COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

98TH GENERAL ASSEMBLY

BILL NO: HB 1166, as amended by HA 1 February 27, 2013

SPONSOR(S): Madigan

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

FISCAL IMPACT: HB 1166, as amended by HA 1, will save the State \$432.9 million in contributions for FY 2014, \$1.06 billion in FY 2045, and \$23.9 billion over the course of the current funding schedule (FY 2014 – 2045). These estimates were calculated by CGFA's consulting actuary, The Segal Company.

State Contributions	FY 2014	FY 2045	Cumulative
(\$ in Millions)	\$432.9	\$1,063.4	\$23,931.8
SURS	\$73.6	\$147.3	\$3,368.8
TRS	\$248.0	\$649.1	\$14,651.0
SERS	\$111.4	\$267.0	\$5,912.0

<u>SUBJECT MATTER</u>: HB 1166, as amended by HA 1, amends the Illinois Pension Code to include definitions of Tier 1 members across the GARS, SERS, SURS, and TRS articles. This bill also increases Tier 1 member contributions by 5% of salary.

<u>COMMENT</u>: HB 1166, as amended by HA 1, increases each Tier 1 member by 5% of salary. The change in member contribution rates for each system is shown below.

		Employee Contribution as a Percent of Payroll			
Retirement System		Current Law: All Members		Proposed: Tier 1	
GARS			11.50%	16.50%	
SURS			8.00%	13.00%	
TRS			9.40%	14.40%	
SERS	(SS-Covered)		4.00%	9.00%	
SERS	(Alternative Annuity)		12.50%	17.50%	

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