

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 100TH GENERAL ASSEMBLY

BILL NO: **HB 4814**

March 23, 2018

SPONSOR (S): Zalewski

SYSTEM(S): Downstate Firefighter Pension Funds

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FISCAL IMPACT: HB 4814 would bring about an increase in municipal contributions as a result of the enhanced death benefit option. An actuarial review that examines various scenarios would be needed to approximate the cost.

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SUBJECT MATTER: HB 4814 proposes a change to calculating the death benefit for Tier 2 members of a Downstate Firefighter pension fund.

COMMENT: HB 4814 proposes an alternate formula for the death benefit of Tier 2 members of a Downstate Firefighter pension fund, who are not receiving a disability benefit, who die:

- As a result of any illness or accident;
- From any cause while in receipt of a disability pension;
- During retirement after 20 years of service;
- While vested for or in receipt of a pension; or
- While a deferred pensioner, having made all required contributions.

Under this bill, the survivors of the aforementioned deceased members shall receive a pension in the amount equal to the greater of:

- 54% of the firefighter's monthly salary at the date of death, or;
- 66 2/3% of the firefighter's earned pension at the date of death.

Under the Tier 2 law, P.A. 96-1495, the latter option, 66 2/3% of the firefighter's earned pension at the date of death, represents the current benefit.

JL:bj

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