

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **HB 1960, as amended by Senate Amendment 001** May 10, 2007
SPONSOR (S): Poe – Brauer (Bomke)
SYSTEM(S): State Employees' Retirement System

FISCAL IMPACT: The fiscal impact of HB 1960, as amended by Senate Amendment 001, cannot be determined as the number of participants who may wish to purchase service credit for internship work has not been calculated, but is expected to be minor. The bill as amended requires the participant to pay the employee contribution, the employer's normal cost, plus interest from the date of service to the date of payment.

SUBJECT MATTER: HB 1960, as amended by Senate Amendment 001, amends the State Employees' Article of the Illinois Pension Code to permit participants to purchase service credit for up to 2 years of work in the University of Illinois Government Public Service Internship Program.

FISCAL IMPACT: The fiscal impact of HB 1960, as amended by Senate Amendment 001, cannot be determined as the number of participants who may wish to purchase service credit for internship work has not been calculated, but is expected to be minor. The bill as amended requires the participant to pay the employee contribution, the employer's normal cost, plus interest from the date of service to the date of payment.

COMMENTS: The Illinois Pension Code lists specific conditions and periods of service for which an employee may purchase service credit. HB 1960, as amended by Senate Amendment 001, amends the State Employees' Article of the Pension Code to add participation in the University of Illinois Government Public Service Internship Program to this list. Participants may purchase up to 2 years of service credit and must pay all required contributions in the time and manner specified. In addition, HB 1960, as amended by Senate Amendment 001, states that allowing employees to establish service credit for the specified internship participation constitutes a new employee benefit, the costs of which will be covered by the additional employee contributions.