

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

97TH GENERAL ASSEMBLY

BILL NO: **HB 3344**

March 8, 2011

SPONSOR (S): McCarthy

SYSTEM(S): Metropolitan Water Reclamation District

FISCAL IMPACT: There is no discernable fiscal impact associated with HB 3344. According to the MWRD pension fund, there will be a slight positive impact as a result of the disability provisions contained in this bill.

SUBJECT MATTER: HB 3344 amends the Metropolitan Water Reclamation District Article of the Illinois Pension Code to make changes to encourage the saving of sick time for application towards an ordinary disability. The bill also requires a refund of the difference between total employee pension contributions and the total of all annuities paid to the employee and his dependents. These changes apply only to new employees beginning service on or after January 1, 2012.

FISCAL IMPACT: There is no discernable fiscal impact associated with HB 3344. According to the MWRD pension fund, there will be a slight positive impact as a result of the disability provisions contained in this bill.

COMMENTS: In the event of an employee death together with the absence of any surviving spouse, the Metropolitan Water Reclamation District pension fund currently pays a refund to the heirs of the employee according to the law of descent and distribution of the State of Illinois. The amount of this refund equals the difference of the employee's total contributions (less contributions for cost of living increases) and the amounts paid to the employee and any spouse. HB 3344 amends the pension code for employees beginning on or after January 1, 2012. The amount of the refund paid upon the death of an employee and spouse will equal the amount of all employee contributions, except for contributions associated with cost of living increases, less the total amounts paid as an employee retirement annuity, a spouse's annuity, or a child's annuity to any surviving child. This refund will not be paid until there are no surviving eligible children under the age of 23.

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