

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

98TH GENERAL ASSEMBLY

BILL NO: **HB 2656**

March 4, 2013

SPONSOR(S): Senger

SYSTEM(S): Illinois Municipal Retirement Fund (IMRF)

FISCAL IMPACT: This bill will have an indiscernibly small but positive impact upon IMRF, as this bill solely improves the Fund's service credit transfer methodology.

SUBJECT MATTER: HB 2656 amends the Illinois Municipal Fund article of the Illinois Pension Code by amending the provision governing police chief transfers of credit into IMRF.

FISCAL IMPACT: This bill will have an indiscernibly small but positive impact upon IMRF, as this bill improves the Fund's service credit transfer methodology.

COMMENT: As of current law, a police chief participating in a local police retirement fund (as governed by Article 3 of the Illinois Pension Code) may make an irrevocable election to transfer credit from said fund into IMRF. IMRF currently utilizes an average when converting Article 3 police chief credit into IMRF Sheriff's Law Enforcement Personnel (SLEP) credit.

HB 2656 adds a provision to the process of transferring credit, such that if the actuarial monetary equivalent to the police chief's credit is insufficient to claim similar credit in IMRF, he must either make a one-time contribution to cover the difference or accept the reduction in credit. Essentially, this bill stipulates IMRF must make actuarially-sound conversions when accepting credit from an Article 3 police chief.

MD:dkb

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