

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

98TH GENERAL ASSEMBLY

BILL NO: **SB 1, as amended by HA 3** May 2, 2013

SPONSOR(S): Cullerton (Madigan – Cross, et al.)

SYSTEM(S): General Assembly Retirement System (GARS), Illinois Municipal Retirement Fund (IMRF), Cook County Pension Fund, State Employees' Retirement System (SERS), State Universities' Retirement System (SURS), Teachers' Retirement System (TRS),

FISCAL IMPACT: The fiscal impact of the changes made by HA 3 to SB 1 cannot be readily determined. None of the changes in HA 3 appear to significantly alter the benefit changes (retirement age, COLA limitation and delay, etc.) made by HA 1.

SUBJECT MATTER: HA 2 to SB 1 amends the bill *as amended* by HA 1 as follows: In each of the funding guarantees, provides that the State pledges not to impair the rights and remedies of the boards of trustees as set forth in the funding guarantees (rather than any rights and remedies of the boards of trustees); also makes changes in the State funding pledge. Provides that the changes, the impact of changes, and the implementation of changes made to the State Employees, State Universities, or Downstate Teacher Article of the Illinois Pension Code, or to the General Provisions Article of that Code as it applies to those Articles, made by the amendatory Act, and those Articles thereafter, are not subject to interest arbitration or any award issued pursuant to interest arbitration. In the Budget Stabilization Act, deletes the reference to terminating transfers into the Pension Stabilization Fund if any provision of the amendatory Act is held invalid, which duplicates the effect of the inseverability provision.

COMMENT: The changes made by HA 3 to SB 1 do not significantly alter the benefit changes made in HA 1 with regard to the graduated Tier 1 retirement age increase, COLA limitation and delay, pensionable salary cap, and active member contribution rate increase.

MD:dkb

LRB098 05457 EFG 45378 a