



Commission on Government Forecasting and Accountability

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MONTHLY BRIEFING

For the Month Ended: JUNE 2026

Inside this Issue

PAGE 1: Strong Finish to FY 2026 Elevates General Funds Revenues Above Forecasts to \$56.3 Billion

PAGE 3, 6: Revenue Tables

PAGE 7: Review of FY 2026 Revenue Estimates vs. Actuals

PAGE 9: Cannabis Quarterly – 4th Quarter FY 2026

PAGE 10: Illinois Economic Indicators

PAGE 10: Illinois Sells \$486 Million of Build Illinois Bonds in June 2026

PAGE 12: Spring 2026 Pension Legislation Overview



CGFA

COMMISSION ON GOVERNMENT
FORECASTING & ACCOUNTABILITY

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Strong Finish to FY 2026 Elevates General Funds Revenues Above Forecasts to \$56.3 Billion

Eric Noggle, Revenue Manager

It was a strong finish to FY 2026 for General Funds revenues, as June receipts exceeded last June's levels by \$432 million. An additional receipting day helped boost collections, particularly among the State's largest revenue sources. As a result, June revenues increased 8.2%, lifting the FY 2026 General Funds total to a record \$56.300 billion, an increase of \$2.302 billion over FY 2025. As discussed in the pages that follow, the FY 2026 total finished \$1.003 billion, or 1.8%, above the revenues assumed in the FY 2026 budget.

The largest monthly gain came from the Personal Income Tax, which increased \$242 million, or 7.9%, on a gross basis. After distributions to the Refund Fund and the LGDF, net receipts were up \$206 million. The additional receipting day accounted for more than \$200 million of this increase, providing a noticeable boost to both the monthly and fiscal year totals.

Corporate Income Tax receipts also ended FY 2026 on a strong note, increasing \$81 million on a gross basis and \$66 million on a net basis. The 9.3% net increase in June was especially encouraging, as it followed a year-to-date decline of 6.3% through May.

Sales Tax receipts also posted a strong gain in June, increasing \$99 million, or 9.6%. After distributions to the Road Fund and certain transportation funds, net receipts rose \$92 million, or 10.2%. This stronger than average growth was likely driven by

the additional receipting day, higher motor fuel prices compared to a year ago, and resulting inflationary pressures that pushed consumer prices higher over recent months.

Performance among the individual sources included in the "All Other State Sources" category was mixed, but the category as a whole increased \$77 million, or 12.8%, in June. Much of this growth stemmed from a \$50 million increase in Other Sources, reflecting a larger transfer from the Build Illinois Escrow Account. Estate Tax receipts also performed exceptionally well, rising \$47 million in June to cap another strong fiscal year (see page 4 for further discussion). Additional gains came from Insurance Taxes and Fees, which increased \$7 million, and the Corporate Franchise Tax, which rose \$4 million. Offsetting these increases, Interest on State Funds & Investments declined \$32 million, while the Cigarette Tax and Public Utility Taxes each fell by \$1 million.

Transfers In also produced mixed results but increased \$8 million, or 4.1%, overall. Sports Wagering Transfers and Other Transfers each rose \$14 million in June. These gains were largely offset by a \$15 million decline in Lottery Transfers, a \$3 million decrease in the Gaming Transfer, and a \$2 million decline in Cannabis Transfers.

Federal Sources finished the fiscal year with a \$17 million decline in June. However, as discussed in the sections that follow, the FY 2026 total of \$3.858 billion finished modestly above FY 2025 levels, although it fell short of the budgetary expectations for this revenue source.

<i>Summary of Receipts</i>				
JUNE				
<i>FY 2025 vs. FY 2026</i>				
<i>(\$ millions)</i>				
Revenue Sources	June FY 2025	June FY 2026	\$ CHANGE	% CHANGE
Net Personal Income Tax	\$2,615	\$2,821	\$206	7.9%
Net Corporate Income Tax	\$712	\$778	\$66	9.3%
Net Sales Tax	\$898	\$990	\$92	10.2%
All Other State Sources	\$600	\$677	\$77	12.8%
Transfers In	\$196	\$204	\$8	4.1%
Federal Sources [base]	\$260	\$243	(\$17)	-6.5%
Base General Funds	\$5,281	\$5,713	\$432	8.2%
<i>Non-Base Gen Funds Revenues</i>	\$0	\$0	\$0	N/A
Total General Funds	\$5,281	\$5,713	\$432	8.2%

CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding

1-Jul-26

JUNE

FY 2025 vs. FY 2026

(\$ millions)

Revenue Sources	June FY 2025	June FY 2026	\$ CHANGE	% CHANGE
State Taxes				
Personal Income Tax	\$3,077	\$3,319	\$242	7.9%
Corporate Income Tax (regular)	889	970	81	9.1%
Sales Taxes	1,032	1,131	99	9.6%
Public Utility Taxes (regular)	54	53	(1)	-1.9%
Cigarette Tax	17	16	(1)	-5.9%
Liquor Gallonage Taxes	13	15	2	15.4%
Estate Tax	36	83	47	130.6%
Insurance Taxes and Fees	9	16	7	77.8%
Corporate Franchise Tax & Fees	10	14	4	40.0%
Interest on State Funds & Investments	56	24	(32)	-57.1%
Cook County IGT	0	0	0	N/A
Other Sources	405	456	51	12.6%
Total State Taxes	\$5,598	\$6,097	\$499	8.9%
Transfers In				
Lottery	\$65	\$50	(\$15)	-23.1%
Gaming	24	21	(3)	-12.5%
Sports Wagering	23	37	14	60.9%
Cannabis	11	9	(2)	-18.2%
Refund Fund	0	0	0	N/A
Other	73	87	14	19.2%
Total Transfers In	\$196	\$204	\$8	4.1%
Total State Sources	\$5,794	\$6,301	\$507	8.8%
Federal Sources [base]	\$260	\$243	(\$17)	-6.5%
Total Federal & State Sources	\$6,054	\$6,544	\$490	8.1%
Nongeneral Funds Distributions/Direct Receipts:				
Refund Fund				
Personal Income Tax	(\$281)	(\$303)	(\$22)	7.8%
Corporate Income Tax	(\$125)	(\$135)	(10)	8.0%
Local Government Distributive Fund				
Personal Income Tax	(181)	(195)	(14)	7.7%
Corporate Income Tax	(52)	(57)	(5)	9.6%
Sales Tax Distributions				
Deposits into Road Fund	(54)	(53)	1	-1.9%
Distribution to the PTF and DPTF	(80)	(88)	(8)	10.0%
General Funds Subtotal [Base]	\$5,281	\$5,713	\$432	8.2%
ARPA Reimb. for Essential Gov't Services	\$0	\$0	\$0	N/A
Transfers to Repay Payroll Borrowing	\$0	\$0	\$0	N/A
Total General Funds	\$5,281	\$5,713	\$432	8.2%

CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding

1-Jul-26

FY 2026 Final Totals and Revenue Recap

Incorporating June's gains, FY 2026 closed with General Funds revenues totaling a record \$56.300 billion. This surpassed the FY 2025 total of \$53.998 billion by \$2.302 billion, representing year over year growth of 4.3%. From a base revenue perspective, revenues performed slightly better, increasing \$2.364 billion, or 4.4%, after excluding the \$65 million in one-time federal reimbursements received in FY 2025 through the ARPA Essential Government Services program and the \$3 million transfer in FY 2026 to repay Payroll Borrowing.

The Personal Income Tax remained the State's largest source of General Funds revenue. Gross receipts totaled \$34.556 billion in FY 2026, an increase of \$1.402 billion, or 4.2%, over FY 2025. After distributions to the Refund Fund and the Local Government Distributive Fund, net receipts increased \$1.191 billion. As discussed throughout the year, this growth was primarily driven by steady wage gains, as employment levels remained relatively flat for most of the fiscal year.

Despite a strong finish, Corporate Income Tax receipts trailed last year's pace for much of FY 2026. Gross receipts totaled \$5.654 billion, down \$250 million, or 4.2%, from the FY 2025 total of \$5.904 billion. On a net basis, receipts declined \$186 million. These declines were largely anticipated in revised estimates, as several provisions of the federal *One Big Beautiful Bill Act*, enacted in July 2025, reduced Illinois corporate taxable income through the State's rolling conformity with the federal tax code. Although Illinois decoupled from certain federal tax changes, several key provisions remained in effect at the State level, contributing to the year-over-year decline in receipts.

Sales Tax receipts performed well throughout most of the fiscal year, with gross receipts increasing in all but one month. By year end, gross receipts were up \$533 million, or 4.5%, while net receipts increased \$261 million, or 2.5%. The smaller net gain reflects a larger statutory distribution of Sales Tax revenues to the Public Transportation Fund and the Downstate Public Transportation Fund compared to FY 2025. Following a strong first half of the fiscal year, Sales Tax growth moderated during the third quarter before strengthening again in the final quarter, likely reflecting higher motor fuel prices associated with the conflict in Iran and the resulting inflationary pressures that pushed consumer prices higher.

Among the remaining State Sources, combined revenues increased \$344 million, or 8.1%, over FY 2025. The largest gain came from Estate Tax receipts, which rose a remarkable \$268 million, reflecting the strong investment performance of higher income taxpayers in recent years. The overall 44.4% increase in Estate Tax receipts was a key contributor to the growth in General Funds revenues during FY 2026. Additional gains came from Insurance Taxes, which increased \$47 million, Other Sources, which rose \$42 million, the Corporate Franchise Tax, which grew \$12 million, and Public Utility Taxes, which increased \$4 million. These gains more than offset lower revenues from the Cigarette Tax, which declined \$13 million, Interest Income, which fell \$11 million, and Liquor Taxes, which decreased \$5 million.

Transfers In posted one of the strongest performances among the major revenue categories, increasing \$611 million, or 24.3%. Much of this growth resulted from a \$447 million increase in transfers from the Income Tax Refund Fund into the General Revenue Fund. Another significant contributor was the \$183 million increase in Sports Wagering Transfers, reflecting the implementation of the per wager tax at the start of FY 2026. Gaming Transfers also increased \$76 million, driven by continued casino expansion throughout the State and the redirection of a portion of video gaming tax revenues beginning in FY 2026. Lottery and Cannabis Transfers were relatively unchanged, declining \$1 million and \$3 million, respectively. Other Transfers finished the fiscal year \$91 million below FY 2025 levels, primarily due to lower transfers from the Capital Projects Fund following the receipt of one-time catch-up revenues in the previous fiscal year.

Fueled by a strong second half of the fiscal year, Federal Sources increased \$143 million in FY 2026, representing growth of 3.8%. Although these revenues closely aligned with the Commission's most recent revised forecast, the final total of \$3.858 billion remained well below the enacted budget estimate of \$4.2 billion. Nevertheless, stronger than expected growth in State source revenues more than offset this shortfall, allowing total General Funds revenues to exceed the enacted budget's revenue assumption of \$55.297 billion by \$1.003 billion. A more detailed comparison of FY 2026 actual revenues against both the enacted budget and the revised forecasts of CGFA and GOMB is provided on page 7.

<i>Summary of Receipts</i>				
GENERAL FUNDS RECEIPTS: YEAR END				
<i>FY 2025 vs. FY 2026</i>				
<i>(\$ millions)</i>				
Revenue Sources	FY 2025	FY 2026	\$ CHANGE	% CHANGE
Net Personal Income Tax	\$28,174	\$29,365	\$1,191	4.2%
Net Corporate Income Tax	\$4,728	\$4,542	(\$186)	-3.9%
Net Sales Tax	\$10,574	\$10,835	\$261	2.5%
All Other State Sources	\$4,232	\$4,576	\$344	8.1%
Transfers In	\$2,510	\$3,121	\$611	24.3%
Federal Sources [base]	\$3,715	\$3,858	\$143	3.8%
Base General Funds	\$53,933	\$56,297	\$2,364	4.4%
<i>Non-Base Gen Funds Revenues</i>	\$65	\$3	(\$62)	N/A
Total General Funds	\$53,998	\$56,300	\$2,302	4.3%

CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding

1-Jul-26

GENERAL FUNDS RECEIPTS: YEAR END

FY 2025 vs. FY 2026

(\$ millions)

Revenue Sources	FY 2025	FY 2026	\$ CHANGE	% CHANGE
State Taxes				
Personal Income Tax	\$33,154	\$34,556	\$1,402	4.2%
Corporate Income Tax (regular)	5,904	5,654	(250)	-4.2%
Sales Taxes	11,794	12,327	533	4.5%
Public Utility Taxes (regular)	716	720	4	0.6%
Cigarette Tax	191	178	(13)	-6.8%
Liquor Gallonage Taxes	173	168	(5)	-2.9%
Estate Tax	603	871	268	44.4%
Insurance Taxes and Fees	574	621	47	8.2%
Corporate Franchise Tax & Fees	197	209	12	6.1%
Interest on State Funds & Investments	741	730	(11)	-1.5%
Cook County IGT	244	244	0	0.0%
Other Sources	793	835	42	5.3%
Total State Taxes	\$55,084	\$57,113	\$2,029	3.7%
Transfers In				
Lottery	\$777	\$776	(\$1)	-0.1%
Gaming	186	262	76	40.9%
Sports Wagering	203	386	183	90.1%
Cannabis	113	110	(3)	-2.7%
Refund Fund	253	700	447	176.7%
Other	978	887	(91)	-9.3%
Total Transfers In	\$2,510	\$3,121	\$611	24.3%
Total State Sources	\$57,594	\$60,234	\$2,640	4.6%
Federal Sources [base]	\$3,715	\$3,858	\$143	3.8%
Total Federal & State Sources	\$61,309	\$64,092	\$2,783	4.5%
Nongeneral Funds Distributions/Direct Receipts:				
Refund Fund				
Personal Income Tax	(\$3,031)	(\$3,160)	(\$129)	4.3%
Corporate Income Tax	(827)	(778)	49	-5.9%
Local Government Distributive Fund				
Personal Income Tax	(1,949)	(2,032)	(83)	4.3%
Corporate Income Tax	(348)	(333)	15	-4.3%
Sales Tax Distributions				
Deposits into Road Fund	(698)	(656)	42	-6.0%
Distribution to the PTF and DPTF	(522)	(836)	(314)	60.2%
General Funds Subtotal [Base]	\$53,933	\$56,297	\$2,364	4.4%
ARPA Reimb. for Essential Gov't Services	\$65	\$0	(\$65)	-100.0%
Transfers to Repay Payroll Borrowing	\$0	\$3	\$3	N/A
Total General Funds	\$53,998	\$56,300	\$2,302	4.3%

CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding

1-Jul-26

Review of FY 2026 Revenue Estimates vs. Actuals

The FY 2026 enacted budget assumed General Funds revenues of \$55.297 billion. Following stronger than expected revenue performance during the first half of the fiscal year, the Commission increased its forecast by \$686 million in March 2026, raising its estimate to \$55.983 billion. This projection was \$755 million above GOMB's February 2026 revised estimate of \$55.228 billion.

Revenue growth moderated somewhat during the third quarter, leading the Commission to adopt a slightly more cautious outlook in its May revision. The updated forecast of \$55.908 billion was \$75 million below the March estimate. GOMB also revised its FY 2026 forecast in May, increasing its estimate to \$55.673 billion. Although this represented a substantial upward revision from its February forecast, GOMB's estimate still remained \$235 million below the Commission's projection.

As shown in the table below (and on the following page), final FY 2026 revenues exceeded both revised forecasts. General Funds revenues totaled a record \$56.300 billion, finishing \$392 million, or 0.7%, above the Commission's May estimate. Actual receipts also exceeded GOMB's forecast by \$627 million, or 1.1%. Much of this stronger than expected performance resulted from a surge of more than \$300 million in receipts on the final receipting day of the fiscal year. It should be noted, however, that while this last day surge boosted FY 2026 collections, it may have shifted a portion of revenues that otherwise would have been received early in July, potentially dampening FY 2027 revenue growth.

Overall, FY 2026 proved to be an exceptionally strong year for General Funds revenues, particularly when compared to the enacted budget assumptions. Revenues ultimately exceeded the budget estimate by \$1.003 billion, or 1.8%, driven primarily by stronger than anticipated collections from the Personal Income Tax, Estate Tax, and Transfers In. These gains more than offset weaker than expected performance from the Corporate Income Tax and Federal Sources.

The FY 2026 total of \$56.300 billion represents the highest annual General Funds revenue total in Illinois history and marks the second consecutive fiscal year to establish a new record. Based on the revenue assumptions contained in the recently enacted FY 2027 budget, which total approximately \$55.946 billion, this record is not expected to be surpassed in FY 2027 unless revenue growth once again exceeds expectations.

<i>Receipts in Detail</i>										
FY 2026 Actuals vs. Enacted Budget Assumed Revenues and the Most Recent Estimates of CGFA & GOMB										
<i>\$ in millions</i>										
Revenue Sources	FY 2026 Actuals	Enacted FY 2026	Actuals vs Enacted	% Difference	CGFA May '26	Actuals vs CGFA	% Difference	GOMB May '26	Actuals vs GOMB	% Difference
Net Personal Income Tax	\$29,365	\$28,420	\$945	3.3%	\$29,228	\$137	0.5%	\$29,156	\$209	0.7%
Net Corporate Income Tax	\$4,542	\$5,238	(\$696)	-13.3%	\$4,401	\$141	3.2%	\$4,401	\$141	3.2%
Net Sales Tax	\$10,835	\$10,717	\$118	1.1%	\$10,731	\$104	1.0%	\$10,730	\$105	1.0%
All Other State Sources	\$4,576	\$3,954	\$622	15.7%	\$4,570	\$6	0.1%	\$4,451	\$125	2.8%
Transfers In	\$3,121	\$2,768	\$353	12.8%	\$3,125	(\$4)	-0.1%	\$3,136	(\$15)	-0.5%
Federal Sources [base]	\$3,858	\$4,200	(\$342)	-8.1%	\$3,850	\$8	0.2%	\$3,800	\$58	1.5%
Base General Funds	\$56,297	\$55,297	\$1,000	1.8%	\$55,905	\$392	0.7%	\$55,673	\$623	1.1%
<i>Non-Base Gen Funds Revenues</i>	<i>\$3</i>	<i>\$0</i>	<i>\$3</i>	<i>N/A</i>	<i>\$3</i>	<i>\$0</i>	<i>0.0%</i>	<i>\$0</i>	<i>\$3</i>	<i>N/A</i>
Total General Funds	\$56,300	\$55,297	\$1,003	1.8%	\$55,908	\$392	0.7%	\$55,673	\$626	1.1%

CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding

Receipts in Detail
FY 2026 Actuals vs. CGFA & GOMB Estimates

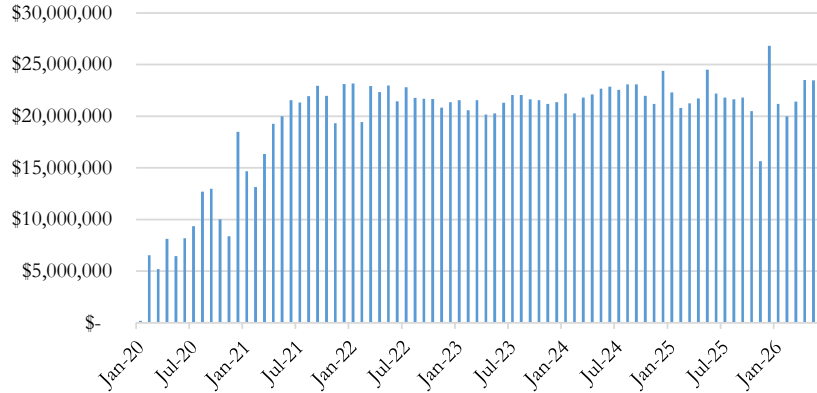
\$ in millions

Revenue Sources	FY 2026 Actuals	CGFA May '26	Actuals vs CGFA	% Difference	GOMB May '26	Actuals vs GOMB	% Difference
State Taxes							
Personal Income Tax	\$34,556	\$34,390	\$166	0.5%	\$34,313	\$243	0.7%
Corporate Income Tax (regular)	5,654	5,494	\$160	2.9%	5,494	\$160	2.9%
Sales Taxes	12,327	12,222	\$105	0.9%	12,234	\$93	0.8%
Public Utility Taxes (regular)	720	710	\$10	1.4%	719	\$1	0.1%
Cigarette Tax	178	178	\$0	0.0%	174	\$4	2.3%
Liquor Gallonage Taxes	168	167	\$1	0.6%	168	\$0	0.0%
Estate Tax	871	830	\$41	4.9%	805	\$66	8.2%
Insurance Taxes and Fees	621	659	(\$38)	-5.8%	601	\$20	3.3%
Corporate Franchise Tax & Fees	209	202	\$7	3.5%	202	\$7	3.5%
Interest on State Funds & Investments	730	765	(\$35)	-4.6%	740	(\$10)	-1.4%
Cook County IGT	244	244	\$0	0.0%	244	\$0	0.0%
Other Sources	835	815	20	2.5%	798	37	4.6%
Total State Taxes	\$57,113	\$56,676	\$437	0.8%	\$56,492	\$621	1.1%
Transfers In							
Lottery	\$776	\$810	(\$34)	-4.2%	\$804	(\$28)	-3.5%
Gaming	262	255	\$7	2.7%	250	\$12	4.8%
Sports Wagering	386	375	\$11	2.9%	369	\$17	4.6%
Cannabis	110	108	\$2	1.9%	108	\$2	1.9%
Refund Fund	700	700	\$0	0.0%	700	\$0	0.0%
Other	887	877	10	1.1%	905	(18)	-2.0%
Total Transfers In	\$3,121	\$3,125	(\$4)	-0.1%	\$3,136	(\$15)	-0.5%
Total State Sources	\$60,234	\$59,801	\$433	0.7%	\$59,628	\$606	1.0%
Federal Sources [base]	\$3,858	\$3,850	\$8	0.2%	\$3,800	\$58	1.5%
Total Federal & State Sources	\$64,092	\$63,651	\$441	0.7%	\$63,428	\$664	1.0%
Nongeneral Funds Distributions/Direct Receipts:							
Refund Fund							
Personal Income Tax	(3,160)	(\$3,143)	(\$17)	0.5%	(\$3,140)	(\$20)	0.6%
Corporate Income Tax	(778)	(769)	(9)	1.2%	(769)	(9)	1.2%
Local Government Distributive Fund							
Personal Income Tax	(2,032)	(2,019)	(13)	0.6%	(2,017)	(15)	0.7%
Corporate Income Tax	(333)	(324)	(9)	2.8%	(324)	(9)	2.8%
Sales Tax Distributions							
Deposits into Road Fund	(656)	(656)	0	0.0%	(658)	2	-0.3%
Distribution to the PTF and DPTF	(836)	(835)	(1)	0.1%	(846)	10	-1.2%
General Funds Subtotal [Base]	\$56,297	\$55,905	\$392	0.7%	\$55,673	\$624	1.1%
ARPA Reimb. for Essential Gov't Services	\$0	\$0	\$0	N/A	\$0	\$0	N/A
Transfers to Repay Payroll Borrowing	\$3	\$3	\$0	\$0	\$0	\$3	N/A
Total General Funds	\$56,300	\$55,908	\$392	0.7%	\$55,673	\$627	1.1%

CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding

Cannabis Quarterly – 4th Quarter FY 2026

MONTHLY CANNABIS EXCISE TAXES



Illinois State Comptroller

CANNABIS REGULATION FUND REVENUE

(\$ millions)

Revenue Source	FY25 Q4	FY26 Q4	\$ Change	% Change	FY25 YTD	FY26 YTD	\$ Change	% Change
State Cannabis Excise Taxes	\$68.4	\$69.0	\$0.6	0.8%	\$269.0	\$259.8	(\$9.2)	-3.4%
Licenses and Registration Fees	\$2.8	\$8.4	\$5.6	203.1%	\$11.7	\$16.4	\$4.7	40.0%
Other Revenue	\$0.0	\$0.0	(\$0.0)	-100.0%	\$0.3	\$0.0	(\$0.3)	-90.7%
Total	\$71.2	\$77.4	\$6.2	8.7%	\$281.0	\$276.2	(\$4.9)	-1.7%

Illinois State Comptroller, CGFA

CANNABIS REGULATION FUND EXPENDITURES

(\$ millions)

Object of Expenditure	FY25 Q4	FY26 Q4	\$ Change	% Change	FY25 YTD	FY26 YTD	\$ Change	% Change
Transfer - General Revenue Fund	\$22.1	\$24.2	\$2.0	9.2%	\$87.8	\$85.6	(\$2.3)	-2.6%
Transfer - Professional Services	\$0.0	\$0.0	\$0.0	n/a	\$0.0	\$0.1	\$0.0	55.1%
Transfer - Workers' Compensation Revolving	\$0.0	\$0.0	\$0.0	n/a	\$0.1	\$0.0	(\$0.0)	-52.0%
Transfer - Criminal Justice Info Projects	\$15.8	\$17.3	\$1.5	9.2%	\$62.7	\$61.1	(\$1.6)	-2.6%
Transfer - Drug Treatment	\$1.3	\$1.4	\$0.1	9.2%	\$5.0	\$4.9	(\$0.1)	-2.6%
Transfer - DHS Community Services	\$12.6	\$13.8	\$1.2	9.2%	\$50.2	\$48.9	(\$1.3)	-2.6%
Transfer - Local Government Distributive Fund	\$5.1	\$5.5	\$0.5	9.2%	\$20.1	\$19.6	(\$0.5)	-2.6%
Transfer - Budget Stabilization	\$6.3	\$6.9	\$0.6	9.2%	\$25.1	\$24.5	(\$0.6)	-2.6%
Transfer - Cannabis Expungement	\$0.7	\$0.7	(\$0.1)	-7.6%	\$2.8	\$2.6	(\$0.2)	-7.0%
Transfer Total	\$63.9	\$69.7	\$5.8	9.0%	\$253.9	\$247.2	(\$6.7)	-2.6%
Operations - Agriculture	\$2.5	\$2.5	(\$0.0)	-0.3%	\$9.8	\$8.0	(\$1.8)	-18.4%
Operations - Commerce and Econ. Opportunity	\$0.3	\$0.3	\$0.0	7.2%	\$0.9	\$1.3	\$0.4	38.8%
Operations - Financial Professional Regulation	\$2.4	\$2.9	\$0.5	20.9%	\$6.7	\$8.8	\$2.2	32.2%
Operations - Public Health	\$0.0	\$0.0	\$0.0	n/a	\$0.0	\$0.0	\$0.0	n/a
Operations - Revenue	\$0.1	\$0.0	(\$0.1)	-100.0%	\$1.7	\$1.6	(\$0.1)	-4.6%
Operations - State Police	\$1.0	\$1.1	\$0.1	8.6%	\$3.3	\$3.8	\$0.5	14.3%
Operations - Criminal Justice Information Authority	\$0.0	\$0.0	\$0.0	n/a	\$0.0	\$0.0	\$0.0	n/a
Operations Total	\$6.3	\$6.8	\$0.5	7.5%	\$22.5	\$23.6	\$1.1	4.9%
Grand Total	\$70.2	\$76.4	\$6.2	8.9%	\$276.4	\$270.8	(\$5.6)	-2.0%

Illinois State Comptroller, CGFA

INDICATORS OF ILLINOIS ECONOMIC ACTIVITY

<u>INDICATORS*</u>	<u>LATEST MONTH</u>	<u>PRIOR MONTH</u>	<u>A YEAR AGO</u>
Unemployment Rate (Average) (May)	5.1%	5.1%	4.4%
Inflation in Chicago (12-month percent change) (May)	3.7%	3.1%	3.3%
	<u>LATEST MONTH</u>	<u>CHANGE OVER PRIOR MONTH</u>	<u>CHANGE OVER A YEAR AGO</u>
Civilian Labor Force (thousands) (May)	6,542.5	-0.2%	-0.8%
Employment (thousands) (May)	6,206.1	-0.2%	-1.6%
Nonfarm Payroll Employment (May)	6,164,800	6,000	-2,300
New Car & Truck Registration (May)	37,881	2.5%	-8.9%
Single Family Housing Permits (May)	918	-11.6%	-5.9%
Total Exports (\$ bil) (Apr.)	7.33	-2.1%	-4.4%
Chicago Purchasing Managers Index (June)	56.7	-9.6%	40.3%

* Due to monthly fluctuations, trend best shown by % change from a year ago

Illinois Sells \$486 Million of Build Illinois Bonds in June 2026

By Anthony Bolton, Revenue and Bond Analyst

The State of Illinois sold approximately \$486 million in Build Illinois bonds in a sale that closed on June 24th. According to the official State press release from the Governor's Office of Management and Budget, \$300 million of that total is in the June 2026 Series A tax-exempt bonds. The Series A bonds are intended to finance capital program projects (and pay costs of issuance). These bonds have a true interest cost of 3.93 percent.

The remaining \$186 million is in the June 2026 Series B tax-exempt refunding bonds. These bonds are intended to refinance previous Build Illinois bond issuances at lower interest rates (and pay costs of issuance). These refunding bonds have a true interest cost of 2.97 percent, creating a savings of \$6.05 million (present value basis), which is a 3.10 percent savings on the refunded bonds. Debt service on Build Illinois bonds is paid for by State sales tax revenues and Capital Project Fund transfers.

The Series A bonds are maturing in 2027 through 2046, while the Series B bonds are maturing in 2027 through 2032. All three ratings agencies affirmed the State's BI ratings and outlooks, with S&P rating at A (Stable), Fitch rating at A+ (Stable), and Kroll rating at AA+ (Stable).

S&P noted the following in their press release regarding this series of bonds:

"The stable outlook on the state GO rating reflects our view of Illinois' stable fiscal alignment and its much improved budgetary flexibility, as it has built an adequately sized budget stabilization fund with

additional unrestricted general fund cash and has cleared the short-term liabilities that had accrued in earlier years.”

Fitch noted the following in their press release regarding this series of bonds:

“The 'A+' ratings on Build Illinois' senior and subordinate lien bonds reflect the broad base and relative stability of pledged sales tax revenues, which are expected to grow in line with U.S. inflation, as well as the superior resilience of the financing structure.”

There were over \$1.8 billion in orders from 49 different accounts, allowing lower credit spreads by up to 11 basis points.

BUILD ILLINOIS BOND RATINGS HISTORY													
Rating Agencies	June 2013	Oct 2015	Jun 2016	Jun 2017	May 2018	Oct 2018	Apr 2020	Jun-Jul 2021	Apr-May 2022	Feb-Mar 2023	Nov 2023	Oct 2025	June 2026
Fitch Ratings	AA+	AA+	AA+	AA+	A-	A-	BBB+	BBB+	A	A	A+	A+	A+
Standard & Poor's	AAA	AAA	AAA	AA-	AA-	BBB	BBB	BBB+	A-	A	A	A	A
Moody's	A3	Baa1	Baa2	Baa3	Baa3	Baa3	Baa3	Baa2	Baa1	A3	A3	A2	A2
Kroll						AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+

STATE-ISSUED BOND SALES										
DATE	BOND SALE TYPE	AMOUNT	TAXABLE v. TAX-EXEMPT	NEGOTIATED v. COMPETITIVE SALE	TRUE INTEREST COST	S&P	FITCH	MOODY'S	KROLL	
FY 2024										
Nov-23	General Obligation December 2023A	\$175 million	taxable	competitive	5.47%	A-	A-	A3		
Nov-23	General Obligation December 2023B	\$350 million	tax-exempt	competitive	3.90%	A-	A-	A3		
Nov-23	General Obligation December 2023C	\$350 million	tax-exempt	competitive	4.69%	A-	A-	A3		
Jan-24	Build Illinois February 2024A	\$300 million	tax-exempt	competitive	2.94%	A	A+		AA+	
Jan-24	Build Illinois February 2024B	\$150 million	tax-exempt	competitive	3.53%	A	A+		AA+	
Jan-24	Build Illinois February 2024C	\$150 million	tax-exempt	competitive	4.17%	A	A+		AA+	
May-24	General Obligation May 2024A	\$250 million	taxable	negotiated	5.35%	A-	A-	A3		
May-24	General Obligation May 2024b	\$1.550 billion	tax-exempt	negotiated	4.20%	A-	A-	A3		
FY 2025										
Sep-24	General Obligation October 2024 Refunding	\$1.088 billion	tax-exempt	negotiated	3.47% aggregated	A-	A-	A3		
Sep-24	General Obligation October 2024A	\$150 million	taxable	competitive	4.386%	A-	A-	A3		
Sep-24	General Obligation October 2024B	\$150 million	tax-exempt	competitive	3.329%	A-	A-	A3		
Sep-24	General Obligation October 2024C	\$300 million	tax-exempt	competitive	4.039%	A-	A-	A3		
Mar-25	Build Illinois March 2025A	\$276 million	tax-exempt	competitive	3.268%	A	A+		AA+	
Mar-25	Build Illinois March 2025B	\$218 million	tax-exempt	competitive	3.933%	A	A+		AA+	
Mar-25	Build Illinois March 2025B	\$231 million	tax-exempt	competitive	4.464%	A	A+		AA+	
FY 2026										
Aug-25	General Obligation September 2025A	\$240 million	taxable	competitive	4.550%	A-	A-	A3		
Aug-25	General Obligation September 2025B	\$235 million	tax-exempt	competitive	2.751%	A-	A-	A3		
Aug-25	General Obligation September 2025C	\$235 million	tax-exempt	competitive	3.532%	A-	A-	A3		
Aug-25	General Obligation September 2025D	\$355 million	tax-exempt	competitive	4.524%	A-	A-	A3		
Aug-25	General Obligation September 2025E	\$355 million	tax-exempt	competitive	5.028%	A-	A-	A3		
Aug-25	General Obligation September 2025F	\$355 million	tax-exempt	competitive	5.213%	A-	A-	A3		
Nov-25	Build IL December 2025 Junior A	\$300 million	tax-exempt	competitive	3.024%	A	A+		AA+	
Nov-25	Build IL December 2025 Junior B	\$150 million	tax-exempt	competitive	3.867%	A	A+		AA+	
Nov-25	Build IL December 2025 Junior C	\$150 million	tax-exempt	competitive	4.494%	A	A+		AA+	
Mar-26	General Obligation April 2026A	\$210 million	taxable	negotiated	4.95%	A-	A-	A2		
Mar-26	General Obligation April 2026B	\$75 million	tax-exempt	negotiated	4.74%	A-	A-	A2		
Mar-26	General Obligation April 2026C	\$915 million	tax-exempt	negotiated	aggregated	A-	A-	A2		
Jun-26	Build IL June 2026 Junior A	\$300 million	tax-exempt	negotiated	3.93%	A	A+		AA+	
Jul-26	Build IL June 2026 Junior B Refunding	\$186 million	tax-exempt	negotiated	2.97%	A	A+		AA+	

Spring 2026 Pension Legislation Overview

Julie Bae, Pension Manager

Zachary Hollinshead, Pension Analyst

Robert Fast, Pension Analyst

Below is a summary of all the substantive pension bills that passed both chambers of the General Assembly during the spring 2026 legislative session. Those bills that have been signed into law as of this writing are denoted with the appropriate Public Act number.

HB 2564

Sponsors: Vella (Halpin)

System(s): Teacher's Retirement System (TRS)

Passed House:	76-29-0
Passed Senate:	50-8-0
House Concurrence:	92-25-0

Under current law, if a teacher's salary for a school year is increased by more than 6% in the teacher's pensionable salary period, the school district must compensate TRS for the resulting increase in the present value of the teacher's pension as a result of such increases over 6%.

Throughout the years various exemptions to the FAS CAP penalty have been enacted and allowed to lapse. The only exemption still in effect comes from P.A. 103-0525 (eff. Aug. 11, 2023), which exempts salary increases resulting from keeping school districts in compliance with the minimum teacher salary rate established by P.A. 101-443 (eff. June 1, 2020). The minimum salary rate is calculated yearly based on the Consumer Price Index-U.

HB 2564 exempts school districts from having to compensate TRS for their employees' final average salary if the salary increases over 6% resulted from overload work following the effective date of this legislation. The exemption applies to overload work, summer school teaching, or stipend work in excess of the standard number of classes assigned to a full-time teacher, that is solely for educational purposes. Overload work must be certified and approved by TRS before any exemptions can be granted.

HB 2949 (BIMP) (P.A. 104-0466)

Sponsors: Guzzardi (Sims, Jr.)

System(s): Pension Stabilization Fund (PSF).

Passed House:	114-0-0
Passed Senate:	37-18-0
House Concurrence:	76-39-0

HB 2949 (P.A. 104-0466) is the FY 2027 Budget Implementation Act.

P.A. 104-0466 amends the Illinois Income Tax Act to mandate that only the first \$150 million in surplus funds remaining in the Income Tax Refund Fund (ITRF) shall be transferred to the General Revenue Fund (GRF), with any amount in excess being transferred to the Pension Stabilization Fund (PSF) as soon as possible after the end of FY 2026 and each fiscal year thereafter.

The PSF was created under Public Act 94-0839 to allow for additional State contributions to the five-State systems (SERS, TRS, SURS, JRS, and GARS). Under current law, funds transferred into the PSF are distributed to the five State systems through a continuing appropriation, and these supplemental contributions do not offset the required State contributions and are used to reduce the unfunded liabilities of those systems.

The ITRF was created to set aside a portion of tax collections to pay tax refunds owed to taxpayers. Prior to the passage of P.A. 104-466, any such surplus remaining in the ITRF after tax refunds were paid was transferred in its entirety to the GRF.

Historically, surpluses in the ITRF have fluctuated every fiscal year from as little as \$1 million in FY 2018 to a high of \$1.481 billion in FY 2023. Should historical trends persist, the amount of surplus funds in the ITRF would fluctuate every fiscal year, with any surplus below \$150 million leading to \$0 being transferred to the PSF.

It should also be noted that the FY 2023 surplus of approximately \$1.5 billion should be viewed as an outlier, as it was driven by an unusually large increase in income tax receipts resulting from COVID-related stimulus payments and the associated boost to economic activity. Excluding FY 2023, the annual ITRF surplus over the past 10 years averaged to a much more modest value near \$340 million.

According to an estimate by CGFA's Revenue Unit, the ITRF is projected to have a surplus of \$50 million in FY 2027, which is below the \$150 million threshold outlined in the Act. Consequently, no transfer to the PSF would occur in FY 2027, resulting in no immediate fiscal impact on the State-funded retirement systems.

HB 3659

Sponsors: Du Buclet (Hunter)

System(s): Metropolitan Water Reclamation District (MWRD)

Passed House:	102-0-0
Passed Senate:	59-0-0

Currently, under the Metropolitan Water Reclamation District (MWRD) Article of the Illinois Pension Code, an employee receiving an ordinary disability benefit cannot receive payments for any period of disability more than 30 days before the application date, unless the board of trustees of the pension fund finds good cause for a delay in filing the application.

HB 3659 extends this period to 60 days, allowing employees more time to file while preserving the Board's discretion to grant further retroactive benefits for good cause. According to the pension fund, the USPS has been bogging down applications and doctor's offices are slow to complete paperwork, hence the need for the additional time.

HB 4284

Sponsors: Cochran (Murphy)

System(s): Downstate Fire, Chicago Police, Chicago Fire, Teachers' Retirement System (TRS), and Article 19 (Closed Funds)

Passed House:	112-0-0
Passed Senate:	59-0-0

HB 4284 amends the Articles 4 (Downstate Fire), 5 (Chicago Police), 6 (Chicago Fire), 16 (TRS), and 19 (Closed Funds) of the Illinois Pension Code to replace disability-related references with updated terminology. The bill also amends other Acts to make corresponding language changes.

Under current law, when the Illinois Pension Code in the aforementioned Articles makes reference to a person with a disability, the terms used within the text of the Code include:

- disabled person(s);
- developmentally disabled or developmentally disabled persons;
- mentally handicapped;
- physically handicapped;
- handicapped; and
- visually handicapped

HB 4284 amends the Illinois Pension Code to replace the previously mentioned terms with the following, effective January 1, 2027:

- person with a disability or persons with disabilities;
- persons with developmental disabilities;
- intellectual disability;
- physical disability;
- has a disability; and
- visually impaired

HB 4575 (P.A. 104-0498)

Sponsors: Yang Rohr (Holmes)

System(s): Chicago Teachers' Pension Fund (CTPF)

Passed House:	102-0-0
Passed Senate:	58-0-0

HB 4575 (P.A. 104-0498) amends the Chicago Teacher Article of the Illinois Pension Code by adjusting the Fund's Board election schedule in reference to petitions for non-administrator contributors seeking election to the Board of Trustees.

Prior to the passage of P.A. 104-0498, any contributing teacher who was not an administrator could seek candidacy in an election if the candidate had been assigned on a regular certificate for at least 10 years in CTPF-participating schools and had a petition signed by at least 200 contributors who were not administrators. Petitions were to be filed with the Fund on or after September 15 of each year and not later than October 1 of that election year.

The Act removes the petition filing window (September 15 through October 1 of each election year) and instead designates October 1 as the deadline by which petitions must be filed with the Fund.

HB 4576

Sponsors: Yang Rohr (Feigenholtz)

System(s): Chicago Teachers' Pension Fund (CTPF)

Passed House:	101-0-0
Passed Senate:	58-1-0

Under current law the CTPF may conduct payroll audits on a charter or contract school within the Fund to ensure that contributions to the Fund are being made. If such contributions are found to be delinquent, CTPF has the authority to collect the unpaid amounts and to be compensated for legal fees.

HB 4576 amends Article 17 (CTPF) to mandate that charter schools and contract schools retain both payroll and contribution records for at least five years after they are created. This bill is an initiative by the CTPF. According to CTPF this is to support the efforts of their payroll audit team, which aims to complete an audit of all participating charter and contract schools within the five-year time frame.

HB 4909

Sponsors: Stuart (Koehler)

System(s): Illinois Municipal Retirement Fund (IMRF)

Passed House:	95-0-0
Passed Senate:	58-0-0
House Concurrence:	110-1-0

Pursuant to Public Act 98-712, (eff. July 16, 2014), employees of an IMRF-participating employer who choose to participate in a Taft-Hartley pension plan are legally ineligible to participate in IMRF. A Taft-Hartley pension plan (also known as a multi-employer plan) is a pension plan formed between multiple employers and a union through a collective bargaining agreement. Participants in a Taft-Hartley plan may work for any participating employer and contribute to (and earn service credit in) a single pension. These plans are common in industries such as construction where employees switch employers on a regular basis.

HB 4909 amends Article 7 of the Illinois Pension Code to allow IMRF participants to participate in a Taft-Hartley pension plan while remaining in IMRF so long as the Taft-Hartley pension plan is part of a collective bargaining agreement covering their bargaining unit with the participating municipality (which has agreed to provide employer contributions), and was in effect either on or before the

effective date. This bill also allows retroactive re-admission to IMRF for those for whom a participating employer contributed to both pension funds and who were legally ineligible to participate in IMRF since July 16, 2014 (the effective date of P.A. 98-712) and prior to the effective date of this legislation, provided that their Taft-Hartley pension plan meets the aforementioned criteria.

According to IMRF, this bill is an initiative of the Midwest Region of the Laborers' International Union of North America (LIUNA) brought about by a group of IMRF participants who were at risk of being expelled after an audit found that they had participated in a Taft-Hartley pension plan in violation of the current language of the law. Currently, they are in a legally ambiguous status pending future legislation. Should the bill become law, they would be readmitted to IMRF.

HB 5196 (P.A. 104-0467)

Sponsors: Morgan (Martwick)

System(s): State Employees' Retirement System (SERS), State Universities Retirement System (SURS), and Teachers' Retirement System (TRS)

Passed House:	109-0-0
Passed Senate:	56-0-0

HB 5196 (P.A. 104-0467) amends the SERS, SURS, and TRS Articles of the Illinois Pension Code to extend the existing Accelerated Pension Benefit Buyout programs for two more years, through June 30, 2028. The Act further authorizes an additional \$1 billion in State Pension Obligation Acceleration Bonds to pay for the buyouts, bringing the total bond authorization for these programs to \$3.2 billion.

Prior to the passage of P.A. 104-0467

Public Act 100-587 (eff. June 4, 2018), created two voluntary Accelerated Pension Benefit Buyout programs for the "Big 3" systems (SERS, SURS, and TRS), often referred to simply as the "COLA" buyout and the "Total" buyout.

- **COLA Buyout:** A Tier 1 participant may elect to receive a lump sum equal to 70% of the difference in the present value between the 3% compounded COLA and a reduced COLA of 1.5% simple, as calculated by the applicable retirement fund. Upon such election the participant's COLA is permanently reduced to a 1.5% simple for the duration of their retirement. The reduced COLA shall begin on January 1st of either their attainment of age 67 or the first anniversary of the annuity start date, whichever is later.

- **Total Buyout:** An eligible member (generally an inactive, vested member) may elect to waive all future pension benefits in exchange for a lump sum equal to 60% of the present value of their entire pension benefit.

The buyout programs were originally set to expire on June 30, 2021. P.A. 101-10 (eff. June 5, 2019) extended the programs to June 30, 2024, and P.A. 102-718 (eff. May 5, 2022) further extended them to June 30, 2026. Elections under both programs are irrevocable.

The bond authorization for the buyout programs was initially set at \$1 billion by P.A. 100-587 (the Act that created the programs, as noted above), increased by an additional \$1 billion under P.A. 102-718, and further increased by \$200 million pursuant to P.A. 104-8 (eff. January 1, 2026), for a total authorization of \$2.2 billion.

SB 1454

Sponsors: Martwick (Kifowit)

System(s): Chicago Police, Chicago Fire, and Chicago Municipal

Passed Senate:	56-0-0
Passed House:	112-0-0

SB 1454 amends the Illinois Municipal Code to mandate automatic enrollment for employees of cities with a population of 500,000 or more (Chicago) that participate in the Chicago Police, Fire, and Municipal pension funds.

Beginning January 1, 2027, this bill automatically enrolls newly hired participants in the Chicago Police, Fire, and Municipal pension funds into a qualified pre-tax Defined Contribution (DC) retirement plan that would operate alongside the existing Defined Benefit (DB) plans of the respective funds. Participants shall be informed that they can opt out within 30 days of being hired, after which they shall have a contribution rate of 3% of their salary. Their plan administrator may increase their contribution rate no more than 1% per year, but a participant may opt out of the increase at any time.

SB 2802

Sponsors: Holmes (Walsh Jr.)

System(s): Illinois Municipal Retirement Fund (IMRF)

Passed Senate:	54-0-0
Passed House:	114-0-0

SB 2802 amends Article 7 (IMRF) of the Illinois Pension Code by changing the flat death benefit from \$3,000 to \$8,000. The increased benefit shall apply to members who pass away on or after January 1, 2027. For members who first retired prior to the effective date, the benefit payment would remain \$3,000. Additionally, this bill opens eligibility for certain regional water commissions to become a participating instrumentality in IMRF, as long as the regional water commission completes the process required. Preliminary analysis by IMRF for SB 2802 suggests a total first-year fiscal impact of \$8.76 million for the IMRF Regular plan and \$0.17 million for the SLEP plan, totaling \$8.93 million for IMRF employers.

Under current law, the death of an annuitant, or in certain cases the death of a vested member who was entitled to retire, results in a flat \$3,000 death benefit payment to a beneficiary (typically a surviving spouse or child). The chart below explains the eligibility for the current \$3,000 flat death benefit within IMRF based on the member’s status at death:

Member Status at Death	Survivor Gets the \$3,000 Flat Death Benefit?	Notes
Annuitant Member	Yes	\$3,000 is paid upon death
Active, Vested Member (Entitled to Retire)	Yes (conditional)	Choice between survivor monthly pension + \$3,000 payment; or a lump sum (one year’s salary + contributions).
Inactive, Vested Member (Entitled to Retire)	Yes	Survivors get \$3,000 regardless of whether a survivor annuity is payable. If payable: survivors also get a survivor’s pension If not: survivors get a refund of accumulated contributions

For unvested members with at least a year of service, the beneficiary is given a lump sum equal to one year’s salary plus the IMRF member’s total contribution up to that point. For beneficiaries of IMRF members with less than a year of service credit, a lump sum of their total contribution is given. If the death is job related, the beneficiary also receives a lump sum equal to one year’s salary.

SB 2826

Sponsors: Balkema (Deuter)

System(s): Illinois Municipal Retirement Fund (IMRF)

Passed Senate:	58-0-0
Passed House:	111-0-0

SB 2826 prevents members of IMRF who, at any point in time, gained creditable service by working directly for IMRF from serving as a trustee on the Board.

Under current law there are 8 members of the IMRF Board of Trustees:

- 4 Trustees who are executive officers of participating employers
- 3 Trustees who are active members
- 1 Trustee who is an annuitant

This bill is an IMRF initiative. According to IMRF, the intent is to prevent any potential conflicts of interest. As of January 16th, 2026, no current member of the IMRF Board of Trustees has any service credit through IMRF employment, thus the bill would have no impact on current Trustees.

This bill further amends the IMRF article to allow any participating employee of IMRF to be eligible for a separation benefit if they have separated from the service of the participating municipality or instrumentality with which the participating employee last participated in the Fund (instead of all participating municipalities and instrumentalities) as long as that participating employee has not prearranged to return to service in the participating municipality from which they retired.

Currently, in order to be eligible for a separation benefit, participating employees of IMRF are prohibited from taking employment of any kind with any IMRF employer within the 60-day separation period following their separation from a participating municipality or instrumentality.

Basically, an IMRF member currently must separate from the service of all IMRF employers within the 60-day separation period (even from non-IMRF-covered positions that do not meet the hourly requirements to qualify as IMRF positions), whereas, under this bill, an IMRF member could work for another IMRF employer within the 60-day period, provided the position is not IMRF-covered and the member did not prearrange a return to the employer from which the member retired.

According to IMRF, the prohibition on a prearranged return to service with the last employer already exists in IMRF administrative rules, and the change would codify that administrative rule into statute.

SB 3403

Sponsors: Martwick (Yang Rohr)

System(s): Downstate Fire and Illinois State Board of Investment (ISBI)

Passed Senate:	57-0-0
Passed House:	89-20-0
Senate Concurrence:	57-0-1

Disability Pension Paid to Certain Survivors

Under current law, if a firefighter passes away while still disabled and receiving a line-of-duty disability pension, the disability pension should continue to be paid to survivors of the firefighter, which shall be deemed to be a continuation of the pension. For a line-of-duty disability pension, a Tier 1 firefighter receives the greater of 65% of salary or the retirement pension for which he or she is eligible at that time. The line-of-duty disability benefit is subject to a simple 3% COLA beginning in January of the year following the year in which the Tier 1 member reaches age 60.

SB 3403 increases the continuing disability pension offered to eligible survivors of Downstate Fire participants that pass away while receiving disability to \$50,051.76, as well as to provide for an annual simple 3% increase to that amount, provided all of the following conditions are met:

- The firefighter died in 2023;
- The firefighter died less than 6 months before his or her 60th birthday; and
- By no later than one year after the effective date of this amendatory Act of the 104th General Assembly, the board of trustees of the fire protection district adopted an ordinance or resolution granting the increase.

It is not known how many survivors would be eligible for this increase. Though it is presumed to be limited, given its restrictive requirements.

ISBI Annual Report Deadline

This bill also allows the Illinois State Board of Investment (ISBI) to stay in compliance with a deadline associated with their annual report in the event that the required audit opinion is not received by December 15th of the year.

Current Law

- Annually, ISBI produces a report within 6 months after the close of the fiscal year. The report embodies the following:
 - A list of investments;
 - Including the book and market values of investments, as well as the income yields (at market value)

- The amounts of investments allocable to each pension fund or education fund managed by the Board;
 - A review of pertinent factors affecting the operations of the Board (with commentary);
 - A review of Board policies and any changes made during the year;
 - A copy of the audited financial statements for the year;
 - Any recommended changes to laws governing the operations of the Board; and
 - A list of securities brokers and dealers dealt with during the year and the total amount of commissions received by each on transactions by the Board.
- At least annually, the books, records, accounts and securities of the Board shall be audited by a CPA designated by the Auditor General of the State. The audit opinion shall be published as part of the annual report of the Board.

SB 3645 (P.A. 104-0532)

Sponsors: Porfirio (Morgan)

System(s): Teachers' Retirement System (TRS)

Passed Senate:	47-0-0
Passed House:	111-0-1
Senate Concurrence:	51-3-0

Prior to the passage of P.A. 104-0532, TRS allowed retired teachers, other than disability annuitants, to return to work as a teacher without impairment of retirement status, provided that employment did not occur during the school year in which service was terminated and did not exceed 120 paid days or 600 paid hours in each school year, but with no more than 100 paid days in the same classroom. Beginning July 1, 2026, these limits were scheduled to revert to the prior limitation of 100 paid days or 500 paid hours in each school year.

The Act amends the TRS article by postponing the reinstatement of the 100-day/500-hour limitation from July 1, 2026 to July 1, 2029.

SB 4010

Sponsors: McClure (Sheehan)

System(s): Teachers' Retirement System (TRS)

Passed Senate:	55-2-0
Passed House:	96-0-0

Under current law, TRS members can earn up to two years of optional credit as a teacher or administrator employed by a private institution recognized by the Illinois State Board of Education, subject to certain requirements.

Public Act 92-0867, effective January 3, 2003, allowed this optional credit. Requirements include being certified by the law governing teacher certification at the time the service was rendered, providing evidence of employment, and completing 10 years of service under TRS.

To establish the optional credit, the member must pay a required contribution equal to the employer and employee contributions that would have been for those years of private school service, based upon the member's first year of full-time employment in TRS in the school year following the private school service. Additionally, the member must pay interest on the foregoing items at the actuarially assumed rate from the date of service to the date of payment.

The window period for purchasing this optional service credit has been extended several times in the past. Most recently, P.A. 103-0017 (effective June 9, 2023) extended the window from June 30, 2023, to June 30, 2028.

SB 4010 changes the applicable interest rate from the actuarially assumed rate to regular interest. The TRS current statute states that regular interest is 6%, while TRS's current actuarially assumed rate is 7.00%.
