



Rep. Elaine Nekritz

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LRB097 07605 SSS 73166 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 file a  
7 report including its determinations of changes to existing law,  
8 set forth in the form of a bill, no later than April 30, 2013.  
9 The report shall be submitted to the Clerk of the House and  
10 Secretary of the Senate, and shall be made available on the  
11 General Assembly website. The Commission may also file a report  
12 on April 30 and November 1 of any calendar year in which the  
13 Commission chooses to submit a report.

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

1       become law. The bill shall not be certified if the General  
2       Assembly adopts a joint resolution disapproving of the report.

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