

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102ND GENERAL ASSEMBLY

BILL NO: **HB 2465**

March 2, 2021

SPONSOR (S): Mazzochi

SYSTEM(S): SERS, SURS, Downstate Teachers

FISCAL IMPACT: The number of new entrants who would opt out of participation in SERS, SURS, and TRS would need to be known before an actuarial study could be performed. The bill does not provide any pecuniary incentive for new members to opt out, so presumably, few would exercise this option. Therefore, the expected fiscal impact would likely be very minimal.

SUBJECT MATTER: HB 2465 amends the State Employees, State Universities, and Downstate Teachers article of the Illinois Pension Code to not require new employees of institutions covered by these articles to participate in the pension systems.

COMMENT: If utilized by all future employees covered by the aforementioned pension systems, the proposed legislation would eliminate any additional liability for the systems beyond their current obligations. The most recent actuarial valuations estimate approximately 429,000 TRS members, 162,000 SERS members, and 63,000 SURS members by June 30, 2020, and unfunded actuarial liabilities of \$80.7 billion (TRS), \$30.3 billion (SERS), and \$27.5 billion (SURS). This legislation has an immediate effective date.

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