

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

95th GENERAL ASSEMBLY

BILL NO:           **SB 1383, as amended by Senate Amendment 1**     April 18, 2007

SPONSOR(S):       Raoul

SYSTEM(S):        Illinois Municipal Retirement Fund

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**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 Illinois Park and Recreation Association would be required to make annual contributions to amortize the unfunded liability (over 10 years) created by employees past service credit. Allowing the Illinois Park and Recreation Association into IMRF would not affect the accrued liability or annual cost of any other IMRF employer.

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**SUBJECT MATTER:** SB 1383, as amended by SA # 1, amends the IMRF Article of the Pension Code to authorize participation in IMRF by the Illinois Park and Recreation Association, but only if the Association has a ruling from the United States Internal Revenue Service that it is a governmental entity.

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**COMMENT:** 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 1383, as amended by SA # 1, would allow the Illinois Park and Recreation Association and its employees to participate in IMRF as a non-taxing entity but only if the association has a ruling from the United States Internal Revenue Service that it is a governmental entity.