

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

100TH GENERAL ASSEMBLY

BILL NO: **SB 2650**

February 14, 2018

SPONSOR (S): Link

SYSTEM(S): SERS

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**FISCAL IMPACT:** At this time, it is not possible to calculate the fiscal impact as the State Employee Retirement System was not able to provide the number of people potentially impacted by this legislation.

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**SUBJECT MATTER:** SB 2650 amends the State Employee article of the Illinois Pension Code to create a Defined Contribution (DC) plan for certain employees of the State Board of Elections who are not covered by a collective bargaining agreement.

**COMMENT:** The proposed legislation allows the aggregation of State and employee contributions in participant accounts used for payouts after the employee retires. Certain employees of the State Board of Elections are also allowed to participate in the DC plan instead of the current Defined Benefit (DB) plan and terminate participation in the DB plan and to credit a certain amount to their DC account. State contributions are set at 3% of compensation and are vested when they are paid into the account. Employee contributions are set at 3% also. Various provisions are set regarding investment options, disability benefits, etc. This legislation has an immediate effective date.

AB:bj

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