COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

99TH GENERAL ASSEMBLY

BILL NO: **HB 2502, as amended by HA 2**   March 19, 2015

SPONSOR(S):   D. Burke - Dunkin

SYSTEM(S):   Chicago Teachers' Pension Fund (CTPF)

FISCAL IMPACT: According to the Chicago Teacher Pension Fund, failure to pass this bill will make the Fund susceptible to overpayments associated with inconsistent reporting.

SUBJECT MATTER: HB 2502, as amended by HA 2, amends the Chicago Public School Teachers Article of the Illinois Pension Code by restructuring the amount of service credit that might be earned per relevant calendar period. This bill also makes changes to what a Pension Officer must do, as well as what information the payroll records must include. Finally, this bill changes the conditions on which a service retirement pensioner may return to service without suspension of pension benefits.

COMMENT: As of current law, the teachers participating in the Chicago Teachers' Fund may receive no more than 1 year of service credit per fiscal year.

HB 2502, as amended by HA 2, proposes that members may only receive 1 day of service credit per calendar day. As well, members may only receive 10 days of credit per 2 calendar week period.

As of current law, a benefit is only suspended when the pensioner returns to work for over 100 days and for over $30,000. Both conditions must be met before a pension could be suspended, which means a person could work 99 days for $50,000 and still receive their benefits.

HB 2502, as amended by HA 2, proposes a change to the conditions on which a service retirement pensioner may return to service without suspension of pension benefits. This bill changes "and" to "or," creating a conditional that is much easier to fulfill. This proposal means CTPF can suspend the pension for anyone who makes at least $30,000, regardless of how many days they work; as well, CTPF can suspend the pension of anyone who works over 100 days, regardless of how much they are paid.

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