

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **HB 4792**

January 22, 2010

SPONSOR (S): Zalewski

SYSTEM(S): Chicago Laborers

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**FISCAL IMPACT:** The fiscal impact of HB 4792 cannot be calculated. Under current law, the city council is limited to a tax levy of 1.0 of employee contributions made two years prior to the year in which the tax is levied. HB 4792 changes the language of the section regarding employer contributions to specify that the tax levy for 2010 and beyond will be “equal to or greater than” employee contributions two years prior to the year in which the tax is levied.

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**SUBJECT MATTER:** HB 4792 amends the Chicago Laborers article of the Illinois Pension Code to allow the Chicago city council to base its tax levy for contributions to the fund on employee contributions made two years prior to the year in which the tax is levied, or some amount greater than employer contributions.

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**COMMENT:** HB 4792 effectively grants the City of Chicago the ability to make an annual employer contribution in an amount greater than the current statutory limitation. Current law limits the employer contribution to 1.0 multiplied by the contributions made by the employees two years prior to the year in which the tax is levied. HB 4792 allows the city council to base the levy on an amount “equal to or greater than” employee payroll for the purpose of determining employer contributions for 2010 and beyond.

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