

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

100TH GENERAL ASSEMBLY

BILL NO: **HB 4940** February 16, 2017  
SPONSOR (S): Bennett  
SYSTEM(S): Downstate Police and Fire (Articles 3 & 4)

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**FISCAL IMPACT:** The fiscal impact to the Department of Insurance as a result of HB 4940 is unknown, but would presumably be significant. According to DOI, 3 new fire funds and 1 new police fund have been created since July 1, 2012, the date after which a new fund must have been created to become eligible for the expense reimbursement regime contemplated by this bill.

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**SUBJECT MATTER:** HB 4940 amends the Downstate Police and Fire Articles of the Illinois Pension Code. The bill sets up a mechanism whereby a municipality could apply to the Department of Insurance for reimbursement of various administrative pension fund expenses, as articulated below.

**COMMENT:** HB 4940 adds new language to the Downstate Police and Fire Articles of the Illinois Pension Code. The bill stipulates that, subject to appropriation, a municipality that creates a new police or fire pension fund after July 1, 2012 may apply to the Department of Insurance for reimbursement of certain expenses. These expenses include legal fees, actuarial services, continuing education for board members, and other qualified costs as determined by DOI. The foregoing reimbursement will only be available for the first 5 years after the establishment of the pension fund. Any municipality that creates a police or fire pension fund pursuant to referendum will not qualify for the reimbursement program.

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