

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **HB 1180**

April 8, 2009

SPONSOR (S): Zalewski

SYSTEM(S): Chicago Teachers' Pension Fund

FISCAL IMPACT: The fiscal impact has not been calculated, but there is expected to be a negative fiscal impact upon the pension fund.

SUBJECT MATTER: HB 1180 amends the Chicago Teachers Article of the Illinois Pension Code to accelerate the initial annual increase in retirement pension to the January following the first anniversary of retirement.

FISCAL IMPACT: The fiscal impact has not been calculated, but there is expected to be a negative fiscal impact upon the pension fund.

COMMENT: Currently, each CTPF teacher retiring on or after September 1, 1959 is entitled to the 3% compounded annual increase in pension while he or she is receiving a pension from the Fund. The increase in pension is only granted if the retired teacher is age 60 or over. If the teacher attains age 60 after retirement, the increase in pension shall begin in January of the year following the 61st birthday. HB 1180 accelerates the initial annual increase in retirement pension. Under HB 1180, for a retired teacher who withdraws from service on or after January 1, 2010, the increase in pension will begin in the January next following the first anniversary of retirement. At this time, the Fund will also pay the pro rata part of the increase from the first anniversary of retirement to the date of first increase in pension.

HB 1180 amends the State Mandates Act to require implementation without reimbursement.

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