

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

99TH GENERAL ASSEMBLY

BILL NO: **SB 104**

February 9, 2015

SPONSOR (S): Murphy - Connelly

SYSTEM(S): IMRF, Cook County, SERS, SURS, Downstate Teachers, Chicago Teachers

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**FISCAL IMPACT:** SB 104 would likely reduce future payments to annuitants who become members after the effective date of this legislation. This legislation would reduce the amount of pensionable earnings and service time available to members of the affected systems. It is uncertain, without actuarial analysis, what the actual amount of savings to the state would be as a result of this legislation.

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**SUBJECT MATTER:** SB 104 amends the Illinois Municipal Retirement Fund, Cook County, SERS, SURS, Downstate Teachers, and Chicago Teachers Articles of the Illinois Pension Code. The proposed legislation would eliminate unused sick/vacation time payments from being used to calculate pensionable earnings and salary and eliminate unused sick/vacation time from being used to establish service credit.

**FISCAL IMPACT:** SB 104 would likely reduce future payments to annuitants who become members after the effective date of this legislation. This legislation would reduce the amount of pensionable earnings and service time available to members of the affected systems. It is uncertain, without actuarial analysis, what the actual amount of savings to the state would be as a result of this legislation.

**COMMENT:** The proposed legislation would only affect individuals who first become participants in these systems after this legislation takes effect. Therefore, any fiscal savings to the State would take a number of years before being realized. This legislation is similar to SB 3569 and HB 3426 from the 97<sup>th</sup> General Assembly.

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