

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 101ST GENERAL ASSEMBLY

**BILL NO:** SB 0037, as amended by HA 2 May 28, 2019  
**SPONSOR (S):** Bush – Martinez, et al (Walsh – Turner, et al)  
**SYSTEM(S):** Downstate Firefighters (Article 4)

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**FISCAL IMPACT:** SB 0037, as amended by HA 2, requires municipalities who hire part-time firefighters to report any occurrence of injury, illness, or exposure to the firefighter's primary employer's pension fund within 96 hours of the occurrence. HA 2 removes contribution requirements for secondary employers from the underlying bill, and instead requires secondary employers to prepare annual reports of all hours worked and all wages and salaries paid to secondary employees. The number of firefighters who work for more than one municipality as described by this bill is unknown.

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**SUBJECT MATTER:** SB 0037, as amended by HA 2, requires municipalities with a population of 5,000 or more inhabitants that hire part-time firefighters who work full-time in another district to report injury, illness, or exposure to the primary employer's pension fund within 96 hours of the occurrence. Secondary employers would also prepare annual reports of hours worked and wages and salaries earned by secondary employees for primary employers.

**COMMENT:** Article 4 of the Illinois Pension Code requires the following entities to establish Article 4 (Downstate Fire) pension funds: municipalities over 5,000 in population, fire protection districts with at least one full-time paid firefighter, and municipalities under 5,000 in population that opt to create an Article 4 fund via referendum.

SB 0037, as amended by HA 2, makes a distinction between "primary" and "secondary" employers in cases where a firefighter has both a full-time position and a part-time position with another municipality. Under the amendment, the primary employer's pension fund would be notified within 96 hours of any injury, illness, or exposure incurred by a secondary employee. HA 2 also stipulates that secondary employers would annually be required to prepare a report on wages and salaries paid each fiscal year and then send a certified copy to primary employers. The report is

meant to ensure that a primary employer's pension fund is aware of additional liabilities and risks to which secondary employees are exposed.

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