

House Bill 1277:

Expansion of Felony Forfeiture Provisions

IMRF Position: OPPOSE

Sponsor: Representative Elik

Proposed Change in the Law

This bill would expand the felony forfeiture provision to begin suspending a pension for a jobrelated felony upon indictment or charges, rather than upon conviction. If the member is ultimately convicted, the pension would be permanently terminated, although they would be eligible for a refund of member contributions as otherwise required by the applicable Article.

If the member is not ultimately convicted, the amounts that had been suspended would be returned to the member with interest. The interest rate would be set by the Board specific to this provision.

It is applicable to all Illinois public pension systems.

Reasons for Position

The provisions are applicable to both new and current members. Because it is an expansion of the suspension/termination requirements of the felony forfeiture provisions, it is possible that members could have more of their pension suspended than is the case under current law. In that case, it would be an unconstitutional diminishment of benefits.

In addition, the bill does not make a corresponding amendment to the provision in the Counties Code that currently requires State's Attorneys to notify the affected pension fund if a member is convicted of a job-related felony. It is therefore likely that the funds would often not find out about a pending felony prosecution until after conviction or at least not until long after indictment.