COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

101ST GENERAL ASSEMBLY

BILL NO: **HB 2582** February 20, 2019

SPONSOR (S): Zalewski

SYSTEM(S): Metropolitan Water Reclamation District

FISCAL IMPACT: HB 2582 would have no discernible fiscal impact. According to officials with the MWRD pension fund, the proposed legislation would align with the method of determining the final average salary that is currently utilized by the fund.

SUBJECT MATTER: HB 2582 amends the Metropolitan Water Reclamation Article of the Illinois Pension Code. The proposed legislation provides that salary be calculated by accumulating the salary for the highest 520 consecutive paid days of service within the last 10 years of service immediately preceding the date of retirement and dividing by 24. Current law calls for the calculation of final average salary by accumulating the salary for 52 pay periods and diving by 2.

COMMENT: According to the Metropolitan Water District Fund, the proposed legislation would align the pertinent statutory language with the method of calculating final average salary that has been used for the past 30 years. Rotating shift workers may have as many as 12 pensionable days in a pay period, or as few as 8 days, depending on where their rotation lands in a given pay period. This is why the pension fund advocates that 520 days should be memorialized in statute instead of bi-weekly pay periods. The proposed legislation provides that if an employee is paid for any portion of a work day, the fraction of the day worked and the salary for that fraction of the day shall be counted in the calculation.

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