

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

97TH GENERAL ASSEMBLY

BILL NO: **SB 1584**

February 23, 2012

SPONSOR (S): Mulroe

SYSTEM(S): Cook County

FISCAL IMPACT: The fiscal impact of SB 1584 cannot be determined as the number of employees who will become disabled is not known. A similar bill, SB 3630, advanced out of committee in the 97th GA but was not called for a vote on the Senate floor. The pension fund told CGFA last year that the fiscal impact of SB 3630 was indiscernible.

SUBJECT MATTER: SB 1584 amends the Cook County article of the Pension Code to update language pertaining to disability annuitants who retire from service. The changes in the bill bring this language into compliance with the minimum retirement age implemented by the 2010 two-tier pension reform bill, P.A. 96-0889.

FISCAL IMPACT: The fiscal impact of SB 1584 cannot be determined as the number of employees who will become disabled is not known. A similar bill, SB 3630, advanced out of committee in the 97th GA but was not called for a vote on the Senate floor. The pension fund told CGFA last year that the fiscal impact of SB 3630 was indiscernible.

COMMENT: Currently, disability annuitants who retire from service with Cook County are entitled to the minimum annuity under the Pension Code or the annuity provided from the person's age and service and prior service annuity credits, whichever is greater. The Pension Code currently contains references to retirement at age 50 for disability annuitants who retire with a minimum retirement annuity, and SB 1584 amends this section of the Cook County article to specify that a minimum retirement annuity would be payable beginning at age 62 for members who first become participants on or after Jan. 1, 2011. Presumably, this language is being added to bring this section of the Pension Code into compliance with the two-tier reforms enacted by P.A. 96-0889.

MD:dkb

LRB098 09561 EFG 39707 b