



Rep. Elaine Nekritz

Filed: 1/8/2013

09700SB1673ham014

LRB097 07605 SSS 73165 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. The Pension Review
8 Commission, hereinafter called the "Commission", is hereby
9 created and shall be comprised of eight Commissioners. Within
10 fifteen calendar days following the effective date of this
11 amendatory Act of the 97th General Assembly, the Speaker of the
12 House of Representatives, the President of the Senate, the
13 Minority Leader of the House of Representatives and the
14 Minority Leader of the Senate shall each appoint two
15 Commissioners.

16 Commissioners shall be at least 18 years of age, reside

1 within Illinois, and shall not be required to register under
2 the Lobbyist Registration Act. In the event of a vacancy, the
3 respective appointing legislative leader shall appoint a new
4 member to fill the vacancy within fifteen calendar days after
5 the vacancy.

6 The Commission on Government Forecasting and
7 Accountability (COGFA) shall provide administrative support
8 and assistance to the Commission.

9 Section 10. Standards for Delegation of Authority.

10 (a) The Commission shall determine the changes to law
11 necessary to ensure that the State Employee Retirement System,
12 the General Assembly Retirement System, the State University
13 Retirement System, and the Teacher's Retirement System will
14 reach 100% actuarial funding for all then-existing liabilities
15 not later than December 31, 2045, calculated and defined in
16 full accordance with the applicable standards and guidelines of
17 the Governmental Accounting Standards Board.

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

20 1. the total amount of the existing unfunded
21 liabilities for the four retirement systems identified in
22 this Act;

23 2. the current and projected rates of growth in those
24 unfunded liabilities;

25 3. the current and future projected total required

1 annual State contributions to the retirement systems; for
2 purposes of this Act, "total required annual State
3 contribution to the retirement systems" is the sum of the
4 amounts that the State of Illinois must pay on an
5 annualized basis from general revenue funds and any other
6 fund source to the four retirement systems identified in
7 this Public Act, including the normal cost of benefits
8 earned and payment towards the interest and principal that
9 comprise the unfunded accrued liabilities, as prescribed
10 under current law;

11 4. the annual cost to the State attributable to
12 retirement benefits earned by members as a result of
13 employment at entities other than State of Illinois;

14 5. the cost to the entities other than the State of
15 Illinois including but not limited to any unit of local
16 government attributable to retirement benefits earned by
17 members as a result of employment at entities other than
18 the State of Illinois;

19 6. the most costly components of the benefit structures
20 of the four retirement systems identified in this Public
21 Act, which apply or relate to any member of the four
22 retirement systems identified in this Act, irrespective of
23 whether the member is currently receiving retirement
24 benefits including, but not limited to the following:

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

1 b. the definition of the salary basis on which the
2 calculation of the member's retirement benefit is
3 based, commonly known as the member's "Final Average
4 Compensation" (FAC) (or the equivalent thereof),

5 c. the methods and definitions that the retirement
6 systems to which this Act applies use to determine:
7 actuarial liability, normal cost, actuarially-required
8 annual contribution, unfunded actuarial liabilities,
9 asset valuation, and other such calculations.

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

12 8. the value of retirement benefits for comparable
13 services performed in the private sector in Illinois and
14 comparable states based on the responsibility and
15 discretion required in the position of employment;

16 9. the effect of inflation as defined and calculated by
17 the Bureau of Labor Statistics (BLS) of the United States
18 government upon retirement benefits earned by members of
19 the retirement systems to which this Public Act applies;

20 10. the amounts of employee contributions to the four
21 pension systems; and

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

24 Section 15. Public Hearings. The Commission shall conduct
25 public hearings prior to filing its report. Notice of hearings

1 shall be made on the General Assembly website and by methods
2 deemed appropriate by the Commission. All interested persons
3 shall be provided with an opportunity to comment. Any documents
4 submitted to the Commission by those seeking to comment shall
5 be deemed public records under the Freedom of Information Act.

6 Section 20. Commission Report. The Commission shall
7 prepare a report, set forth in the form of a bill, no later
8 than April 30, 2013. The report shall be submitted to the Clerk
9 of the House and Secretary of the Senate, and shall be made
10 available on the General Assembly website. The Commission may
11 also file a report on April 30 and November 1 of any calendar
12 year in which the Commission chooses to submit a report.

13 Section 25. General Assembly Disapproval of the Report.
14 The General Assembly may disapprove the report of the
15 Commission in whole within thirty legislative days after the
16 report is filed by adoption of a joint resolution by a record
17 vote of the majority of the members elected in each house. If
18 the General Assembly does not adopt a joint resolution
19 disapproving of the report, the Speaker of the House of
20 Representatives and the President of the Senate shall certify
21 the bill and it shall be presented to the Governor in
22 accordance with Article 4, Section 9(a) of the Illinois
23 Constitution. The Governor shall sign the bill and it shall
24 become law. The bill shall not be certified if the General

1 Assembly adopts a joint resolution disapproving of the report.

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.".