

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO:           **HB 1005**

February 16, 2007

SPONSOR (S):     Mautino - Froehlich

SYSTEM(S):       Teachers' Retirement System

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**FISCAL IMPACT:** The fiscal impact of HB 1005 cannot be determined because the number of employees affected is not known.

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**SUBJECT MATTER:** HB 1005 amends the Downstate Teacher Article of the Illinois Pension Code to provide that, when assessing payment for any amount due for salary increases in excess of 6%, the System shall exclude salary increases as a result of a negotiated salary schedule.

**FISCAL IMPACT:** The fiscal impact of HB 1005 cannot be determined because the number of employees affected is not known.

**COMMENTS:** Currently, the Downstate Teacher Article of the Pension Code requires the teacher's employer to pay to the System the present value of the increase in pension benefits resulting from the portion of any salary increase (during the period used to determine final average salary) that is in excess of 6%. In addition, a number of specific situations are excluded from the requirement for these employer payments. HB 1005 amends the Pension Code to provide that, when assessing payment for any amount due for salary increases in excess of 6%, the System shall also exclude salary increases as a result of a negotiated salary schedule.

GS:dkb

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