

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102nd GENERAL ASSEMBLY

BILL NO: **SB 2473**

March 16, 2021

SPONSOR (S): Villivalam

SYSTEM(S): Chicago Municipal

FISCAL IMPACT: The fiscal impact of SB 2473 is not known, as the number of retired Classroom Assistants who would return to service without impairing their current retirement annuities is not known. To the extent that the fund would have to continue to pay a retirement annuity that would otherwise be suspended under current law, there would be a slight but indeterminate fiscal impact to the pension fund.

SUBJECT MATTER: SB 2473 amends the Chicago Municipal article of the Pension Code. The bill allows Special Education Classroom Assistants or Classroom Assistants to return to work after retirement without impairing their retirement annuities so long as they adhere to certain limitations with regard to days worked and salary earned during such periods of service.

COMMENT: Under current law, when an annuitant member of the Chicago Municipal fund re-enters service after age 65, retirement annuity payments are suspended during the time he or she is in service. SB 2473 provides that for school years beginning on or after July 1, 2021, a retirement annuity may not be suspended when an annuitant is re-employed by the Chicago Board of Education as a Special Education Classroom Assistant or Classroom Assistant on a temporary and non-annual basis, so long as the person meets the following criteria: 1) they do not work for compensation for more than 120 days in a school year, or 2) they do not accept gross compensation in excess of \$30,000. Under this bill, such re-employment does not require the annuitant to make member contributions to the pension fund as if he or she were an active member, nor will they accrue any additional service credit for such service.

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