



## Commission on Government Forecasting and Accountability

### PENSION IMPACT NOTE *104<sup>TH</sup> General Assembly*

BILL NO: **HB 4153**

October 21, 2025

SPONSOR (S): Benton

SYSTEM: SERS

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#### FISCAL IMPACT

The fiscal impact of HB 4153 cannot be determined because the number of members who would purchase the optional service credit is unknown. However, since participants must pay employee contributions, the employer's normal cost, and interest, the bill is not expected to have a material fiscal effect on SERS. The retirement system estimates that between 500 and 1,000 members used this service credit option when it was last available under P.A. 90-0032 and P.A. 90-766.

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SUBJECT MATTER: HB 4153 amends the SERS article of the Pension Code. The bill allows for the purchase of up to 9 years of optional service credit for prior federal or out-of-state public employment, as described in the Comment section below.

COMMENT: P.A. 90-0032 (eff. June 27, 1997) allowed SERS members to purchase up to eight years, or 40% of service, for prior full-time federal or out-of-state public employment. The bill stipulated that such service should not otherwise be creditable in any other public pension fund, and no credit could be established for military service or for service already covered under SERS. To qualify, the member had to apply in writing by June 30, 1999 (extended from June 30, 1998, by P.A. 90-766) and pay the required employee contributions based on their highest salary before or after that employment, the employer's normal cost, and regular interest from the end of that employment to the date of payment.

HB 4153 would reactivate this provision by allowing up to nine years of optional service credit, raising the combined federal and military service limit to fourteen years. Members would still be required to make the same employee and employer contributions, with interest, as under the original enactment. The purchase window would sunset six months after the bill's effective date.

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