

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

ACT NO: **Public Act 95-0586 (SB 1653)**

September 28, 2007

SPONSOR (S): Raoul – Harmon (Miller)

SYSTEM(S): Sanitary District Article

FISCAL IMPACT: PA 95-0586 will have no fiscal impact on any pension fund or retirement system in the state of Illinois.

SUBJECT MATTER: The Sanitary District Article of the Illinois Pension Code is amended by PA 95-0586 to provide technical changes regarding the timing of various annuity payments.

FISCAL IMPACT: PA 95-0586 will have no fiscal impact on any pension fund or retirement system in the state of Illinois.

COMMENTS: Pension funds and retirement systems in the State of Illinois are only permitted to invest their funds in securities listed in the General Provisions Article of the Illinois Pension Code, subject to the limitations on amounts of each investment type contained therein. PA 95-0586 deems as prudent all investments which comply with these restrictions and limitations.

The following changes in the Illinois Pension Code are made by PA 95-0586 for Metropolitan Water Reclamation District employees: (1) All retirement annuity payments first payable on or after January 1, 2008, shall begin the first of the month following the date of retirement, (2) All surviving spouse annuity payments first payable on or after January 1, 2008, shall begin the first of the month following the annuitant's death, (3) Any employee in service before June 13, 1997 shall also receive a child's disability benefit of \$10 per month for each qualifying child during the period of employee disability, (4) Employee contributions are adjusted to 7% of salary for the retirement annuity plus 0.5% of salary for the annual increases in this annuity, (5) A line of succession is specified for the payment of employee contribution refunds after the death of an annuitant, and (6) The amounts of payments are established for any refunds of employee contributions remaining unpaid upon the death of the employee and spouse.

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