

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 100TH GENERAL ASSEMBLY

BILL NO: **HB 0618**

February 3, 2017

SPONSOR (S): Willis

SYSTEM(S): Downstate Police, Downstate Fire

---

**FISCAL IMPACT:** The fiscal impact for HB 0618 is unknown. The service credit transfers contemplated by the bill would need to be evaluated on a case-by-case basis. It is unknown whether the amounts that would be transferred from a Downstate Police fund would be sufficient to cover the increase in the present value of future benefits that a Downstate Fire pension fund would incur. The actuary for the affected Downstate Fire pension fund would need to make this calculation.

---

**SUBJECT MATTER:** HB 618 allows for the transfer of up to 6 years of service credit from a Downstate Police pension fund to a Downstate Fire pension fund within the same municipality, provided all the requisite payments are made from the police fund to the fire fund as described below.

**COMMENT:** In order to carry out the transfer of service of up to 6 years of service credit contemplated by HB 0618, a Downstate Police fund would be required to transfer to a Downstate Fire fund the following amounts:

- The amounts accumulated to the credit of the applicant on the books of the fund on the date of transfer for the service being transferred;
- Employer contributions in an amount equal to the amount determined under the foregoing requirement; and
- Any interest paid by the applicant in order to reinstate service.

For a firefighter who wishes to make the foregoing transfer of service credit, HB 0618 establishes that a firefighter who first became a police officer before Jan. 1, 2011 shall be considered a Tier 1 firefighter.

DH:dkb

LRB100 06100 RPS 16132 b