

Legislature Passes FY 18 Budget including Optional Hybrid Plan

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The Illinois General Assembly, on July 6, successfully voted to override the governor's veto and passed a FY 18 budget that identifies the appropriation of funds for SURS and includes provisions for creating an optional hybrid pension plan that will be available to current Tier II members and future new hires. The new plan will not affect Tier I members, retirees or SMP members.

Senate Bill 6, the FY 2018 budget bill, appropriates \$1,587,985,000 to SURS. Of that amount, \$1,372,985,000 comes from the General Revenue Fund and \$215,000,000 comes from the State Pensions Fund.

Senate Bill 42, the budget implementation bill, provides for the creation of an optional hybrid plan. A hybrid pension plan includes elements of both a defined benefit and a defined contribution plan. The hybrid plan will be the default plan for new hires; however they will have the option to irrevocably elect a Tier II plan or the Self-Managed Plan (SMP). Current Tier II members will have the option to irrevocably choose the hybrid plan. SURS Board of Trustees will determine when the plan will be made available. SURS will inform members when a date has been chosen.

For more information, summaries of the FY 2018 budget bills, SB 6 and SB 42, can be found on [SURS Legislative page](#) [1]. SURS will continue to analyze the details of the bills and update the [Legislative/Appropriations webpage](#) [1] as necessary.

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