



## Commission on Government Forecasting and Accountability

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

BILL NO: **HB 4909, as amended by SA 002**

May 15, 2026

SPONSOR: Stuart – Evans Jr., et al. (Koehler)

SYSTEM: Illinois Municipal Retirement Fund (IMRF)

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#### FISCAL IMPACT

According to IMRF, HB 4909, as amended by SA 002, may lead to minor administrative issues due to the need to keep track of Taft-Hartley pension plan participants and ensure that the aggregate of total annuity payments from both pension plans for those participants does not exceed the Internal Revenue Code Section 415(b) limit (which is \$290,000 as of CY 2026).

IMRF believes the bill would impact a limited number of individuals (approximately 500 current IMRF members, or 0.25% of IMRF participating members) who are currently in an uncertain legal status due to participation in a Taft-Hartley pension plan. The fiscal impact is expected to be negligible, as the number of affected participants would be minimal. As of this writing, IMRF is now opposed to the bill due to it conferring benefits on a select group of IMRF members rather than the whole body of members.

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SUBJECT MATTER: HB 4909, as amended by SA 002, amends the Illinois Municipal Retirement Fund (IMRF) Article of the Illinois Pension Code to allow IMRF participants to also participate in a Taft-Hartley pension plan as long as the plan is the result of a collective bargaining agreement covering their bargaining unit with their participating employer that agreed to provide employer contributions on or before the effective date.

COMMENT: Pursuant to Public Act 98-712, (eff. July 16, 2014), employees of an IMRF-participating employer who choose to participate in a Taft-Hartley pension plan are legally ineligible to participate in IMRF.

A Taft-Hartley pension plan (also known as a multi-employer plan) is a pension plan formed between multiple employers and a union through a collective bargaining agreement. Participants in a Taft-Hartley plan may work for any participating employer and contribute to (and earn service credit in) a single pension. These plans are common in industries such as construction where employees switch employers on a regular basis.

HB 4909, as amended by SA 2, amends Article 7 of the Illinois Pension Code to allow IMRF participants to participate in a Taft-Hartley pension plan while remaining in IMRF so long as the Taft-Hartley pension plan is part of a collective bargaining agreement covering their bargaining unit with the participating municipality (which has agreed to provide employer contributions), and was in effect either on or before the effective date. HB 4909, as amended by SA 2, also allows retroactive re-admission to IMRF for those for whom a participating employer contributed to both pension funds and who were legally ineligible to participate in IMRF since July 16, 2014 (the effective date of P.A. 98-712) and prior to the effective date of this legislation, provided that their Taft-Hartley pension plan meets the aforementioned criteria.

The current Illinois Public Labor Relations Act (5 ILCS 315/3) defines “unit” (bargaining unit) as “a class of jobs or positions that are held by employees whose collective interests may suitably be represented by a labor organization for collective bargaining.”

According to IMRF, this bill is an initiative of the Midwest Region of the Laborers’ International Union of North America (LIUNA) brought about by a group of IMRF participants who were at risk of being expelled after an audit found that they had participated in a Taft-Hartley pension plan in violation of the current language of the law. Currently, they are in a legally ambiguous status pending future legislation. Should the bill become law, they would be readmitted to IMRF.

IMRF has expressed concerns that the dual participation language would lead to administrative issues owing to the need to keep track of Taft-Hartley pension plan participants, and the work to ensure that the aforementioned participants do not exceed the Internal Revenue Code Section 415(b) limits on annuity payments (which as of 2026 is \$290,000 annually). The IRC 415(b) limit applies to the aggregate annuity payments of both pension plans.

#### Impact of SA 2

HB 4909, as amended by SA 2, removes the \$5 contribution per hour limit under the underlying bill (\$6 under SA 1) and replaces it with the requirement that the Taft-Hartley pension plan must be the product of a collective bargaining agreement and be in effect on or before the bill’s effective date. But the underlying legislative intent of allowing dual participation in both IMRF and a Taft-Hartley pension plan is retained.

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