

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **HB 0677**

April 7, 2009

SPONSOR (S): Lyons

SYSTEM(S): Chicago Teachers' Pension Fund

FISCAL IMPACT: The fiscal impact has not been calculated, however it is expected to be minimal.

SUBJECT MATTER: HB 0677 amends the Chicago Teachers' Article of the Illinois Pension code to provide that a teacher, member, or contributor who has left validated service and later re-enters validated service as a teacher, member, or contributor must acquire one year of additional validated service in order to be eligible (A) to retire on a pension at a rate and under conditions other than those in force or attained at the time he or she left validated service and (B) to receive reimbursement for the cost of health insurance coverage or health insurance premium payments.

FISCAL IMPACT: The fiscal impact has not been calculated, however it is expected to be minimal.

COMMENT: Currently, when computing service retirement pensions for the Chicago Teachers' Pension Fund, there is no condition that applies to the eligibility of teachers, members, and contributors who leave validated service but later re-enter validated service as a teacher, member, or contributor for a pension or for reimbursement for the cost of health insurance coverage. Under HB 0677, a teacher, member, or contributor who has left validated service and later re-enters validated service as a teacher, member, or contributor must acquire one year of additional validated service in order to be eligible (A) to retire on a pension at a rate and under conditions other than those in force or attained at the time he or she left validated service and (B) to receive reimbursement for the cost of health insurance coverage or health insurance premium payments. This will not apply in the event that the teacher, member, or contributor dies in service prior to acquiring one year of additional validated service, nor will it apply to the re-employment of any person receiving a service retirement or disability pension.

HB 0677 amends the State Mandates Act to require implementation without reimbursement.

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