

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 101ST GENERAL ASSEMBLY

BILL NO: **SB 1427**

February 15, 2019

SPONSOR (S): McConchie

SYSTEM(S): GARS

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**FISCAL IMPACT:** SB 1427 would have an unknown fiscal impact to the state, as no detail is provided within the legislation as to the way existing liabilities would be paid down without new members entering the system. This information would need to be known before the fiscal impact could be accurately calculated.

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**SUBJECT MATTER:** SB 1427 amends the General Assembly article of the Illinois Pension Code to limit participation in GARS to individuals who are first elected or appointed to the General Assembly before the effective date of the legislation.

**COMMENT:** The proposed legislation would eliminate any additional liability for GARS beyond its current obligations and any new participants before the effective date of the legislation. The most recent actuarial valuation estimates 627 members by June 30, 2018, and an unfunded actuarial liability of \$312.5 million. Currently, there are 87 active members including legislators and statewide officers and 37 new individuals eligible for coverage after the 2018 election. It is unknown at this time what GARS would be replaced with under this legislation. This legislation has an immediate effective date.

AB:bj

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