

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102ND GENERAL ASSEMBLY

BILL NO: **SB 2093, as amended by SA 1** April 22, 2021
SPONSOR (S): Martwick
SYSTEM(S): Chicago Teachers' Pension Fund (CTPF)

FISCAL IMPACT: Under SB 2093, as amended by SA 1, certain educational staff at a contract school as described below would be eligible for participation in the Chicago Teachers Pension Fund (CTPF) on or after the effective date of this legislation. While this bill would allow more employees to participate in CTPF, it is difficult to determine the fiscal impact of this legislation as the number of employees affected is currently unknown. A revised note will be provided when more information becomes available.

SUBJECT MATTER: SB 2093, as amended by SA 1, amends the Chicago Teacher Article of the Pension Code to require newly hired educational staff whose position requires certification or licensure and who are employed in a contract school operating pursuant to an agreement with the Board of Education to participate in CTPF on or after the effective date of this bill. Current educational staff would be allowed to opt in.

COMMENT: Under current law, a CTPF member includes any educational, administrative, professional, or other staff whose position requires certification or licensure under the School Code and who is employed in the Chicago Public Schools. Under SB 2093, as amended by SA 1, any educational staff whose position requires certification or licensure and who is employed in a contract school operating pursuant to an agreement with the Board of Education shall participate in CTPF with respect to that service, unless that person began employment with the contract school before the effective date of this bill. Persons who began service before the effective date of this bill may irrevocably elect to participate in CTPF and accrue service after the bill takes effect.

As of June 30, 2020, there are 68,130 active CTPF members. The Chicago Public Schools reports that there are 9 contract schools as of July 2019. The number of participants who would begin accruing service in CTPF as a result of this bill is not known.

SB 2093, as amended by SA 1, also states that if payroll records and pension contributions due between July 1, 2021, and October 1, 2021, are not submitted by October 1, 2021, then the statutory penalties, liquidated damages, and interest shall be calculated from the

original due date to the submission date of payroll records or pension contributions, as applicable. However, SA 1 provides that CTPF shall provide a conditional grace period for contract schools that show evidence of timely and good faith efforts to submit such records and make pension contributions. The definitions of “evidence of timely and good faith efforts” by this legislation include, but are not limited to, the following:

1. Evidence of the contract school’s continuing efforts, both before and after the due date;
2. Documented evidence submitted by the contract school of continuing efforts;
3. Evidence in the possession of CTPF of the contract school’s continuing efforts; and
4. Contact by the contract school with CTPF to seek assistance regarding its difficulties with submitting such payroll records and making the contributions within a due date determined by CTPF after the initial due date.

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