

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **SB 550, as amended by SA 1** March 18, 2010
SPONSOR (S): DeLeo
SYSTEM(S): Chicago Police

FISCAL IMPACT: The fiscal impact of SB 0550, as amended, cannot be calculated as the number of persons impacted is not known. To the extent that the amounts transferred from the Chicago Fire pension fund are less than the increase in the present value of the police pension, there will be a negative impact upon the Chicago Police fund.

SUBJECT MATTER: SB 0550, as amended by SA 1, amends the Chicago Police and Chicago Fire articles of the Illinois Pension Code to provide for the transfer of up to ten years of service credit from the Chicago Fire fund to the Chicago Police fund. The bill, as amended, stipulates that this transfer must take place within six months of this Amendatory Act.

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COMMENT: The exact fiscal impact of SB 0550, as amended by SA1, cannot be calculated as the number of Chicago Police fund members who may qualify for this service credit transfer provision is unknown. If there is a deficiency between the normal cost amounts transferred from the Chicago Fire pension fund and the Chicago police pension fund, the Chicago Police fund will be negatively impacted.

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