

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO:           **HB 0306, as amended by SA 1**

May 4, 2009

SPONSOR (S):     Rita (Demuzio)

SYSTEM(S):       Illinois Municipal Retirement Fund

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**FISCAL IMPACT:** The fiscal impact of HB 0306, as amended by SA 1, cannot be determined as it is unknown how many elected officials will receive retirement annuities who would not otherwise qualify under current law. The bill states that the elected official's annuity will not be based on any credits received for participating during that term of office. Therefore, the fiscal impact should be minimal.

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**SUBJECT MATTER:** HB 0306, as amended by SA 1, amends the IMRF Article of the Illinois Pension Code to allow certain annuitants to hold elective office without forfeiting their retirement annuities.

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**COMMENT:** Under the IMRF article of the Pension Code, retirement annuities are suspended during re-employment by an IMRF employer under certain conditions. Specifically, if an annuitant again becomes an employee and receives earnings from employment in a position normally requiring performance of duty during 600 hours or more per year for any participating municipality, or if the annuitant returns to employment in a position requiring him, or entitling him, to elect to become a participating employee. HB 0306, as amended by SA 1, provides that a person who holds elective office and has not elected to participate in IMRF with respect to that office shall not be disqualified from receiving a retirement annuity during that term of office by reason of holding that office, provided that the person waives any salary and stipend for that elected office, and the elected official's annuity is not based on any credits received for participating during that term of office.