



## Commission on Government Forecasting and Accountability

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

BILL NO: SB 1630

February 13, 2025

SPONSOR (S): Syverson

SYSTEM: SERS

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#### FISCAL IMPACT

The fiscal impact of SB 1630 is not known, as the number of members who would purchase optional service credit for contractual ILGA district office service is not known. SERS members who would purchase this service credit are not required to pay the employer's normal cost of the period of optional service. Hence, there would be a slightly negative impact upon the pension fund. SERS had unfunded liabilities of \$30.2 billion with a funding ratio of 45.84% as of the June 30, 2024 actuarial valuation.

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SUBJECT MATTER: SB 1630 amends the State Employees article of the Illinois Pension Code to allow current and former contractual constituent service employees to General Assembly members to purchase service credit for their contractual constituent service. This service credit is limited to no more than eight years.

COMMENT: P.A. 90-0511, which took effect on August 22, 1997, allowed a member of SERS who rendered contractual services to a member of the ILGA in the member's district office to purchase up to eight years of service credit by making the requisite contributions to the pension system by March 1, 1998. SB 1630 would reopen this window, such that the foregoing service must be purchased within one year of the bill's effective date. To establish the service credit, the member must make the employee contributions that would have been required had the service been rendered as a member of SERS, plus interest at the statutory "regular" interest rate of 6%, compounded annually from the date of service to the date of payment. Current law does not specify the payment of the employer's normal cost for the establishment of this service.

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