

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **SB 0647**

February 23, 2007

SPONSOR(S): **Wilhelmi**

SYSTEM(S): **Illinois Municipal Retirement Fund**

FISCAL IMPACT: The impact of SB 0647 cannot be determined as the number of members who will purchase military service credit is unknown.

SUBJECT MATTER: SB 0647 amends the Illinois Municipal Retirement Fund article of the Pension Code to allow certain members to purchase up to 4 years of creditable service for service in the armed forces of the United States.

FISCAL IMPACT: The impact of SB 0647 cannot be determined as the number of members who will purchase military service credit is unknown.

COMMENT: SB 0647 allows members of IMRF to purchase up to 4 years of service credit for military service. The member is required to; apply to IMRF in writing and provide evidence of the military service that is satisfactory to the Board; obtain the written approval of the current employer; and make the employer and employer contributions (normal cost), plus interest from the date of first membership to the date of payment. If payment is made during the 6 month period that begins one month after the effective date of the Amendatory Act, the required interest shall be 2.5% per year, compounded annually. Otherwise, the required interest shall be calculated at the regular interest rate.

SB 0647 amends the State Mandates Act to require implementation without reimbursement.

VC:dkb

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