

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: HB 1566, as amended by HA #1 November 16, 2010
SPONSOR(S): Currie - McCarthy
SYSTEM(S): GARS, SERS, SURS, TRS, JRS

FISCAL IMPACT: Please refer to page 2 for a table showing the Commission's funding projections for all five State retirement systems combined. For a full review on the effect of Public Act 96-0889 on the State-funded retirement systems please refer to page 59 of the Commission's State of Illinois Budget Summary for Fiscal Year 2011.

SUBJECT MATTER: HB 1566, as amended by HA 1, amends the General Assembly, State Employees', State Universities, Teachers', and Judges' Articles of the Illinois Pension Code to require the Boards of each respective retirement system to recalculate and recertify the amount of the required State contribution to the System for all of fiscal year 2011.

FISCAL IMPACT: Please refer to page 2 for a table showing the Commission's funding projections for all five State retirement systems combined. For a full review on the effect of Public Act 96-0889 on the State-funded retirement systems please refer to page 59 of the Commission's State of Illinois Budget Summary for Fiscal Year 2011.

COMMENT: HB 1566, as amended by HA 1, requires the Boards of the General Assembly Retirement System, the State Employees' Retirement System, the State Universities Retirement System, the Teachers' Retirement System, and the Judges' Retirement System to recalculate and recertify to the Governor the amount of the required State contribution to each System for all of fiscal year 2011 to reflect the reforms contained in P.A. 96-0889.

MDM:dkb
LRB096 24361 JDS 43944 a

FUNDING PROJECTIONS FOR ALL STATE RETIREMENT SYSTEMS COMBINED
Reduced Benefits for Members Starting Participation on/after January 1, 2011
CGFA Projections Based on Public Act 96-0889 (SB 1946)
(\$ in millions)

Fiscal Year	Annual Payroll	Total State Contribution*	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Assets	Unfunded Liabilities	Funded Ratio
2010	\$17,019.5	\$3,975.7	23.4%	\$1,431.6	\$133,266.8	\$62,480.9	\$70,785.9	46.9%
2011	17,766.8	3,520.5	19.8%	1,495.8	139,407.8	60,284.0	79,123.8	43.2%
2012	18,582.9	3,917.5	21.1%	1,565.8	145,655.3	58,245.7	87,409.6	40.0%
2013	19,426.2	4,356.2	22.4%	1,638.3	151,976.3	56,406.3	95,570.0	37.1%
2014	20,313.2	4,805.0	23.7%	1,712.7	158,365.7	58,615.8	99,749.9	37.0%
2015	21,244.5	5,251.4	24.7%	1,791.9	164,799.3	61,005.4	103,793.9	37.0%
2016	22,210.4	5,514.2	24.8%	1,878.3	171,272.5	63,412.2	107,860.3	37.0%
2017	23,213.1	5,767.1	24.8%	1,965.0	177,777.1	65,815.3	111,961.7	37.0%
2018	24,276.2	6,033.0	24.9%	2,057.0	184,311.9	68,230.9	116,081.0	37.0%
2019	25,400.2	6,314.8	24.9%	2,152.0	190,877.7	70,675.7	120,202.0	37.0%
2020	26,586.1	6,596.0	24.8%	2,257.2	197,535.6	73,134.8	124,400.8	37.0%
2021	27,843.4	6,897.0	24.8%	2,366.2	204,208.6	75,635.3	128,573.3	37.0%
2022	29,157.6	7,217.3	24.8%	2,480.3	210,884.0	78,197.4	132,686.6	37.1%
2023	30,538.3	7,559.7	24.8%	2,600.3	217,545.4	80,842.4	136,703.0	37.2%
2024	31,982.7	7,901.9	24.7%	2,722.9	223,838.9	83,569.0	140,269.9	37.3%
2025	33,484.5	8,264.2	24.7%	2,856.5	230,189.4	86,396.2	143,793.1	37.5%
2026	35,054.5	8,667.9	24.7%	2,993.2	236,440.1	89,366.1	147,074.0	37.8%
2027	36,692.2	9,093.7	24.8%	3,135.7	242,556.3	92,492.3	150,064.0	38.1%
2028	38,403.1	9,522.4	24.8%	3,284.6	248,505.6	95,807.7	152,697.8	38.6%
2029	40,187.1	9,971.5	24.8%	3,436.5	254,253.0	99,338.8	154,914.2	39.1%
2030	42,070.1	10,428.4	24.8%	3,603.5	259,769.1	103,105.0	156,664.1	39.7%
2031	44,049.1	10,913.1	24.8%	3,775.5	265,008.1	107,151.6	157,856.5	40.4%
2032	46,109.6	11,448.3	24.8%	3,954.4	269,939.7	111,556.7	158,383.0	41.3%
2033	48,261.4	12,034.3	24.9%	4,141.0	274,532.6	116,417.6	158,115.0	42.4%
2034	50,496.3	13,507.7	26.7%	4,330.8	278,753.2	122,721.6	156,031.6	44.0%
2035	52,833.2	14,130.3	26.7%	4,537.2	282,564.9	129,685.6	152,879.3	45.9%
2036	55,275.2	14,781.0	26.7%	4,748.7	285,916.9	137,389.7	148,527.2	48.1%

2037	57,829.5	15,461. 5	26.7%	4,969.8	288,778.1	145,942. 9	142,835. 2	50.5%
2038	60,498.6	16,172. 6	26.7%	5,200.9	291,119.7	155,465. 3	135,654. 3	53.4%
2039	63,277.3	16,912. 7	26.7%	5,436.8	292,936.1	166,102. 4	126,833. 7	56.7%
2040	66,119.6	17,670. 1	26.7%	5,687.4	294,256.5	178,018. 6	116,237. 9	60.5%
2041	69,085.8	18,460. 4	26.7%	5,943.9	295,105.3	191,401. 8	103,703. 5	64.9%
2042	72,213.3	19,293. 3	26.7%	6,214.7	295,562.3	206,532. 7	89,029.6	69.9%
2043	75,522.6	20,174. 2	26.7%	6,501.6	295,707.4	223,740. 2	71,967.2	75.7%
2044	79,005.5	21,100. 7	26.7%	6,798.3	295,603.3	243,375. 0	52,228.3	82.3%
2045	82,671.9	22,075. 9	26.7%	7,122.8	295,320.3	265,788. 2	29,532.1	90.0%

* Excludes SERS Portion of POB Debt Service Collected Through Payroll Deduction

** CGFA's Actuary Assumes FY 2011 Contribution will be Recertified to Reflect Full-Year Savings from P.A. 96-0889