



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: **SB 1646**

February 10, 2023

SPONSOR (S): Martwick

SYSTEM: SURS & TRS

FISCAL IMPACT

SB 1646 would have no fiscal impact as the bill only sets forth prohibitions on outside recordkeepers for the optional DC plans in TRS and SURS. Such recordkeepers will be prohibited from using participating member information for the purposes of soliciting and marketing ancillary financial instruments to pension fund members.

SUBJECT MATTER: SB 1646 amends the State Universities, Downstate Teacher, and Deferred Compensation Articles of the Illinois Pension Code to restrict the actions of the recordkeeper of deferred compensation plans for funds within the pertinent article of the Pension Code. The restrictions are meant to keep recordkeepers from soliciting members of the fund as explained below.

COMMENTS:

Public Act 100-0769, which became effective on August 10th, 2018, established an optional defined contribution benefit for both the SURS and TRS articles of the Pension Code. SURS and TRS are empowered to automatically enroll any employee who first becomes a participating employee of each respective system in the optional DC plan on or after July 1, 2023. SB 1646 prohibits deferred compensation plan recordkeepers, which are essentially outside vendors charged with administering DC plans for TRS, SURS, and the State of Illinois Deferred Compensation Plan, from using pension fund member information to solicit ancillary investment products or services.

ZH:bs

LRB103 27811 RPS 54189 b