



Rep. Elaine Nekritz

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LRB097 07605 EFG 73162 a

1 AMENDMENT TO SENATE BILL 1673

2 AMENDMENT NO. _____. Amend Senate Bill 1673, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 1. Short title. This Act may be cited as the
6 Pension Review Commission Act.

7 Section 5. Pension Review Commission. There is created the
8 Pension Review Commission (hereinafter "Commission") as an
9 independent commission within the legislative branch of State
10 government. The Commission shall consist of 8 Commissioners.
11 Within 15 calendar days following the effective date of this
12 amendatory Act of the 97th General Assembly, the Speaker of the
13 House of Representatives, the President of the Senate, the
14 Minority Leader of the House of Representatives and the
15 Minority Leader of the Senate (collectively "legislative
16 leaders") shall each appoint 2 Commissioners.

1 Commissioners shall be adults and residents of Illinois.
2 Commissioners may not be persons required to be registered
3 under the Lobbyist Registration Act. In the event of a vacancy,
4 the respective appointing legislative leader shall appoint a
5 new member to fill the vacancy within 15 calendar days after
6 the vacancy. Commissioners will serve for the duration of the
7 Commission's existence as defined in this Act of the 97th
8 General Assembly. Commissioners shall serve without
9 compensation.

10 The Commission may, without regard to the Personnel Code,
11 employ and fix the compensation or remuneration of employees
12 and contract for personal and professional services as it
13 considers necessary or desirable, subject to appropriation.

14 The Commission on Government Forecasting and
15 Accountability (COGFA) shall provide administrative support
16 and assistance to the Commission, but COGFA shall not exercise
17 any authority or control over the Commission or its employees
18 or contractors.

19 Section 10. Standards.

20 (a) In meeting its responsibilities as set forth in this
21 Act, the Commission may convene periodically as set forth in
22 this Act to determine the changes to existing law necessary to
23 ensure that the State Employee Retirement System (SERS), the
24 General Assembly Retirement System (GARS), the State
25 University Retirement System (SURS), and the Teacher's

1 Retirement System (TRS) will reach 100% actuarial funding for
2 all then-existing liabilities not later than December 31, 2045,
3 calculated and defined in full accordance with the applicable
4 standards and guidelines of the Governmental Accounting
5 Standards Board (GASB). The Commission will set forth its
6 determinations in the form of a final report.

7 (b) In determining the necessary changes to existing law,
8 the Commission shall consider the following factors:

9 1. the total amount of the existing unfunded
10 liabilities for the four retirement systems identified in
11 this Act;

12 2. the current and projected rates of growth in those
13 unfunded liabilities;

14 3. the current and future projected total required
15 annual State contributions to the retirement systems; for
16 purposes of this Act, "total required annual State
17 contribution to the retirement systems" is the sum of the
18 amounts that the State of Illinois must pay on an
19 annualized basis from general revenue funds and any other
20 fund source to the four retirement systems identified in
21 this Act, including the normal cost of benefits earned and
22 payment towards the interest and principal that comprise
23 the unfunded accrued liabilities, as prescribed under
24 current law;

25 4. the annual cost to the State attributable to
26 retirement benefits earned by members as a result of

1 employment at entities other than State of Illinois;

2 5. the cost to the entities other than the State of
3 Illinois including but not limited to any unit of local
4 government attributable to retirement benefits earned by
5 members as a result of employment at entities other than
6 the State of Illinois;

7 6. the most costly components of the benefit structures
8 of the four retirement systems identified in this Public
9 Act, which apply or relate to any member of the four
10 retirement systems identified in this Act, irrespective of
11 whether the member is currently receiving retirement
12 benefits including, but not limited to the following:

13 a. the amounts of the cost of living adjustments
14 (COLA) to which members are entitled,

15 b. the definition of the salary basis on which the
16 calculation of the member's retirement benefit is
17 based, commonly known as the member's "Final Average
18 Compensation" (FAC) (or the equivalent thereof),

19 c. the methods and definitions that the retirement
20 systems to which this Act applies use to determine:
21 actuarial liability, normal cost, actuarially-required
22 annual contribution, unfunded actuarial liabilities,
23 asset valuation, and other such calculations.

24 7. the value of public employee pension benefits in
25 comparable states for similar positions of employment;

26 8. the value of retirement benefits for comparable

1 services performed in the private sector in Illinois and
2 comparable states based on the responsibility and
3 discretion required in the position of employment;

4 9. the effect of inflation as defined and calculated by
5 the Bureau of Labor Statistics (BLS) of the United States
6 government upon retirement benefits earned by members of
7 the retirement systems to which this Act applies;

8 10. the amounts of employee contributions to the four
9 pension systems; and

10 11. the interests and welfare of the public and the
11 financial ability of the State to meet those costs.

12 Section 15. Public hearings; Commission report; General
13 Assembly disapproval of report.

14 (a) The Commission shall conduct public hearings prior to
15 filing its report. At the public hearings, the Commission shall
16 allow interested persons to present their views and comments.
17 The Commission may prescribe reasonable rules for the conduct
18 of public hearings. The meetings of the Commission are subject
19 to the Open Meetings Act.

20 (b) The Commission shall file a report including its
21 determinations of changes to existing law, set forth in the
22 form of a draft bill with the Clerk of the House of
23 Representatives and the Secretary of Senate on April 30, 2013.
24 The Commission may also file a report on April 30, July 1, and
25 November 1 of any calendar year in which the Commission chooses

1 to submit a report. Upon submission the Clerk of the House and
2 the Secretary of the Senate shall make reports available to the
3 general public, including via the world wide web and other
4 electronic means that are suitable.

5 (c) The General Assembly may disapprove the report of the
6 Commission in whole within thirty (30) days after the report is
7 filed by adoption of a resolution by a record vote of the
8 majority of the members elected in each house directed to the
9 Commission. Such resolution shall be binding upon the
10 Commission. Adoption of any such resolution in this manner
11 shall prevent the determinations set forth in the final report
12 from becoming law.

13 (d) If both chambers of the General Assembly do not adopt a
14 resolution of disapproval in accordance with the provisions of
15 subsection (c) of this Section, the provisions of the report
16 making changes to existing law shall take effect and become
17 law.

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.".