

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 100TH GENERAL ASSEMBLY

BILL NO: **SB 0701**

February 1, 2017

SPONSOR (S): Morrison

SYSTEM(S): IMRF

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**FISCAL IMPACT:** The fiscal impact of SB 0701 cannot be determined, but is expected to be slightly positive.

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**SUBJECT MATTER:** SB 0701 amends the IMRF article of the Pension Code to exclude vehicle allowances from being counted as pensionable earnings for employees hired on or after the effective date of this Amendatory Act.

**COMMENT:** IMRF notes that vehicle allowances are currently not automatically considered “earnings” for pension purposes. The fund allows taxable expense allowances to be reportable, but only if they have been approved by the governing body of the municipality or participating instrumentality in the form of a resolution passed by that governing body. SB 0701 would implement a blanket prohibition on counting earnings from vehicle allowances.

DH:dkb

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