

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102nd GENERAL ASSEMBLY

BILL NO: **HB 0196**

January 20, 2021

SPONSOR (S): Burke

SYSTEM(S): SURS

FISCAL IMPACT: There is no discernible fiscal impact associated with HB 0196.

SUBJECT MATTER: HB 0196 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 elected 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. Current elected board members would be allowed to serve out their respective terms of office following the loss of active or retiree status.

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 0196 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 trustee 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 board members after the effective date of the bill. With regard to incumbent elected board members who are in office before the effective date, HB 0196 would allow these members to remain in their respective positions

until the end of their terms after they have lost their participating employee or annuitant status.

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