

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 97TH GENERAL ASSEMBLY

BILL NO: **HB 3474, as amended by SA 1**

April 16, 2012

SPONSOR(S): Pihos - Nekritz, et al. (Harmon)

SYSTEM(S): Illinois Municipal Retirement Fund

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**FISCAL IMPACT:** HB 3474, as amended by SA 1, will have no fiscal impact as no new active members are being added to IMRF. All non-certified employees of the Phillip J. Rock School possess existing accounts under IMRF via Keeneyville School District. HB 3474, as amended by SA 1, will reduce Keeneyville School District's contribution to IMRF, while Phillip J. Rock Center and School will provide employer contributions to IMRF upon the effective date of this bill.

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**SUBJECT MATTER:** HB 3474, as amended by HA 1, provides for the Philip J. Rock Center and School to participate in IMRF as a participating instrumentality. The bill includes provisions relating to prior service and inability to pay the required employer contributions if the school should dissolve (see COMMENT section below).

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**COMMENT:** HB 3474, as amended by SA 1, allows the Phillip J. Rock Center and School to directly participate under IMRF as a unique instrumentality. Under current law, the Phillip J. Rock Center and School's certified teachers participate in TRS while the non-certified staff participated in IMRF under the Lombard School District and now the Keeneyville School District. This bill would allow the non-certified personnel to remain in IMRF. If the Phillip J. Rock Center and School is unable to make payments to IMRF, the liabilities will be paid for by non-Chicago, IMRF-participating school districts. These payments will be allocated in proportion to the average daily attendance for the previous school year. If Phillip J. Rock Center and School dissolves, then its funds shall be allocated to IMRF employers in the same manner.

MD:dkb

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