



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *104th General Assembly*

BILL NO: **HB 4396**

February 23, 2026

SPONSOR (S): Kifowit

SYSTEM: Chicago Teachers Pension Fund (CTPF)

FISCAL IMPACT

HB 4396 would have a slight negative impact on CTPF, as the legislation would increase the CTPF retiree health insurance reimbursement maximum from \$65 million to \$100 million per year. Because these reimbursements would be paid from the CTPF's assets, the increased amount paid would no longer be available for investment by the Fund. Therefore, there is potential for missed investment opportunities in future years.

SUBJECT MATTER: HB 4396 amends the Chicago Teacher Article of the Illinois Pension Code to increase the maximum amount allowed for partial reimbursement of retiree health insurance costs incurred by the members of the Fund and provides a mechanism for further increases.

COMMENT: Effective January 23, 1987, P.A. 84-1472 added the language allowing the Fund to provide partial reimbursement (50% of premiums paid) for the cost of member health insurance coverage, with an initial maximum allowable amount set at \$3 million. While there have been multiple bills increasing the amount, P.A. 93-677 amended the section to increase the maximum allowable amount for reimbursement to \$65 million from \$40 million.

In addition to the increase of the maximum allowable amount, P.A. 93-677 included a provision stating that the total amount of payments made to members to provide partial reimbursement of health care premiums may not exceed 75% of the total cost of health insurance coverage in that year for all the recipients who receive payments in that year.

HB 4396 increases the maximum allowable amount of payments to reimburse members for health insurance premiums paid from \$65 million to \$100 million, with the total amount of payments

not to exceed 75% of the total cost of health insurance coverage in that year for all recipients who receive payments in that year.

HB 4396 also provides a mechanism for which the maximum allowable amount shall annually be increased by the annual unadjusted percentage increase (not less than zero) in the consumer price index for the 12 preceding months. The provision defines “consumer price index” as the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by All Urban Consumers (CPI-U), Medical Care in Chicago-Naperville-Elgin, IL-IN-WI and shall be determined by the Public Pension Division of the Department of Insurance.

HB 4396 is identical to SB 1893 which was proposed earlier during 104th GA.

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