



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: SB 1611, as engrossed

May 2, 2023

SPONSOR (S): Joyce – D. Turner (Didech – Mason)

SYSTEM: None

FISCAL IMPACT

Under SB 1611, as engrossed, state employees who avail themselves of a leave of absence for firefighter training will continue to receive compensation, and thus, pensionable service credit in SERS for such periods of leave. The bill states that the employee's agency can reduce his or her compensation by the amount the member is paid for the training; thus, SERS states that situations may arise where members may wish to purchase "earnings credits." The SERS Article of the Pension Code requires members wishing to establish earnings credits to pay to SERS an amount equal to the employee contribution based upon the rate of compensation paid immediately prior to the leave, plus interest at the actuarially assumed rate, from the beginning of the leave of absence to the date of payment.

Under current law, an employee who receives no compensation during a leave of absence may establish service credit in SERS by paying the aforementioned amounts, plus the employer's normal cost for the period of the leave. Inasmuch as state employees would be compensated during firefighter training leaves of absence under SB 1611, and thus would not be required to pay the employer's normal cost for the period of the leave, there would be a very minor fiscal impact upon SERS commensurate with the number of state employees who avail themselves of such periods of leave.

SUBJECT MATTER: SB 1611, as engrossed, creates the Firefighter Training Leave of Absence Act. The bill provides that a State employee shall be granted leave from his or her State employment for firefighter training as follows: (1) on one occasion, for up to 200 hours, to participate in training necessary to obtain Basic Operations Firefighter certification from the

State Fire Marshal while attending a State Fire Marshal-approved fire academy; and (2) special or advanced training annually, not to exceed 80 hours, after obtaining Basic Operations Firefighter certification from the State Fire Marshal

COMMENT: Under SB 1611, as engrossed, the maximum leaves of absence permitted in any one calendar year for firefighter training shall not exceed 200 hours. The engrossed bill states that during a leave of absence, the employee's seniority and "other benefits" shall continue to accrue. SERS states that pensionable service credit would be earned during such leaves of absence since members would be compensated during the period of leave.

DH:bs

LRB103 27270 AWJ 53641 b