

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

99TH GENERAL ASSEMBLY

BILL NO: **HB 5936**

April 1, 2016

SPONSOR (S): Wehrli

SYSTEM(S): Downstate Police and Downstate Fire

FISCAL IMPACT: Due to the low frequency of instances of retirees returning to work with the same municipality, it is uncertain to what extent HB 5936 would fiscally impact the Downstate Police and Fire Pension Funds. However, this bill is designed to prevent police and firefighters from receiving pension payments while they are in active service, which will likely result in a reduction in cost to the Fund in instances where an annuity would otherwise be payable

SUBJECT MATTER: HB 5936 amends the Downstate Police and Fire articles of the Pension Code. The bill would prevent retirees from receiving pension payments, when they return to active service with the same municipality.

COMMENT: HB 5936 provides that if a police officer or firefighter who is receiving pension payments re-enters active service in the same municipality from which he or she retired, pension payments shall be suspended while he or she is employed by that municipality.

HB 5936 also provides that any firefighter that returns to active service after an initial retirement for at least 5 years, shall have his or her monthly pension based on his or her salary at the date of last retirement. This is an adjustment to current law which states that a firefighter need only return to active service for 3 years to be eligible.

JL:dkb

LRB099 16155 RPS 40481 b