



## Commission on Government Forecasting and Accountability

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

BILL NO: **HB 4573**

February 19, 2026

SPONSOR (S): Yang Rohr

SYSTEM: Illinois Municipal Retirement Fund (IMRF)

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#### FISCAL IMPACT

**IMRF estimates that HB 4573 would result in a \$7 million increase in employer contributions in the first year after enactment. Based on data provided by IMRF, approximately half of active and inactive members would be impacted by this change in definition of service credit.**

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**SUBJECT MATTER:** HB 4573 amends the IMRF Article of the Illinois Pension Code to allow members to obtain one month of creditable service in the first month of participating employment, without considering if earnings are reported within that first month of participating employment.

**COMMENT:** Under current law, members employed in an IMRF qualifying position with an IMRF employer accrue service credit in months in which they receive reportable earnings and make the required contributions of a member of the Fund. One month of service shall be credited for each calendar month that qualifies.

HB 4573 amends the IMRF Article of the Illinois Pension code to allow members to obtain one month of creditable service in the first month of participating employment, without considering if earnings are reported within that first month of participating employment, and thus no employee contributions are made.

For example, an employee in IMRF starts working on February 28 and, due to the administrative processing, earnings are not reported until March. Under current law, the employee would receive service credit only for March (with corresponding employee contributions). Under HB 4573, the employee would also receive one month of credit for February, even though no

earnings or contributions were reported for that month. This is in contrast to requirements within the State Employees Retirement System (SERS) article of the Pension Code, which requires an employee to work a minimum of 15 days in a month to receive credit for that month.

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