

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **HB 1117**

February 16, 2007

SPONSOR (S): Rose

SYSTEM(S): State Employees' Retirement System

FISCAL IMPACT: The fiscal impact of HB 1117 cannot be determined as the number of specified employees who may wish to purchase optional service credit for prior policeman service is unknown. The bill requires the employee to pay the employer's normal cost and the employee contribution plus interest, from the date of service to the date of payment. Therefore, the cost should be minimal.

SUBJECT MATTER: HB 1117 amends the State Employees' Article of the Illinois Pension Code to establish eligible service credit to an investigator for the Secretary of State or a conservation police officer for up to 5 years of service as a policeman with a municipal or county police department.

FISCAL IMPACT: The fiscal impact of HB 1117 cannot be determined as the number of specified employees who may wish to purchase optional service credit for prior policeman service is unknown. The bill requires the employee to pay the employer's normal cost and the employee contribution plus interest, from the date of service to the date of payment. Therefore, the cost should be minimal.

COMMENT/DISCUSSION: Currently, the Illinois Pension Code lists specific circumstances under which a member may purchase optional service credit. HB 1117 amends the State Employees Article of the Code to provide that an investigator for the Secretary of State or a conservation police officer may elect, not later than one month after the effective date, to establish eligible creditable service for up to 5 years of service as a policeman with a municipal or county police department for which they are otherwise not entitled to benefits under the Code (including by reason or acceptance of a refund). The bill requires the employee to pay the employer's normal cost and the employee contribution, plus interest, from the date of service to the date of payment. In addition, HB 1117 specifies that allowing these employees to purchase service credit for prior service as a policemen constitutes a new benefit increase, and this increase shall be funded by the additional employee contributions.

GS:dkb

LRB095 07409 AMC 27559 b