COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

99TH GENERAL ASSEMBLY

BILL NO: **HB 3484, as amended by HA 1** March 27, 2015

SPONSOR (S): Nekritz - Andrade

SYSTEM(S): IMRF, Cook County, Cook County Forest Preserve, Chicago Park

District, Metro Water

FISCAL IMPACT: There is no discernible fiscal impact associated with HB 3484, as amended by HA 1, however to the extent the bill helps to expedite the payment of delinquent employer contributions to

IMRF, the Cook County Pension Fund, the Cook County Forest Preserve Pension Fund, the Chicago Park Pension Fund, and the Metro

Water Fund, it will have a positive impact.

SUBJECT MATTER: HB 3484, as amended by HA1, amends the IMRF article of the Illinois Pension Code. The bill would allow IMRF the authority to offset delinquent employer funds through the State Comptroller. The bill also removes the State Treasurer as the ex-officio Treasurer of IMRF. The bill also amends the Cook County, Cook County Forest Preserve, Chicago Park District, and Metro Water Fund articles of the Pension Code to add clarifying language regarding intercept of delinquent employer contributions.

<u>FISCAL IMPACT</u>: There is no discernible fiscal impact associated with HB 3484, as amended by HA 1, however to the extent the bill helps to expedite the payment of delinquent employer contributions to IMRF, the Cook County Pension Fund, the Cook County Forest Preserve Pension Fund, the Chicago Park Pension Fund, and the Metro Water Fund, it will have a positive impact.

<u>COMMENT</u>: According to IMRF, instances of employers becoming delinquent in making their IMRF payments are infrequent, however HB 3484, as amended by HA 1, would give the fund a more direct and straightforward mechanism for recouping owed funds. Currently, the State Treasurer serves as the intermediary custodian of funds owed IMRF, but the fund says that having the Treasurer serve in this capacity is an outdated process and creates unnecessary paperwork for both the Treasurer and IMRF. HB 3484, as amended by HA 1, gives IMRF the authority to offset delinquent

employer contributions through the State Comptroller. This change should allow for the payment of delinquent funds to IMRF in a more expeditious manner.

HB 3484, as amended by HA 1, also amends the Cook County, Cook County Forest Preserve, Chicago Park District, and Metro Water articles of the Pension Code. The amendment provides that if the employer fails to transmit statutorily required contributions to the pension fund by December 31st of the year in which contributions are due, the fund may certify to the State Comptroller the amount due, and the Comptroller must deduct and deposit into the fund the certified amounts from grants of State funds to the employer.

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