

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102ND GENERAL ASSEMBLY

BILL NO: SB 3723

January 26, 2021

SPONSOR (S): Anderson

SYSTEM(S): GARS

FISCAL IMPACT: SB 3723 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 3723 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.

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 630 total members (active members, retirees, and vested inactive members) by June 30, 2023, and an unfunded actuarial liability of \$301.5 million. There are currently 122 active members including legislators and statewide officers projected to be participating in the system as of June 30, 2023. It is unknown at this time what GARS would be replaced with under this legislation.

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