

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

98TH GENERAL ASSEMBLY

BILL NO: **SB 1635**

February 14, 2013

SPONSOR(S): Mulroe

SYSTEM(S): Chicago Firefighters

FISCAL IMPACT: SB 1635 authorizes the use of funds that would otherwise reduce the city's annual contribution to the Chicago Fire pension fund. Hence, this bill will have an indiscernibly small, albeit positive, fiscal impact by reducing the Chicago Firefighters Annuity and Benefit Fund's unfunded liability.

SUBJECT MATTER: SB 1635 amends the Chicago Firefighters Article of the Illinois Pension Code to use the city contributions and any accrued interest leftover from a refund to reduce the unfunded liability.

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COMMENT: As of current law, when a participating member of the Chicago Firefighters claims a refund of contributions, the city contributions and any accrued interest leftover are used to reduce the city's contributions in the succeeding year.

SB 1635 aims to redirect those funds to instead pay off the unfunded liability of the fund.

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