

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **HB 4644**

February 7, 2008

SPONSOR (S): Moffitt

SYSTEM(S): Downstate Firefighters' Article

FISCAL IMPACT: The fiscal impact of HB 4644 cannot be calculated, but is expected to be minor as there are likely very few living annuitants who retired before 1971.

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.

FISCAL IMPACT: The fiscal impact of HB 4644 cannot be calculated, but is expected to be minor as there are likely very few living annuitants who retired before 1971.

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, he or she 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.

BB:dkb
LRB095 15138 AMC 41101 b