

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

**REVISED**

BILL NO:             **HB 4644**                                     February 28, 2008  
SPONSOR (S):       Moffitt  
SYSTEM(S):         Downstate Firefighters' Article

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**FISCAL IMPACT:** According to the Public Pension Division of the Department of Financial and Professional Regulation the total cost to municipalities for all 29 retirees for the first year will be \$50,000 statewide. Out of the 29 retirees, ranging from 81 to 99 years of age, the present value increase in benefits expected to be distributed to the individuals and their spouses will be \$325,000.

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**SUBJECT MATTER:** HB 4644 amends the Downstate Firefighter Article of the Illinois Pension Code to allow the monthly pension of a firefighter who retired before July 1, 1971 to be recalculated and increased to reflect the amount that the firefighter would have received in January 2009 had the firefighter been receiving a 3% increase for each year he or she received pension payments. This bill also provides that he or she shall receive an additional increase of 3% of the amount of the pension then being paid.

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**COMMENT:** Currently, if a Downstate firefighter retired before July 1, 1971 with 20 or more years of service, the firefighter shall be entitled to an annual increase in annuity equal to 2% of the original monthly pension (non-compounded) after attainment of age 65. HB 4644 states that in January 2009, the monthly pension of a firefighter who retired before July 1, 1971 shall be recalculated and increased to reflect the amount that the firefighter would have received in January 2009 had the firefighter been receiving a 3% increase for each year he or she received pension payments. In each

January thereafter, the retired firefighter shall receive an additional increase of 3% of the amount of the pension then being paid.

HB 4644 amends the State Mandates Act to require implementation without reimbursement.

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