COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

100TH GENERAL ASSEMBLY

BILL NO: **HB 4659, as amended by HA 3** April 26, 2018

SPONSOR (S): Martwick

SYSTEM(S): Chicago Police and Fire

FISCAL IMPACT: The fiscal impact of HB 4659, as amended by HA 3, is not known as an actuarial study has not yet been made available.

SUBJECT MATTER: HB 4659, as amended by HA 3, amends the Chicago Police and Fire articles of the Illinois Pension Code. The bill effectively grants the 3% non-compounded annual increase to all Tier 1 retirees, regardless of birthdate, provided the age and service requirements for a retirement annuity are fulfilled.

COMMENT: HB 4659, as amended by HA 3, amends the Chicago Police and Fire articles of the Illinois Pension Code. The bill grants the 3% non-compounded cost of living adjustment (COLA) to all Tier 1 retirees upon either the first of the month following the first anniversary of retirement if the person has attained age 55, or upon the first month following attainment of age 55 if it occurs after the first anniversary of retirement. Under current law, the 3% non-compounded COLA is granted to police officers and firefighters born before Jan. 1, 1966. Those born after this date are entitled to a non-compounded COLA of 1.5%, subject to a 30% maximum.

DH:bj
LRB100 17234 MJP 38828 a