

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 97TH GENERAL ASSEMBLY

BILL NO:            **HB 3332, as amended by HA #1**                       March 18, 2011  
SPONSOR(S):        Poe  
SYSTEM(S):         Illinois Municipal Retirement Fund, Downstate Police

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**FISCAL IMPACT:** The fiscal impact of HB 3332, as amended, cannot be determined as the amount of service credit to be transferred from Downstate police pension funds to IMRF is not known. The bill requires the member to pay the difference between employer and employee contributions transferred and the amounts that would have been contributed at the rates applicable to an IMRF employee, plus interest at the actuarially assumed rate, compounded annually, from the date of service to the date of payment. Therefore, the cost should be minimal.

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**SUBJECT MATTER:** HB 3332, as amended, provides for police service credit transfers from Downstate police pension funds to the Illinois Municipal Retirement Fund.

**FISCAL IMPACT:** The fiscal impact of HB 3332, as amended, cannot be determined as the amount of service credit to be transferred from Downstate police pension funds to IMRF is not known. The bill requires the member to pay the difference between employer and employee contributions transferred and the amounts that would have been contributed at the rates applicable to an IMRF employee, plus interest at the actuarially assumed rate, compounded annually, from the date of service to the date of payment. Therefore, the cost should be minimal.

**COMMENT:** Until January 1, 2009, an active member of IMRF who had accumulated service credit in a Downstate police pension fund was allowed to transfer up to 8 years of that service credit to IMRF upon payment to IMRF of an amount equal to the difference between employer and employee contributions transferred and the amount that would have been contributed had such contributions been made at the rates applicable to an IMRF employee, plus interest at the effective rate for each year, compounded annually, from the date of service to the date of payment. HB 3332, as amended, provides for 60 days after the effective date of this amendatory Act of the

97th General Assembly, an active member of IMRF may transfer to IMRF up to 10 years of service credit accumulated in a Downstate police pension fund upon payment to IMRF of an amount equal to the difference between employer and employee contributions transferred and the amounts that would have been contributed had such contributions been made at the rates applicable to an IMRF employee, plus interest at the actuarially assumed rate, compounded annually, from the date of service to the date of payment. In addition, for up to 60 days after the effective date of this amendatory Act, any active member of IMRF may reinstate all or any portion of his or her service that was terminated by receipt of a refund, by payment to the police pension fund of the amount of the refund with interest at the actuarially assumed rate, compounded annually, from the date of the refund to the date of payment.

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