

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

97TH GENERAL ASSEMBLY

BILL NO: **HB 5817**

February 18, 2014

SPONSOR (S): Senger

SYSTEM(S): GARS, SERS, SURS, TRS, JRS

FISCAL IMPACT: HB 5817 will have a fiscal impact upon the retirement systems as actuarial experience studies generally cost between \$50 – 60 thousand per system. This expense would be incurred every 3 years instead of every 5 years.

SUBJECT MATTER: HB 5817 amends the GARS, SERS, SURS, TRS and JRS articles of the Illinois Pension Code to require the actuary of each of these systems to investigate these systems at least once every three years (instead of every five years).

FISCAL IMPACT: HB 5817 will have a fiscal impact upon the retirement systems as actuarial experience studies generally cost between \$50 – 60 thousand per system. This expense would be incurred every 3 years instead of every 5 years.

COMMENT: HB 5817 would increase the number of actuarial investigations of Illinois' state-funded systems from the current benchmark of once every five years to once every three years. This change will result in an increase in actuarial expenses on the order of \$50-60 thousand per system, a cost that will now be incurred every 3 years as opposed to every 5 years.

DH:dkb

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