

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

100TH GENERAL ASSEMBLY

BILL NO: **HB 5137, as amended by HA 1**

April 26, 2018

SPONSOR (S): Martwick

SYSTEM(S): State Universities Retirement System (SURS) and Teachers' Retirement System (TRS)

FISCAL IMPACT: There would be no impact on State contributions to SURS and TRS as a result of HB 5137, as amended by HA 1. The bill creates a supplemental, optional defined contribution plan which would not affect the existing defined benefit plans.

SUBJECT MATTER: HB 5137, as amended by HA 1, amends the State Universities Retirement System (SURS) Article and the Downstate Teachers (TRS) Article of the Illinois Pension Code by creating a supplemental, optional Defined Contribution (DC) plan for active members.

COMMENT: HB 5137, as amended by HA 1, allows SURS and TRS to create a supplementary, optional DC plan as soon as practical after the effective date of this legislation so that any active members who wish to choose the DC plan can participate in the supplementary DC plan. Under this optional DC plan, employee and employer contributions would be collected into an account to be invested. The bill mandates that the DC plan should be in compliance with any applicable State and Federal laws, and any expenses of creating and maintaining the DC plan would be covered by both employee and employer contributions.

JB:bj

LRB100 20023 RPS 36890 a