

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 96TH GENERAL ASSEMBLY

BILL NO: **SB 1611, as engrossed**

April 6, 2009

SPONSOR (S): Clayborne (Hoffman)

SYSTEM(S): Illinois Municipal Retirement Fund

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**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 United Counties Council would be required to make annual contributions to amortize the unfunded liability (over 10 years) created by employees past service credit. Allowing the United Counties Council into IMRF would not affect the accrued liability or annual cost of any other IMRF employer.

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**SUBJECT MATTER:** SB 1611, as engrossed, amends the IMRF Article of the Illinois Pension Code to authorize participation in IMRF by the United Counties Council (formerly the Urban Counties Council), so long as the United States Internal Revenue Service rules it is a government entity.

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**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 1611, as engrossed, would allow the United Counties Council (formerly the Urban Counties Council) and their employees to participate in IMRF as a non-taxing entity, pending a ruling from the United States Internal Revenue Service that it is a government entity.

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