

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

97TH GENERAL ASSEMBLY

BILL NO: **SB 1673, as amended by HA 1**

October 24, 2011

SPONSOR (S): Raoul (McCarthy)

SYSTEM(S): General Provisions Article

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**FISCAL IMPACT:** The federal Heroes Earnings Assistance and Relief Tax Act of 2009 (HEART Act) confers certain benefits for military personnel who die in combat. These benefits include accelerated vesting and survivor benefits that would be provided if the participant had returned to work and then died. These additional benefits are retroactive to January 1, 2007. The exact fiscal impact of compliance with the HEART Act cannot be calculated, but is expected to be very minor.

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**SUBJECT MATTER:** SB 1673, as amended by HA 1, amends the General Provisions Article of the Illinois Pension Code to stipulate that all pension funds and retirement systems governed under the Pension Code shall comply with the federal Heroes Earnings Assistance and Relief Tax Act of 2008.

**FISCAL IMPACT:** The federal Heroes Earnings Assistance and Relief Tax Act of 2009 (HEART Act) confers certain benefits for military personnel who die in combat. These benefits include accelerated vesting and survivor benefits that would be provided if the participant had returned to work and then died. These additional benefits are retroactive to January 1, 2007. The exact fiscal impact of compliance with the HEART Act cannot be calculated, but is expected to be very minor.

**COMMENT:**

*Federal Heroes Earnings Assistance and Relief Tax Act (HEART Act) of 2008*

SB 1673, as amended by HA 1, amends the General Provisions Article of the Pension Code to stipulate that all pension funds and retirement systems subject to the Pension Code must comply with the federal Heroes Earnings Assistance and Relief Act of 2008. The Act confers certain benefits for military personnel who die in combat. These benefits include accelerated vesting and survivor benefits that would be provided if the participant had returned to work and then died. These additional benefits are retroactive to January 1, 2007.

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