

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

98TH GENERAL ASSEMBLY

BILL NO: **HB 1444**

February 13, 2013

SPONSOR(S): Zalewski

SYSTEM(S): Illinois Municipal Retirement Fund (IMRF)

FISCAL IMPACT: According to IMRF, the fund is currently operating under the amortization guidelines as spelled out in HB 1444. Hence, the bill seeks to codify current practice with regard to amortizing unfunded liabilities for participating municipalities and instrumentalities. HB 1444 has no discernible fiscal impact.

SUBJECT MATTER: HB 1444 amends the IMRF article of the Illinois Pension Code by removing a few grammatical and technical errors. This bill also clarifies the amortization period for employers and allows the Board to meet on a quarterly, instead of monthly, basis.

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COMMENT: As of current law, the IMRF article of the Illinois Pension Code asserts the Board will convene on a monthly basis and that the amortization period for employers with unfunded liabilities be set in accordance with generally accepted accounting principles. HB 1444 allows the Board of Directors to convene on only a quarterly basis. Additionally, this bill specifically states participating municipalities have up to a 30-year amortization period while participating instrumentalities have up to a 10-year amortization period. Finally, this bill makes a few grammatical and technical corrections throughout the IMRF article of the Pension Code.

MD:dkb

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