

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102ND GENERAL ASSEMBLY

BILL NO: **SB 2221**

March 12, 2021

SPONSOR (S): Glowiak Hilton

SYSTEM(S): GARS

FISCAL IMPACT: SB 2221 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, though new House members would be allowed under this legislation. This information would need to be known before the fiscal impact could be accurately calculated.

SUBJECT MATTER: SB 2221 amends the General Assembly article of the Illinois Pension Code to limit participation in GARS by Senate members 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 from its current obligations to Senate members and any new Senate participants before the effective date of this legislation. However, new House members could join the system after the effective date of this legislation, which would add to the overall liabilities of the retirement system. 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.

AB:bs

LRB102 14720 RPS 20073 b