

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

102nd GENERAL ASSEMBLY

BILL NO: **HB 4681**

January 30, 2022

SPONSOR (S): McCombie

SYSTEM(S): Downstate Police, IMRF

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**FISCAL IMPACT:** The fiscal impact of HB 4681 is not known as the number of IMRF Sheriff’s Law Enforcement personnel (SLEP) members who may wish to transfer service credit from a Downstate Police pension fund to IMRF is unknown. To the extent that the amounts transferred to IMRF to establish the optional service credit contemplated by this bill are greater than or equal to the increase in actuarial liabilities associated with that service, there should be no additional unfunded liability for the pertinent IMRF employer.

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**SUBJECT MATTER:** HB 4681 amends the Downstate Police and IMRF articles of the Pension Code to allow any active member of IMRF who is a Sheriff’s Law Enforcement (SLEP) employee to transfer up to 5 years of creditable service earned in an Article 3 (Downstate Police) pension fund to IMRF within 12 months of the effective date of this Act.

**COMMENT:** HB 4681 amends the Downstate Police and IMRF articles of the Pension Code. The bill allows any active member of IMRF who is a Sheriff’s Law Enforcement (SLEP) employee to transfer up to 5 years of creditable service earned in an Article 3 (Downstate Police) pension fund within 12 months of the effective date of this Act. In order to establish the service credit, the police officer must pay to IMRF the difference between the amount of employee and employer contributions transferred from the Downstate Police fund and the amounts that would have contributed had the service been rendered in IMRF, plus interest at IMRF’s actuarially assumed rate (7.25%), compounded annually, from the date of service to the date of payment. HB 4681 grants the police officer the option to have his or her service credit in IMRF reduced commensurately if the aforementioned amounts transferred to IMRF do not equate to the amount of service credit earned in the Downstate Police fund.

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