COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

100TH GENERAL ASSEMBLY

BILL NO: **SB 3119, as amended by SA 1** April 19, 2018

SPONSOR (S): Althoff – Muñoz, et al.

SYSTEM(S): IMRF

FISCAL IMPACT: According to IMRF, this bill is meant to address situations in which employees participate in an Article 3 police pension fund and then retire from that position and return as civilian employees in that same department and begin participating in IMRF, which the fund considers tantamount to "double dipping" in for the same position. To the extent this practice is curtailed upon enactment of this bill, there would be a small but positive impact.

SUBJECT MATTER: SB 3119, as amended, amends the IMRF article of the Pension Code to prohibit participation in IMRF by certain former chiefs of police who return to work with the same police department in a civilian capacity, as explained below.

COMMENT: Currently, the IMRF article of the Pension Code sets forth the requirements for a person to be considered an "employee" for purposes of participation in the pension fund. Under SB 3119, as amended by SA 1, the following person would be explicitly prohibited from participation in IMRF: a person who participated as a chief of police in a fund under Article 3 (the Downstate Police Article) and returns to work in any capacity with the police department, with any oversight of the police department, or in an advisory capacity for the police department with the same municipality with which the Article 3 pension was earned. The bill states that the foregoing exclusion in IMRF shall be in force regardless of whether the person in question is considered an employee of the police department or is eligible for inclusion in the municipality's Article 3 fund.

SA 1 had made a further clarifying statement that persons impacted by this bill not be participating employees under IMRF before the effective date of this Amendatory Act.

DH:bj
LRB100 18739 MJP 36617 a