## COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

## 95TH GENERAL ASSEMBLY

BILL NO:	HB 1702, as amended by SA #	003
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May 5, 2008

SPONSOR (S): Molaro (Harmon – Hunter, et al)

SYSTEM(S): SERS

FISCAL IMPACT: According to the system's actuary, under a tenyear, level-dollar amortization scheme, the Tollway would contribute an additional \$6.8 million annually to SERS from FY 2009 – FY 2018.

<u>SUBJECT MATTER</u>: SA #003 to HB 1702 is a companion amendment to SA #002 to HB 1702. SB #003 provides a mechanism for amortizing the additional liabilities created by adding certain Toll Highway Authority employees to the alternative retirement formula under SERS.

<u>FISCAL IMPACT</u>: According to the system's actuary, under a ten-year, level-dollar amortization scheme, the Tollway would contribute an additional \$6.8 million to SERS annually from FY 2009 – FY 2018.

<u>COMMENT</u>: HB 1702, as amended by SA #003, provides that the Toll Highway Authority will be responsible for paying for any accrued liabilities associated with adding Tollway employees to the alternative formula under SERS. The bill, as amended, provides for a ten-year, level-dollar amortization of any additional liabilities. HB 1702, as amended, also requires SERS to certify the amount of any additional required contributions to the Governor and the Tollway on or before November 15, 2008.

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