

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

97TH GENERAL ASSEMBLY

BILL NO: **HB 3973**

February 3, 2012

SPONSOR (S): Cross - Senger

SYSTEM(S): GARS

FISCAL IMPACT: The fiscal impact of HB 3973 has not yet been calculated. The bill does not specify what retirement benefits would be offered to new members of the General Assembly who begin service after the effective date in lieu of participation in GARS. According to GARS FY 2011 actuarial valuation, the system has an employer's normal cost of 22.12% of payroll. By contrast, SERS has an employer's normal cost of 13.35% of payroll.

SUBJECT MATTER: HB 3973 amends the General Assembly article of the Illinois Pension Code to restrict membership in GARS to persons who first become members of the system before the effective date of this amendatory Act.

FISCAL IMPACT: The fiscal impact of HB 3973 has not yet been calculated. The bill does not specify what retirement benefits would be offered to new members of the General Assembly who begin service after the effective date in lieu of participation in GARS. According to GARS FY 2011 actuarial valuation, the system has an employer's normal cost of 22.12% of payroll. By contrast, SERS has an employer's normal cost of 13.35% of payroll.

COMMENT: HB 3973 effectively closes GARS to new members as of the effective date. According to GARS' FY 2011 actuarial valuation, GARS has 180 active members, 291 members receiving retirement annuities, 118 persons receiving survivor's annuities, and 86 inactive members.

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