



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: **HB 3211**

February 23, 2023

SPONSOR (S): McCombie

SYSTEM: SERS, General Provisions Article

FISCAL IMPACT

According to the State Employees Retirement System, allowing Tier 2 Secretary of State Investigators and Conservation Police Officers to retire at age 60 with 10 years of service credit (rather than 20 under current law) under the Alternative Formula would create approximately \$10 million in new liabilities and a recurring increase of \$600,000 to the annual state contribution through FY 2045.

SUBJECT MATTER: HB 3211 amends the General Provisions and State Employees articles of the Illinois Pension Code to allow Tier 2 Secretary of State Investigators and Conservation Police Officers who have accrued at least 10 years of service credit and are at least 60 years of age to begin drawing a retirement annuity under the Alternative Formula although they do not have 20 years of creditable service.

COMMENT: Members who begin participation in the SERS alternative formula after January 1, 2011 are considered Tier 2 members. Tier 2 members in the Alternative Formula can retire at age 60 with 20 years of service credit. HB 3211 amends the General Provisions and State Employees articles of the Illinois Pension Code to allow Tier 2 Secretary of State investigators and Conservation Police Officers who have accrued at least 10 years of service credit and are at least 60 years of age to begin drawing a retirement annuity under the Alternative Formula although they do not have 20 years of creditable service, the current minimum vesting period for Tier 2 Alternative Formula members. Both of these job titles are currently included in the Alternative Formula; the bill merely reduces the vesting requirement.

According to SERS, this legislation would affect approximately 70 Secretary of State investigators and Conservation Police Officers in Tier 2 out of a total of 162. This legislation is excluded from the new benefit increase definition of P.A. 94-0004.

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