# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

100TH GENERAL ASSEMBLY

BILL NO: **HB 4811, as amended by HA 1** April 26, 2018

SPONSOR (S): Zalewski

SYSTEM(S): General Provisions Article, Chicago Municipal, Chicago Laborers

---

FISCAL IMPACT: There is no discernible fiscal impact associated with HB 4811, as amended by HA 1.

---

SUBJECT MATTER: HB 4811, as amended by HA 1, amends the Chicago Municipal and Laborers' articles to make various technical changes to facilitate the implementation of P.A. 100-0023. The bill also re-inserts language pertaining to the money purchase annuity option in both funds. The main thrust of the underlying bill, which granted the board of trustees of the Chicago Municipal Fund the option to lengthen the required interval for physical examination of disabled members, is retained by HA 1.

COMMENT: HB 4811, as amended by HA 1, amends the General Provisions Article and the Chicago Municipal and Laborers' articles of the Pension Code to include clarifying technical language for persons who first become participants in the Chicago Municipal and Laborers pension funds on or after July 6, 2017, the effective date of P.A. 100-0023.

HA 1 contains language holding the Chicago Laborers' Fund harmless in cases where payments are directed to a financial institution and a claim may arise in connection with losses related to errors attributable to the institution not maintaining federally insured status. In addition, the language pertinent to city contributions to the money purchase formula for both funds that was removed by P.A. 100-0023 is re-inserted. This money purchase option is utilized mostly by members who are relatively advanced in age but with very little service.

The amended bill also retains the main underlying provision of the introduced bill, which gives the Chicago Municipal Pension Fund board of trustees the option to lengthen the period of physician review for disability cases. Current law prescribes an examination at least once a year.

DH:bj
LRB100 18826 MJP 39029 b