



## Commission on Government Forecasting and Accountability

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

BILL NO: **HB 4820**

February 21, 2024

SPONSOR (S): Tarver

SYSTEM: GARS, Downstate Police & Fire, Chicago Police & Fire, IMRF, Chicago Municipal, Cook County, Cook County Forest Preserve, Chicago Laborers, Chicago Park District, Metropolitan Water Reclamation District, SERS, SURS, TRS, Chicago Teachers, and JRS

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#### **FISCAL IMPACT**

The fiscal impact of HB 4820 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 time prior to sentencing of a felony, there would be a very slight positive impact to the pension fund.

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**SUBJECT MATTER:** HB 4820 amends every individual retirement system article of the Pension Code. This bill allows for the forfeiture of a member's benefit payments immediately after the member's conviction of a felony that relates to their connection with their service as a member in the respective pension fund.

**COMMENT:** Under current law, members of pension funds who are convicted of any felony relating to or in connection with service as a member in the respective pension fund shall stop receiving benefits provided by the Pension code. The Illinois courts have held that the conviction of a felony occurs on the date in which a court enters judgement and imposes a sentence on the conviction. The gap between the date a person is found guilty and their resulting sentencing can be several months, and the convicted member would still receive their pension benefits during this time.

HB 4820 provides that benefits or annuity payments shall be immediately suspended for cases in which members or participants are convicted of a felony relating to their service as a member of the pertinent retirement system, even if the member has not yet been sentenced for the felony

conviction. This would apply only to convictions entered on or after the effective date of this bill.

Under the Chicago Police Article of the Pension Code, police officers who intentionally cause a delay in court proceedings related to their service as a police officer can have their annuities suspended as of the date of the filing of the indictment or charges, but only if a conviction is secured against the officer. HB 4820 would keep this provision intact alongside the aforementioned immediate post-conviction felony forfeiture provision.

AO:bs

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