

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

97TH GENERAL ASSEMBLY

BILL NO: **HB 1516**

February 18, 2011

SPONSOR(S): Franks

SYSTEM(S): None

FISCAL IMPACT: The fiscal impact of HB 1516 has not been calculated, but it would be positive both for the State and the local governing boards since no further salary or benefits would be payable to members of affected boards of directors.

SUBJECT MATTER: HB 1516 amends the State Employees Group Insurance Act of 1971, the Illinois Pension Code, the Metropolitan Transit Authority Act, and the Regional Transportation Authority Act to eliminate compensation, pension, and group insurance benefits for members of the Regional Transportation Authority Board, Suburban Bus Board, Commuter Rail Board, and Chicago Transit Authority Board.

FISCAL IMPACT: The fiscal impact of HB 1516 has not been calculated, but it would be positive both for the State and the local governing boards since no further salary or benefits would be payable to members of affected boards of directors.

COMMENT: Currently, the State Employees Group Insurance Act of 1971 provides a program of group life insurance, health benefits and other employee benefits for people in the service of the State of Illinois, employees of local governments, employees of rehabilitation facilities, employees of domestic violence shelters and services, and employees of child advocacy centers. Under HB 1516, this Act will no longer apply to Regional Transportation Authority Board members, Suburban Bus Board members, Commuter Rail Board members, and Chicago Transit Authority Board members.

Similarly, HB 1516 provides that the Illinois Pension Code no longer applies to Regional Transportation Authority Board members, Suburban Bus Board members, Commuter Rail Board members, and Chicago Transit Authority Board members.

In addition, HB 1516 provides that on and after the effective date of this amendatory Act of the 97th General Assembly, the chairman of each Board affected by this amendatory Act along with members and Directors of said Board will receive no annual salary or other compensation for their service in office, except for being reimbursed for actual expenses that occur in the performance of his or her duties. HB 1516 states that no service or contribution shall be credited in any retirement system or pension fund to the chairman or any other member or Director of such Board for service in that office beginning on the effective date of this amendatory Act. Similarly, no public funds will be appropriated, expended, or otherwise obligated for such a retirement system or pension fund credit. Under HB 1516, neither the chairman nor any other member or Director of the Boards affected by this amendatory Act will receive financial benefits for his or her service in such office, including without limitation participation in a program of life or health insurance.

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