

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

99TH GENERAL ASSEMBLY

BILL NO: SB 783

February 24, 2015

SPONSOR (S): Hastings

SYSTEM(S): Chicago Teachers

FISCAL IMPACT: SB 783 does not appear to have any fiscal impact on the liabilities of the pension system, according to the Chicago Teachers' Pension Fund.

SUBJECT MATTER: SB 783 amends the Chicago Teacher Article of the Illinois Pension Code. This legislation would allow the board of the fund to administer retiree health insurance in whole or in part, if they deem a particular option to be the most efficient method for provision of retiree health insurance. The board of the fund currently has sole responsibility for the provision of health insurance.

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COMMENT: The proposed legislation allows the board of the fund to provide health insurance administration "in part," where previously, there was no provision for moving administration responsibilities away from the board. Total expenditures would be the same as they are currently. This would allow the fund trustees to consider providing retirees the same dollar amount for health insurance reimbursements, as opposed to the current practice of reimbursing expenses regardless of the price of the option selected by the retiree. This legislation has an immediate effective date. This legislation is identical to HB 2708 from the 99th GA.

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