

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 95TH GENERAL ASSEMBLY

BILL NO: **SB 1185**

October 10, 2007

SPONSOR (S): DeLeo

SYSTEM(S): Chicago Police Pension Fund

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**FISCAL IMPACT:** The fund's actuary examined the impact of increasing the duty disability benefit in January of 2006 utilizing information contained in the fund's December 31, 2004 actuarial valuation. The results of that cost study are shown in the chart below:

	Current Law	SB 1185
Accrued Liability	\$7.382 M	\$7.391 M
Funding Ratio	53.3%	53.2%

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**SUBJECT MATTER:** SB 1185 amends the Chicago Police Article of the Illinois Pension Code, by increasing the duty disability benefit to 75% of the current salary attached to the rank held by the police officer at the time of the officer's removal from the police department payroll beginning January 1, 2008.

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**COMMENT:** Currently, an active Chicago police officer who becomes disabled during the performance and discharge of his or her duties as a police officer has a right to receive duty disability benefits equal to 75% of his or her salary at the time the

disability benefit is granted. Current law also stipulates that a duty disability pension that has been payable for at least 7 years cannot fall below 60% of the current salary attached to the rank held by the police officer at the time of his or her removal from the payroll. If the pension fund board determines that the officer is permanently disabled, the Fund must pay the officer a duty disability equal to 75% of the current salary attached to the rank held by the police officer at the time of his or her removal from the police department payroll. SB 1185 states beginning on January 1, 2008, no duty disability benefit shall be less than 75% of the current salary attached to the rank held by the police officer at the time of removal from the police department payroll, regardless of whether that removal occurred before the effective date of this amendatory Act.

SB 1185 amends the State Mandates Act to require implementation without reimbursement.

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