

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 99TH GENERAL ASSEMBLY

BILL NO: **SB 0437, as amended by HA 1**

June 23, 2015

SPONSOR (S): J. Cullerton – (Currie - Gordon-Booth, et al.)

SYSTEM(S): Chicago Teachers

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**FISCAL IMPACT:** According to the June 30, 2013 Actuarial Valuation for the Public School Teachers' Pension and Retirement Fund of Chicago, the Board of Education's required contribution for FY 15 is \$683.6 million as well as an additional contribution of \$12.9 million for a total of \$696.5 million. Under current law, these contributions are to be made on or before June 30, 2015. SB 0437, as amended by HA 1, pushes this payment date back to August 10, 2015. This provides the Board of Education an additional 40 days to make the required contributions. The Board's total contribution for FY 15 will not be affected by this amendment.

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**SUBJECT MATTER:** SB 0437, as amended by HA 1, adds a provision that states the Board of Education's total required contribution to the Fund for FY 15 shall be made on or before August 10, 2015.

**COMMENT:** Public Act 96-0889 specifies that, for FY 14 through FY 59, the Board of Education is to make annual contributions to the Chicago Teachers' Pension Fund calculated as a level percent of payroll sufficient to bring the total assets of the fund up to 90% of the total actuarial liabilities of the fund by the end of Fiscal Year 2059. Normally the annual contribution would be paid by the 30<sup>th</sup> of June each year, but SB 0437, as amended by HA 1, adds a provision that states the Board of Education's total required contribution to the Fund for FY 15 shall be made on or before August 10, 2015.

JL:dkb

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