

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 97TH GENERAL ASSEMBLY

BILL NO: **SB 1711**

March 11, 2011

SPONSOR(S): Haine

SYSTEM(S): State Universities Retirement Fund

---

**FISCAL IMPACT:** CGFA staff is awaiting data from the Dept. of Healthcare and Family Services, CMS, and SURS. An updated impact note will be issued when the requested data is provided.

---

**SUBJECT MATTER:** SB 1711 amends the State Employees Group Insurance Act of 1971 to increase the required contributions for certain members toward the cost of community college health benefits and survivor annuities. SB 1711 amends the State Pensions Fund Continuing Appropriation Act concerning the Community College Health Insurance Security Fund to prohibit the transfer of funds for any other purposes or program.

**FISCAL IMPACT:** CGFA staff is awaiting data from the Dept. of Healthcare and Family Services, CMS, and SURS. An updated impact note will be issued when the requested data is provided.

**COMMENT:** Currently, every active contributor of SURS who is a full-time employee of a community college district (other than a community college district subject to Article VII of the Public Community College Act) or an association of community college boards makes contributions toward the cost of community college annuitant and survivor health benefits at the rate of 0.50% of salary. Additionally, every community college district (other than a community college district subject to Article VII of the Public Community College Act) or association of community college boards that is an employer under SURS makes contributions toward the cost of the community college health benefits at the rate of 0.50% of the salary paid to its full-time employees who participate in SURS. SB 1711 provides that beginning April 1, 2011, the contribution rate toward the cost of benefits will be set at 0.66% of salary. Under SB 1711, this contribution rate continues to increase. Beginning on July 1, 2011, the contribution rate will be set at 0.82% of salary; beginning on July 1, 2012, the contribution rate will be set at 0.97% of salary; and beginning on July 1, 2013, the contribution rate will be a percentage of salary determined by the Department of Central Management Services, or

its successor, which in each fiscal year shall not exceed 105% of the percentage of salary actually required to be contributed in the previous fiscal year.

SB 1711 amends the State Pension Funds Continuing Appropriation Act concerning the Community College Health Insurance Security Fund to provide, beginning April 1, 2011, the transfer of funds by any constitutional officer or legislative body for any other purpose or program is specifically prohibited.

SB 1711 amends the State Mandates Act to require implementation without reimbursement.

MDM:dkb  
LRB097 09976 JDS 50145 b