

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **SB 1827**

March 4, 2009

SPONSOR (S): Noland

SYSTEM(S): Downstate Firefighters' Pension Funds, Illinois Municipal Retirement Fund

FISCAL IMPACT: The fiscal impact of SB 1827 cannot be determined as the number of firemen wanting to transfer service credit from the Illinois Municipal Retirement Fund to a Downstate Firefighters' Pension Fund is unknown. However, because these firemen will not be paying the difference between the employer contributions transferred from IMRF and the employer's normal cost for the service to be established in the Downstate Fire pension fund, there will be a negative fiscal impact upon Downstate Fire pension funds.

SUBJECT MATTER: SB 1827 amends the Downstate Firefighters and Illinois Municipal Retirement Fund Articles of the Illinois Pension Code to permit firefighters to transfer into their Downstate Firefighters' Retirement System all prior retirement service credit as a firefighter, paramedic or EMT under the Illinois Municipal Retirement System.

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COMMENTS: If a firefighter, paramedic or EMT previously earned retirement service credit in the Illinois Municipal Retirement Fund, SB 1827 permits the transfer of this service credit and all associated funds to the individual's account in the Downstate Firefighters' Pension Fund. SB 1827 requires that the firefighter pays only the employee contribution, plus 6% annual interest, less the amount transferred in from the Illinois Municipal Retirement Fund.

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