

LEGISLATION FACT SHEET

Education and Advocacy Initiative

Senate Bill 2404

May 7, 2013

**This bill does NOT impact the Chicago Teachers' Pension Fund.
CTPF has not taken a position on this legislation.**

SENATE SPONSOR: Senate President John Cullerton and co-sponsors: Linda Holmes, Pamela J. Althoff, Toi W. Hutchinson, Kimberly A. Lightford, Melinda Bush, Mike Jacobs, Wm. Sam McCann, Dan Kotowski, John G. Mulroe, Thomas Cullerton, Pat McGuire, Bill Cunningham, Michael W. Frerichs, Jennifer Bertino-Tarrant, Julie A. Morrison, Tim Bivins, Gary Forby, Iris Y. Martinez, William E. Brady, Andy Manar, John M. Sullivan, David Koehler, Emil Jones, III, Michael E. Hastings, and William R. Haine

SYSTEMS IMPACTED General Assembly Retirement System (GARS), State Employees Retirement System (SERS), State Universities Retirement System (SURS), and Teachers' Retirement System (TRS)
As of May 7, 2013, CTPF was NOT included in this legislation

EFFECTIVE DATE: Effective July 1, 2013

SUMMARY



This bill makes changes to benefits for Tier 1 active members and retirees.* The bill gives participants a choice between health care coverage and cost-of-living increases upon retirement with three different options for active members and two options for members already retired or ready to retire as of 1/1/2013.

The bill requires the State of Illinois to make contributions on the current funding schedule, guarantees pension funding to 90%, and creates a pension stabilization fund. The bill does not raise the retirement age or limit the amount of salary that can be counted towards Cost of Living Adjustment (COLA) increases.

* Tier I members contributed to CTPF or a qualified reciprocal system before January 1, 2011.



ADDITIONAL INFORMATION

Active Member Choices

<i>Choice A: Lower COLA</i>	<i>Choice B Option 1: Keep COLA</i>	<i>Choice B Option 2: Keep COLA</i>
Replace compounded COLA with 3% simple COLA	No change to 3% compounded COLA	No change to 3% compounded COLA
In exchange for:	In exchange for:	In exchange for:
<ul style="list-style-type: none"> Retiree healthcare access Future salary pensionable 2 year delay in start of COLA 	<ul style="list-style-type: none"> No retiree healthcare access Future salary not pensionable 	<ul style="list-style-type: none"> Retiree healthcare access Future salary pensionable
		<ul style="list-style-type: none"> 3 year delay in COLA 2% contribution increase over 2 years

Retired Member Choices: retired members and members set to retire as of 1/1/2013

<i>Choice A</i>	<i>Choice B</i>
No change to 3% compounded COLA	No change to 3% compounded COLA
Keep retiree healthcare access	In exchange for:
In exchange for:	<ul style="list-style-type: none"> No retiree healthcare access
<ul style="list-style-type: none"> COLA subject to "staggered" 2-year freeze 	

Note, this summary is provided as educational information for CTPF members and is based on data available on May 7, 2013. Bills change frequently. Visit www.ilga.gov for the full text.

This bill does not impact CTPF and the fund has not taken a position on this legislation.