

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

100TH GENERAL ASSEMBLY

BILL NO: **SB 3196**

March 9, 2018

SPONSOR (S): Mulroe

SYSTEM(S): Chicago Fire

FISCAL IMPACT: SB 3196 would have a fiscal impact to the extent the shorter FAS period is utilized by Tier 2 firefighters. A cost study from the fund's actuary would be necessary to determine the impact.

SUBJECT MATTER: SB 3196 amends the Chicago Fire pension code to create an additional final average salary period (FAS) for Tier 2 firefighters as described below.

COMMENT: Upon enactment of P.A. 96-1495, the Police and Fire Tier 2 Act of 2010, for police and fire personnel hired after January 1, 2011, the final average salary period for purposes of calculating a retirement annuity is based on the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest. SB 3196 changes this final average salary period to the greater of the foregoing *or* the average monthly salary during the 48 months of service within the last 120 months of service in which the total salary was the highest.

DH:bj

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