

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

97TH GENERAL ASSEMBLY

BILL NO:           **HB 1471**

February 15, 2011

SPONSOR(S):      McCarthy

SYSTEM(S):       Illinois Municipal Retirement Fund

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**FISCAL IMPACT:** There is no discernable fiscal impact associated with HB 1471.

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**SUBJECT MATTER:** HB 1471 amends the IMRF Article of the Illinois Pension Code to make changes in the way the annuity reserve is calculated for a retiring employee who has accumulated service in more than one participating municipality and instrumentality.

**FISCAL IMPACT:** There is no discernable fiscal impact associated with HB 1471.

**COMMENT:** Currently, if a retiring IMRF employee has accumulated service in more than one participating municipality or instrumentality, aggregate municipality charges are prorated on a basis of the employee's earnings in case of concurrent service and creditable service in other cases. Under HB 1471, the municipality charges for non-concurrent service will be calculated as follows: (a) for purposes of calculating the annuity reserve, an annuity will be calculated based on service and adjusted earnings with each employer; and (b) the difference between the municipality charges for the actual annuity granted and the aggregation of the municipality charges based upon the ratio of each from those calculations to the aggregated total. In addition, aggregate municipality charges for concurrent service will be prorated based on the employee's earnings.

HB 1471 amends the State Mandates Act to require implementation without reimbursement.

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