

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

100TH GENERAL ASSEMBLY

BILL NO: **SB 1335, as amended by SA2 & SA3** April 18, 2018
SPONSOR (S): Bush – Martinez, et al.
SYSTEM(S): Downstate Firefighters

FISCAL IMPACT: SB 1335, as amended, is intended to address instances where a firefighter works a second firefighting job and contracts a disease or condition that could plausibly be related to the service with the primary employer and pension fund, and the primary employer is obligated to pay the full benefit attached thereto. The intent of the bill is to obligate the secondary employer to cover some of the cost of the benefit. The frequency with which such instances occur is not known, therefore the fiscal impact cannot be determined.

SUBJECT MATTER: SB 1335, as amended by SA2 & SA3, proposes that if a full-time firefighter became employed under a separate municipality on a full-time basis that second employer would be required to compensate the first employer for additional liabilities associated with additional work as a firefighter.

COMMENT: SB 1335, as amended by SA2 & SA3, amends the Downstate Firefighters article of the Illinois Pension Code in the following ways:

- A unit of local government of 5,000 or more inhabitants, with an established Downstate Firefighters pension fund that employs a full-time firefighter, shall be deemed a primary employer with respect to that full-time firefighter.
 - Any unit of local government of 5,000 or more inhabitants that employs a firefighter that already has a primary employer shall be deemed a secondary employer, and such employees shall be deemed to be secondary employee firefighters.
- Primary and Secondary employers shall have the following duties:
 1. A secondary employer shall annually prepare a report accounting for all wages and salaries paid to the secondary employee firefighters it employs for each fiscal year in which such firefighters are employed. A certified copy of that report shall be transmitted to the primary and secondary employer no later than 30 days after the end of any fiscal year in which wages were paid to the secondary employee firefighters.

2. The secondary employer shall contribute an amount equal to 17.5% of the total wages and salaries paid to the secondary employee firefighter to the primary employer's pension fund for deposit to the credit of the pension fund.
 3. The secondary employer shall deduct an amount equal to 9.455% of the salaries and wages paid to the secondary employee and, concurrent with the certification of its report, shall pay the deducted amount to the primary employer's pension fund for deposit to the credit of the pension fund. These contributions shall be in addition to the contributions described in section (2) above.
 4. The primary employer and the pension fund of that primary employer shall have standing to enforce the pension funding obligations of the secondary employer and secondary employee firefighters.
- The required primary and secondary employer contributions apply beginning on the first day of the primary employer's pension fund's first fiscal year beginning on or after the effective date of this bill.
 - If a unit of local government fails to transmit to the fund the required primary and secondary contributions for more than 90 days after their due date, the Fund may certify to the State Comptroller the amounts of delinquent payments. The Comptroller then must, beginning in fiscal year 2018, deduct and remit to the Fund the certified amounts or a portion of those amounts from payments of State funds to the unit of local government.
 - The State Comptroller may not deduct from any payments of State funds to the unit of local government more than the amount of delinquent payments certified to the State Comptroller by the Fund.

DH:bj

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