

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

95th GENERAL ASSEMBLY

BILL NO:            **SB 0719, as engrossed**   April 30, 2007  
SPONSOR(S):      Wilhelmi – Sandoval (Hassert – McGuire, et al.)  
SYSTEM(S):       Illinois Municipal Retirement Fund

---

**FISCAL IMPACT:** Employees of employers joining IMRF receive credit (without making contributions) for 5 years or 20% of service with the employer, whichever is less. Upon joining IMRF, various regional councils of government would be required to make annual contributions to amortize the unfunded liability (over 10 years) created by employees past service credit. Allowing regional councils of government into IMRF would not affect the accrued liability or annual cost of any other IMRF employer.

---

**SUBJECT MATTER:** SB 0719, as engrossed, amends the IMRF Article of the Pension Code to authorize participation in IMRF by the regional councils of government.

**FISCAL IMPACT:** Employees of employers joining IMRF receive credit without making contributions for 5 years or 20% of service with the employer, whichever is less. Upon joining IMRF, the regional councils of government would be required to make annual contributions to amortize the unfunded liability (over 10 years) created by employees past service credit. Allowing the regional councils of government into IMRF would not affect the accrued liability or annual cost of any other IMRF employer.

**COMMENT:** Currently, non-taxing entities are not allowed to participate in IMRF unless they are cited as eligible to participate in the Illinois Pension Code (40 ILCS 5/7-132) and the Board of Trustees of IMRF approves an application to participate. SB 0719, as engrossed, would allow the regional councils of government to participate in IMRF as non-taxing entities.

BB:dkb  
LRB095 09366 AMC 29561 b