COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

98TH GENERAL ASSEMBLY

BILL NO: **HB 5592**

March 18, 2014

SPONSOR(S): Martwick

SYSTEM(S): Illinois Municipal Retirement Fund

FISCAL IMPACT: There is no discernible fiscal impact associated with HB 5592.

<u>SUBJECT MATTER</u>: HB 5592, changes language related to when an employee who is entitled to a retirement annuity may elect to provide a reversionary annuity for a beneficiary.

FISCAL IMPACT: There is no discernible fiscal impact associated with HB 5592.

<u>COMMENT</u>: Under current law, if an employee who is entitled to a retirement annuity under IMRF would like to provide a reversionary annuity for a beneficiary, that employee must elect to do so at the time such retirement annuity begins. With a reversionary annuity, the annuitant chooses to receive a smaller IMRF pension so that upon that annuitant's death, his or her beneficiary will receive an annuity in addition to the surviving spouse pension, if applicable. HB 5592 would allow that employee to elect to provide a reversionary annuity for a beneficiary at any time leading up to when they begin receiving their retirement annuity. The election of a reversionary annuity is irrevocable by the employee.

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