

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 95TH GENERAL ASSEMBLY

BILL NO: **HB 6714**

October 14, 2008

SPONSOR (S): Soto

SYSTEM(S): Chicago Transit Authority Pension Fund

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**FISCAL IMPACT:** The fiscal impact of HB 6714 cannot be calculated as it is unknown how many additional members will qualify for retiree health care benefits.

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**SUBJECT MATTER:** HB 6714 amends the Chicago Transit Authority article of the Illinois Pension Code to clarify that certain members of the CTA pension fund may qualify for retiree healthcare benefits if they apply for benefits by a specified date.

**FISCAL IMPACT:** The fiscal impact of HB 6714 cannot be calculated as it is unknown how many additional members will qualify for retiree health care benefits.

**COMMENTS:** P.A. 95-0708 (HB 0656) became effective on January 18, 2008. The Act contained various reforms to the CTA pension fund and retiree health care trust fund. (For more information on these reforms, see the Commission's January 2008 revenue briefing in which the provisions of the legislation are summarized in detail. The link for the January 2008 briefing is shown below):

<http://www.ilga.gov/commission/cgfa2006/Upload/0108revenue.pdf>

P.A. 95-0708 stipulated that members who retire on or after the effective date of the Act (Jan. 18, 2008) may qualify for the retiree health care plan if the member is at least 55 years old and has at least 10 or more years of service credit. The provisions of HB 6714 are conditioned upon the approval of SB 1920 of the 95<sup>th</sup> General Assembly. (SB 1920 was signed into law as P.A. 95-0906 on August 26<sup>th</sup>, 2008). HB 6714 stipulates that members of the CTA pension fund who were hired on or before September 5, 2001 with 25 years or more of continuous service shall be eligible for retiree health care benefits upon retirement.

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