



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: **HB 2352**

February 21, 2023

SPONSOR (S): Evans

SYSTEM: Chicago Municipal Article

FISCAL IMPACT

The fiscal impact of HB 2352 is not known as the number of employees whose annuities would not be suspended due to re-employment is not known. To the extent that retired paraprofessionals and related service providers with the Board of Education would be paid retirement benefits from the Chicago Municipal Fund that would otherwise be suspended under current law, there would be a negative impact on the pension fund.

SUBJECT MATTER: HB 2352 amends the Chicago Municipal article of the Pension code. This bill provides that an employee will not have their retirement annuity cancelled if they are re-employed by the Board of Education of the city as a paraprofessional or related service provider field and do not work for more than 120 days or for more than \$30,000 in a year.

COMMENT: Under current law, when an annuitant member of the Chicago Municipal Pension Fund re-enters service, any annuity previously granted to that annuitant shall be cancelled. Beginning July 1, 2023, HB 2352 would create an exemption to this annuity cancellation provision for employees re-employed by the Board of Education of the city as a paraprofessional or related service provider on a temporary and non-annual basis or on an hourly basis. The re-entry without annuity cancellation provision is effective so long as the person does not work for compensation on more than 120 days in a school year or accepts gross compensation for the re-employment in a school year in excess of \$30,000. Re-employment under these circumstances does not require contributions, result in service credit being earned or granted, or constitute active participation in the Fund.

GR:bs

LRB103 27717 RPS 54094 b