1976 LEGISLATIVE PROGRAM

Pension legislation during the 1976 session was primarily confined to appropriation bills and funding.

Senate Bill 1935 appropriated §41, 419, 400 for the fiscal year from July 1, 1976 to June 30, 1977 for the Teachers' Retirement System of the City of Chicago. This bill was signed by Governor Walker on July 30, 1976. The appropriation was an increase over the appropriation of last year.

Senate Bill 1999 was amended to permit contributors to make contributions for the lay-off period. This bill was adopted in the House of Representatives but was defeated by 2 votes in the Senate and referred to the pension committee.

The Illinois Public Employees Pension Laws Commission has advised all pension funds to place attention on funding and paying for present benefits rather than introducing additional benefits which increase the unfunded liability. Legislators are realizing the costs involved in increased benefits.

Senate Bill 1594, known as the Pension Impact Note Act, was passed. It requires any bill introduced in either house which amends the Pension Code to be accompanied by a written pension system impact note. These notes are to be prepared by the commission which includes an analysis of the financial impact of the bill in relation to the Commission’s recommended standards.

At the September 17, 1976 meeting, the Board of Trustees will take under consideration their legislative program for 1977.

FEDERAL LEGISLATION FOR PUBLIC PENSION FUNDS

The trustees of the Public School Teachers' Pension and Retirement Fund of Chicago have requested to join the pensioners' major pension groups and organizations have expressed opposition to PERISA. It is unlikely that any action will be taken on this bill in 1976.

The Federal Employee Retirement Income Security Act of 1974, known as ERISA, omitted public employees from its mandatory vesting and funding requirements, but provided for a two-year study of the question whether and to what extent regulations should be extended to the public systems. This study is to be completed by December 1976. Our Pension Fund has participated in this study.

The Illinois Public Employees Pension Laws Commission reported that (1) H. R. 13040 was premature in that it was not predicated upon the results of the completed study mandated by ERISA, (2) the provisions of reporting disclosure and fiduciary responsibilities are presently in effect in the State of Illinois, (3) the duplication of efforts would bring about a considerable amount of additional work and expense for public employee retirement plans, and (4) any legislation should not be deferred until the many problems of ERISA have been solved.

The Municipal Finance Officers Association vigorously opposes the adoption of H. R. 13040 at this time. In addition to opposing its premature nature, the MFOA is concerned as to the legality of infringing on the state and local governments' rights to maintain and control their own retirement plans.

The Fund's trustees and professional staff are keeping informed and up to date on this issue. The contributors will be made aware of any new legislation or developments.