



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: SB 3252

February 7, 2024

SPONSOR: Halpin

SYSTEM: Chicago Teachers Pension Fund

FISCAL IMPACT

Under SB 3252, if a charter school or contract school under the purview of the Chicago Board of Education is delinquent in making employer contributions to the Chicago Teachers' Pension Fund (CTPF), then the fund may certify to the State Comptroller or State Superintendent of Education, as the case may be, the amounts of the delinquent payments. The State Comptroller or State Superintendent of Education shall be required to deduct any amounts so certified by CTPF from funds payable to the Chicago Board of Education on behalf of the charter or contract school in question. To the extent that the bill would allow for more timely remittances of employer and teacher contributions from charter and contract schools to CTPF, the bill would have a positive fiscal impact upon the pension fund.

SUBJECT MATTER: SB 3252 amends the Chicago Teachers' article of the Illinois Pension Code to allow CTPF to collect delinquent employer contribution payments from charter schools and contract schools. Under the bill, if a delinquency exists, any funds payable by the State Comptroller or the State Superintendent of Education to the Chicago Board of Education on behalf of delinquent charter or contract schools can be diverted by the Comptroller and paid to CTPF, as outlined below in the Comment section.

COMMENT: Under current law, CTPF employers are required to send payroll records and employer and employee pension contributions within 30 days of each predesignated payday to CTPF. In addition to the Chicago Board of Education, this requirement also applies to charter and contract schools under the purview of the Chicago Board of Education. If employers fail to send the required records and financial contributions, the employer is subject to a \$100 per day fine after 30 days. After 60 days, the missing contribution is deemed delinquent and must be

paid to CTPF with the \$100-per-day fine and any interest that has accrued (on a monthly basis) up to 20% the value of the principal.

SB 3252 would create a mechanism whereby any delinquent employer payment owed to CTPF from a charter or contract school under the purview of the Chicago Board of Education would be diverted by the State Comptroller or the State Superintendent of Education, as the case may be, and paid to CTPF. Such payments shall occur only after CTPF provides notice to the Chicago Board of Education that such a delinquency exists. If funds are not available from the Comptroller or Superintendent, CTPF must then recover the delinquent payments through the Board's established powers for conducting audits of charter and contract schools.

MH:bs

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