

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **HB 4441**

January 22, 2010

SPONSOR (S): Senger – Cavaletto, et al.

SYSTEM(S): GARS

FISCAL IMPACT: The fiscal impact has not been calculated, but there are approximately 35 active legislators in the State of Illinois who have pre-1994 service.

SUBJECT MATTER: HB 4441 amends the General Assembly Article of the Illinois Pension Code to provide that employers under the other participating systems of the Retirement Systems Reciprocal Act shall pay to GARS the present value of the increase in benefits resulting from the use of the higher salary of certain participants

FISCAL IMPACT: The fiscal impact has not been calculated, but there are approximately 35 active legislators in the State of Illinois who have pre-1994 service.

COMMENT: HB 4441 amends the Illinois Pension Code to provide that if (i) a participant in GARS first became a member of the System before August 22, 1994, (ii) he or she applies for a proportional annuity under the Retirement Systems Reciprocal Act, and (iii) the salary used to calculate his or her proportional annuity is higher than his or her highest legislative salary for annuity purposes would have been if he or she were not exempted from the earnings limitation, then the participant's employer under the other participating system shall pay to the System the present value of the increase in benefits resulting from the use of that higher salary. Upon request from the employer under the other participating system, the System may allow the employer of the other participating system to amortize the payments over a 2-year period (with interest).

HB 4441 also amends the State Finance Act to allow payments to be paid out of a State agency's personal services line and to allow said payments in a fiscal year without regard to the fact that the employment for which the payment is required may have occurred in a prior fiscal year.

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