

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

97TH GENERAL ASSEMBLY

BILL NO: **HB 3857** February 9, 2012
SPONSOR (S): Morthland
SYSTEM(S): Downstate Police, Downstate Fire, Chicago Police, Chicago Fire, IMRF, Chicago Municipal, Chicago Laborers, SURS, TRS, and Chicago Teachers

FISCAL IMPACT: The precise fiscal impact of HB 3857 cannot be determined. To the extent that persons who have historically taken such leaves of absence and received a public pension based on a union salary that far exceeded the individual's municipal or teaching salary, curbing this practice after the effective date of HB 3857 will have a positive fiscal impact on the affected funds.

IMRF reports that there are currently 26 active members of the Illinois Municipal League who participate in IMRF who would no longer be eligible for participation in IMRF after the effective date of this bill.

SUBJECT MATTER: HB 3857 amends various Articles of the Illinois Pension Code to prohibit members of the affected funds to earn service credit while on a leave of absence working for a labor organization after the effective date of this bill. The bill effectively ends the practice of union leaves of absence after the effective date, even for those members whose leaves of absence commenced prior to the effective date of P.A. 97-0651 (HB 3813).

FISCAL IMPACT: The precise fiscal impact of HB 3857 cannot be determined. To the extent that persons who have historically taken such leaves of absence and received a public pension based on a union salary that far exceeded the individual's municipal or teaching salary, curbing this practice after the effective date of HB 3857 will have a positive fiscal impact on the affected funds.

IMRF reports that there are currently 26 active members of the Illinois Municipal League who participate in IMRF who would no longer be eligible for participation in IMRF after the effective date of this bill.

COMMENT: P.A. 97-0651 (HB 3813) was signed into law by Gov. Quinn on January 5th, 2012. The Act curtailed the practice of union leaves of absence for members whose leave of absence did not begin before Jan. 5th, 2012 for Chicago Laborers, Chicago Municipal, SURS, TRS, and Chicago Teachers. P.A. 97-0651 mandated that persons who take leaves of absence under the police and fire articles (both Chicago and Downstate) must remain in sworn status.

HB 3857 effectively ends the practice of union leaves of absences after the effective date for Downstate Police, Downstate Fire, Chicago Police, Chicago Fire, Chicago Municipal, Chicago Laborers, SURS, TRS, and Chicago Teachers. In addition to ending the practice of union leaves of absence for the aforementioned funds, HB 3857 also removes the Illinois Municipal League and the Will County Governmental League as participating instrumentalities in IMRF after the effective date of the bill.

DH:dkb

LRB097 14037 JDS 58671 b