

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

98th GENERAL ASSEMBLY

BILL NO: **HB 2226**

March 5, 2013

SPONSOR(S): Kay

SYSTEM(S): Police Pension Funds (Chicago and non-Chicago), Firefighters Pension Funds (Chicago and non-Chicago), Illinois Municipal Retirement Fund, Chicago Municipal Employees Pension Fund, Chicago Laborers Pension Fund, State Universities Retirement Fund, Teachers Retirement Fund, Chicago Teachers Retirement Fund

FISCAL IMPACT: The fiscal impact of HB 2226 cannot be determined as the precise number of members who would be impacted by the elimination of further accruals as a member of a labor organization is unknown. Inasmuch as the bill prohibits such pension accruals after the effective date, projected pension payouts would decrease compared to current law.

SUBJECT MATTER: HB 2226 amends various articles of the Illinois Pension Code to establish that participants under these articles are entitled only to creditable service for periods of employment with any qualifying labor organizations if the employee and employer pension contributions are received by the appropriate pension fund on or before the effective date of this Act.

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COMMENT: HB 2226 specifies that both the employee and employer contributions must be received by the appropriate pension fund on or before the effective date of this Act in order to establish retirement service credit for any periods of time worked for any qualifying labor organization. Failure to pay these contributions by the specified time will result in no retirement service credit being granted for these periods of employment. HB 2226 also amends the Illinois Municipal Retirement Fund Article of the Illinois Pension Code to provide that the Illinois Municipal League and Will County Governmental League are participating instrumentalities only with respect to service on or before the effective date of this Act.

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