

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 96TH GENERAL ASSEMBLY

BILL NO: **SB 2822**

February 2, 2010

SPONSOR (S): Steans

SYSTEM(S): General Provisions

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**FISCAL IMPACT:** The fiscal impact of SB 2822 cannot be calculated as the number of unmarried participants of any retirement system or pension fund under the Illinois Pension Code who would designate a domestic partner is not known. There would be some increase in accrued liabilities for all the systems and funds under the Illinois Pension Code, but the amount is expected to be minor.

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**SUBJECT MATTER:** SB 2822 amends the Illinois Pension Code to allow a designated domestic partner to qualify as a surviving spouse for purposes of survivor and death benefits.

**FISCAL IMPACT:** The fiscal impact of SB 2822 cannot be calculated as the number of unmarried participants of any retirement system or pension fund under the Illinois Pension Code who would designate a domestic partner is not known. There would be some increase in accrued liabilities for all the systems and funds under the Illinois Pension Code, but the amount is expected to be minor.

**COMMENT:** SB 2822 creates a new Section in the General Provisions Article of the Pension Code concerning designated domestic partners qualifying as a surviving spouse for purposes of survivor and death benefits. Beginning July 1, 2010, an unmarried participant of any pension fund or retirement system under the Illinois Pension Code may designate a domestic partner by filing a written designation with the pension fund or retirement system in the manner prescribed by the pension fund or retirement system. Reasonable evidence may be required to prove that the person designated meets the definition of a domestic partner. Under SB 2822, a “domestic partner” means an individual of the same gender as an unmarried participant who:

- (1) is at least 18 years of age;
- (2) is involved with the participant in a long-term relationship of indefinite duration;
- (3) has resided together with the participant at the same address for at least 12 months;

- (4) is not related to the participant by blood to a degree of closeness that would prohibit legal marriage in the state in which they legally reside;
- (5) is not married to any other person; and
- (6) has an exclusive mutual commitment to the participant in which they agree to be jointly responsible for each other's common welfare and to share financial obligations.

SB 2822 explains that such a designation is revocable at any time, but may not be made or changed more than once in any 12-month period. If the participant gets married, any designation of a domestic partner previously made by that participant will be automatically revoked.

In addition, SB 2822 provides that the designated domestic partner of a participant will be eligible to receive survivor and death benefits under the Illinois Pension Code in the same manner and subject to the same conditions as a surviving spouse. For the purposes of determining eligibility for those specific benefits, the date of designation of a domestic partner will be deemed the equivalent of the date of marriage, and the revocation or change of a designation will be deemed the equivalent of a termination of the marriage.

Lastly, SB 2822 clarifies that all references in the Illinois Pension Code to a surviving spouse will be deemed to include a surviving designated domestic partner.

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