

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 97TH GENERAL ASSEMBLY

BILL NO: **SB 3421** February 19, 2012

SPONSOR (S): Jacobs

SYSTEM(S): Cook County, Cook County Forest Preserve

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**FISCAL IMPACT:** The Cook County Pension Fund is currently working on an actuarial analysis of the proposals contained in SB 3421. An updated impact note will be issued when COGFA staff has obtained the actuarial cost study.

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**SUBJECT MATTER:** SB 3421 amends the Cook County and Cook County Forest Preserve Articles of the Illinois Pension Code. The bill sets a new funding schedule such that both funds will, starting in 2021, receive an annual contribution amount from the county equal to the employer's normal cost plus the amount necessary to amortize the fund's unfunded liability over a period of 30 years.

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**COMMENT:** The Cook County Employees pension fund currently levies a tax annually equal to the total amount of contributions made by employees in the calendar year two years prior to the year of the levy, multiplied by 1.54. The Cook County Forest Preserve fund uses a tax levy multiplier of 1.30. SB 3421 amends both articles of the Pension Code such that by 2021, both funds will be receive contributions in an amount equal to the employer's normal cost plus an amount necessary to amortize the unfunded liability over a 30-year period.

The chart below provides a snapshot of the financial condition of both funds as of Dec. 31, 2010.

Cook County Employees	
(\$ in Billions)	
Actuairal Liabilities	\$13.1
Actuarial Assets	\$8.0
Unfunded Liabilities	\$5.1
Funded Ratio	60.7%
Cook County Forest Preserve	
(\$ in Millions)	
Actuairal Liabilities	\$282.4
Actuarial Assets	\$184.1
Unfunded Liabilities	\$98.3
Funded Ratio	65.2%

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