

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

97TH GENERAL ASSEMBLY

BILL NO: **HB 3815**

October 21, 2011

SPONSOR(S): May

SYSTEM(S): Chicago Municipal, Chicago Laborers

FISCAL IMPACT: The fiscal impact of HB 3815 cannot be determined as it is unknown how many yet-to-be hired members of each fund would take a leave of absence to work for a local labor organization. To the extent that persons who have historically taken such leaves of absences have received substantially higher pensions due to service with a labor organization, curbing this practice for newly-hired members will have a positive fiscal impact upon both pension funds.

SUBJECT MATTER: HB 3815 amends the Chicago Municipal and Chicago Laborers Articles of the Illinois Pension Code to provide that a leave of absence without pay during employment with a local labor organization that represents municipal employees is not to be included in the computation of the term of service of a person who first becomes a participant on or after January 1, 2012.

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COMMENT: Currently for participants of the Chicago Municipal Fund and the Chicago Laborers' Fund, leaves of absence without pay during which a participant is employed full-time by a local labor organization that represents municipal employees are able to be included in the computation of the term of a participant's service. HB 3815 states that these leaves of absence are not to be included in computing the term of service of a person who first becomes a participant on or after January 1, 2012.