COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

98TH GENERAL ASSEMBLY

BILL NO: **HB 1154, as amended by HA 1** February 27, 2013

SPONSOR (S): Madigan

SYSTEM(S): GARS, SERS, SURS, TRS

FISCAL IMPACT: The fiscal impact of HB 1154, as amended by HA 1, has not been determined, but it would be substantially positive. An actuarial cost study would be required to determine the precise savings associated with the benefit changes contained in the bill.

SUBJECT MATTER: HB 1154, as amended by HA 1, amends the GARS, SERS, SURS, and TRS articles of the Pension Code. The bill prohibits the granting of annual COLAs for Tier 1 retirees and survivors.

FISCAL IMPACT: The fiscal impact of HB 1154, as amended by HA 1, has not been determined, but it would be substantially positive. An actuarial cost study would be required to determine the precise savings associated with the benefit changes contained in the bill.

COMMENT: Currently, all of the impacted systems offer retirees and survivor annuity recipients a 3% compounded annual cost of living adjustment. This bill would suspend annual COLA's.

DH:dkb
LRB098 08482 EFG 41386 a