Commission on Government Forecasting and Accountability

2005 Report on the Cost and Savings of the State Employees' Early Retirement Incentive Program

(P.A. 92-0566)

February 2005
703 Stratton Office Building
Springfield, Illinois 62706

Commission on Government Forecasting and Accountability

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2005 Report on the Cost Savings of the State Employees' Early Retirement Incentive Program (P.A. 92-0566)

INTRODUCTION

The Commission on Government Forecasting and Accountability (formerly the Illinois Economic and Fiscal Commission) is required by statute 40 ILCS 5/14-108.3(h) to provide the Illinois General Assembly with a report of the annual cost or savings associated with the Early Retirement Incentive Program (ERI) offered to eligible members of the State Employees' Retirement System (SERS) and to eligible state employees covered by the Teachers' Retirement System (TRS). Specifically, the Commission is required to report the annual amount of payroll savings realized by the State due to the ERI, as well as the net annual savings or cost to the State due to the ERI.

As required, this report outlines the estimated payroll savings in FY 2005 due to the ERI and the net annual savings to the State for FY 2005. In addition, the report provides an estimate of annual payroll savings and the net annual savings for every fiscal year since the ERI and the cumulative cost or savings associated with the 2002 SERS ERI.

EXECUTIVE SUMMARY

Public Act 92-0566 (HB 2671) created an Early Retirement Incentive (ERI) Program for certain members of SERS and State employees covered by TRS. To be eligible for the ERI, members must have been, during June 2002: in active payroll status; on layoff status with a right of recall, or receiving a disability benefit for less than 2 years. Members were required to file the ERI application with the Board of Trustees prior to December 31, 2002 and leave employment between July 1, 2002, and December 31, 2002. The Directors and other heads of departments were allowed to extend the deadline for participation in the ERI for key personnel to April 30, 2003, by notifying the System in writing prior to December 31, 2002. SERS members who participated in the ERI are prohibited from returning to work under contract with any State agency. It should be noted that ERI participants, like all SERS retirees, may return to State employment as temporary employees for up to 75 days in a calendar year.

According to SERS, there were 86,406 State employees in July of 2002. By March of 2003, the number of State employees had dipped below 74,000 and then remained at about that level until October of FY 2005. Headcount then declined more, dipping below 73,000 employees, as the first effects of the Alternative Retirement Cancellation Payment (ARCP) program provided another incentive for State employees to leave service. It should be noted that the employee totals include employees who are still in the first 6 months of employment, during which time they are not members of SERS.

State Employees' Retirement System
Active Member Headcount*

	FY 2003		FY 2004		FY 2005	
Month	**State Employees**	**Change from 07/02**	**State Employees**	**Change from07/02**	**State Employees**	**Change from 07/02**
July	86,406		74,073	-12,333	74,127	-12,279
August	86,187	-219	74,719	-11,687	74,051	-12,355
September	86,492	86	74,557	-11,849	73,980	-12,426
October	85,056	-1,350	74,316	-12,090	72,484	-13,922
November	81,644	-4,762	73,215	-13,191	72,233	-14,173
December	81,126	-5,280	73,977	-12,429	72,796	-13,610
January	81,221	-5,185	74,343	-12,063	72,556	-13,850
February	80,351	-6,055	74,165	-12,241	N/A	N/A
March	73,986	-12,420	74,160	-12,246	N/A	N/A
April	73,729	-12,677	73,228	-13,178	N/A	N/A
May	73,892	-12,514	73,180	-13,226	N/A	N/A
June	74,062	-12,344	73,465	-12,941	N/A	N/A

* The number of employees on a State payroll at any time during the three-month period ending during the month noted.

Commission staff based the estimate of ERI costs and savings on the components identified in the report, as well as the historical SERS retirement patterns. The Commission estimates the ERI has resulted in a savings to the State of **$1,058.2 million** as follows:

FY 2003 (millions $)		**FY 2004** (millions $)	
Lump Sum Payouts	$138.8	Retirement Contributions	$71.0
Retirement Contributions	0.0	Group Insurance	3.9
Group Insurance	2.4	FY 2004 Cost	$74.9
FY 2003 Cost	$141.2		
		Reduction in Lump Sum Payouts	$15.5
Reduction in Payroll	$296.7	Reduction in Payroll	468.3
Reduction in Payroll Cost	32.6	Reduction in Payroll Cost	46.8
FY 2003 Savings	$329.3	FY 2004 Savings	$530.6
Net FY 2003 Savings	**$188.1**	**Net FY 2004 Savings**	**$455.7**

FY 2005 (millions $)	
Retirement Contributions	$71.7
Group Insurance	3.9
FY 2005 Cost	$75.6
Reduction in Lump Sum Payouts	$4.6
Reduction in Payroll	445.3
Reduction in Payroll Cost	40.1
FY 2005 Savings	$490.0
Net FY 2005 Savings	**$414.4**

The FY 2003 and FY 2004 estimates have been adjusted since the 2004 report to reflect actual SERS retirements in FY 2003 and FY 2004. The FY 2005 estimate will be updated in the 2006 report to reflect actual FY 2005 SERS retirements.

As the State will be required to contribute substantially more for the ERI ($280.2 million) beginning in FY 2006, the annual savings associated with the ERI will be smaller in the next several fiscal years. But, unless employee headcount and payroll increase significantly from current levels, the State will continue to realize annual savings from the 2002 SERS ERI. Future reports will outline the cumulative savings associated with the 2002 ERI, as well as the annual cost or savings.

Public Act 92-0566
The SERS Early Retirement Incentive Program

The Provisions of the 2002 SERS ERI

Public Act 92-0566 (HB 2671) created an Early Retirement Incentive (ERI) Program for certain members of SERS and State employees covered by TRS. To be eligible for the ERI, members must have been, during June 2002: in active payroll status; on layoff status with a right of recall, or receiving a disability benefit for less than 2 years. Members were required to file the ERI application with the Board of Trustees prior to December 31, 2002 and leave employment between July 1, 2002, and December 31, 2002. The Directors and other heads of departments were allowed to extend the deadline for participation in the ERI for key personnel to April 30, 2003, by notifying the System in writing prior to December 31, 2002. SERS members who participated in the ERI are prohibited from returning to work under contract with any State agency. It should be noted that ERI participants, like all SERS retirees, may return to State employment as temporary employees for up to 75 days in a calendar year.

Members who were eligible to purchase the 5 years of service credit (and age enhancement) were not required to retire, but rather to terminate State employment. Participants who weren't immediately eligible for a retirement annuity may retire upon reaching eligibility. In addition, ERI participants were eligible for an unreduced annuity beginning at age 50 with at least 20 years of service, rather than at age 55 with 25 years of service.

In order to participate in the ERI, the member was required to have accumulated at least 8 years of creditable service (at least 5 as active service), excluding service established by this ERI. The 5 years of active service could include military service that interrupts employment and the qualifying period, but could not include any other type of optional service credit. Employees participating in the ERI received up to 5 years of additional service credit by paying the full retirement contribution rate, for each year of service, based on the salary in effect on June 1, 2002. If the employee's lump sum payment for accumulated vacation, sick, and personal leave was larger than the amount of the required contribution, the contribution must have been made from the lump sum (pre-tax) prior to retirement. If the lump sum payment was not large enough, the remaining amount due is deducted from the retirement annuity in 24 equal monthly installments.

The Funding of the ERI

Public Act 92-0566 required SERS and TRS to determine the net increase in the unfunded liability resulting from the ERI and report the amount to the Governor and the Illinois Economic and Fiscal Commission by November 15, 2003. SERS and TRS calculated and certified the unfunded ERI liability amounts to be $2.3 billion and $10.9 million, respectively. The legislation required the State to contribute $70 million to SERS and $1 million to TRS in FY 2004 towards this liability. In FY 2005 through

FY 2013, the State must amortize at 8.5% interest the remaining ERI liability in equal annual installments as certified by SERS and TRS.

Public Act 93-0839 required the impact of the ERI to be recalculated, based on the increase in the present value of future benefits resulting from the ERI, rather than the impact on the accrued liability. According to SERS, the increase in the present value of future benefits that resulted from the ERI is $1.75 billion, while the increase in accrued liability resulting from the ERI totaled $2.3 billion. The amount of the reduction, $550 million, will be funded over the remainder of the current funding plan (41 years), rather than funded as ERI liability.

Due to budgetary constraints, Public Act 93-0839 required the State to contribute only $70 million to SERS for the ERI in FY 2005, and the remainder of the increase in the present value of future benefits will be amortized over 10 years beginning in FY 2006. A level dollar payment is required. SERS has certified an annual ERI contribution of $280.2 million for FY 2006 through FY 2015.

ERI Utilization

According to SERS, 11,039 members elected to participate in the ERI. Of these, 10,301 were eligible to retire immediately (Option 1), while 738 members elected to terminate employment and receive benefits at a later date (Option 2). The average number of ERI months purchased was 58 and the average age at termination was 57 for Option 1 participants and 48 for Option 2 participants. According to the System, the average cost of purchasing the ERI service credit was $11,624 per participant and the average total monthly benefit of all ERI participants was almost $2,505.

ERI Impact on Employee Headcount

According to SERS, there were 86,406 State employees in July of 2002. By March of 2003, the number of State employees had dipped below 74,000, as shown in Table 1 (see page 3). Headcount remained at about that level until October 2004, when it dropped further due to two incentive programs aimed at reducing headcount further. It should be noted that the employee totals include employees who are still in the first 6 months of employment, during which time they are not members of SERS.

TABLE 1

State Employees' Retirement System
Active Member Headcount*

	FY 2003		FY 2004		FY 2005	
Month	**State Employees**	**Change from 07/02**	**State Employees**	**Change from07/02**	**State Employees**	**Change from 07/02**
July	86,406		74,073	-12,333	74,127	-12,279
August	86,187	-219	74,719	-11,687	74,051	-12,355
September	86,492	86	74,557	-11,849	73,980	-12,426
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May	73,892	-12,514	73,180	-13,226	N/A	N/A
June	74,062	-12,344	73,465	-12,941	N/A	N/A

*The number of employees on a State payroll at any time during the three-month period ending during the month noted.

As Table 1 illustrates, the number of State employees is still significantly below the pre-ERI level. At the end of December of 2004, State employee headcount was still more then 13,500 below the pre-ERI level. In fact, the reduction in payroll and headcount has been more dramatic in FY 2005, as the State has adopted two other programs with the goal of reducing headcount. This first program was the Alternative Retirement Cancellation Payment (ARCP) program and the second was the Contingent Lump Sum Incentive Payment (CLSIP) program. The ARCP program provided an enhanced refund from SERS for people leaving State employment before September 30, 2004 and the CLSIP program provided a severance payment to people leaving State employment between November 1, 2004 and December 31, 2004.

SERS Retirement History

Table 2, on the next page, provides a 10-year history of the number of SERS retirements per year. In addition, the table shows the number of retirees removed per fiscal year and the total number of SERS retirees at the end of each fiscal year.

TABLE 2

State Employees' Retirement System
Retirements by Year

Fiscal Year	Beginning Retirees	Additions	Removals	Ending Retirees
1995	28,129	1,058	1,285	27,902
1996	27,902	1,167	1,169	27,900
1997	27,900	1,017	1,227	27,960
1998	27,690	2,365	1,281	28,774
1999	28,774	1,841	1,255	29,360
2000	29,360	2,075	1,298	30,137
2001	30,137	2,270	1,328	31,079
2002	31,079	2,673	1,328	32,424
2003	32,424	11,372	1,391	42,405
2004	42,405	1,285	1,383	42,307

The number of SERS retirements per fiscal year has varied greatly. The significant reduction in the number of retirements in FY 2004 is a direct result of the extremely large number of retirements in FY 2003. It is expected that the number of SERS retirements will remain low for several years, as the 2002 ERI "shifted forward" the retirement of State employees who would have otherwise retired over the next several fiscal years. The ARCP and CLSIP programs, which were programs to reduce State employee headcount and payroll, may cause the number of FY 2005 retirements to be higher than they would have been absent the programs.

FY 2003 ERI Cost/Savings

Public Act 92-0566 (HB 2671) requires the Commission on Government Forecasting and Accountability to report on the annual amount of payroll savings due to the ERI and the net annual savings or cost of the ERI. To that end, Commission staff has identified the cost and savings components associated with the ERI, and estimated the FY 2003 cost or savings associated with the ERI. The FY 2003 cost and savings estimate has been adjusted from the 2004 report to reflect actual SERS retirements in FY 2003 with the retirements that would have occurred absent the ERI.

Only 333 State employees retired from SERS in 2003 without utilizing the ERI. The following estimates assume 1,967 State employees who participated in the ERI would have retired in FY 2003 even in the absence of the ERI. The following cost and savings estimates are based on the remaining 9,072 ERI participants.

Cost Components

Lump-Sum Payouts

One of the largest FY 2003 ERI costs was the increase in agency payouts for unused sick and vacation leave. Based on agency payout information provided by the Comptroller's office, total lump sum payouts in FY 2003 totaled almost $174 million. In addition to the 333 regular SERS retirements in FY 2003, it is estimated that 1,967 ERI participants would have retired in FY 2003 even without an ERI, based on past retirement patterns. Therefore, Commission staff estimates that $35.2 million in lump sum payments would have been made in FY 2003 even in the absence of an ERI, leaving $138.8 million in FY 2003 lump sum payments as a cost attributable to the ERI.

Employer Retirement Contributions to SERS and TRS

The ERI legislation contained provisions which required the liability created by the program to be amortized over 10 years, in order to attempt to match the period of reduced payroll. The legislation did not require employer retirement contributions to be made in FY 2003.

Change in the Number of Employees Covered by CMS Group Health Insurance

The SERS ERI could have increased CMS group health insurance costs for two reasons. First, active employees pay a portion of the health insurance premium while retirees with at least 20 years of service are not required to pay any portion of the health insurance premium. Second, for every ERI participant that is replaced, there will be an increase in health insurance costs for the State, as there will then be a retiree and an employee (rather than just an employee) covered by CMS group health insurance.

Based on membership data provided by CMS, the number of people covered by CMS group health insurance has remained steady after the ERI. So, rather than increasing total membership of the CMS group health insurance program, the ERI simply shifted many employees to the retiree category. Based on the timing of the early retirements and an average increase in monthly costs of $35.29 (as most recent retirees make no health insurance contribution), it is estimated the ERI increased group health insurance costs by $2.4 million in FY 2003.

Savings Components

Payroll Reduction

Of course, the main savings from the ERI is the reduction in State headcount and payroll. Primarily, payroll reduction is a result of fewer people on the State payroll. As noted previously, State headcount is still lower than pre-ERI levels. But, based on past retirement patterns, it is estimated 1,967 ERI participants would have retired in FY 2003 even in the absence of the ERI. Based on the timing and number of ERI retirements, Commission staff estimates the FY 2003 payroll attributed to ERI participants totaled approximately $348.9 million. Approximately $52.2 of this payroll would have been eliminated even in the absence of the ERI, leaving the FY 2003 ERI payroll savings at $296.7 million.

Reduction in Payroll-Related Costs

Because of the reduction in payroll, the costs associated with payroll were also reduced by the 2002 ERI. Specifically, the reduced payroll resulted in a reduction in the employee retirement contributions made by the State on behalf of the member (4% to 5.5% of payroll) and a reduction in employer contributions for Social Security and Medicare (7.65% of payroll).

For FY 2003, staff assumed the State would have contributed 4% of payroll, representing the employee contribution that would have been made in FY 2003 on behalf of early retirees. In addition, the State would be been responsible for making the employer portion of the Social Security contribution for at least 90% of ERI participants, as the overwhelming majority of participants were covered by Social Security. All members were assumed to be Medicare participants. The estimated reduction in payroll-related costs in FY 2003 is 11% of payroll, or $32.6 million.

Estimate of FY 2003 ERI Cost/Savings

Based on the preceding cost and savings components, staff estimates the ERI has resulted in a savings to the State in FY 2003 (in millions $) as follows:

Lump Sum Payouts	$138.8
Retirement Contributions	0.0
Group Insurance	2.4
FY 2003 Cost	$141.2
Reduction in Payroll	$296.7
Reduction in Payroll Cost	32.6
FY 2003 Savings	$329.3
Net FY 2003 Savings	**$188.1**

The FY 2003 savings is mainly attributable to the realization of payroll savings in FY 2003, even though no additional ERI contributions were required to be made to SERS or TRS until FY 2004.

FY 2004 ERI Cost/Savings

Generally, the cost and savings components used to determine the estimated fiscal impact in FY 2004 are the same as those used to calculate the FY 2003 impact. To calculate the FY 2004 cost and savings components, staff estimated that 1,015 ERI participants would have retired at December 31, 2003 in the absence of the ERI, based on historical SERS retirement patterns.

The FY 2004 cost and savings estimate has been adjusted from the 2004 report to reflect actual SERS retirements in FY 2004 with the retirements that would have occurred absent the ERI. The number of FY 2004 SERS retirements was not available for use in the 2004 report. The following cost and savings estimates are based on the estimated 8,057 ERI participants who would have remained on the State payroll through all of FY 2004.

Cost Components

Employer Retirement Contributions to SERS and TRS
The legislation that created the ERI only required FY 2004 contributions of $70 million to SERS and $1 million to TRS. This ERI contribution is in addition to the regular employer contributions to the systems.

Increase in the Number of Employees Covered by CMS Group Health Insurance
Based on membership data provided by CMS, the number of people covered by CMS group health insurance remained steady after the 2002 ERI. So, rather than increasing total membership of the CMS group health insurance program, the ERI simply shifted many employees to the retiree category. Based on an average increase in monthly costs of $37.68, it is estimated the ERI increased group health insurance costs by $3.9 million in FY 2004.

Savings Components

Payroll Reduction
There were 1,285 retirements from SERS in FY 2004. Based on historical data of SERS retirement rates, 2,300 State employees would have been expected to retire in FY 2004. This reduction in FY 2004 retirements is likely due to the fact that some State employees who would have retired in FY 2004 instead participated in the 2002 SERS ERI. In effect, the ERI shifted 1,015 retirements from FY 2004 to FY 2003. Commission staff estimates the FY 2004 payroll savings attributable to ERI participants totaled approximately $496.0 million. Approximately $27.7 million of this payroll would have been eliminated in the absence of the ERI, as there would have been an additional 1,285 SERS regular retirements in FY 2004, assuming these 1,285 State employees would have retired in December 2003. This leaves the FY 2004 ERI payroll savings at an estimated $468.3 million.

Reduction in Payroll-Related Costs
As in FY 2003, the reduction in FY 2004 payroll has reduced the costs associated with payroll. The State no longer has to make the employee retirement contributions (4% to 5.5% of payroll) on behalf of SERS members who participated in the ERI or the employer contributions for Social Security and Medicare (7.65% of payroll). To calculate these savings, staff made the same assumptions as used in FY 2003 regarding the Social Security and Medicare eligibility of ERI participants. But, all employees not covered by a bargaining unit were required to make the employee retirement contribution of 4% or 5.5% of salary beginning January 1, 2004. Therefore, the reduction in payroll related costs is estimated to drop from 11% of payroll in FY 2003 to 10% of payroll in FY 2004, or $46.8 million.

Lump-Sum Payouts
The reduction in lump-sum payouts, as estimated by Commission staff, is considered an ERI savings in FY 2004, as absent the ERI, total lump sum payouts in FY 2004 would have been larger. Assuming 1,015 ERI participants would have had the lump sum payouts in FY 2004 rather than FY 2003, the estimated FY 2004 reduction in lump sum payouts is estimated to be $15.5 million.

Estimate of FY 2004 Cost/Savings

Based on the estimates of the preceding cost and savings components, staff estimates the FY 2004 SERS ERI impact to be (in millions $) as follows:

Retirement Contributions	$71.0
Group Insurance	3.9
FY 2004 Cost	$74.9
Reduction in Lump Sum Payouts	$ 15.5
Reduction in Payroll	468.3
Reduction in Payroll Cost	46.8
FY 2004 Savings	$530.6
Net FY 2004 Savings	**$455.7**

As was the case in FY 2003, the substantial savings realized in FY 2004 was mainly a result of the large reduction in payroll and a relatively small increase in the required ERI contributions to the retirement systems.

FY 2005 ERI Cost/Savings

According to SERS 1,200 State employees have retired to date and another 800 retirement applications are pending. SERS estimates an additional 200 members will retire by the end of FY 2005, bringing the total expected FY 2005 retirements to 2,200. Based on historical retirement patterns, an estimated 2,500 members would retire in FY 2005 in the absence of 2002 ERI. Therefore, staff estimated that 300 ERI participants would have retired at December 31, 2004 absent the 2002 ERI.

The following cost and savings estimates are based on the estimated 7,757 ERI participants who would have remained on the State payroll through all of FY 2004. This estimate may change in the 2006 report based on actual FY 2005 SERS retirements.

Cost Components

Employer Retirement Contributions to SERS and TRS

Public Act 93-0839 requires FY 2005 contributions of $70 million to SERS and $1.7 million to TRS. Then, annual amortization payments of $280.2 million are required each year for 10 years, beginning in FY 2006, as certified by SERS. Over the same time period, the ERI contributions to TRS have been certified at $1.4 million annually.

Increase in the Number of Employees Covered by CMS Group Health Insurance

Based on membership data provided by CMS, the number of people covered by CMS group health insurance is expected to remain steady from FY 2002 through FY 2005. So, rather than increasing total membership of the CMS group health insurance program, the ERI simply shifted many employees to the retiree category. Based on an average increase in monthly costs of $41.25, it is estimated the ERI increased group health insurance costs by $3.9 million in FY 2005.

Savings Components

Payroll Reduction

SERS estimates there will be 2,200 retirements in FY 2005. Based on historical data of SERS retirement rates, 2,500 State employees would have been expected to retire in FY 2005. This reduction in FY 2004 retirements is likely due to the fact that some State employees who would have retired in FY 2005 instead participated in the 2002 SERS ERI. In effect, the ERI shifted 300 retirements from FY 2005 to FY 2003. Commission staff estimates the FY 2005 payroll savings attributable to ERI participants totaled approximately $453.7 million. Approximately $8.4 million of this payroll would have been eliminated in the absence of the ERI, as there would have been an additional 300 SERS regular retirements in FY 2005, assuming these 300 State employees would have retired in December 2004. This leaves the FY 2004 ERI payroll savings at an estimated $445.3 million.

Reduction in Payroll-Related Costs
The State no longer has to make the employee retirement contributions (4% to 5.5% of payroll) on behalf of SERS members who participated in the ERI or the employer contributions for Social Security and Medicare (7.65% of payroll). To calculate these savings, staff made the same assumptions as used for prior years regarding the Social Security and Medicare eligibility of ERI participants. But, all employees not covered by a bargaining unit were required to make the required employee retirement contribution of 4% of salary beginning January 1 2004. In addition, all members of AFSCME were required to begin making 2% of the required employee contribution on January 1, 2005. Therefore, the reduction in payroll related costs is estimated to drop from 10% in FY 2004 to 9% in FY 2005, or $40.1 million.

Lump-Sum Payouts
The reduction in lump-sum payouts, as estimated by Commission staff, is considered an ERI savings in FY 2005, as absent the ERI, total lump sum payouts in FY 2005 would have been larger. Assuming 300 ERI participants would have had the lump sum payouts in FY 2005 rather than FY 2003, the estimated FY 2004 reduction in lump sum payouts is estimated to be $4.6 million.

Estimate of FY 2005 Cost/Savings

Based on the estimates of the preceding cost and savings components, staff estimates the FY 2004 SERS ERI impact to be (in millions $) as follows:

Retirement Contributions	$71.7
Group Insurance	3.9
FY 2004 Cost	$75.6
Reduction in Lump Sum Payouts	$ 4.6
Reduction in Payroll	445.3
Reduction in Payroll Cost	40.1
FY 2004 Savings	$490.0
Net FY 2004 Savings	**$414.4**

As was the case in prior years, the substantial savings estimated to be realized in FY 2005 was a result of the large reduction in payroll and a relatively small ERI contribution to the retirement systems. **As the State will be required to contribute substantially more for the ERI ($280.2 million) beginning in FY 2006, the annual savings associated with the ERI will be smaller in the next several fiscal years. But, unless employee headcount and payroll increase significantly from current levels, the State will continue to realize annual savings from the 2002 SERS ERI. Future reports will outline the cumulative savings associated with the 2002 ERI, as well as the annual cost or savings.**

BACKGROUND

The Commission on Government Forecasting and Accountability, a bipartisan, joint legislative commission, provides the General Assembly with information relevant to the Illinois economy, taxes and other sources of revenue and debt obligations of the State. The Commission's specific responsibilities include:

1) Preparation of annual revenue estimates with periodic updates;
2) Analysis of the fiscal impact of revenue bills;
3) Preparation of "State Debt Impact Notes" on legislation which would appropriate bond funds or increase bond authorization;
4) Periodic assessment of capital facility plans;
5) Annual estimates of public pension funding requirements and preparation of pension impact notes;
6) Annual estimates of the liabilities of the State's group health insurance program and approval of contract renewals promulgated by the Department of Central Management Services;
7) Administration of the State Facility Closure Act.

The Commission also has a mandate to report to the General Assembly ". . . on economic trends in relation to long-range planning and budgeting; and to study and make such recommendations as it deems appropriate on local and regional economic and fiscal policies and on federal fiscal policy as it may affect Illinois. . . ." This results in several reports on various economic issues throughout the year.

The Commission publishes several reports each year. In addition to a Monthly Briefing, the Commission publishes the "Revenue Estimate and Economic Outlook" which describes and projects economic conditions and their impact on State revenues. The "Illinois Bond Watcher" report examines the State's debt position as well as other issues directly related to conditions in the financial markets. The "Financial Conditions of the Illinois Public Retirement Systems" provides an overview of the funding condition of the State's retirement systems. Also published are an Annual Fiscal Year Budget Summary; Report on the Liabilities of the State Employees' Group Insurance Program; and Report of the Cost and Savings of the State Employees' Early Retirement Incentive Program. The Commission also publishes each year special topic reports that have or could have an impact on the economic well-being of Illinois. All reports are available on the Commission's website.

These reports are available from:

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