

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

100TH GENERAL ASSEMBLY

BILL NO: **SB 2954, as amended by SA 1** May 7, 2018

SPONSOR (S): Aquino (Martwick)

SYSTEM(S): State Universities Retirement System (SURS)

FISCAL IMPACT: There is no discernible fiscal impact associated with SB 2954, as amended by SA 1. To the extent the bill allows for more efficient collection of penalty payments such as the Governor's salary cap penalties under P.A. 100-0023, it will have a positive impact on SURS.

SUBJECT MATTER: SB 2954, as amended by SA 1, amends the State Universities Article (SURS) of the Illinois Pension Code by changing the way of calculating the Governor's salary cap penalty payments and by allowing SURS to receive delinquent employer payments directly from the Comptroller. This legislation also makes technical changes.

COMMENT: Under current law, when an employee's salary exceeds the Governor's salary, the employer shall make a penalty payment, in addition to any other required payments. The current language, implemented by P.A. 100-0023, says that an employee's salary should be converted to a "full-time equivalent basis" salary even when an employee is not on the full-time employment.

SB 2954, as amended by SA 1, removes the words "full-time equivalent basis" for more accurate calculations of the Governor's salary cap penalty payments. The changes including other technical changes on the Governor's salary cap penalty rule will apply retroactively to July 6, 2017, the effective date of P.A. 100-0023. Also, this legislation allows SURS to receive delinquent employer payments directly from the State Comptroller.

JB:bj

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