

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **HB 6152**

February 23, 2010

SPONSOR(S): Hoffman

SYSTEM(S): Downstate Police

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**FISCAL IMPACT:** There is no discernable fiscal impact associated with HB 6152 for prospective service. For past service credit, any police officers who qualify under HB 6152 will pay all employee contributions, employer contributions, and interest at the actuarially assumed rate from the time the service was rendered until the date of payment.

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**SUBJECT MATTER:** HB 6152 amends the Downstate Police Article of the Illinois Pension Code to allow a police officer employed by the Village of Glen Carbon to participate in the police pension fund, provided that the officer is otherwise qualified to participate in the fund but was excluded by reason of his or her failure to make a written application to the Board within three months of his or her appointment as police officer, and to establish creditable service for periods of employment as a police officer during which he or she did not participate.

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**COMMENT:** Currently, the Illinois Pension Code stipulates that membership in a Downstate Police pension fund is contingent upon becoming a sworn police officer in a municipality that has established such a fund. The police officer must, within three months of his or her first appointment or reappointment, make a written application to the board of trustees of the pension fund in order to establish membership in the police pension fund.

HB 6152 allows a police officer who was excluded from participation in the Glen Carbon police pension fund by reason of his or her failure to make written application to the Board within three months of his or her first appointment or reappointment to

elect to the participate in the fund. The police officer must make a written application to the board no later than January 1, 2011, and shall begin participation on the first day of the month following the month in which the application is received by the board.

In addition, HB 6152 allows these persons to elect to establish creditable service for periods of employment as a police officer during which they did not participate by paying into the police pension fund, before July 1, 2011:

- (1) employee contributions that the person who have contributed had deductions from salary been made for this purpose at the time the service was rendered,
- (2) employer contributions that the employer would have contributed had deductions from salary been made for this purpose at the time the service was rendered, plus
- (3) interest at the actuarially assumed interest rate, compounded annually, from the time the service was rendered until the date of payment.

HB 6152 amends the State Mandates Act to require implementation without reimbursement.

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