COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **SB 826, as engrossed** April 18, 2007

SPONSOR (S): Maloney – Jones, E. (Brosnahan)

SYSTEM(S): Downstate Police Article

FISCAL IMPACT: The fiscal impact of SB 826, as engrossed, affects the now-defunct police pension fund for the Village of Hometown. The bill, as engrossed, will not impact any other Downstate Police Pension Fund.

SUBJECT MATTER: SB 826, as engrossed, amends the Downstate Police Article of the Illinois Pension Code. The bill provides that a municipality having a population of less than 5,000 may terminate its participation under the Downstate Police Article and close its fund under specified circumstances.

FISCAL IMPACT: The fiscal impact of SB 826, as engrossed, affects the now-defunct police pension fund for the Village of Hometown. The bill, as engrossed, will not impact any other Downstate Police Pension Fund.

COMMENT: SB 826, as amended, allows for the termination of participation under the Downstate Police Article if: (1) an independent auditor certifies that the fund has no liabilities; and (2) by ordinance, the fund can be closed by corporate authorities of the municipality. The bill also provides that if a municipality terminates participation under this Article and wants to reinstate the fund, the proposition to re-adopt the Article must be submitted and voted on by the voters of the municipality.

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