



## Commission on Government Forecasting and Accountability

### **PENSION IMPACT NOTE** *103<sup>RD</sup> General Assembly*

BILL NO:           **HB 1277**

January 23, 2023

SPONSOR (S):     Elik

SYSTEM:           General Provisions Article (All Systems)

---

#### **FISCAL IMPACT**

**The fiscal impact of HB 1277 is not known, as the number of members who would be charged with a felony is not known. To the extent that the fund in question would not have to pay a retirement benefit or annuity during the months prior to conviction of a felony, there would be a very slight positive impact to the pension fund.**

---

**SUBJECT MATTER:**   HB 1277 amends the General Provisions article of the Pension Code. The bill allows for suspension of benefit payments while a member is indicted or charged with a felony. If not convicted, the member shall be refunded the amount of the suspended annuity, including interest. If convicted, the member shall only receive a refund of their contributions.

**COMMENT:**   Under current law, members of pension funds who are convicted of any felony relating to or arising out of or in connection with service as a member in the respective pension fund shall stop receiving benefits provided by the Pension code. The felony forfeiture provision does not apply if a member is merely charged with a felony. In the last ten years, 90 TRS members, 6 GARS members, 5 SERS members, and 4 SURS members have had their pensions forfeited via criminal convictions under the felony forfeiture provision.

HB 1277 provides that benefits or annuity payments shall be suspended for cases in which members or participants are indicted or charged with a felony relating to their service as a member of the pertinent retirement system. If the member or participant is not convicted, annuity payments shall resume and the member shall receive the amount of the suspended annuity or benefit payments, with interest at an amount to be determined by the pertinent system's board of trustees. If the member or participant is convicted of a felony, the suspended annuity or benefit

shall not be paid. The member shall still receive a refund of their contributions if convicted; the refund of contributions provision in case of a conviction is a restatement of current law.

GR:bs

LRB103 05884 RPS 50905 b