

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 100TH GENERAL ASSEMBLY

BILL NO: **SB 3175**

February 27, 2018

SPONSOR (S): Jones

SYSTEM(S): Chicago Fire

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**FISCAL IMPACT:** The fiscal impact of SB 3175 is not known at this time. An updated impact note will be issued when an actuarial study is made available by the pension fund.

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**SUBJECT MATTER:** SB 3175 amends the Chicago Fire article of the Pension Code. The bill changes the criteria for the rate of growth of the Tier 2 pensionable salary cap.

**COMMENT:** P.A. 96-1495, The Police and Fire Tier 2 Pension Act of 2010, implemented a cap on pensionable salary for those firefighters hired on or after January 1, 2011 (Tier 2). The cap was set at \$106,800, but this amount is to be annually increased by the lesser of 3% or one-half the annual unadjusted percentage increase in the CPI-U. SB 3175 provides that beginning in 2019, the pensionable salary cap shall be increased by *the greater of* the foregoing amounts.

DH:bj

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