

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **HB 4786**

January 25, 2010

SPONSOR (S): Zalewski

SYSTEM(S): Chicago Municipal

FISCAL IMPACT: There is no discernable fiscal impact associated with HB 4786.

SUBJECT MATTER: HB 4786 amends the Chicago Municipal Article of the Illinois Pension Code with regard to refunds of repayments of refunds taken after separation from service. See the Comment section below.

FISCAL IMPACT: There is no discernable fiscal impact associated with HB 4786.

COMMENT: Currently, a participant in the Chicago Municipal fund who takes a refund of the amounts credited for annuity purposes and re-enters service and serves for at least 90 days after the date of the last refund or has completed at least two years of service under a participating reciprocal system is eligible to have his or her retirement annuity rights restored, subject to certain conditions (namely, that he or she repay the amount of the refund, with interest, from the date of the refund to the date of repayment). HB 4786 provides that if the employee withdraws from service or dies during the aforementioned 90-day or two-year period, any payments made to repay a refund shall be refunded to the member or his or her survivors, without interest.

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