

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

98TH GENERAL ASSEMBLY

BILL NO: **HB 5816**

February 27, 2014

SPONSOR (S): Senger

SYSTEM(S): General Provisions Article

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**FISCAL IMPACT:** The fiscal impact of HB 5816 cannot be determined as the number of members who will be impacted by felony forfeiture provisions added by HB 5816 is not known.

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**SUBJECT MATTER:** HB 5816 proposes an addition to Illinois Pension Code. This bill makes certain sections of the Criminal Code applicable to Pension members or participants in regard to benefit eligibility.

**FISCAL IMPACT:** The fiscal impact of HB 5816 cannot be determined as the number of members who will be impacted by felony forfeiture provisions added by HB 5816 is not known.

**COMMENT:** Currently, each article of the Pension Code contains standardized felony forfeiture language under which a person who is convicted of a felony “relating to or arising out of or in connection with his or her service” shall be required to forfeit his or her pension. HB 5816 adds language to the General Provisions Article that would make certain specified acts of public corruption and governmental theft grounds for forfeiture of pension benefits. The acts include intimidation by a public official, bribery, official misconduct, engaging in kickbacks, and other offenses.

Under HB 5816, any member or participant of a pension fund or retirement system established under the Pension Code who is convicted of these crimes will receive none of the benefits provided under the Code attributable to the service of said member or participant. If a member or participant is convicted of, or pleads guilty to a felony other than a felony resulting from acts of public corruption as specified in the Criminal Code of 2012, then their annuity or pension will be suspended for the duration of incarceration for that offense. Upon completion of their incarceration, benefits may be reinstated by the participant by filing a request for reinstatement of benefits through their applicable system.

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