

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

100TH GENERAL ASSEMBLY

BILL NO: **HB 3475**

February 14, 2017

SPONSOR (S): Breen

SYSTEM(S): GARS, SERS, SURS, TRS, JRS

FISCAL IMPACT: In order to assess the fiscal impact of HB 3475, it would be necessary for an actuary to articulate the manner in which establishing a “rolling rate of return” would differ from the current process by which the respective boards of directors set the assumed rate of return.

SUBJECT MATTER: HB 3475 amends the General Assembly, State Employee, State Universities, Downstate Teachers, and Judges Articles of the Illinois Pension Code. The proposed legislation would set the discount rate for these systems to be the actual 30 year rolling rate of return experienced by the system starting FY 2019.

COMMENT: The proposed legislation would set the discount rate for the aforementioned systems to the actual 30 year rolling rate of return experienced by each individual system. Currently, each system sets their discount rate based on input from the primary investment consultant and the consulting actuary.

AB:dkb

LRB100 09546 RPS 19712 b