

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **SB 0552, as amended by Senate Amendment 1** May 13, 2009
SPONSOR (S): DeLeo
SYSTEM(S): Downstate Police Pension Funds, Chicago Police Pension Fund

FISCAL IMPACT: The fiscal impact of SB 0552, as amended by Senate Amendment 1, cannot be determined as the number of police officers who may wish to purchase optional service credit for up to 2 years of military service before employment is unknown. The bill requires the employee to pay the employer's normal cost and the employee contribution, plus interest at the actuarially assumed rate, from the date of employment commencement to the date of payment. Therefore, the cost should be minimal.

SUBJECT MATTER: SB 0552, as amended by Senate Amendment 1, amends the Downstate Police and Chicago Police Articles of the Illinois Pension Code to allow the purchase of optional retirement service credit for military service of up to 2 years.

FISCAL IMPACT: The fiscal impact of SB 0552, as amended by Senate Amendment 1, cannot be determined as the number of police officers who may wish to purchase optional service credit for up to 2 years of military service before employment is unknown. The bill requires the employee to pay the employer's normal cost and the employee contribution, plus interest at the actuarially assumed rate, from the date of employment commencement to the date of payment. Therefore, the cost should be minimal.

COMMENTS: Currently, the Illinois Pension Code lists specific periods of service for which a member may purchase optional service credit. SB 0552, as amended by Senate Amendment 1, amends the Pension Code to add 2 years of military service prior to employment to this approved list.

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