

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **HB 0302**

February 4, 2009

SPONSOR (S): Hoffman

SYSTEM(S): Downstate Police Article

FISCAL IMPACT: The Commission's actuary performed a cost study on HB 5158 from the 95th General Assembly under the assumption that the percentage of retired police officers who would have a surviving spouse eligible to receive a survivor's pension would increase from 80% to 85% (the provisions of HB 5158 are substantially similar to this bill). Based on the above assumption, the estimated statewide costs involved with the proposed change would be as follows:

Increase in total actuarial liability	\$61,453,000
Increase in total annual costs	5,943,000
Increase in total annual costs as a percent of payroll	0.77%

Cont. on Table 1 see Page 2

SUBJECT MATTER: HB 0302 amends the Downstate Police Article of the Illinois Pension Code to allow the surviving spouse and children of a retired police officer to receive a survivor's pension if the marriage took place after the police officer retired and the surviving spouse was married to the retired police officer for at least one year.

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COMMENT: Currently, surviving spouses and children of deceased police officers shall not receive a survivor’s pension upon the death of the officer if the police officer married after retirement. HB 0302 allows surviving spouses and children of police officers, beginning January 1, 2010, to receive a survivor’s pension if the surviving spouse was married to the retired police officer for at least one year immediately preceding the retired officer’s death. The bill also provides that survivors who become eligible for a survivor’s benefit as a result of this Act will begin to accrue benefits on the first day of the month following the month in which an application for that pension is received by the Board, but no sooner than January 1, 2010, and not before the repayment, with interest, of any refund of contributors previously received from a Downstate Police Fund.

Table 1. Cost estimates for five individual Police Pension Funds	
<u>Springfield Police Pension Fund</u>	
Increase in total actuarial liability	\$1,477,000
Increase in total annual costs	135,000
Increase in total annual costs as a percent of payroll	0.84%
<u>Champaign Police Pension Fund</u>	
Increase in total actuarial liability	\$879,000
Increase in total annual costs	71,000
Increase in total annual costs as a percent of payroll	0.98%
<u>Morton Grove Police Pension Fund</u>	
Increase in total actuarial liability	\$446,000
Increase in total annual costs	37,000
Increase in total annual costs as a percent of payroll	1.05%
<u>Wilmette Police Pension Fund</u>	
Increase in total actuarial liability	\$380,000
Increase in total annual costs	33,000
Increase in total annual costs as a percent of payroll	0.97%
<u>Arlington Heights Police Pension Fund</u>	
Increase in total actuarial liability	\$856,000
Increase in total annual costs	77,000
Increase in total annual costs as a percent of payroll	0.93%

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