

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

98TH GENERAL ASSEMBLY

BILL NO: **HB 0092**

January 23, 2013

SPONSOR (S): McSweeney – Ives, et al.

SYSTEM(S): GARS

FISCAL IMPACT: HB 0092 would have a positive effect on the GARS, as liabilities would be lower as current members would not increase their future retirement annuities through accruing additional service credit. In addition, the elimination of new members would stop the growth of future liability in GARS.

SUBJECT MATTER: HB 0092 amends the General Assembly Article of the Illinois Pension Code. This bill would end the accruing of service credit on or after January 14, 2015 and end new membership participation after the same date.

FISCAL IMPACT: HB 0092 would have a positive effect on the GARS, as liabilities would be lower as current members would not increase their future retirement annuities through accruing additional service credit. In addition, the elimination of new members would stop the growth of future liability in GARS.

COMMENT: HB 0092 would act as a measure to end new participation and any new accruing of service credit as of the beginning of the 99th GA in January 2015. This would have a positive effect on the GARS as it would reduce future liability and limit increases in liability for current members. Inasmuch as the bill does not change the funding language in the GARS article, the goal of attaining a 90% funding ratio by 2045 would still apply as required under P.A. 88-593.

AB:dkb

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