

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 102ND GENERAL ASSEMBLY

BILL NO: **HB 2976**

March 16, 2021

SPONSOR (S): Morrison

SYSTEM(S): GARS, IMRF, Chicago Municipal, Cook County

---

**FISCAL IMPACT:** HB 2976 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.

---

**SUBJECT MATTER:** HB 2976 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. Additionally, the legislation limits elected officials ability to be members of the IMRF, Chicago Municipal, and Cook County pension systems unless they are elected before the effective date of this legislation and have chosen to contribute to the pension system.

**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 636 members by June 30, 2021, and an unfunded actuarial liability of \$314.5 million. At the end of the FY 2020 fiscal year, there were 124 active members including legislators and statewide officers. It is unknown at this time what GARS would be replaced with under this legislation.

In the case of IMRF, Chicago Municipal, and Cook County, the proposed legislation would classify an elective office to be presumed as part-time in the absence of an official job description or legal determination of full-time status. Cook County has 28 total active elected employees (a part-time/full-time breakdown was not provided), while the Chicago Municipal system has 50 active elected employees who may qualify as part-time. IMRF had 2,063 elected employees affected by this legislation as of 2019, but does not classify individual participants as part-time or full-time.

AB:bs

LRB102 14898 RPS 20251 b