## COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

## 97TH GENERAL ASSEMBLY

BILL NO: **HB 3332** March 8, 2011

SPONSOR(S): Poe

SYSTEM(S): Illinois Municipal Retirement Fund

FISCAL IMPACT: The fiscal impact associated with HB 3332 has not been calculated.

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<u>SUBJECT MATTER</u>: HB 3332 amends the IMRF Article of the Illinois Pension Code to provide a separate interest rate, determined by the Board of Trustees, which will apply solely to additional voluntary contributions made by employees.

FISCAL IMPACT: The fiscal impact associated with HB 3332 has not been calculated.

<u>COMMENT</u>: Currently in IMRF, balances at the beginning of each year that remain in employee reserves at the end of the year are credited with interest annually at the prescribed rate. HB 3332 provides that balances at the beginning of each year that remain in employee reserves at the end of the year will be credited with interest annually at the prescribed rate, except for any amounts due to additional contributions. Under HB 3332, balances at the beginning of each year that remain at the end of the year in employee accounts due to additional contributions will be credited annually at a rate of interest fixed by the Board, not to exceed the prescribed rate.

HB 3332 amends the State Mandates Act to require implementation without reimbursement.

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