

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

98TH GENERAL ASSEMBLY

**REVISED**

**BILL NO:** HB 3898, as amended by HA 1 March 17, 2014  
**SPONSOR(S):** Conroy  
**SYSTEM(S):** Illinois Municipal Retirement Fund

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**FISCAL IMPACT:** The fiscal impact of HB 3898, as amended by HA 1, will be small but positive to IMRF employers. According to IMRF, last fiscal year a \$41 million total payout was made to annuitants of IMRF for the “13<sup>th</sup> check”, with an average cost of \$14 thousand per employer.

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**SUBJECT MATTER:** HB 3898, as amended by HA 1, would abolish the supplemental benefit payment also known as the “13<sup>th</sup> payment” for IMRF annuitants.

**FISCAL IMPACT:** The fiscal impact of HB 3898, as amended by HA 1, will be small but positive to IMRF employers. According to IMRF, last fiscal year a \$41 million total payout was made to annuitants of IMRF for the “13<sup>th</sup> check”, with an average cost of \$14 thousand per employer.

**COMMENT:** Under current law, a supplemental benefit payment is mailed to eligible IMRF retired members every July. This supplemental payment is funded entirely by employer contributions in the amount of .62% of IMRF payroll. HB 3898, as amended by HA 1, would abolish the IMRF “13<sup>th</sup> payment” to all present and future annuitants on the effective date of this Act. The employer will no longer be required to contribute .62% of its payroll to fund the supplemental benefit payment.

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