

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

101ST GENERAL ASSEMBLY

BILL NO: **HB 2901**

February 27, 2019

SPONSOR (S): Hoffman

SYSTEM(S): General Provisions (pertinent to SERS)

FISCAL IMPACT: HB 2901 would increase the accrued actuarial liabilities of SERS as a result of lowering the retirement age for Tier 2 state police officers from age 60 to age 50. An actuarial study would be necessary to determine the precise cost to the system.

SUBJECT MATTER: HB 2901 amends the General Provisions article of the Illinois Pension Code to allow Tier 2 state police officers to receive the benefits of the alternative formula retirement annuity in SERS after reaching 50 years of age, instead of age 60.

COMMENT: Currently, Tier 2 state police officers are entitled to an unreduced annuity under the SERS alternative formula at age 60 with 20 years of service. HB 2901 would lower this requirement to age 50 with 20 years of service. The proposed legislation would apply regardless of active service status on or after the effective date of this legislation. This legislation has an immediate effective date.

AB:bj

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