



## Commission on Government Forecasting and Accountability

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

BILL NO: **HB 5006**

March 17, 2026

SPONSOR (S): Sheehan – Kifowit, et al.

SYSTEM: State Employees' Retirement System (SERS)

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#### FISCAL IMPACT

Based on the SERS FY 2025 actuarial valuation, there are currently 67,723 active members in SERS. Also, according to SERS, there are currently 82 Secretary of State investigators, including 48 Tier 1 members and 34 Tier 2 members.

SERS indicates that, if HB 5006 becomes law, 4 Tier 1 members and 2 Tier 2 members would qualify for a pension. Additionally, 5 Tier 1 members and 3 Tier 2 members would qualify for an Alternative formula pension. As a result, SERS indicates that the bill would increase liabilities; however, the impact is expected to be very modest due to the small size of the affected population (approximately 0.12% of the total active population).

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SUBJECT MATTER: HB 5006 amends the Illinois Vehicle Code to allow investigators employed by the Secretary of State to remain in service until age 65, rather than current age 60. Additional details are in the Comment section below.

COMMENT: Under current law, investigators employed by the Secretary of State may not remain in service after reaching age 60. However, Capitol Police investigators are allowed to remain in service until age 65.

HB 5006 removes the separate rule for Capitol Police investigators and instead allows all investigators employed by the Secretary of State to remain in service until age 65.

From a pension perspective, although this bill does not amend the Pension Code, it may affect pension outcomes. These SOS investigators are generally eligible to participate in the SERS

Alternative Formula plan. By allowing these investigators to work beyond age 60 up to age 65, HB 5006 would allow them to earn additional alternative service credit as investigators. This additional service credit may allow some members to newly qualify for a retirement benefit under either the Alternative or Regular Formula, depending on the eligibility requirements that they could meet, and may also allow them to receive a higher benefit amount.

Currently, members who do not meet the eligibility requirements for the Alternative plan (e.g. not having enough alternative service credit) will instead receive a benefit under the Regular Formula. In such cases, they will also receive a refund of the portion of their employee contributions that exceeded the amount required under the Regular Formula, as the Alternative Formula requires higher employee contributions for more generous pension benefits.

The Table below compares normal retirement eligibility under the SERS Regular and Alternative Formula plans by tier:

	<b>Tier 1</b>	<b>Tier 2</b>
<b>Alternative Plan</b>	Age 55 with 20 years; or Age 50 with 25 years	Age 55 with 20 years for SOS investigators <i>(*age 60 with 20 years for certain other positions)</i>
<b>Regular Plan</b>	Age 60 with 8 years; or Rule of 85	Age 67 with 10 years

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