COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102nd GENERAL ASSEMBLY

BILL NO: **HB 4622** February 1, 2022

SPONSOR (S): Halpin

SYSTEM(S): Police Officers' Pension Investment Fund

FISCAL IMPACT: There is no discernible fiscal impact associated with HB 4622.

SUBJECT MATTER: HB 4622 amends the Police Officers' Pension Investment Fund article of the Pension Code. The bill extends the transition period during which assets must be transferred from Downstate Police pension funds to the Investment Fund from 30 months after January 1, 2020 (or July 1st, 2022) to June 30th, 2023.

COMMENT: P.A. 101-0610, which took effect on January 1, 2020, provided for the mandatory consolidation of the investment assets of the Downstate police and fire pension funds into two separate entities: the Police Officers' Pension Investment Fund and the Firefighters' Pension Investment Fund. The Act mandated the combining of Downstate Police and Fire pension fund assets for investment purposes only (the local pension funds retain non-investment functions such as disability determinations and administrative tasks such as payment of benefits). The Act specified a transition period during which assets would be transferred from individual Downstate Police pension funds to the Police Officers' Pension Investment Fund. The transition period is scheduled to end on July 1st, 2022, meaning all assets must have been transferred from Downstate Police pension funds to the Police Investment Fund by that date.

HB 4622 amends the Police Officers' Pension Investment Fund article of the Pension Code to extend the transition deadline to June 30th, 2023. Commission staff has requested data from the Police Officers' Pension Investment Fund as to the number of pension funds not in compliance with the asset transfer mandate, and the percentage of total assets not yet transferred. When this data is obtained, an updated impact note will be submitted.

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