

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 101ST GENERAL ASSEMBLY

BILL NO: **HB 5310**

February 19, 2020

SPONSOR (S): Ugaste

SYSTEM(S): Downstate Police, Downstate Fire

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**FISCAL IMPACT:** There is no discernible fiscal impact associated with HB 5310. The number of new Downstate Police or Fire pension funds that may be formed via resolution or ordinance of a municipality is not known at this time.

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**SUBJECT MATTER:** HB 5310 amends the Downstate Police and Fire articles of the Pension Code to allow municipalities to form such funds via adoption of a resolution or ordinance. This new method of establishing pension funds would become applicable to funds established on or after the bill's effective date.

**COMMENT:** Currently, any "municipality," (i.e., a village or incorporated town of 5,000 or more inhabitants) must form a Downstate Police or Downstate Fire pension fund once that population threshold is met. The relevant departments must also have at least one full-time employee. Municipalities may also form such funds by referendum. HB 5310 amends the Downstate Fire and Police articles of the Pension Code to stipulate that a police or fire pension fund established on or after the bill's effective date can be legally recognized if the governing body of the municipality has adopted a resolution or ordinance authorizing the establishment of such a fund.

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