COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102nd GENERAL ASSEMBLY

BILL NO: **SB 2106** March 4, 2021

SPONSOR (S): Martwick

SYSTEM(S): GARS, IMRF, SERS, SURS, TRS, and JRS

FISCAL IMPACT: There is no discernible fiscal impact associated with SB 2106. The language of the bill would bring the impacted systems into compliance with the Internal Revenue Code concerning the required age of distribution of pension benefits, which is 72 as of January 1, 2020 (age 70 ½ before January 1, 2020).

SUBJECT MATTER: SB 2106 amends various articles of the Pension Code to bring these systems into compliance with the Internal Revenue Code's requirements for the age at which minimum distributions of pension benefits must begin.

COMMENT: Under the Internal Revenue Code, a required minimum distribution is the minimum amount that a person must withdraw from a retirement plan when they reach age 72 after January 1, 2020 (the minimum distribution age was 70 ½ before January 1, 2020). SB 2106 amends the GARS, IMRF, SERS, SURS, TRS, and JRS articles of the Illinois Pension Code. Broadly speaking, the bill brings all of the systems' respective Articles of the Pension Code into compliance with IRS Code pertaining to the required age of distribution of pension benefits; some by referencing the pertinent section of the IRS Code, and others by referencing age 72.

DH:bs
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