COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

98TH GENERAL ASSEMBLY

BILL NO: HB 1154, as amended by HA 8 March 6, 2013

SPONSOR(S): Madigan

SYSTEM(S): General Assembly Retirement System (GARS), State Employees'

Retirement System (SERS), State Universities' Retirement System

(SURS), Teachers' Retirement System (TRS)

FISCAL IMPACT: CGFA's actuary has determined that increasing employee contributions by 4% will save \$173 million in FY 2014 and upwards of \$19 billion through FY 2045.

Aggregate	\$173.1	\$850.6	\$19,145.7
SURS	\$29.4	\$117.7	\$2,695.3
SERS	\$44.5	\$213.6	\$4,729.6
TRS	\$99.2	\$519.3	\$11,720.8
(\$ in Millions)			
State Contributions	FY 2014	FY 2045	Cumulative

<u>SUBJECT MATTER</u>: HB 1154, as amended by HA 8, amends the GARS, SERS, SURS, and TRS articles of the Illinois Pension Code to include a phased-in 4% increase in Tier 1 employee contributions.

<u>COMMENT</u>: This bill's main provision increases employee contributions in line with the chart shown below:

			Employee Contribution as a Percent of Payroll							
Retirement System		Current Law:	All Members		Proposed:	FY 2014	FY 2015+			
GARS				11.50%			13.50%	15.50%		
SURS				8.00%			10.00%	12.00%		
TRS				9.40%			11.40%	13.40%		
SERS	(SS-Covere	ed)		4.00%			6.00%	8.00%		
SERS	(Alternative	Annuity)		12.50%			14.50%	16.50%		

MD:dkb

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