COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

100TH GENERAL ASSEMBLY

BILL NO: SB 2490, as amended by SA 1

April 26, 2018

SPONSOR (S): Althoff

SYSTEM(S): Downstate Police & Downstate Fire

FISCAL IMPACT: According to the Department of Insurance, the Public Pension Division cannot meet the requirement of the existing statute without additional resources. SB 2490, as amended by SA 1, would allow the DOI to more efficiently audit all 655 Downstate Police and Fire pension funds based on specified criteria.

<u>SUBJECT MATTER</u>: SB 2490, as amended by SA 1, would remove the 3-year requirement for examining every Downstate Police and Fire pension fund, and instead allow the Pension Division to determine how often each fund should be examined based on specified criteria as described below.

<u>COMMENT</u>: Under current law, the Public Pension Division of DOI is required to examine all 655 Downstate Police and Fire pension funds once every 3 years. Under SA 1 to SB 2490, the reviews shall be conducted on a periodic basis as determined by the Public Pension Division based on a risk review across all funds. The bill specifies the criteria for the risk review, and includes factors such as the funding level, employer contribution history, and investment returns, among others.

DH LRB100 15959 MJP 38982 a