

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

100TH GENERAL ASSEMBLY

BILL NO: **HB 4766**

March 23, 2018

SPONSOR (S): Turner – Zalewski

SYSTEM(S): Chicago Teachers' Pension Fund (CTPF)

FISCAL IMPACT: There is no discernible fiscal impact associated with HB 4766.

SUBJECT MATTER: HB 4766 amends the Chicago Teacher Article of the Illinois Pension Code. This bill requires the Chicago Teachers' Pension Fund (CTPF) to provide a written notice of delinquency to an employer within 10 business days of the CTPF's discovery.

COMMENT: Under current law, an employer shall provide all members' payroll records and pension contributions within 30 calendar days after each payday. An employer that fails to do so within 30 calendar days is subject to penalty of \$100 for each day that the required contribution and submission are late, plus interest of up to 20% of the required payment.

HB 4766 makes changes to administrative processes of data submission and delinquency between the CTPF and an employer. The changes made by HB 4766 are as follows:

- A written notice of delinquency
 - When CTPF finds out that any payroll record that is not submitted in a timely manner or pension contributions are found to be incomplete, a written notice of delinquency shall be provided to an employer within 10 business days of the CTPF's discovery.
 - 30 business days would be provided to an employer that wishes to dispute the notice of delinquency.
- Penalty

- The applicable penalty cannot be charged if CTPF fails to provide a written notice of delinquency within 10 business days of the CTPF's discovery.
- No penalty shall be charged if an employer corrects the necessary information on a payroll record or makes an incomplete contribution before receiving such written notice.
- The penalty shall not exceed 100% of the principal contributions due.
- The deadline for submissions of the necessary information or a required contribution to avoid a statutorily set penalty is 12 months after receiving the notice of delinquency.

JB:bj

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