

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO:           **SB 2362, as amended by Senate Amendment 2**           April 10, 2008  
SPONSOR (S):       Cronin  
SYSTEM(S):         Downstate Firefighters' Article

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**FISCAL IMPACT:** The fiscal impact of SB 2362, as amended by Senate Amendment 2, cannot be determined but is expected to be minimal as eligible firefighters must contribute employee and employer contributions, plus interest, in order to establish optional military service credit

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**SUBJECT MATTER:** SB 2362, as amended by Senate Amendment 2, 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 establish up to 24 months of military service credit.

**FISCAL IMPACT:** The fiscal impact of SB 2362, as amended by Senate Amendment 2, cannot be determined but is expected to be minimal as eligible firefighters must contribute employee and employer contributions, plus interest, in order to establish optional military service credit.

**COMMENT:** Currently, firefighters who are called into active duty in the military, naval, or air force may establish up to 5 years of service credit for time spent on active military duty. SB 2362, as amended by Senate Amendment 2, allows members of Downstate Firefighters' Pension Funds who served in the military prior to municipal employment to receive up to 24 months of military service credit. The firefighter must apply in writing within 3 months after the effective date of the Act 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) an amount determined by the fund to be equal to the employer's normal cost of the benefits accrued for that military service, plus (iii) interest at the rate of 6% per year, compounded annually from the first date of membership in the fund to the date of payment on items (i) and (ii). These provisions apply to employees in service on or after the effective date of this Act.

SB 2362, as amended by Senate Amendment 2, amends the State Mandates Act to require implementation without reimbursement.

BB:bj  
LRB095 15085 AMC 48972 a