

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **SB 1598**

February 20, 2007

SPONSOR (S): Bomke – Jones John, et al.

SYSTEM(S): All retirement systems and pension funds in the State of Illinois

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**FISCAL IMPACT:** SB 1598 will have no fiscal impact on any pension fund or retirement system in the State of Illinois.

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**SUBJECT MATTER:** SB 1598 amends the Illinois Pension Code to create the Pension Funding and Investments Act. This act requires pension plan providers to supply plan participants with an annual statement which includes various measures of the plan's financial health. It also allows a contributing employer or labor organization to request copies of all plan financial statements and reports prepared by fiduciaries or outside actuaries.

**FISCAL IMPACT:** SB 1598 will have no fiscal impact on any pension fund or retirement system in the State of Illinois.

**COMMENT/DISCUSSION:** Through the creation of the Pension Funding and Investments Act, SB 1598 requires pension plan providers to supply an annual statement to each member and annuitant that includes: (1) the actuarial value of the assets and liabilities of the system or fund, (2) the extent to which the system or fund is funded, (3) the extent to which funding is required under the Illinois Pension Code, and (4) asset allocations based on the percentage of overall assets of the system or fund. In addition, SB 1598 provides that, if a request is made by a contributing employer or labor organization, then a retirement system or pension fund must make available (1) copies of all actuary reports received by the system or fund for the State fiscal year, and (2) copies of all financial reports prepared by fiduciaries of the retirement system or pension fund.

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