

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

101ST GENERAL ASSEMBLY

BILL NO: **HB 3519**

March 5, 2019

SPONSOR (S): Batinick

SYSTEM(S): Downstate Police and Fire

FISCAL IMPACT: It is unclear how many municipalities may or may not choose to hold a referendum to create Article 3 and 4 pensions if it is not a requirement for municipalities with populations over 5,000. This bill does not impact funds already established prior to the effective date.

SUBJECT MATTER: HB 3519 removes the requirement that a municipality over 5,000 people must establish a pension fund under Article 3 (Downstate Police) and Article 4 (Downstate Fire).

COMMENT: Current statute determines that municipalities found to have over 5,000 but less than 500,000 must establish a Downstate Police and Downstate Fire pension fund, pursuant to Articles 3 and 4 of the Pension Code, respectively. HB 3519 would remove that requirement; municipalities would then need to pass a referendum to institute these pension funds. HB 3519 provides language that stipulates that funds created before the effective date of this bill are unaffected.

EM:bj

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