

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

101ST GENERAL ASSEMBLY

BILL NO: **HB 2824**

February 19, 2019

SPONSOR (S): Zalewski

SYSTEM(S): Chicago Municipal

FISCAL IMPACT: There is no discernible fiscal impact associated with HB 2824.

SUBJECT MATTER: HB 2824 amends the Chicago Municipal Article of the Illinois Pension Code. The bill inserts a technical clarification with regard to the commencement of annuity payments, grants the board the ability to lengthen physician review periods for disability annuitants, and inserts a hold harmless provision for the pension fund in cases where annuities are payable to a financial institution and claims arise in connection with that financial institution's federal insurance status.

COMMENT:

Clarification of Commencement of Annuity Payment Period

HB 2824 adds clarifying language to the Chicago Municipal article of the Pension Code whereby the date upon which an annuity payment period begins shall not be prior to termination or more than one year prior to receipt by the board of the written application for benefits.

Proof of Disability Physician Review

Under current law, the board of the Chicago Municipal pension fund may seek proof of either duty or ordinary disability via the opinion of at least one licensed and practicing physician appointed by the board. Disability annuitants are to be examined at least once per year. HB 2824 allows the board of the pension fund to increase this period of medical review to a period longer than one year.

Hold Harmless for Error Regarding a Financial Entity's Federal Insurance

HB 2824 adds a hold harmless provision for the Chicago Municipal pension fund in cases where an annuity is payable to a financial institution, and a claim arises in connection with any error as to whether the financial institution is or continues to be federally insured.

DH:bj

LRB101 08718 RPS 53805 b