

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **SB 1920 (P.A. 95-0906)**

October 14, 2008

SPONSOR (S): Garrett – Cullerton (Ryg – Mathias)

SYSTEM(S): Chicago Transit Authority Pension Fund

FISCAL IMPACT: The fiscal impact of SB 1920 cannot be calculated as it is unknown if any additional members will qualify for retiree health care benefits.

SUBJECT MATTER: SB 1920 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 SB 1920 cannot be calculated as it is unknown if any 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. SB 1920 provides that members of the CTA pension fund who retired prior to August 26, 2008 (the effective date of this act) with 25 years or more of continuous service shall be eligible for retiree health care benefits upon retirement. In addition, members with 25 years or more of continuous service who retire within 90 days of the effective date of this act (or before Nov. 30, 2008) or by January 1, 2009, whichever is later, may also be eligible for retiree health care benefits.

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