

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

99TH GENERAL ASSEMBLY

BILL NO: **HB 6293**

February 24, 2016

SPONSOR (S): Nekritz

SYSTEM(S): Cook County Pension Fund (CCPF)

FISCAL IMPACT: According to CCPF, the fiscal impact would be minimal with a slight savings to CCPF by a provision associated with the Retirement Systems Reciprocal Act. During the last ten 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 HB 6293.

SUBJECT MATTER: HB 6293 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, 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 6293 limits this method for establishing reciprocal service to employees who first become members on or before the effective date of this bill.

JB:dkb

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