

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **HB 1970**

March 1, 2007

SPONSOR (S): Reitz - Mathias

SYSTEM(S): Teachers' Retirement System

FISCAL IMPACT: The fiscal impact of HB 1970 cannot be determined because the number of employees affected is not known.

SUBJECT MATTER: HB 1970 amends the Downstate Teacher Article of the Illinois Pension Code to provide that, when assessing payment for any amount due for salary increases in excess of 6%, the System shall exclude salary increases as a result of accepting school-sponsored, extra-curricular assignments.

FISCAL IMPACT: The fiscal impact of HB 1970 cannot be determined because the number of employees affected is not known.

COMMENT/DISCUSSION: The Illinois Pension Code requires the teacher's employer to pay to the System the present value of the increase in pension benefits resulting from the portion of any salary increase (during the period used to determine final average salary) that is in excess of 6%. In addition, a number of specific situations are excluded from the requirement for these employer payments. HB 1970 amends the Code to provide that, when assessing payment for any amount due for salary increases in excess of 6%, the System shall also exclude salary increases as a result of accepting school-sponsored, extra-curricular assignments.

GS:dkb

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