

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

97TH GENERAL ASSEMBLY

BILL NO: **SB 1902**

February 15, 2011

SPONSOR(S): Risinger

SYSTEM(S): Downstate Police, IMRF

FISCAL IMPACT: The Department of Insurance estimates that 24 communities exceeded 5,000 in population for the first time based upon a preliminary review of unofficial 2010 census data. Therefore, these would be the only communities impacted by this bill. To the extent that the bill requires members transferring service credit from IMRF to a Downstate Police pension fund to pay the true cost of the service credit transfer, there should be no negative fiscal impact upon the 24 newly-created pension funds.

SUBJECT MATTER: SB 1902 amends the Downstate Police Article of the Illinois Pension Code to provide that if the true cost of establishing service credit in a downstate police pension from IMRF is more than the amount transferred by the police officer, then the amount of creditable service the police officer may establish will be reduced by an amount equal to the difference between those two amounts, as determined by the board of the downstate police pension fund.

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COMMENT: SB 1902 amends the Downstate Police Article of the Pension Code to allow if, as a result of the publication of the 2010 federal census data, a city, village, or incorporated town is first recognized as having a population of 5,000 or more inhabitants and is, therefore, required to create a police pension fund, then an employee of such a city, village, or town who transfers credit from IMRF to a downstate police pension fund must pay the true cost of establishing service credit in the downstate police pension fund. If the board determines that the amount transferred is less than the

true cost to the downstate pension fund of allowing service credit to be transferred, then the amount of creditable service the police officer may establish will be reduced by an amount equal to the difference between those two amounts, as determined by the board.

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