

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 96TH GENERAL ASSEMBLY

BILL NO: SB 0039, as amended by HA 5

May 28, 2009

SPONSOR (S): Althoff – Bivins, et al. (Bost)

SYSTEM(S): Downstate Fire Pension Funds

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**FISCAL IMPACT:** The commission's actuary has completed a cost study of SB 0039, as amended by HA 5. The results of the cost study are shown below for all Downstate fire pension funds statewide:

Increase in total actuarial liability	\$3,859,000
Increase in total annual costs	\$237,000
Total retirees impacted	100
Average age of retirees impacted	86

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**SUBJECT MATTER:** SB 0039, as amended by HA 5, amends the Downstate Fire article of the Illinois Pension Code. The bill grants 3% compounded increases to firefighters who retired before July 1, 1977 as outlined in the Comment section below.

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Increase in total annual costs	\$237,000
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**COMMENT:** SB 0039, as amended by HA 5, provides that in July 2009, the monthly pension of a firefighter who retired before July 1, 1977 shall be recalculated and increased to reflect the amount that the firefighter would be receiving in July 2009 had the firefighter been receiving a 3% compounded increase for each year since January 1, 1986, plus any increases in pension received for each year prior to January 1, 1986. In each January thereafter, additional increases of 3% of the current amount of pension would be provided.

DH:bj

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