

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

102ND GENERAL ASSEMBLY

BILL NO: SB 3133

January 25, 2022

SPONSOR (S): Turner, S. - Stewart

SYSTEM(S): SERS and IMRF

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**FISCAL IMPACT:** The fiscal impact of SB 3133 is not known as the number of police officers who may wish to transfer service credit from IMRF to the SERS alternative formula for prior municipal police service is not known. To the extent that the amounts transferred to SERS under the provisions established in the bill are greater than or equal to the increase in the system's actuarial liability created by the additional service credit, there should be no fiscal impact to SERS.

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**SUBJECT MATTER:** SB 3133 amends the State Employees and IMRF articles of the Illinois Pension Code to allow Secretary of State Investigators to establish up to 5 years of creditable service under the alternative retirement formula in SERS for prior IMRF service, as described below.

**COMMENT:** SB 3133 enables Secretary of State Investigators with service as police officers to transfer up to 5 years of service credit from IMRF to the SERS alternative formula for service as a municipal police officer under IMRF. Individuals utilizing this service credit transfer provision must apply to transfer the applicable service credit to SERS within six months of the effective date of this legislation. Applicants must pay to SERS the difference between the employee and employer contribution rates paid for the IMRF service and those amounts that would have been paid had the service been rendered in SERS under the alternative formula, plus interest at SERS' actuarial rate of return (6.75%) for each year of service credit established, compounded annually from the date of service to the date of payment.

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