

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

98TH GENERAL ASSEMBLY

BILL NO: **HB 3291**

March 18, 2013

SPONSOR (S): Ives

SYSTEM(S): GARS, IMRF, Cook County, Chicago Municipal

FISCAL IMPACT: HB 3291 would have a slight positive impact upon the pension funds impacted by this bill. An actuarial study would be required to determine the precise savings associated with limiting membership in GARS to persons who became participants before the effective date of HB 3291. According to GARS' FY 2012 actuarial report, the system had a funding ratio of 17.4% as of June 30, 2012. Current funding projections show that the fund will drop to a 6.2% funding ratio by FY 2029.

SUBJECT MATTER: HB 3291 amends the GARS, IMRF, Cook County, and Chicago Municipal articles of the Illinois Pension Code. The bill restricts membership in GARS to persons who become members of the system before the effective date of this Amendatory Act. For the IMRF, Cook County, and Chicago Municipal systems, the bill restricts membership to elected officials who serve on a full-time basis.

FISCAL IMPACT: HB 3291 would have a slight positive impact upon the pension funds impacted by this bill. An actuarial study would be required to determine the precise savings associated with limiting membership in GARS to persons who became participants before the effective date of HB 3291. According to GARS' FY 2012 actuarial report, the system had a funding ratio of 17.4% as of June 30, 2012. Current funding projections show that the fund will drop to a 6.2% funding ratio by FY 2029.

COMMENT: HB 3291 amends the General Assembly Article of the Illinois Pension Code. The bill restricts membership in GARS to persons who became participants in the system before the effective date of this Amendatory Act. The bill also amends the IMRF, Chicago Municipal, and Cook County articles of the Pension Code to specify that elected officials must serve in a full-time capacity in order to participate in the aforementioned funds. HB 3291 specifies that elective offices in the IMRF, Chicago Municipal, and Cook County articles shall be presumed to be part-time unless the legal advisor of the applicable unit of local government deems the position to be full-time.

DH:dkb

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