

any pension benefit. Anyone who elects to take this option may not elect to proceed with the Retirement Systems Reciprocal Act with respect to service in their respective pension system. To be eligible for an accelerated pension benefit payment, a person must:

- Have terminated service
- Has accrued sufficient service credit to be eligible to receive a retirement annuity under his or her corresponding Article of the Illinois Pension Code
- Not have received any retirement annuity under his or her corresponding Article of the Illinois Pension Code
- Not have a QILDRO in effect against him or her under his or her corresponding Article of the Illinois Pension Code
- No be a participant in a self-managed plan (for SURS members)

A person's credits and creditable service shall be terminated upon his or her receipt of an accelerated pension benefit payment, and no other benefits shall be paid based on those, including any retirement, survivor, or other benefit. In the event that someone who elected to take the accelerated pension benefit payment returns to service, any benefits under the System earned as a result shall be based solely on the credits and creditable service arising from the return to active service.

State Pension Obligation Acceleration Bonds

The Authority shall have the power to issue State Pension Obligation Acceleration Bonds if, in any fiscal year, the amount appropriated for all accelerated pension benefit payments is less than the amount required for those payments. The proceeds from the State Pension Obligation Acceleration Bonds may only be used to pay for accelerated pension benefit payments. The Authority shall not have outstanding State Pension Obligation Acceleration Bonds in an aggregate principal amount exceeding \$250,000,000.

General Obligation Bond Act

Under current law, the State of Illinois is authorized to issue, sell, and provide for the retirement of General Obligation Bonds in the total amount of \$49,917,925,743. HB 0315 would increase this amount by \$250,000,000 to a total of \$50,167,925,743. The additional \$250,000,000 shall be used in accordance with the *State Pension Obligation Acceleration Bonds* section described above.

****Appendix A***

HB 0315 is an altered version of HB 4427 from the 99th General Assembly. The only notable difference between these bills is that HB 4427 offered a 75% buyout, and HB 0315 offers a 70% buyout. The following charts represents values that were derived from an actuarial analysis that was conducted to help discern a possible fiscal impact of HB 4427 on the Teachers' Retirement System. These numbers reflect a 75% buyout, NOT a 70% buyout. This analysis predicts the outcomes of 2 scenarios:

- Scenario 1: 10% of eligible TRS members elect to take the buyout
- Scenario 2: 20% of eligible TRS members elect to take the buyout

Scenario	Nominal Reduction in State Contribution Through 2045	PV of Reduction in State Contribution Through 2045	Estimated Reduction in First Year State Contribution
Scenario 1 – 10%	(\$ 3.50B)	(\$ 1.13B)	(\$ 79M)
Scenario 2 – 20%	(\$ 7.00B)	(\$ 2.22B)	(\$ 158M)

Scenario	Reduction in First Year Actuarial Accrued Liability	Estimated First Year Buyout Payments	PV of Projected Buyout Payments
Scenario 1 – 10%	(\$ 1.02B)	\$ 198M	\$ 3.24B
Scenario 2 – 20%	(\$ 2.05B)	\$ 397M	\$ 6.49B

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