

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

99TH GENERAL ASSEMBLY

BILL NO: **HB 3489**

February 27, 2015

SPONSOR (S): Moylan

SYSTEM(S): GARS

FISCAL IMPACT: HB 3489 would have an unknown fiscal impact to the state, as no detail is provided within the legislation as to the way existing liabilities would be paid down without new members. This information would need to be known before the fiscal impact could be accurately calculated.

SUBJECT MATTER: HB 3489 amends the General Assembly Article of the Illinois Pension Code. This legislation would restrict participation in the system to individuals who became participants before the effective date of this legislation. In addition, after this effective date, GARS would not accept any new participants.

FISCAL IMPACT: HB 3489 would have an unknown fiscal impact to the state, as no detail is provided within the legislation as to the way existing liabilities would be paid down without new members. This information would need to be known before the fiscal impact could be accurately calculated.

COMMENT: The proposed legislation would eliminate any additional liability for GARS beyond its current obligations and any new participants before the effective date of the legislation. The most recent actuarial valuation estimates 675 members by June 30, 2015, and an unfunded actuarial liability of \$268.6 million. It is unknown at this time what GARS would be replaced with under this legislation. This legislation is similar to HB 179 from the 99th GA, though the effective date is different. This legislation has an immediate effective date.

AB:dkb

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