



## 98TH GENERAL ASSEMBLY

### State of Illinois

#### 2013 and 2014

##### HB5817

by Rep. Darlene J. Senger

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/2-146	from Ch. 108 1/2, par. 2-146
40 ILCS 5/14-138	from Ch. 108 1/2, par. 14-138
40 ILCS 5/15-173	from Ch. 108 1/2, par. 15-173
40 ILCS 5/16-176	from Ch. 108 1/2, par. 16-176
40 ILCS 5/18-152	from Ch. 108 1/2, par. 18-152

Amends the Illinois Pension Code. Requires the actuary of each of the 5 State-funded systems to conduct an investigation of the system at least once every 3 (rather than 5) years. Effective immediately.

LRB098 15891 EFG 50936 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing  
5 Sections 2-146, 14-138, 15-173, 16-176, and 18-152 as follows:

6 (40 ILCS 5/2-146) (from Ch. 108 1/2, par. 2-146)

7 Sec. 2-146. Actuary. The actuary shall be the technical  
8 advisor of the board and, in addition to supplying general  
9 information on technical matters, shall:

10 (1) Make an investigation at least once every 3 ~~5~~ years of  
11 the mortality, retirement, disability, separation, interest  
12 and salary rates and recommend, as a result of each such  
13 investigation, the actuarial tables to be adopted; and

14 (2) Make an annual valuation of the liabilities and  
15 reserves of the system, an annual determination of the amount  
16 of the required State contributions, and certify the results  
17 thereof to the board.

18 (Source: P.A. 86-273.)

19 (40 ILCS 5/14-138) (from Ch. 108 1/2, par. 14-138)

20 Sec. 14-138. Actuary. The Actuary shall be the technical  
21 advisor of the board on matters regarding the operation of the  
22 system. The actuary shall:

1           (a) at least once every 3 years ~~for the 7-year period~~  
2 ~~ending June 30, 1997 and every 5 years thereafter~~, make a  
3 general investigation of the mortality, retirement,  
4 disability, employment, turnover, interest and earnable  
5 compensation;

6           (b) recommend tables to be used for all required actuarial  
7 calculations;

8           (c) make an annual valuation of the liabilities and  
9 reserves of the system, make an annual determination of the  
10 amount of contributions required from the State under this  
11 Article, and certify the results thereof to the board; and

12           (d) perform such other duties as the board may assign.

13           (Source: P.A. 89-136, eff. 7-14-95.)

14           (40 ILCS 5/15-173) (from Ch. 108 1/2, par. 15-173)

15           Sec. 15-173. To cause actuarial analyses.

16           To cause a general investigation to be made by a competent  
17 actuary, at least once every 3 ~~5~~ years, of the retirement,  
18 disability, separation, mortality, interest, and employee  
19 earnings rates; to recommend, as a result of each such  
20 investigation, the tables to be adopted for all required  
21 actuarial calculations; and to cause an annual determination to  
22 be made by a competent actuary of the liabilities and reserves  
23 of the system and an annual determination of the amount and  
24 distribution of the required employer contributions.

25           (Source: Laws 1963, p. 161.)

1 (40 ILCS 5/16-176) (from Ch. 108 1/2, par. 16-176)

2 Sec. 16-176. To adopt actuarial assumptions. At least once  
3 every 3 years, ~~For the 5-year period ending June 30, 1997 and~~  
4 ~~every 5 years thereafter,~~ the actuary, as technical advisor,  
5 shall make an actuarial investigation into the mortality,  
6 service and compensation experience of the members,  
7 annuitants, and beneficiaries of the retirement system. Based  
8 upon the result of that investigation, the board shall adopt  
9 such actuarial assumptions as it deems appropriate.

10 ~~The Beginning with the 5-year period ending June 30, 2012~~  
11 ~~and every 5 years thereafter through June 30, 2012, the~~  
12 actuarial investigation required under this Section shall  
13 include the System's experience under the early retirement  
14 without discount option established in Section 16-133.2,  
15 including consideration of the sufficiency of the member and  
16 employer contributions under Section 16-133.2 and the active  
17 member contribution under Section 16-152 to adequately fund the  
18 early retirement without discount option. The Board shall  
19 promptly communicate the results of the actuarial  
20 investigation to the Commission on Government Forecasting and  
21 Accountability. Based on the actuarial investigation, the  
22 Commission on Government Forecasting and Accountability shall,  
23 no later than February 1 of the next year, recommend to the  
24 General Assembly any proportional adjustment in the amounts of  
25 the member and employer contributions under Section 16-133.2

1 that it deems necessary.

2 The early retirement without discount option under  
3 subsection (c) of Section 16-133.2 is extended as provided in  
4 subsection (d) of that Section. The early retirement without  
5 discount option under subsection (d) of Section 16-133.2  
6 terminates on July 1, 2016.

7 (Source: P.A. 98-42, eff. 6-28-13.)

8 (40 ILCS 5/18-152) (from Ch. 108 1/2, par. 18-152)

9 Sec. 18-152. Duties of actuary. The actuary shall be the  
10 technical advisor of the Board and, in addition to supplying  
11 general information on technical matters, shall:

12 (1) make a general investigation at least once every 3 ~~5~~  
13 years of the mortality, retirement, disability, separation,  
14 interest and employee earnings rates and recommend, as a result  
15 thereof, the tables to be adopted for all required actuarial  
16 calculations; and

17 (2) make an annual valuation of the liabilities and  
18 reserves of the system, an annual determination of the amount  
19 of the required State contributions and certify the results  
20 thereof to the board.

21 (Source: P.A. 86-273.)

22 Section 99. Effective date. This Act takes effect upon  
23 becoming law.