

COMMENT:**Chicago Municipal and Chicago Laborers**

Currently, members of the Chicago Municipal and Chicago Laborers Pension Funds are allowed to earn service credit in the fund while working for a local labor organization that represents municipal employees. Prior to the enactment of P.A. 86-1488, which became effective on Jan. 14, 1991, such employees were required to make contributions based on the municipal salary rate received by the member immediately prior to the leave of absence during which service with the labor organization commenced. After Jan . 14, 1991, P.A. 86-1488 allowed members employed by a local labor organization to base their contributions on their current union salary rather than the municipal salary earned prior to the leave of absence from municipal service. HB 3813 provides that current and future members who are employed by a local labor organization can only have service after the effective date of this bill calculated on the salary rate received by the member immediately prior to the leave of absence during which the member began service with a labor organization.

Chicago Teachers

Currently, the Chicago Teachers Article of the Pension Code allows members of the fund to accrue service credit for employment with a labor organization while on leave of absence from a teaching position. When a member takes such a leave of absence, the labor organization pays no employer contribution to the pension fund unless the member's union salary exceeds the member's teaching salary. In cases where the union salary exceeds the teaching salary, the union is required to pay the employer's normal cost rate on the difference between the teaching salary and the union salary. The Pension Code defines the teaching salary as the teacher's salary on Sept. 1, 1983 or the effective date of the leave of absence from teaching, whichever is later. HB 3813 requires that employee contributions for a teacher on leave of absence for the purpose of working in a union position will be based on the teacher's salary on the effective date of the leave of absence.

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