

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 96TH GENERAL ASSEMBLY

BILL NO: **SB 3105**

February 17, 2010

SPONSOR (S): DeLeo

SYSTEM(S): Chicago Fire

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**FISCAL IMPACT:** The fiscal impact of SB 3105 has not been calculated, but would negatively impact the accrued liabilities of the pension fund.

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**SUBJECT MATTER:** SB 3105 amends the Chicago Fire article of the Pension Code to provide for 3% annual increases in retirement annuities at age 55 if the fireman was born before January 1, 1960 (currently January 1, 1955).

**FISCAL IMPACT:** The fiscal impact of SB 3105 has not been calculated, but would negatively impact the accrued liabilities of the pension fund.

**COMMENT:** Currently, under the Chicago Fire article of the Pension Code, annuitants who attain age 60 are entitled to a 3% non-compounded annual increase with no maximum, or at age 55 if they were born before January 1, 1955. Annuitants born after January 1, 1955 are entitled to a 1.5% non-compounded annual increase, subject to a 30% maximum. P.A. 93-0654, which became effective on January 16, 2004, extended the 3% annual increase to firefighters at age 55 if they were born after December 31, 1944 but before January 1, 1955; the Act also eliminated the 30% maximum increase for these annuitants.

SB 3105 extends the 3% non-compounded annual increase and removes the 30% maximum for firefighters at age 55 if they are born after December 31, 1954 but before January 1, 1960.

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