



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *104TH General Assembly*

BILL NO: **SB 1894**

February 12, 2025

SPONSOR (S): Martwick

SYSTEM: **SURS**

FISCAL IMPACT

There is no discernible fiscal impact associated with SB 1894 inasmuch as the bill does not alter survivor benefit amounts, eligibility criteria, or funding requirements—only the timeframe in which a survivor may choose to waive their benefit after being notified of their eligibility.

SUBJECT MATTER: SB 1894 amends the SURS article of the Pension Code to allow a survivors insurance beneficiary to waive their pension benefit within six months of being notified, rather than within six months of the participant's death. This change ensures beneficiaries have sufficient time to make an informed decision on whether to accept or decline the benefit based on their financial or estate planning needs.

COMMENT: Currently, under the State Universities Article of the Illinois Pension Code, a survivors insurance beneficiary or their personal representative may waive the right to survivorship benefits, but the waiver must be submitted within six months of the participant or annuitant's death. SB 1894 changes this timeframe, requiring the waiver to be submitted within six months of the System notifying the beneficiary of payable benefits, rather than from the date of death. This gives beneficiaries more time to make an informed decision, as some may waive the benefit for estate planning, tax reasons, or if the payment is minimal and not worth the administrative burden.

This bill is identical to HB 3194 from the current 104th GA.

DH:bs

LRB104 06093 RPS 16126 b