impact to the state, as employer normal cost for the service credit being applied for by the participants is being paid by the member, as well as interest at the actuarially assumed rate of return, compounded annually, from the date of service to the date of payment.

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**SUBJECT MATTER:** SB 2273 amends the State Employees article of the Illinois Pension Code to allow State police officers to convert service credit earned to the alternative retirement formula beyond the current 12-year maximum. This legislation also allows State policemen 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).

**COMMENT:** SB 2273 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 contributions paid and those that would have been contributed had such contributions been made in SERS at the time of service, plus (ii) the difference between the employer's normal cost for the service earned prior to the conversion and the normal cost that would have been applicable had service been rendered under the alternative formula, 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.

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