COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

100TH GENERAL ASSEMBLY

BILL NO: **HB 5114** April 13, 2018

SPONSOR (S): Hays

SYSTEM(S): Downstate Police and SURS

FISCAL IMPACT: HB 5114 pertains, in part, to 3 full-time officers who began working for the Eureka Police Department before Jan. 1, 2011. Prior to that time, the 3 officers participated in IMRF. The Eureka Police Pension Fund, having been created after Jan. 1, 2011, would recognize these officers as Tier 2 participants. The bill does not specifically address any employer or employee contributions or transfers from IMRF that would be required to establish past service in the Article 3 fund. There is currently no actuarial cost study available for either the Downstate Police or SURS provisions of this bill. Therefore, the fiscal impact cannot be determined at this time. An updated impact note shall be submitted when more information becomes available.

<u>SUBJECT MATTER</u>: HB 5114 amends the Downstate Police Article by changing the start date of a former IMRF police officer, who now participates in a Downstate Police pension fund, to the date he or she became a member of IMRF.

<u>COMMENT:</u> HB 5114 amends the Downstate Police and State Universities Articles of the Illinois Pension Code.

Downstate Police

HB 5114 provides that a police officer, who previously participated in the Illinois Municipal Retirement Fund (IMRF) and was transferred to a Downstate Police pension fund, shall be deemed to have become a police officer and member of the Downstate Police pension fund on the date that he or she first became a member of IMRF, for the purposes of determining the applicable tier of benefits.

SURS

HB 5114 also provides that Tier 2 members of the State Universities Retirement System (SURS) who have at least 20 years of service with SURS as a police officer or firefighter is entitled to a retirement annuity of 2.25% of final rate of earnings for the

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first 10 years, then 2.5% for the next 10 years, and then 2.75% for all subsequent years, as soon as they reach 60 years of age.

JL:bj LRB100 20024 RPS 35306 b