

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **SB 2456**

February 10, 2010

SPONSOR (S): Schoenberg

SYSTEM(S): SURS, TRS

FISCAL IMPACT: The fiscal impact of SB 2456 cannot be calculated as it is unknown how asset allocations and investment strategies might change after an asset transfer is effectuated.

SUBJECT MATTER: SB 2456 amends the SURS and TRS articles of the Pension Code to allow the boards of trustees of each respective fund to transfer to the Illinois State Board of Investment all investments owned by the system by resolution duly adopted by a three-fifths vote of the board.

FISCAL IMPACT: The fiscal impact of SB 2456 cannot be calculated as it is unknown how asset allocations and investment strategies might change after an asset transfer is effectuated.

COMMENT: The Illinois Pension Code currently grants both TRS and SURS the authority to transfer their respective investment functions to ISBI by a majority vote of the board of directors of the fund. SB 2456 changes this requirement from majority vote to three-fifths of the membership of each respective fund's board of directors. After such a vote is made, the authority of the board to make investments shall terminate, and all investments of the assets of the system shall be made by the Illinois State Board of Investment.

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