

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **SB 3022**

February 19, 2010

SPONSOR (S): Jacobs

SYSTEM(S): Downstate Police, Chicago Police

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**FISCAL IMPACT:** The exact fiscal impact of SB 3022 cannot be calculated as the number of police officers who may wish to purchase up to two years of service credit for military service is unknown. Since the bill requires the officer to contribute an amount equal to the employee contribution, the employer's normal cost, plus interest, the cost should be minimal.

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**SUBJECT MATTER:** SB 3022 amends the Downstate and Chicago Police articles of the Pension Code to allow police officers to establish creditable service for up to 2 years of military service before employment. The bill requires payment of employee and employer contributions, plus interest at the actuarially assumed rate of return.

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**COMMENT:** Currently, under the Downstate Police article of the Pension Code, members may qualify for up to 5 years of creditable service for all periods of service in the military, naval, and air forces of the United States entered upon while an active police officer of a municipality. Neither the Chicago Police nor the Downstate Police articles of the Pension Code currently allow for the purchase of military service that was rendered prior to employment. SB 3022 allows officers to purchase up to two years of military service rendered before employment by making all applicable payments to the pension fund.