

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

99TH GENERAL ASSEMBLY

BILL NO: **SB 2369**

February 5, 2016

SPONSOR (S): Biss

SYSTEM(S): Illinois Municipal Retirement Fund

FISCAL IMPACT: There is no discernible fiscal impact associated with SB 2369.

SUBJECT MATTER: SB 2369 amends the IMRF Article of the Pension Code by restricting the time frame that payments made to establish service credit can be made.

COMMENT: Current statute states that members must make “application” prior to termination in order to qualify for past service purchases. It does not apply to transfers between systems. IMRF has consistently interpreted the requirement that “application” be made prior to termination to apply only to the application for the benefit, not to require the actual payment be made prior to that date. Therefore, members are permitted to make one payment after termination. SB 2369 amends the IMRF Article of the Illinois Pension Code in a manner that requires payments made to establish service credit to be received while the applicant is an active participant in the Fund or a reciprocal retirement system, with the exception that an applicant may make one payment after termination of active participation.

JL:dkb

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