



## Commission on Government Forecasting and Accountability

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

BILL NO: SB 1450

February 11, 2025

SPONSOR (S): Martwick

SYSTEM: Chicago Teachers'

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#### FISCAL IMPACT

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 1450 could change service credit accrual assumptions in future actuarial evaluations, but the pension fund maintains that more actual experience needs to be observed before its actuary revises such assumptions.

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SUBJECT MATTER: SB 1450 amends the Chicago Teachers' Article of the Illinois Pension Code. The bill enhances pensionable service credit accrual by allowing teachers to receive the greater of the current law standard (one day of credit per day worked) or 10 days of credit for each 10-day period in which they work at least 50% of their scheduled hours.

COMMENT: Under current law, 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 1450 would allow teachers to accrue service credit under current law or, if they meet the 50% work threshold in 10-day periods, they would receive 10 days of service credit per period. (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.

JB:bs

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