COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

98TH GENERAL ASSEMBLY

BILL NO: **HB 5310** February 10, 2014

SPONSOR (S): Burke

SYSTEM(S): Chicago Firefighters

FISCAL IMPACT: HB 5310 would increase the accrued liabilities of the Firemen's Annuity and Benefit Fund. An actuarial impact study has not been performed for this bill.

SUBJECT MATTER: HB 5310 amends the Chicago Firefighters Article of the Illinois Pension Code to allow firemen who were born after December 31, 1954 and began service before January 1, 2011 that qualify for a minimum annuity, to receive a 3% increase annually.

FISCAL IMPACT: HB 5310 would increase the accrued liabilities of the Firemen's Annuity and Benefit Fund. An actuarial impact study has not been performed for this bill.

COMMENT: Under current law, Chicago Firefighters born after December 31, 1944 but before January 1, 1955 that qualify for a minimum annuity receive a non-compounded 3% increase annually. Firefighters born after January 1, 1955 are eligible for an annual, non-compounded increase of 1.5%, subject to a 30% maximum. Beginning December 1, 2014, HB 5310 would expand 3% automatic annuity increases to all firemen who meet the requisite age and service requirements, so long as they began service prior to January 1, 2011. Any employee that this amendatory Act applies to, who has not yet received an initial 3% increase under this amendatory ACT, is eligible to receive the increased COLA on December 1, 2014, the first anniversary of the date of retirement, or attainment of age 55, whichever occurs last.

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