

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 97TH GENERAL ASSEMBLY

BILL NO: **HB 3370**

March 3, 2011

SPONSOR(S): Fortner

SYSTEM(S): Illinois Municipal Retirement Fund

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**FISCAL IMPACT:** The fiscal impact associated with HB 3370 has not been calculated.

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**SUBJECT MATTER:** HB 3370 amends the IMRF Article of the Illinois Pension Code to create a defined contribution benefit plan for its members. HB 3370 requires that participating municipalities and instrumentalities elect to participate in the plan by no later than January 1, 2012.

**FISCAL IMPACT:** The fiscal impact associated with HB 3370 has not been calculated.

**COMMENT:** Currently, there is no defined contribution benefit plan offered in the Illinois Municipal Retirement Fund. HB 3370 requires that the IMRF must, by rule, establish a defined contribution benefit plan and the plan must be qualified under the Internal Revenue Code of 1986. HB 3370 requires that IMRF must also authorize each participating municipality and instrumentality (i) to require participation in the plan by any person who first becomes an employee on or after January 1, 2012, (ii) to define benefit levels and employer contributions as it sees fit, (iii) to make benefit changes as it deems appropriate, and (iv) otherwise administer the plan. In order to participate in the defined contribution benefit plan, the corporate authorities of each participating municipality or instrumentality are required by resolution or ordinance adopted by a majority of its members, to irrevocably elect to participate no later than January 1, 2012.

HB 3370 amends the State Mandates Act to require implementation without reimbursement.

MDM:dkb

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