COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

101ST GENERAL ASSEMBLY

BILL NO: **HB 2904** February 19, 2019

SPONSOR (S): Martwick

SYSTEM(S): Cook County and Cook County Forest Preserve

FISCAL IMPACT: HB 2904 would specify the annual employer contributions to bring the total actuarial assets of both Cook County funds up to 100% of total actuarial liabilities of the Funds by 2052. The Cook County Pension fund had a funded ratio of 60.09% as of 2017. The Cook County Forest Preserve Pension Fund had a funded ratio of 61.73% as of 2017.

<u>SUBJECT MATTER</u>: HB 2904 amends the Cook County and Cook County Forest Preserve Articles of the Illinois Pension Code and specifies amounts of annual contributions through 2022, and implements an actuarial funding schedule in 2023 with the goal of attaining a 100% funding ratio by 2052.

<u>COMMENT</u>: The proposed legislation specifies the dollar amount of annual required contributions for both funds through 2022 as shown in Appendix A. Beginning in 2023, annual required contributions for both funds shall be the sum of the employer's portion of the projected normal cost for the fiscal year, plus any remaining amount required to bring actuarial assets of both funds up to 100% of the total actuarial liabilities of the Funds by the end of year 2052.

HB 2904 would allow contributions to be taken from other tax revenues, proceeds of county borrowings, and State or federal funds, in addition to property tax. Under current law, contributions can only be taken from property tax revenue. The current projected insolvency date for the Cook County Pension fund is 2042, according to 2017 actuarial valuation. The current projected insolvency date for the Cook County Forest Preserve Pension Fund is 2040, also according to that fund's 2017 actuarial valuation.

HB 2904 is identical to SB 1865.

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Appendix A

HB 2904 Annual Required Contributions (Millions)

Year	Cook County	Forest Preserve
2019	\$566.00	\$5.50
2020	\$577.00	\$6.50
2021	\$588.00	\$7.50
2022	\$599.00	\$8.50