



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: HB 1297

February 1, 2023

SPONSOR (S): Elik

SYSTEM: TRS

FISCAL IMPACT

TRS has not provided data as to the number of teachers who purchased private school service credit under the most recent purchase window authorized under P.A. 102-0525. This impact note will be updated when that data is furnished by the system. To the extent that the amounts paid by TRS members to establish the optional service credit for private school service is equal to or greater than any actuarial liability incurred by TRS as a result of allowing members to purchase the optional service, there should be no impact to the pension fund as a result of HB 1297.

SUBJECT MATTER: HB 1297 amends the Downstate Teacher Article of the Illinois Pension Code by extending the deadline for members to establish optional credit for up to 2 years of service as a teacher or administrator hired by a private school recognized by the ISBE from June 30, 2023 to June 30, 2028.

COMMENT: P.A. 96-0546, which became effective on August 17th, 2009, allowed for members of TRS to establish up to 2 years of service credit in the pension fund for prior service as a teacher in a private school. In order to establish the service credit, the teacher must have paid to TRS the employee and employer contribution that would have been required had the private school service been rendered in TRS at the member's salary rate during the first year of employment as a member of TRS, plus interest at the actuarially assumed rate of return from the first date of service in TRS to the date of payment. The service credit window under P.A. 96-0546 expired on August 1, 2012. P.A. 102-0525, which became effective on August 20th, 2021, re-opened the private school service credit purchase window, extending the sunset date from the aforementioned expiration date to June 30, 2023. HB 1297 would extend the service credit purchase window sunset date for private school service to June 30, 2028.

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