

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

100TH GENERAL ASSEMBLY

BILL NO: **SB 3030**

February 22, 2018

SPONSOR (S): Link

SYSTEM(S): Cook County Forest Preserve

FISCAL IMPACT: At the present time, no actuarial analysis has been performed on SB 3030. An updated note will be issued when an actuarial cost study becomes available.

SUBJECT MATTER: SB 3030 amends both the Cook County Employees' and Cook County Forest Preserve articles of the Pension Code. The bill changes the respective funding and debt amortization schedules as summarized below in the Comment Section.

COMMENT:

Cook County Employees' Pension Fund

Under current law, the Cook County Board is obligated to levy a tax upon all taxable property in the county in order to provide for employer contributions to the Cook County Employees' pension fund. The "tax multiplier" for pension levy purposes is equal to 1.54 multiplied by the amount of employee contributions made 2 years prior to the year in which the tax is levied.

SB 3030 sets forth a new funding schedule under the Cook County Forest Preserve Article of the Pension Code. For fiscal years 2018 through 2022, the county's annual required contribution shall be as follows:

- \$555 million for FY 2018
- \$556 million for FY 2019
- \$577 million for FY 2020
- \$588 million for FY 2021
- \$599 million for FY 2022

For payment years FY 2023 through 2052, the county's required annual contribution shall be the amount determined by the pension fund to be equal to the sum of the county's portion of the projected normal cost, plus an amortization component

necessary to bring the fund up to 100% funded status by the end of FY 2052. For fiscal years after FY 2052, the fund shall be required to make the payments necessary to maintain a 100% funding ratio.

Cook County Forest Preserve Pension Fund

Under current law, the Cook County Forest Preserve District is obligated to levy a tax upon all taxable property in the county in order to provide for employer contributions to the Cook County Employees' pension fund. The "tax multiplier" for pension levy purposes is equal to 1.30 multiplied by the amount of employee contributions made 2 years prior to the year in which the tax is levied. SB 3030 sets forth a new funding schedule under the Cook County Forest Preserve Article of the Pension Code. For fiscal years 2018 through 2022, the county's annual required contribution shall be as follows:

- \$4.5 million for FY 2018
- \$5.5 million for FY 2019
- \$6.5 million for FY 2020
- \$7.5 million for FY 2021
- \$8.5 million for FY 2022

For payment years FY 2023 through 2052, the Forest Preserve's required annual contribution shall be the amount determined by the pension fund to be equal to the sum of the county's portion of the projected normal cost, plus an amortization component necessary to bring the fund up to 100% funded status by the end of FY 2052. For fiscal years after FY 2052, the fund shall be required to make the payments necessary to maintain a 100% funding ratio.

DH:bj

LRB100 18398 MJP 33609 b