

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **SB 1272**

February 19, 2009

SPONSOR (S): **Wilhelmi**

SYSTEM(S): **Illinois Municipal Retirement Fund**

FISCAL IMPACT: Employees of employers joining IMRF receive credit (without making contributions) for 5 years or 20% of service with the employer, whichever is less. Upon joining IMRF, the Will County Governmental League would be required to make annual contributions to amortize the unfunded liability (over 10 years) created by employees past service credit. Allowing the Will County Governmental League into IMRF would not affect the accrued liability or annual cost of any other IMRF employer.

SUBJECT MATTER: SB 1272 amends the Illinois Municipal Retirement Fund Article of the Illinois Pension Code to authorize participation in IMRF by the Will County Governmental League, but only if the United States Internal Revenue Service rules that the League is a governmental entity.

FISCAL IMPACT: Employees of employers joining IMRF receive credit (without making contributions) for 5 years or 20% of service with the employer, whichever is less. Upon joining IMRF, the Will County Governmental League would be required to make annual contributions to amortize the unfunded liability (over 10 years) created by employees past service credit. Allowing the Will County Governmental League into IMRF would not affect the accrued liability or annual cost of any other IMRF employer.

COMMENT: Non-taxing entities are not allowed to participate in IMRF unless they are cited as eligible to participate in the Illinois Pension Code (40 ILCS 5/7-132) and the Board of Trustees of IMRF approves an application to participate.

SB 1272 would allow the Will County Governmental League and its employees to participate in IMRF as a non-taxing entity, but only if the League has a ruling from the United States Internal Revenue Service that it is a governmental entity.