

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

101ST GENERAL ASSEMBLY

BILL NO: **HB 3446**

February 26, 2019

SPONSOR (S): Robinson

SYSTEM(S): IMRF

FISCAL IMPACT: HB 3446 would have an unknown but minimal fiscal impact. According to IMRF, the cost would be so small that it wouldn't be feasible to calculate the cost on a per-employer basis. Please see the Comment section below for more information.

SUBJECT MATTER: HB 3446 amends the Illinois Municipal Retirement Fund Article of the Illinois Pension Code by removing a requirement that an interruption of service for a specified period must have been within the same participating municipality or participating instrumentality to qualify for temporary and permanent disability benefits.

COMMENT: According to IMRF, of the 1,823 disability denials issued in 2017 and 2018, only three denials resulted from an interruption in service where the member returned to service with a new IMRF employer. Even if all three of these members would have ultimately been found eligible for disability benefits, the cost of the benefits when divided amongst the entire pool of employers would be negligible and would not have affected the employer rate paid for disability benefits. IMRF notes that since disability benefits are a pooled liability, there is little cost difference if a member were to return to their original employer or a new employer.

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