

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 95TH GENERAL ASSEMBLY

BILL NO: **SB 2066**

March 10, 2008

SPONSOR(S): DeLeo

SYSTEM(S): Chicago Police Pension Fund

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**FISCAL IMPACT:** The fund's actuary studied the impact of SB 2066 by analyzing the increase in accrued liabilities and annual costs associated with a sample of 50 police officers who transfer varying amounts of service credit based on age and years of service. Based on that sample, SB 2066 would increase the unfunded liabilities of the Chicago Police pension fund by \$1.7 million.

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**SUBJECT MATTER:** SB 2066 amends the Chicago Police Article of the Pension Code to allow active members of the Fund with at least 5 years of service credit to establish up to 10 years of service credit for service as a police officer under various other articles in the Illinois Pension Code.

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**COMMENT:** SB 2066 allows active members of the Chicago Police Pension Fund with at least 5 years of service credit to establish up to 10 years of service credit in that fund for police service under Article 3 (Downstate Police), Article 7 (IMRF), Article 9 (Cook County), Article 10 (Cook County Forest Preserve), Article 13 (MWRD), Article 14 (SERS), Article 15 (SURS), the Chicago Transit Authority, or as a law enforcement officer with the Chicago Housing Authority. The employee must make a payment to the fund equal to the employee and employer contributions (as determined by the Fund), plus 4% interest compounded annually from the date of first participation to the date of payment. The bill specifies that rollovers from qualified retirement plans may be used to make the required employee contributions.

SB 2066 amends the State Mandates Act to require implementation without reimbursement.

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