

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO:           **HB 3606, as amended by HA #1**

March 16, 2009

SPONSOR (S):     B. Hannig - Currie

SYSTEM(S):       Illinois Municipal Retirement Fund

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**FISCAL IMPACT:** The fiscal impact of HB 3606, as amended by HA #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 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 3606, as amended by HA #1, amends the IMRF Article of the Illinois Pension Code to allow certain annuitants to hold elective office without participating in the Fund or losing their retirement annuities. In addition, HB 3606, as amended by HA #1, allows for a separate election for each term of office and requires that the person waive his or her salary and stipend for that elective office.

**FISCAL IMPACT:** The fiscal impact of HB 3606, as amended by HA #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 annuity will not be based on any credits received for participating during that term of office. Therefore, the fiscal impact should be minimal.

**COMMENT:** The Illinois Municipal Retirement Fund Article of the Illinois Pension Code does not permit denial of an IMRF pension annuity when an annuitant holds an elective office and chooses to reduce or eliminate contributions to the Fund. HB 3606, as amended by HA #1, narrows this regulation to prohibit denying these annuitants an IMRF pension annuity during their term of office. HB 3606, as amended by HA #1, further allows these annuitants to make a separate contribution election for each term of office and requires that the annuitant waive his or her salary and stipend for that elective office. Service credit is not granted for time in office if no IMRF contributions are made during this period.

HB 3606, as amended by HA #1, amends the State Mandates Act to require implementation without reimbursement.