

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

99TH GENERAL ASSEMBLY

BILL NO: **SB 2896**

March 15, 2016

SPONSOR (S): Althoff – Martinez, et al.

SYSTEM(S): Illinois Municipal Retirement Fund

FISCAL IMPACT: SB 2896 is likely to reduce potential losses to the IMRF Pension Fund. When an annuitant continues to receive annuities after returning to service, it is difficult to return the overpaid amount back to the Fund. It is difficult to discern a fiscal impact, as it is not possible to foresee how often an employer would fail to notify the Board when annuitants return to active service. However, IMRF is currently dealing with two cases where annuities were given that payments should have been suspended. Both cases combine to a little over \$400,000 in funds that should not have been paid.

SUBJECT MATTER: SB 2896 amends the IMRF Article of the Pension Code by proposing that in cases where an employer fails to notify the Board when an annuitant should have his/her annuity suspended, the employer would be required to reimburse the Fund.

COMMENT: SB 2896 amends the IMRF Article of the Pension Code. This bill states that if an employer fails to notify the Board to suspend the annuities of an annuitant who returns to service, the employer may be required to reimburse the Fund. The reimbursement amount will be less than equal to the total of all annuity payments that have been made to the annuitant, after the date that the annuity should have been suspended.

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