

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

97TH GENERAL ASSEMBLY

BILL NO: **HB 0228**

February 10, 2011

SPONSOR(S): Franks

SYSTEM(S): State Employees' Retirement System

FISCAL IMPACT: HB 0228 will have a slight positive impact on SERS as new directors of the Toll Highway Authority will no longer participate in the system upon this bill becoming law.

SUBJECT MATTER: HB 0228 amends the State Employees Article of the Illinois Pension Code to stipulate that any person who becomes a director of the Toll Highway Authority on or after the effective date of this amendatory Act will no longer be a participant in the State Employees' Retirement System.

FISCAL IMPACT: HB 0228 will have a slight positive impact on SERS as new directors of the Toll Highway Authority will no longer participate in the system upon this bill becoming law.

COMMENT: HB 0228 amends the State Employees Article of the Illinois Pension Code to provide that the term "employee" does not include any person who becomes a director of the Illinois State Toll Highway Authority on or after the effective date of this amendatory Act.

In addition, HB 0228 amends the Toll Highway Act to provide that, beginning on the effective date of the amendatory Act, the chairman and other directors of the Illinois State Toll Highway Authority shall receive no annual salary or other compensation for their service in office, except that they will be reimbursed for actual expenses incurred in the performance of their duties. HB 0228 provides that no service or contribution shall be credited in any retirement system or pension fund, under the Illinois Pension Code or otherwise, to the chairman and the directors for service in that office beginning on or after the effective date of the amendatory Act, and no public funds will be appropriated, expended, or otherwise obligated for such a retirement system or pension fund credit. Also, HB 0228 prohibits the chairman and directors from receiving financial benefit or perquisite for service in that office, including without limitation, participation in a program of life or health insurance.