COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

99TH GENERAL ASSEMBLY

BILL NO: **HB 5684, as amended by HA 3,** May 10, 2016

SPONSOR (S): Breen – Tryon, et al. (Nybo – McConchie)

SYSTEM(S): Illinois Municipal Retirement Fund

FISCAL IMPACT: There is no discernible fiscal impact associated with HB 5684, as amended by HA 3.

<u>SUBJECT MATTER</u>: HB 5684, as amended by HA 3, creates the Local Government Wage Increase Transparency Act, and provides that any meeting to consider compensation increases for a retiring employee subject to the Local Government Wage Increase Transparency Act must be open to the public.

<u>COMMENT</u>: HB 5684, as amended by HA 3, introduces the Local Government Wage Increase Transparency Act, which applies to members of IMRF who began participation before January 1, 2011 and are not subject to a collective bargaining agreement. It provides that, once an employee announces their retirment from IMRF service, the employer may not pay any disclosable payments unless the compensation increase is approved in a meeting, and that meeting must made be open to the public.

*For the purposes of this amendment, disclosable payments are defined as a payment that would be made by an employer to a participating employee, in the form of an increase in the rate of earnings by more than 6%, after that employee has announced their retirement. These payments would be made between 12 months and 90 days prior to the employee's expected termination date.

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