

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **HB 0895, as engrossed**

March 27, 2009

SPONSOR (S): McGuire (Cullerton - Harmon)

SYSTEM(S): Downstate Police Pension Funds

FISCAL IMPACT: The commission's actuary has completed a cost study for HB 0895, as engrossed. The results of the cost study are shown below on a statewide basis:

Increase in total actuarial liability	\$321,000
Increase in total annual costs	\$20,000
Total members impacted	70

SUBJECT MATTER: HB 0895, as engrossed, amends the Downstate Police Article of the Illinois Pension Code to provide non-compounded automatic annual increases in certain duty disability pensions.

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COMMENT: Currently, Downstate Police officers are entitled to a duty disability pension equal to the greater of: a) 65% of the salary attached to the rank on the police force held by the officer at the date of suspension of duty or retirement, or b) the retirement pension that the police officer would be eligible to receive if he or she retired (excluding automatic annual increases). Under current law, duty disability pensions are not increased until the police officer reaches age 60.

HB 0895, as engrossed, provides that the monthly pension of a police officer who receives a line of duty disability pension who was hired on or before January 1, 1979 and who received a line of duty benefit on or after January 1, 1993, with at least 14 years of service, and who applies within 6 months of the effective date of this Act shall have his or her disability benefit increased in January of the year following the year he or she attains age 50 by 3% of the original grant of pension for each year he or she receives pension payments. The bill also stipulates that in each January thereafter, the police officer shall receive an additional 3% of the original pension.

DH:dkb

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