

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

97TH GENERAL ASSEMBLY

BILL NO: **SB 3793**

February 15, 2012

SPONSOR (S): LaHood

SYSTEM(S): GARS and SERS

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**FISCAL IMPACT:** The fiscal impact of SB 3793 has not yet been calculated, but should have a positive fiscal impact. According to GARS FY 2011 actuarial valuation, the system has an employer's normal cost of 22.12% of payroll. In contrast, SERS has an employer's normal cost of 13.35% of payroll.

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**SUBJECT MATTER:** SB 3793 amends the General Assembly and State Employees Articles of the Illinois Pension Code. The legislation restricts GARS participation to individuals who first become members before the effective date of this act. Individuals who become members of the Illinois Senate on or after February 1, 2011 and before the effective date of the act may elect to participate in SERS.

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**COMMENT:** SB 3793 is similar to SB 2938, though it makes no specifications for prior service credit transfer from GARS to SERS. Also, individuals who first become a member of the Illinois Senate on or after the effective date of this act will become members of SERS unless they elect to not participate in that system within 24 months of the date of becoming a member of the Illinois Senate.

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