

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

101ST GENERAL ASSEMBLY

BILL NO: **HB 3622**

February 26, 2019

SPONSOR (S): Costello - Walsh

SYSTEM(S): SERS

FISCAL IMPACT: According to SERS, the prior service portion of HB 3622 would have a negative, though minimal, fiscal impact to the state, as employer normal cost for the service credit being applied for by the participants is not being paid by the member. Tier 2 conservation police officers would accrue service credit under the alternative (state police) formula when the bill goes into effect.

SUBJECT MATTER: HB 3622 amends the General Provisions and State Employees articles of the Illinois Pension Code to allow Tier 2 conservation police officers to qualify for the alternative (state police) formula in SERS, and to convert up to eight years of prior service credit as a conservation police officer into eligible pensionable service under the SERS alternative formula.

COMMENT: According to SERS, the prior service provision of the bill would affect approximately 23 active conservation police officers. Some unfunded liability would be created if the prior service credit provision is utilized by the eligible conservation police officers, as there is no provision for payment of the employer normal cost portion of the eight years of optional service credit. The employee is still required to make a payment for the amount of employee contributions that would have been paid normally for Tier 2 service credit. Conservation police officers would accrue future service credit under the alternative formula after the effective date of this legislation.

AB:bj

LRB101 09742 RPS 54842 b