COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **HB 4091** April 10, 2007

SPONSOR (S): Madigan – Flider, et al.

SYSTEM(S): General Provisions Article (All Systems)

FISCAL IMPACT: The fiscal impact of HB 4091 cannot be calculated as it is unknown whether investments in the Illinois Power Authority would meet or exceed public pension funds' actuarially assumed rates of return.

SUBJECT MATTER: HB 4091 amends the General Provisions Article of the Illinois Pension Code to specify that "Illinois Power Authority" means the Authority created under the Illinois Power Authority Act. As a statement of public policy, the bill encourages the trustees of public pension funds to invest their system's assets in the Illinois Power Authority, to the greatest extent feasible.

FISCAL IMPACT: The fiscal impact of HB 4091 cannot be calculated as it is unknown whether investments in the Illinois Power Authority would meet or exceed public pension funds' actuarially assumed rates of return.

COMMENT: In addition to the foregoing statement of public policy, HB 4091 also requires each retirement system governed under the Pension Code to prepare a report to the Governor and General Assembly by September 1st of each year which shall identify investments in the Illinois Power Authority, the percentage of each system's assets invested in the Illinois Power Authority, and the actions each system has undertaken to increase investments in the Illinois Power Authority.

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