

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

99TH GENERAL ASSEMBLY

BILL NO: **HB 6088**

March 28, 2016

SPONSOR (S): Sosnowski

SYSTEM(S): General Provisions; all Systems

FISCAL IMPACT: HB 6088 would have a presumably positive impact on all pension funds or retirement systems under the Illinois Pension Code by suspending a retirement annuity for any Tier 2 retiree who returns to work on a full-time basis in cases where a retirement annuity would be otherwise payable concurrent with that service under the current law.

SUBJECT MATTER: HB 6088 applies to persons who first become a participant of a retirement system or pension fund governed by the Pension Code on or after January 1, 2017. Under the provisions of the bill, if a retiree who is receiving a retirement annuity from one of retirement systems or pension funds under the Pension Code is employed by any other retirement systems or pension funds under the Pension Code on a full-time basis, a retirement annuity shall be suspended during that employment.

COMMENT: Under the current law, a retirement annuity of a Tier 2 employee (who first becomes a member or a participant on or after January 1, 2011) shall be suspended upon return to full-time employment as well, except for Tier 2 members listed below. After the termination of that employment, the person's retirement annuity shall resume and be recalculated if recalculation is provided under the applicable system or pension fund.

- Members of General Assembly Retirement System, Downstate police pension fund, Downstate firefighters pension fund, Chicago police pension fund, Chicago firefighters pension fund, State Universities Retirement System or Judges' Retirement System;
- Members who are participating in any self-managed plan established under the Pension Code; or
- Any person with respect to service as a sheriff's law enforcement employee under Illinois Municipal Retirement Fund, or any participant of the retirement plan established under Chicago Transit Authority Pension Fund.

This bill attempts to apply the prohibition on collecting a pension and working in a position covered under the Pension Code to all Tier 2 employees who first become a participant of a retirement or pension fund established by the Pension Code on or after January 1, 2017.

JB:dkb

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