

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

98TH GENERAL ASSEMBLY

BILL NO: **SB 3021**

February 13, 2014

SPONSOR (S): Mulroe

SYSTEM(S): Chicago Police

FISCAL IMPACT: SB 3021 would increase the accrued liabilities of the pension fund. An actuarial impact study has not been performed for this bill

SUBJECT MATTER: SB 3021 amends the Chicago Police article of the Illinois Pension Code to allow policemen retirees born after January 1, 1955 with at least 20 years of service credit, to receive a 3% automatic non-compounded annual increase in addition to being exempt from the 30% maximum increase.

FISCAL IMPACT: SB 3021 would significantly increase the accrued liabilities of the pension fund. An actuarial impact study has not been performed for this bill.

COMMENT: Under current law, Chicago Policemen who retire from service with 20 years of service who are born after January 1, 1955 only receive a 1½% increase annually and are subject to a 30% maximum cumulative increase. SB 3021 would expand automatic increases to retiree pensions to 3% non-compounded annually. It will also remove the 30% maximum cumulative increase cap. Any employee that this Act applies to, who has not yet received an initial increase under this Act, is eligible to receive the increased COLA on January 1, 2015, the first anniversary of the date of retirement, or attainment of age 55, whichever occurs last.

RSR: bj

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