



## Commission on Government Forecasting and Accountability

### PENSION IMPACT NOTE *104<sup>th</sup> General Assembly*

BILL NO:           **HB 4170**

January 23, 2026

SPONSOR (S):     Moore

SYSTEM:           Budget Stabilization Act / Pension Stabilization Fund

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#### FISCAL IMPACT

**HB 4170 amends the Budget Stabilization Act to establish \$11.1 billion in payments to be deposited from the General Revenue Fund to the Pension Stabilization Fund by the Office of the Comptroller between FY 2030 and FY 2049. An actuarial study would be needed to assess the full impact of the bill upon the Illinois Pension Code.**

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**SUBJECT MATTER:** HB 4170 would create a total of \$11.1 billion in payments to the Pension Stabilization Fund (PSF) to be deposited from the General Revenue Fund (GRF) and made under the auspices of the Office of the Comptroller between FY 2030 and FY 2049.

#### COMMENT:

Under current law, if estimated general funds revenues grow by at least 4% for two straight years and GRF spending stays under 98% of those revenues, the Comptroller must transfer 1% of estimated revenues to the Pension Stabilization Fund (PSF). Appropriations from the PSF are made for the purpose of making pension payments to the five State-funded systems: the State Employees' Retirement System (SERS), the Teachers' Retirement System (TRS), the State Universities Retirement System (SURS), the Judges Retirement System (JRS), and the General Assembly Retirement System (GARS).

HB 4170 directs payments totaling \$11.1 billion to the PSF, to be deposited from GRF and made under the auspices of the Office of the Comptroller, as follows:

- FY 2030: \$300 million
- FY 2031 through 2033: \$400 million annually, totaling \$1.2 billion
- FY 2034 through 2049: \$600 million annually, totaling \$9.6 billion

The language in HB 4170 resembles the language of a provision of SB 1937, as amended by HA 2, also introduced in the 104<sup>th</sup> General Assembly. SB 1937 is a pension omnibus bill that deals with various aspects of Tier 2 benefits, among other things. The bill redirected bond payments to be deposited from GRF to PSF and made under the auspices of the Office of the Comptroller. Under HA 2, each payment would count toward the required State contributions to achieve 90% funding by FY 2045. In other words, these payments would offset, rather than supplement, the required State contributions. SB 1937, as amended by HA 1, required these payments (in different amounts) to be in addition to the required State contributions and not offset them.

Please note that when HB 2540 from the 104<sup>th</sup> General Assembly—a bill containing similar language regarding additional PSF payments—was introduced, the total amount was \$6.2 billion. The intent was to use approximately half of the principal payments made under the \$6 billion Income Tax Proceed Bonds ending in FY 2030, and half of the last principal payment made under the Pension Obligation Bonds issued under PA 93-0002 ending in FY 2033.

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