

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

99TH GENERAL ASSEMBLY

BILL NO: **HB 2429**

February 20, 2015

SPONSOR (S): Kay

SYSTEM(S): GARS and JRS

FISCAL IMPACT: HB 2429 would likely result in a slightly positive impact to the state GRF, according to SRS, after contributions are paid out. No actuarial analysis of this situation has been provided to CGFA.

SUBJECT MATTER: HB 2429 amends the General Assembly and Judges Articles of the Illinois Pension Code. This legislation would eliminate participant service credit and retiree and survivor benefits. The money in both systems would be refunded to participants based on adjudication by the Court of Claims.

FISCAL IMPACT: HB 2429 would likely result in a slightly positive impact to the state GRF, according to SRS, after contributions are paid out. No actuarial analysis of this situation has been provided to CGFA.

COMMENT: The proposed legislation does not discuss funding imbalances in both GARS and JRS, which are currently anticipated to be 16.18% and 28.29% funded at the end of FY 2015, as of their most recent actuarial evaluation. These systems have an expected unfunded liability of \$269 million for GARS and \$1.546 million for JRS as of the end of FY 2015. This legislation also eliminates GARS and JRS two years after passage.

AB:dkb

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