



ILLINOIS PUBLIC PENSION FUND ASSOCIATIONSM

An Association of Public Pension Funds

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This is to just make you aware of some recently proposed legislation about benefit changes for current employees and retirees in the **state run** pension funds. All trustees should watch this bill and watch for any that might try to impact the police and fire funds.

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Below is the synopsis of Illinois HB 146 as proposed by Illinois State Representative Jack Frank D- Marengo in McHenry County. The bill proposes changes in the maximum pensionable salary and changes the annual cost of living increases for CURRENT EMPLOYEES and RETIREES of the state run systems. This bill DOES NOT include Downstate police and fire pension funds but if bills like this are being introduced for state funds could it be only a matter of time before similar legislation is sponsored for Article 3 & 4 funds?

Here is a link to a recent newspaper article on the bill where Rep. Franks states, "it may go to a court fight," Franks said. "We're going to find out if it's constitutional or not."

<http://www.nwherald.com/2011/01/14/new-bill-would-impose-pension-reforms-on-existing-participants/a3iozcf/>

HB146

"Synopsis As Introduced

Amends the General Assembly, Illinois Municipal Retirement Fund, State Employees, State Universities, Downstate Teachers, and Judges Articles of the Illinois Pension Code. Caps the highest salary for annuity purposes, final rate of earnings, final average compensation, and final average salary for current members, participants, and participating employees of the affected systems at \$106,800, but authorizes that amount to be annually increased by the lesser of 3% or one-half of the annual percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1. Requires employee contributions to also be based on these capped amounts. Effective July 1, 2011."