



## Commission on Government Forecasting and Accountability

### **PENSION IMPACT NOTE** *103<sup>RD</sup> General Assembly*

BILL NO: **SB 1643**

February 10, 2023

SPONSOR (S): Martwick

SYSTEM: SURS

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#### **FISCAL IMPACT**

**SB 1643 establishes a new schedule for computing service credit in SURS on a monthly basis. Participants would qualify for a full month of service credit after one day of service. This new schedule of calculating service credit can be applied retroactively to participants for 2 years, in which they may request a recalculation of their service based on the new service credit accrual schedule set forth in SB 1643. Overall, SURS says that SB 1643 would lead to a marginal increase in accrued liability.**

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**SUBJECT MATTER:** SB 1643 amends the State Universities Article of the Illinois Pension Code. When calculating service, one day of service in a calendar month would count as a full month of service. This would apply retroactively for 2 years before the effective date to allow participants to recalculate their service. Employers would be required to provide participating employees a statement on an annual basis detailing the amount of service the employer reported to the system during the preceding academic year.

**COMMENT:** SB 1643 addresses service credit accruals for part-time and adjunct university faculty in SURS. Under current law, one month of service credit is granted to a member if they qualify as an employee for at least 15 or more days in a given calendar month during which earnings are received. When defining years of service, the following service increments apply: within an academic year, 8 or more months of service constitutes a year of service; 6-8 months as three-quarters of a year of service; 3-6 months as one-half a year of service; and less than 3 months as one-quarter of a year of service.

SB 1643 forms a new creditable accrual schedule for active participants, in which one month of service is earned for at least one day of service in a calendar month. In other words, the

completion of one day of service or 31 days of service would constitute one month of service under this bill.

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