

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 95TH GENERAL ASSEMBLY

BILL NO: **SB 2362, as amended by SA #1**

March 7, 2008

SPONSOR (S): Cronin

SYSTEM(S): Downstate Firefighters' Article

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**FISCAL IMPACT:** The fiscal impact of SB 2362, as amended by SA #1, cannot be determined but is expected to be minimal as eligible firefighters must contribute employee and employer contributions, plus interest, and contributions equal to the first date of membership in the fund to the date of payment in order to establish optional military service credit

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**SUBJECT MATTER:** SB 2362, as amended by SA #1, amends the Downstate Firefighters' Article of the Illinois Pension Code allowing municipalities to permit members of a Downstate Firefighters' Pension Fund who served in the military prior to working in the municipality to receive up to 24 months of military service credit.

**FISCAL IMPACT:** The fiscal impact of SB 2362, as amended by SA #1, cannot be determined but is expected to be minimal as eligible firefighters must contribute employee and employer contributions, plus interest, and contributions equal to the first date of membership in the fund to the date of payment in order to establish optional military service credit.

**COMMENT:** Currently an active firefighter of a municipality who serves in the military, naval, or air force shall pay into the Downstate Firefighters' Fund the amount that would have been contributed had he or she been a regular contributor while away on active duty. SB 2362, as amended by SA #1, allows a governing municipality to allow members of the Downstate Firefighters' Retirement System who served in the military prior to municipal employment to receive up to 24 months of service credit. This bill provides that to receive credit for military service prior to employment as a firefighter, the firefighter must apply in writing within 6 months after the municipality elects to allow the service and must make contributions to the fund equal to (i) employee contributions that would have been required had service been rendered as a member, plus (ii) interest on items (i) and (ii) from the first date of membership in the fund to the date of payment. These provisions apply to employees in service on or after the effective date of this Act.

SB 2362, as amended by SA #1, amends the State Mandates Act to require implementation without reimbursement.

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