

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

99TH GENERAL ASSEMBLY

BILL NO: **HB 5684**

March 31, 2016

SPONSOR (S): Breen – Tryon

SYSTEM(S): Illinois Municipal Retirement Fund

FISCAL IMPACT: The fiscal impact of HB 5684 is not known as the amount of the earnings that may be excluded cannot be predicted, however IMRF indicates there would be no discernable impact to the Fund.

SUBJECT MATTER: HB 5684 proposes that certain payments made by a municipality to an employee will not be considered “earnings” for the purposes of the IMRF Article of the Pension Code.

COMMENT: HB 5684 amends the IMRF Article of the Illinois Pension Code by providing that the following payments, whether in the form of a raise or a lump-sum payment, shall not be deemed to be “earnings”:

1. Payments that are made by a participating municipality to an employee during the year prior to the employee’s termination of service and after the employee has expressed to the municipality his or her intent to retire.
2. Payments that would have the effect of increasing the employee’s rate of earnings under IMRF service by more than 6%.

JL:dkb

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