

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

100TH GENERAL ASSEMBLY

BILL NO: **SB 1404**

February 14, 2017

SPONSOR (S): Cullerton, T – Morrison, et al.

SYSTEM(S): GARS

FISCAL IMPACT: SB 1404 would have an unknown fiscal impact to the state, as no detail is provided within the legislation as to the way existing liabilities would be paid down without new members entering the system. This information would need to be known before the fiscal impact could be accurately calculated.

SUBJECT MATTER: SB 1404 amends the General Assembly article of the Illinois Pension Code to limit participation by members of the Illinois Senate in GARS to individuals who become participants before June 1, 2018.

COMMENT: The proposed legislation would eliminate any additional liability for GARS on the part of members of the Illinois Senate beyond its current obligations and any new participants before June 1, 2018. The most recent actuarial valuation estimates 556 members as of June 30, 2016, and an unfunded actuarial liability (based on the actuarial value of assets) of \$312.5 million. It is unknown at this time what GARS would be replaced with under this legislation. This legislation is similar to HB 0765 from the 100th GA, though this legislation only affects the Senate.

AB:dkb

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