

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **SB 0065**

February 7, 2007

SPONSOR (S): Silverstein

SYSTEM(S): Downstate Police

FISCAL IMPACT: SB 0065 will have a positive fiscal impact on Downstate Police pension funds as the bill will eliminate delays that certain funds experience in receiving the pension tax levy from the municipality.

SUBJECT MATTER: SB 0065 amends the Downstate Police Article of the Illinois Pension Code to provide for the transfer of property tax proceeds to the boards of trustees of Downstate Police pension funds within 30 days of receipt by the county in which the pension fund is located.

FISCAL IMPACT: SB 0065 will have a positive fiscal impact on Downstate Police pension funds as the bill will eliminate delays that certain funds experience in receiving the pension tax levy from the municipality.

COMMENT: Municipalities that have Downstate Police (Article 3) pension funds levy a tax upon all taxable property for the purpose of making employer contributions to the pension fund. The Illinois Pension Code stipulates that the tax levy should be sufficient to fund the pension fund's "normal cost" (the present value of the benefits earned in a given year) plus some portion of the unfunded liability, if the pension fund is less than 100% funded. P.A. 94-0859 (SB 2740) amended the Downstate Firefighters' Article of the Illinois Pension Code to provide for the transfer of property tax proceeds to the treasurer of Downstate Fire pension funds within 30 days of receipt by the county in which the pension fund is located. SB 0065 mirrors the requirement in P.A. 94-0859 that proceeds from the pension tax levy be forwarded to the treasurer of the Downstate Police pension fund within 30 days after receipt by the county.

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