

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

97TH GENERAL ASSEMBLY

BILL NO: **HB 3228**

March 10, 2011

SPONSOR(S): Brady

SYSTEM(S): Illinois Municipal Retirement Fund

FISCAL IMPACT: There is no discernable fiscal impact associated with HB 3228.

SUBJECT MATTER: HB 3228 amends the IMRF Article of the Illinois Pension Code to authorize that the restriction on returning to service after accepting early retirement benefits only applies to employment that would require the person to participate in the Fund.

FISCAL IMPACT: There is no discernable fiscal impact associated with HB 3228.

COMMENT: Currently, an annuitant who has received any age enhancement or creditable service in IMRF and then later accepts employment with or enters into a personal services contract with an employer automatically forfeits that age enhancement and creditable service. This restriction does not apply to service in an elective office or to a person appointed as an officer. HB 3228 provides that beginning on the effective date of this amendatory Act, this restriction will only apply to employment for which a person is required to participate in IMRF, employment for which a person is allowed and has elected to do in IMRF, and contractual personal services that, if performed as an employee, would require the employee to participate in IMRF.

HB 3228 provides that this is not limited to persons in service on or after its effective date, but it does not restore eligibility for early retirement benefits for any person who has previously forfeited those benefits due to accepting employment or entering a contract before that effective date.

HB 3228 amends the State Mandates Act to require implementation without reimbursement.