

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

100TH GENERAL ASSEMBLY

BILL NO: **HB 2490**

February 15, 2017

SPONSOR (S): Bennett

SYSTEM(S): Downstate Police and Downstate Firefighters

FISCAL IMPACT: HB 2490 will likely have a slight positive fiscal impact on the Downstate Police and Downstate Fire pension funds, due to the mitigation of administrative expenses. It is difficult to discern the extent of potential savings at this time. An updated note will be submitted when more information becomes available.

SUBJECT MATTER: HB 2490 amends the Downstate Police and Downstate Firefighter articles of the Pension Code. Beginning with fiscal year 2018, participating municipalities may apply for reimbursement to the Department of Insurance of administrative costs.

COMMENT: HB 2490 amends the Downstate Police and Downstate Firefighters articles of the Illinois Pension Code in the following ways:

- Beginning with fiscal year 2018, a municipality that has a fund under the Downstate Police or Downstate Firefighters articles may apply to the Department of Insurance for reimbursement for administrative costs associated with the establishment and administration of that fund.
 - These reimbursements are subject to appropriation
 - In order to qualify, these funds must have been established after July 1, 2012
 - These administrative costs include, but are not limited to:
 - Legal fees
 - Actuarial analyses
 - Continuing education for board members
 - Other qualified costs determined by the Department of Insurance
 - Reimbursement under this section may only be made for administrative costs associated with the first 5 years after the establishment of the fund.

JL:dkb

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