



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: SB 0113

January 31, 2023

SPONSOR (S): McClure

SYSTEM: SERS, SURS, TRS

FISCAL IMPACT

The fiscal impact of SB 113 cannot be determined as the number of members of SERS, SURS, or TRS who may wish to establish up to 5 years of optional service credit rendered with any agency of the State of Illinois is not known. To the extent that the employee contributions required to establish this service credit in the pertinent system (employee contribution, employer's normal cost, plus interest, compounded annually from the date of service to the date of payment) is equal to or greater than the actuarial liability created by this optional service, there should be no fiscal impact to the pertinent retirement system.

SUBJECT MATTER: SB 113 amends the State Employees, State Universities, and Downstate Teachers articles of the Pension Code. The bill allows members to establish up to 5 years of creditable service for periods during which the participant rendered contractual services to any agency of the state, whether on a part-time or full-time basis, by making the contributions as specified below in the Comment section.

COMMENT: SB 113 permits members of SERS, SURS, and TRS to establish up to 5 years of service credit in the pertinent system for periods of contractual service that were rendered with any agency of the State of Illinois. The bill requires that the member seeking to establish such credit must apply in writing to the pertinent system and pay to the system an amount equal to the employee contributions that would have been required had the service been rendered as an active member, plus the employer's normal cost of the benefit, plus interest at the pertinent system's assumed rate of return, compounded annually, from the date of service to the date of payment. SB 113 prohibits a member from establishing service credit for such contractual service if the member has service credit in any other pension fund or retirement system governed under the Pension Code for the time period for which this optional service credit is being sought.

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