

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **HB 0972**

February 20, 2007

SPONSOR(S): McAuliffe

SYSTEM(S): Chicago Police Pension Fund

FISCAL IMPACT: HB 0972 would not increase the current required retiree health insurance subsidy to the City of Chicago. It would increase the annual costs of the city health care plan.

SUBJECT MATTER: HB 0972 amends the Chicago Police Article of the Pension Code to provide that retirees of the Chicago Police Pension Fund will pay no higher premium and receive no lower level of benefits than active police officers with the same Medicare status, beginning January 1, 2008.

FISCAL IMPACT: HB 0972 would not increase the current required retiree health insurance subsidy to the City of Chicago. It would increase the annual costs of the city health care plan.

COMMENT: Currently, the Chicago Police Pension Fund pays to the City of Chicago a retiree health insurance subsidy. Until June 30, 2008, the subsidy is \$85 per month for annuitants not eligible for Medicare and \$55 per month for annuitants eligible for Medicare. From June 30, 2008 through June 30, 2013, the subsidy will be \$95 per month for annuitants not eligible for Medicare and \$65 per month for annuitants eligible for Medicare. HB 0972 does not change the amount of the subsidy, but requires the City to provide that retirees of the Chicago Police Pension Fund will pay no higher premium and receive no lower level of benefits than active police officers with the same Medicare status, beginning January 1, 2008.

The bill specifies this provision is a limitation on the concurrent exercise of home rule power under the Illinois Constitution.

HB 0972 amends the State Mandates Act to require implementation without reimbursement.

DH:dkb

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