

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **HB 1783**

March 5, 2007

SPONSOR(S): Eddy, R.

SYSTEM(S): Illinois Municipal Retirement Fund

FISCAL IMPACT: HB 1783 would have little or no fiscal impact, as few ERI participants forfeit the enhanced (ERI) annuity, as required by current law, by working as a school bus driver.

SUBJECT MATTER: HB 1783 amends the IMRF article of the Pension Code to allow an annuitant who participates in an early retirement incentive program (ERI) to receive compensation for employment as a school bus driver, provided the annuitant does not participate in IMRF while employed as a school bus driver.

FISCAL IMPACT: HB 1783 would have little or no fiscal impact, as few ERI participants forfeit the enhanced (ERI) annuity, as required by current law, by working as a school bus driver.

COMMENT: Currently, ERI participants who accept employment or enter into a personal services contract with an IMRF employer must forfeit the ERI age enhancement and creditable service, even if they don't resume IMRF participation. A participant forfeiting the early retirement incentives must repay the amount of the annuity already received (enhanced portion only), less the contributions required for ERI participation, and is prohibited from future ERI participation. HB 1783 allows school bus drivers to receive ERI benefits (based on non-elective service) and work as a school bus driver, provided the annuitant does not participate in IMRF while employed as a school bus driver.

HB 1783 amends the State Mandates Act to require implementation without reimbursement.

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