



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: SB 3344

March 21, 2024

SPONSOR (S): Martwick

SYSTEM: Chicago Teachers'

FISCAL IMPACT

SB 3344 amends the Chicago Teachers' article of the Illinois Pension Code to enhance pensionable service credit for CTPF members. According to CTPF, the fund's annual actuarial valuations assume that all active members will earn one full year of service credit each year. If a member earns less than the full year of service credit, the next year's valuation will see a small gain. SB 3344 could change service credit accrual assumptions in future actuarial evaluations, but the pension fund maintains that its actuary will need more experience before revising such assumptions.

SUBJECT MATTER: SB 3344 amends the Chicago Teachers' article of the Illinois Pension Code. The bill enhances the pensionable service credit accrual schedule to the greater of the current law standard of one day of pensionable credit for each day of service, or 10 days of service credit in each 10-day period in a school year in which the teacher worked 50% or more of their regularly scheduled hours.

COMMENT: Under current law, CTPF members receive one day of service credit for each day the contributor is paid salary representing a partial or full day of employment. CTPF members receive one day of service credit for each day of salary representing a partial or full day of employment; 17 or more days of service constitutes a month; and 170 days or more of service, or 10 or more months constitutes a year. SB 3344 would allow teachers to receive the greater of the current law service accruals or ten days of service credit for each 10-day period of employment in which the contributor worked 50% or more of regularly scheduled hours. (170 days of service is needed to establish one year of service credit in CTPF.)

Under current law, TRS members also receive one year of service credit for 170 days of salary representing a full day of employment. TRS members who earn salary for less than 170 days

receive service credit at a ratio of number of days paid to 170 days. SURS members receive one year of service credit for 8 or more months of service, $\frac{3}{4}$ of one year for 6-7 months of service, $\frac{1}{2}$ of one year for 3-5 months of service, and $\frac{1}{4}$ of one year for 1-2 months of service.

MH:bs

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