

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

101ST GENERAL ASSEMBLY

BILL NO: **HB 4323**

January 30, 2020

SPONSOR (S): Burke

SYSTEM(S): State Universities Retirement System

FISCAL IMPACT: There is no discernible fiscal impact associated with HB 4323.

SUBJECT MATTER: HB 4323 amends the State Universities article of the Pension Code. The bill would immediately terminate governor-appointed board members who become actively employed within the system or who are elected to State office. The bill would also immediately terminate active participant board members or annuitant board members who lose their status as active members or retirees, respectively, but this change would only apply to newly elected members after the effective date. Incumbent board members who lose their active or retiree status would be allowed to serve out the remainder of their respective terms.

COMMENT: Under current law, SURS has a board of trustees composed of the Chairperson of the Board of Higher Education, four trustees appointed by the governor, four active participants in the system who are elected by the contributing members, and two annuitants of the system who are elected by annuitants of the system. The governor's appointees cannot be members of the system or hold public office when they are appointed.

HB 4323 would amend the State Universities Article of the Illinois Pension Code. The bill provides that a governor-appointed trustee shall immediately have his or her term terminated if they become a member of the system, or if they are sworn into an elective State office. The position will then be considered vacant. The bill also provides if one of the active participant members or retiree members of the board loses their requisite employee or retiree status, their term as a board member shall be terminated immediately. However, this change for active and retiree members would only apply prospectively, for newly-elected members after the effective date of the bill.

With regard to incumbent members who are in office before the effective date, HB 4323 would allow these members to remain in their positions until the end of their terms after they have lost their participating employee or annuitant status.

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