

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

100TH GENERAL ASSEMBLY

BILL NO: **HB 2502**

February 14, 2019

SPONSOR (S): Willis

SYSTEM(S): Downstate Fire, Chicago Fire

FISCAL IMPACT: During the last firefighter service credit transfer window under P.A. 100-0544, which ended in May 2018, the Chicago Fire Pension Fund reports receiving 75 applications to transfer service credit from a Downstate Fire pension fund, but estimates that only 2 or 3 members will likely make the requisite payments to complete the transfer.

SUBJECT MATTER: HB 2502 amends the Downstate Fire and Chicago Fire articles of the Illinois Pension Code to allow firefighters to transfer an unlimited amount of service credit between the two funds. The service credit transfer window will sunset six months after the effective date of the bill.

For transfers from Article 4 funds to the Chicago Fire Pension Fund, payments must be made equal to employee contributions, employer contributions, plus any interest paid by the applicant to reinstate service. For transfers from the Chicago Fire pension fund to a Downstate Fire fund, the amount transferred must equal the difference between the amount of employee and employer contributions transferred to the Downstate Fire fund, plus interest at the actuarially assumed rate, and the amount determined by the Downstate Fire fund that would result in no significant increase to the Downstate Fire pension fund's unfunded liability.

DH:bj

LRB101 08689 RPS 53774