

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **SB 0369, as amended by SA 1** March 30, 2009  
SPONSOR (S): Kotowski - Lauzen  
SYSTEM(S): GARS, JRS

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**FISCAL IMPACT:** The fiscal impact of SB 0369, as amended by SA 1, has not been calculated, however the changes set forth in the bill will serve to reduce state contributions to the affected systems between FY 2010 and FY 2045.

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**SUBJECT MATTER:** SB 0369, as amended by SA 1, amends the Judges and General Assembly articles of the Illinois Pension Code to change the method of calculating retirement annuities from the salary on the last day of service to the highest 48 consecutive months of service within the last 120 months of service in which the total compensation was the highest, or the total period of service, if less than 48 months, by the number of months of service in that period.

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**COMMENT:**

**General Assembly Retirement System**

The Illinois Pension Code currently specifies that for a participant who is a member of the General Assembly Retirement System, his or her retirement pension shall be based on the salary on the participant's last day of service. This method of calculating retirement annuities also applies to the Governor, Secretary of State, Treasurer, Comptroller, and Attorney General for the period of service in such office. SB 0369, as amended by SA 1, provides that for participants who become a member of GARS on or after the effective date of this Amendatory Act, retirement annuities will be based on the 48 consecutive months of service within the last 120 months of service in which the total compensation was the highest, or by dividing the total period of service, if less than 48 months, by the number of months of service in that period.

*Judges Retirement System*

Currently, members of the Judges Retirement System have their retirement annuities calculated based upon the salary on the last day of employment as a judge, or the highest salary received by the judge for at least 4 consecutive years, whichever is greater. SB 0369, as amended by SA 1, provides that for participants who become members of JRS on or after the effective date of this Amendatory Act, the retirement annuity will be calculated by dividing the total salary of the participant during the period of the 48 consecutive months of service within the last 120 months of service in which the total compensation was the highest, or the total period of service, if less than 48 months, by the number of months of service in that period.

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