

NO POSITION
January 27, 2010

***STATE RETIREMENT SYSTEMS
STAFF REPORT ON LEGISLATION AFFECTING
THE GENERAL ASSEMBLY RETIREMENT SYSTEM***

96th General Assembly

HOUSE BILL 4940 – Representative Darlene Senger

PROPOSAL

House Bill 4940 amends the General Assembly Retirement System (GARS) Article of the Pension Code to require the System to report quarterly to the Commission on Government Forecasting and Accountability (COGFA) the names and current salaries of all GARS members (active and inactive) who became members prior to August 22, 1994, if the member is participating in a System covered by the Retirement Systems Reciprocal Act.

COMMENT

Public Act 88-0593, effective August 22, 1994, limited the salary on which a GARS pension is based to the current salary of a member of the General Assembly, if the GARS member moves to another position covered by the Reciprocal Act prior to retirement. Due to Constitutional concerns, the Public Act only applies to persons who first become members of GARS after August 22, 1994.

House Bill 4940 requires the Board of Trustees of GARS to report quarterly to the Commission on Government Forecasting and Accountability the names and current salaries of all GARS members (active and inactive) who became members prior to August 22, 1994, if the member is participating in a System covered by the Retirement Systems Reciprocal Act. For these members, the report must include the name of the member's current employer.

Beginning with the 2nd quarterly report created by the bill, the report must include the name of each member who has started receiving a GARS proportional annuity, if the salary used to calculate the GARS portion of the retirement annuity is higher than it would have been if subject to the salary limitations imposed by Public Act 88-0593. The name of the employer paying that salary is also required to be disclosed by House Bill 4940.

It should be noted that all information required to be submitted to COGFA is currently considered public information and is subject to the Freedom of Information Act.

RECOMMENDATION

It is the recommendation of staff that we take no position on House Bill 4940.