



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: **SB 2103**

February 22, 2023

SPONSOR (S): Martwick

SYSTEM: Chicago Municipal Article

FISCAL IMPACT

The fiscal impact of SB 2103 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 that would otherwise be suspended under current law, there would be a negative impact on the pension fund.

SUBJECT MATTER: SB 2103 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 as a paraprofessional or related service provider 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, SB 2103 would create an exemption to this annuity cancellation provision for employees re-employed as a paraprofessional or related service provider on a temporary and non-annual basis or on an hourly basis 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 employee contributions into the pension fund, will not result in service credit being earned or granted, and will not constitute active participation in the Fund.

GR:bs

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