COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

100TH GENERAL ASSEMBLY

BILL NO: **HB 688, as amended by HA1** April 24, 2017

SPONSOR (S): Zalewski – Willis, et al.

SYSTEM(S): Downstate Firefighters and Chicago Firefighters

FISCAL IMPACT: It is difficult to discern the potential impact of HB 688, as amended by HA1. This bill would only affect Firefighters who earned serviceable credit under a Downstate Police pension fund and are now members of the Firemen's Annuity and Benefit Fund of Chicago. The number of firefighters who meet this criterion is currently unavailable. The fiscal impact of this legislation would need to be evaluated on a case-by-case basis by the Chicago Fire Pension Fund's actuary.

SUBJECT MATTER: HB 688 would allow Firefighters participating in the Firemen's Annuity and Benefit Fund of Chicago (FABF), that have attained creditable service in a Downstate Firefighter pension fund, to transfer up to 10 years of said service to FABF.

COMMENT: HB 688 amends the Downstate Firefighters and Chicago Firefighters Articles of the Illinois Pension Code. It would allow any active member of the Firemen's Annuity and Benefit Fund of Chicago (FABF) to apply for transfer of up to 10 years of creditable service from a Downstate Firefighter pension fund to FABF. Such creditable service shall be transferred only upon payment by such pension fund to FABF of an amount equal to:

1. The amounts accumulated to the credit of the applicant on the books of the fund on the date of transfer
2. Employer contributions equal to the amount described in (1)
3. Any interest paid by the applicant in order to reinstate service

HB 688, as amended by HA1, postpones the effective date of these provisions to 6 months after the effective date of this bill.

JL:dkb
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