

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 98TH GENERAL ASSEMBLY

BILL NO:               **SB 1687, as amended by SA 1**                               April 10, 2013  
SPONSOR(S):        Biss  
SYSTEM(S):         State Universities' Retirement System (SURS)

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**FISCAL IMPACT:** The fiscal impact of SB 1687, as amended by SA 1, is indiscernibly small yet positive in the long term. Although this bill delays the implementation of P.A. 97-0968 for one year, it broadens the definition of "Affected Annuitant," which in turn, will require more employers to make the contributions required under P.A. 97-0968 once the Act is fully implemented.

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**SUBJECT MATTER:** SB 1687, as amended by SA 1, amends the SURS article of the Illinois Pension Code with regard to the designation of certain return-to-work situations being labeled as "Affected Annuitants." This bill also delays implementation of the program for one calendar year.

**COMMENT:** Public Act 97-968 created a return to work program allowing SURS annuitants to be employed on a contractual basis. Such employees will be designated "Affected Annuitants" on the first day of the first academic year following their re-employment. The employing entity must contribute 12 times the affected annuitant's gross monthly retirement benefit to SURS. Such contributions do not enhance the affected annuitant's pension benefit but, instead, go into the SURS general trust fund.

SB 1687, as amended by SA 1, delays the implementation of the return-to-work provision of P.A. 97-968 by 1 year; the bill properly defines "academic year," and it also eliminates the length-of-reemployment criterion for determining Affected Annuitant status. Below is a summary of the changes made by SA 1:

- Current law: P.A. 97-968 implemented on August 1, 2013
  - This bill: August 1, 2014
- Current law: Academic year, as used in reference to affected annuitants, follows the standard definition.
  - This bill: The academic year begins September 1st of any calendar year.
- Current law: An affected annuitant is defined by working 18 or more weeks and received pay greater than 40% of his current annuity.
  - This bill: An affected annuitant is only defined as receiving compensation in excess of 40% of his current annuity.