

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

101ST GENERAL ASSEMBLY

BILL NO:       **HB 2750**

February 26, 2019

SPONSOR (S):   Morrison

SYSTEM(S):     GARS, IMRF, Cook County, Chicago Municipal

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**FISCAL IMPACT:** HB 2750 would have an uncertain fiscal impact to the state, as no detail is provided within the legislation as to the way existing liabilities would be paid down without new members entering GARS. This information would need to be known before the fiscal impact could be accurately calculated.

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**SUBJECT MATTER:** HB 2750 amends the General Assembly Article, IMRF, Chicago Municipal, and Cook County articles of the Illinois Pension Code. This legislation would restrict participation in the General Assembly Retirement System to individuals who became participants before the effective date of this legislation. In addition, after this effective date, GARS would not accept any new participants. In the case of IMRF, Chicago Municipal, and Cook County, this legislation would restrict participation in the case of part-time elective office. Part-time elected individuals would only be able to participate if they were elected to their current office before the effective date of this legislation and have elected to be a contributor.

**COMMENT:** The proposed legislation would eliminate any additional liability for GARS beyond its current obligations and any new participants before January 1, 2020. The most recent actuarial valuation estimates 627 members by June 30, 2018, and an unfunded actuarial liability of \$312.5 million. In the case of IMRF, Chicago Municipal, and Cook County, the proposed legislation would classify an elective office to be presumed as part-time in the absence of an official job description or legal determination of full-time status. Cook County has 28 total active elected employees (a part-time/full-time breakdown was not provided), while the Chicago Municipal system has 50 active elected employees who may qualify as part-time. IMRF has 2,063 elected employees, but does not classify individual participants as part-time or full-time.

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