



## Commission on Government Forecasting and Accountability

### PENSION IMPACT NOTE *104<sup>TH</sup> General Assembly*

BILL NO: **HB 1727**

January 24, 2025

SPONSOR (S): Elik

SYSTEM: All Systems (General Provisions)

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#### FISCAL IMPACT

**The fiscal impact of HB 1727 is expected to be minimal, as there are very few individuals that would be affected by this legislation. The Teachers Retirement System, for example, has noted that there have been four individuals within their system that have been convicted of service-related felonies in the past 25 years.**

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SUBJECT MATTER: HB 1727 amends the General Provisions article of the Illinois Pension Code to suspend benefits or annuity payments to retirement system participants if they are charged or indicted with a felony determined to be in connection with their service as a participant in the pension fund. If the participant is not convicted of the felony in question, payments will resume to the participant and suspended payments (with interest paid for by the system) will be paid out as well. In the case of a felony conviction, the suspended payments will not be paid to the participant.

#### COMMENTS:

Individual systems under the Illinois Pension Code have their own standards for pension benefit revocation, but all require a felony conviction for benefit revocation rather than revoking/pausing benefits as a result of indictment or being charged for a particular felony. As drafted, this legislation makes no allowances for judicial review before benefit revocation/pausing. This legislation does not apply to felonies that do not arise out of the participants service in a particular pension system. Furthermore, this legislation applies to current as well as future participants regardless of the date of their initial participation.

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