

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102ND GENERAL ASSEMBLY

BILL NO: SB 3778

January 27, 2022

SPONSOR (S): Belt

SYSTEM(S): SERS

FISCAL IMPACT: According to SERS, only 59 people are eligible to establish the optional service credit contemplated by SB 3778. To the extent that the amounts contributed by the employee establishing the service credit are greater than or equal to the resulting increase in actuarial liabilities associated with that service, there should be no fiscal impact to SERS.

SUBJECT MATTER: SB 3778 amends the State Employees article of the Illinois Pension Code to allow Department of Revenue and Illinois Gaming Board investigators to elect to establish up to five years of alternative formula service in SERS from prior service in IMRF, the Cook County pension fund, or a Downstate Fire pension fund.

COMMENT: SB 3778 allows Department of Revenue and Illinois Gaming Board investigators to establish up to 5 years of service credit in the alternative (State Police) formula in SERS for prior police service in IMRF or Cook County, or for prior service as a firefighter in an Article 4 (Downstate Fire) pension fund. In order to establish this service credit, the police officer must contribute to SERS a payment equal to the difference between employer and employee contributions made for the prior service and the amounts that would have been contributed in SERS had the service been rendered in the SERS alternative formula, plus interest at the actuarially assumed rate of return of 6.75%, compounded annually, from the date of service to the date of payment. This election to establish service must be made within six months of the effective date of this legislation.

AB:bs

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