

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **HB 1440**

March 9, 2007

SPONSOR (S): Brauer

SYSTEM(S): Illinois Municipal Retirement Fund

FISCAL IMPACT: The fiscal impact of HB 1440 cannot be calculated as the number of annuitants holding elective office and choosing not to participate in IMRF is not known. However, the fiscal impact is expected to be minimal.

SUBJECT MATTER: HB 1440 amends the Illinois Municipal Retirement Fund Article of the Illinois Pension Code to allow annuitants holding elective office to decline participation in the Fund and not lose their annuities during their term in office.

FISCAL IMPACT: The fiscal impact of HB 1440 cannot be calculated as the number of annuitants holding elective office and choosing not to participate in IMRF is not known. However, the fiscal impact is expected to be minimal.

COMMENTS: The Illinois Municipal Retirement Fund Article of the Illinois Pension Code does not permit denial of an IMRF pension annuity when an annuitant holds an elective office and chooses to reduce or eliminate contributions to the Fund. HB 1440 narrows this regulation to prohibit denying these annuitants an IMRF pension annuity during their term of office. HB 1440 further allows these annuitants to make a separate contribution election for each term of office. Service credit is not granted for time in office if no IMRF contributions are made during this period.

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