

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **HB 0895**

February 18, 2009

SPONSOR (S): McGuire

SYSTEM(S): Downstate Police

FISCAL IMPACT: The fiscal impact of HB 0895 cannot be calculated as the number of affected employees is unknown. Those funds that have annuitants who would qualify for the annual increase set forth in this legislation would experience some increase in their accrued liabilities.

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

FISCAL IMPACT: The fiscal impact of HB 0895 cannot be calculated as the number of affected employees is unknown. Those funds that have annuitants who would qualify for the annual increase set forth in this legislation would experience some increase in their accrued liabilities.

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 never increased.

HB 0895 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.

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