

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

102nd GENERAL ASSEMBLY

BILL NO: **HB 0126, as amended by HA 1**

April 22, 2021

SPONSOR (S): Stuart

SYSTEM(S): IMRF, Downstate Police

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**FISCAL IMPACT:** To the extent that the amounts transferred are greater or equal to the increase in the actuarial accrued liability associated with the service credit to be established in the Downstate Police fund, there should be no fiscal impact to the Downstate Police fund associated with HB 126, as amended by HA 1. The bill requires that any difference between the amounts transferred from IMRF to the Downstate Police pension fund and the amounts that would have been contributed had such contributions been made while a member of the relevant Downstate Police fund will be made by the member transferring the service credit. IMRF says that in prior service credit transfer window openings of this nature, only a handful (2-3 at most) have transferred service.

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**SUBJECT MATTER:** HB 126, as amended by HA 1, allows certain members of Article 3 (Downstate Police) pension funds to transfer service credit from IMRF to a Downstate Police pension fund within 6 months of the effective date of the bill, via payment by IMRF to the relevant Downstate Police fund of certain amounts as enumerated below.

**COMMENT:** HB 126, as amended by HA 1, provides that within 6 months of the effective date of this bill, a member of a Downstate Police pension fund may apply to transfer to that fund his or her credits and creditable service accumulated in IMRF as a sheriff's law enforcement employee, person employed by a participating municipality to perform police duties, or law enforcement officer employed on a full-time basis by a forest preserve district. The service credit transfer will only occur upon payment by IMRF to the Downstate Police fund in an amount equal to 1) the amounts accumulated to the credit of the applicant for the service to be transferred, including interest, and 2) an amount representing employer contributions, and 3) any interest paid by the applicant to reinstate service. The bill, as amended, requires that any difference between the amounts transferred from IMRF to the Downstate Police pension fund and the amounts that would have been made had the IMRF service been rendered in the relevant Downstate Police fund will be paid to the Downstate Police fund by the member transferring the service credit.

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