

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **HB 5511, as amended by HA #1**

February 25, 2010

SPONSOR(S): Eddy

SYSTEM(S): Illinois Municipal Retirement Fund

FISCAL IMPACT: Employees of employers joining IMRF receive service credit (without making contributions) for 5 years or 20% of service with the employer, whichever is less. Upon joining IMRF, the governing board of Paris Cooperative High School would be required to make annual contributions to the fund to amortize the unfunded liability created by employees' past service credit. If the board is unable to make said payments, then the payments will be allocated among several school districts served.

SUBJECT MATTER: HB 5511, as amended, amends the IMRF Article of the Illinois Pension Code to authorize participation in IMRF as a participating instrumentality by the governing board of Paris Cooperative High School. In addition, if the governing board of Paris Cooperative High School is unable to pay the required employer contributions to the fund, then the required contributions must be paid by the school districts served.

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COMMENT: HB 5511, as amended, allows the governing board of Paris Cooperative High School to become a participating instrumentality in IMRF. The bill clarifies that if the governing board of Paris Cooperative High School is unable to pay the required employer contributions to the fund, then the payments must be allocated among several school districts served in proportion to the number of students in average daily attendance for the last full school year for each district in relation to the total number of students in average attendance for such period for all districts served. In addition, HB 5511, as amended, states that if Paris Cooperative High School is dissolved, then their assets and obligations will be distributed among the school districts served in the same proportions.

HB 5511, as amended, amends the State Mandates Act to require implementation without reimbursement.

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