

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

99TH GENERAL ASSEMBLY

BILL NO: **HB 1320**

February 6, 2015

SPONSOR (S): Wehrli

SYSTEM(S): Downstate Police

FISCAL IMPACT: HB 1320 should have a positive fiscal impact on Downstate Police pension funds to the extent that it prevents pensions from being paid to active police officers and chiefs of police who would otherwise receive them. The number of persons impacted is unknown, but is presumed to be small.

SUBJECT MATTER: HB 1320 amends the Downstate Police Article of the Illinois Pension Code. The bill contains provisions for suspension of annuities for chiefs of police who return to service from municipalities other than those from which they have retired. The bill also contains a provision for chiefs who wish to participate in IMRF under which the chief must give notice of his or her active service to both IMRF and every Downstate Police pension fund in which the chief has service credit.

FISCAL IMPACT: HB 1320 should have a positive fiscal impact on Downstate Police pension funds to the extent that it prevents pensions from being paid to active police officers and chiefs of police who would otherwise receive them. The number of persons impacted is unknown, but is presumed to be small.

COMMENT: HB 1320 amends the Downstate Police Article of the Illinois Pension Code. For a person who first enters service after the effective date of this bill and is receiving a pension and enters service as a police officer with a different municipality from that which he or she retired, this bill requires the annuitant/officer to notify the pension fund making the pension payments. Once notified, the pension fund making the payments will cease payments while the officer is in service. This stipulation also applies to persons who begin service after the effective date as a chief of police. In all cases, the pension shall resume upon the termination of employment as a police officer or a chief.

For active police officers, the only annuity suspension provision of HB 1320 that is applicable relates to officers who return to service with the same municipality from

which they retired. In those cases, pension payments shall be suspended while the officer is in service. When the officer retires, pension payments shall resume. This aspect of the bill pertaining to current officers would appear to be a refinement of existing law since the current re-entry to active service provision in Article 3 does not explicitly make a reference to officers who re-enter service with the municipality from which they are retired. HB 1320 creates such an explicit reference, and should address situations in which this issue has arisen.

DH:dkb

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