

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **HB 4788** March 9, 2010

SPONSOR(S): Zalewski

SYSTEM(S): Chicago Municipal Retirement System

FISCAL IMPACT: There is no discernable fiscal impact associated with HB 4788.

SUBJECT MATTER: HB 4788 amends the Chicago Municipal Article of the Illinois Pension Code to make changes concerning membership of the board of trustees.

FISCAL IMPACT: There is no discernable fiscal impact associated with HB 4788.

COMMENT:

The Board of Trustees

Currently, the board of trustees, known as the Retirement Board of the Municipal Employees', Officers', and Officials' Annuity and Benefit Fund of the city, consists of 5 members: the city comptroller, the city treasurer, and 3 employee members. The city comptroller, with the approval of the board, is allowed to appoint a designee to act in the absence of the comptroller on all matters. HB 4788 provides that beginning with the election in 2011, the board will consist of the city comptroller, the city treasurer, 2 employee members (rather than 3), and 1 member who is an employee annuitant. HB 4788 states that, like the city comptroller, the city treasurer, along with the approval of the board, is allowed to appoint a designee to act in the absence of the treasurer on all matters.

Elections of the Board of Trustees Members

Each year the board conducts a regular election to select a successor for an employee member whose term is set to expire. This election must take place at least 30 days prior to the expiration of the employee member's term. HB 4788 provides that a similar election be held for the annuitant member of the board. HB 4788 states that the board will conduct a regular election, at least 30 days prior to the term of the annuitant member, for the election of a successor for a term of 3 years.

Vacancies in the Board of Trustees

Currently, the ways in which vacancies in the membership of the board are filled vary. If the vacancy is that of an ex-officio member, the mayor of the city appoints a person to serve until a qualified person officially assumes the duties of the ex-officio member. If the vacancy is that of an elective office, the remaining elective members of the board appoint a successor from among the employees who serves until a special election is held and an employee is officially elected for the remainder of the unexpired term. Lastly, any elective member who leaves the service of the employer or becomes a member of any other annuity and benefit fund or any pension fund automatically ceases to be a member of the board. HB 4788 provides that if a vacancy occurs of an elective office, the remaining elective members of the board will appoint a successor not only from among the employees, but also from among the employee annuitants until a special election is held and an employee or employee annuitant is officially elected for the remainder of the unexpired term.

MDM:dkb

LRB096 15811 AMC 31052 b