

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

98TH GENERAL ASSEMBLY

BILL NO: **HB 4467**

February 3, 2014

SPONSOR (S): Kay

SYSTEM(S): GARS and JRS

FISCAL IMPACT: HB 4467 would have a positive effect on GARS and JRS in that no service credits would accrue and no benefits would be paid out. However, this legislation would also eliminate GARS and JRS as pension systems after 2 years.

SUBJECT MATTER: HB 4467 amends the GARS and JRS articles of the Illinois Pension Code. Under this legislation, no additional service credit would accrue and no benefits would be paid to retirees and/or survivors. All existing money in the systems would be transferred to a refund fund that would be paid out at the discretion of the Court of Claims based on amount of contributions already made that have not been paid out as benefits.

FISCAL IMPACT: HB 4467 would have a positive effect on GARS and JRS in that no service credits would accrue and no benefits would be paid out. However, this legislation would also eliminate GARS and JRS as pension systems after 2 years.

COMMENT: The proposed legislation would eliminate GARS and JRS in two years after the effective date of this legislation. Money currently in the systems would be paid out to participants based on how much they have already drawn in benefits.

AB: bj

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