

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

101ST GENERAL ASSEMBLY

BILL NO: HB 1605 January 31, 2019
SPONSOR (S): Lilly
SYSTEM(S): General Provisions (all systems)

FISCAL IMPACT: There is no readily discernible fiscal impact associated with HB 1605.

SUBJECT MATTER: HB 1605 amends the General Provisions Article of the Illinois Pension Code. The bill requires every pension fund, excluding a Downstate Police or Downstate Firefighter fund, to develop a climate change risk minimization policy by December 31, 2020.

COMMENT: The proposed legislation requires every pension fund to consider the financial risk of climate-related events and explain sources of data used to determine projections of potential long-term financial impact. The National Association of Insurance Commissioners' Insurer Climate Risk Disclosure Survey will be used as a model to consider the scope of the financial impact of climate change. The pension fund may determine a policy for all corporate equities held by the pension fund affected by increased climate change, such as voting for shareholder resolutions and directors advancing corporate policies that minimize long-term risk.

EW:bj
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