

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **HB 4851** February 26, 2010

SPONSOR (S): McCarthy – Saviano, et al.

SYSTEM(S): Chicago Teachers

FISCAL IMPACT: The pension fund's consulting actuary estimates that the cost of HB 4851 will be relatively small since the bill impacts very few beneficiaries. An exact number of beneficiaries was not provided by the pension fund.

SUBJECT MATTER: HB 4851 amends the Chicago Teachers Article of the Pension Code to increase the minimum total survivor's pension to 50% of the earned retirement pension for survivors of members who died before January 1, 1987.

FISCAL IMPACT: The pension fund's consulting actuary estimates that the cost of HB 4851 will be relatively small since the bill impacts very few beneficiaries. An exact number of beneficiaries was not provided by the pension fund.

COMMENT: Under current law, the minimum total survivor's and children's pension payable upon the death of a contributor or annuitant which occurs after December 31, 1986, shall be 50% of the earned pension of the deceased contributor or annuitant, calculated without early retirement discount in the case of death in service. For the persons impacted by HB 4851, the maximum amount of pension for a surviving spouse alone or one minor child is \$400 per month, and the maximum combined pensions for a surviving spouse and children of the deceased teacher is \$600 per month.

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