



## Commission on Government Forecasting and Accountability

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

BILL NO: **HB 4572**

February 18, 2026

SPONSOR: Yang Rohr

SYSTEM: Illinois Municipal Retirement Fund (IMRF)

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#### FISCAL IMPACT

**HB 4572 amends the IMRF article to grant the IMRF Board the ability to determine the proportionate responsibility between the annuitant and participating employer for repayment of annuity overpayments resulting from return-to-service violations. As total reimbursement to IMRF may not exceed annuity payments made in error, HB 4572 would have no fiscal impact.**

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SUBJECT MATTER: HB 4572 would grant the IMRF Board the power to determine proportionate responsibility for reimbursement in cases of return-to-service violations for both participating employers and annuitants.

COMMENT: Under current law, an annuity is suspended upon return to service for a period greater than 599 hours annually, with the following two exceptions:

- The participating employer has adopted a resolution raising the cap to 999 hours annually.
- The annuitant works as a school security guard, in which case they may work for 999 hours annually, regardless of whether a resolution was adopted.

Should the annuitant work more than their allotted hours (599 or 999) for an IMRF-participating employer, the annuity must be suspended. Should a participating employer knowingly fail to notify IMRF that an annuity should be suspended, they may be liable to reimburse IMRF for up to 50% of the annuity payments that should otherwise have been suspended, with the annuitant paying the rest.

HB 4572 is an IMRF initiative to instead assign reimbursement on a proportional basis, placing both employers and annuitants on an equal basis. According to IMRF, this would allow the

Board greater flexibility in assigning responsibility in cases where the participating employer is the cause of the return-to-service violation. Under current law, employer reimbursement is capped at up to 50% of the improper annuity payments in limited circumstances where the employer knowingly fails to notify IMRF. HB 4572 removes the 50% cap and allows the Board to assign proportionate responsibility based on the totality of the circumstances, including in employer-driven return-to-service violations. The following table provides an illustrative example of the distribution of responsibility under both current law and HB 4572.

Who's Responsible?	Current Law	HB 4572
<u>Equal</u> Fault	50% Annuitant / 50% Employer	
<u>Annuitant</u> -Driven	98% Annuitant / 2% Employer	
<u>Employer</u> -Driven	50% Annuitant / 50% Employer	2% Annuitant / 98% Employer

Note: Actual proportional distribution of responsibility may vary case by case.

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