

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 99TH GENERAL ASSEMBLY

BILL NO: **HB 6292, as Amended by HA 1**

April 11, 2016

SPONSOR (S): Fine

SYSTEM(S): Cook County Pension Fund

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**FISCAL IMPACT:** According to CCPF, the fiscal impact of HB 6292, as amended by HA 1 would be minimal with a slight savings to CCPF by preventing duplicate administrative processes, which results in a slight reduction in administrative costs. Also, this bill amends a provision associated with the Retirement Systems Reciprocal Act by restricting participation of new employees, who become contributors on or after the effective date of this bill in the System under the Retirement Systems Reciprocal Act. During the last 10 years, the pension fund reports that less than 10 employees received reciprocal service credit under the provision that would become unavailable to new employees as a result of this bill.

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**SUBJECT MATTER:** HB 6292, as amended by HA 1 amends the Cook County Article of the Illinois Pension Code. This bill newly defines a term of “in service” and specifies cases in which the opinion of a licensed physician would not be needed to establish proof of ordinary or duty disability. Also, it prohibits an employee who first becomes a contributor on or after the effective date of this bill from receiving credit for service to any “governmental unit” under the Retirement Systems Reciprocal Act in cases where the employee may have been ineligible to participate in the applicable Reciprocal system.

**COMMENT:** Under the Cook County Article of the Illinois Pension Code, proof of duty or ordinary disability shall be provided to the board of the Pension Fund by at least one physician appointed by the board even when an employee has been compensated by the county under the Workers’ Compensation Act or Workers’ Occupational Diseases Act. Under HB 6292, as amended by HA 1, the physician review requirement may be waived if the employee has been compensated by the county for such disability under the Workers’ Compensation Act or Workers’ Occupational Diseases Act. Under the bill, the physician requirement may also be waived by the pension fund for ordinary disability maternity claims of up to 8 weeks.

Under the current law, any employee who has rendered service to any governmental unit under the Retirement Systems Reciprocal Act and did not make a contribution to the retirement system covered by the Reciprocal Act due to ineligibility for participation may still receive credit for such service, under limited conditions. One such condition is the requirement that the employee pays to the applicable fund the amounts that he or she would have paid to the fund as an active member, plus interest at the rate in effect for the applicable fund. Effectively, HB 6292, as amended by HA 1, limits this method for establishing reciprocal service to employees who first become members before the effective date of this bill.

JB:dkb

LRB099 19829 RPS 45722 a