

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102nd GENERAL ASSEMBLY

BILL NO: **SB 0122**

February 9, 2021

SPONSOR (S): Jones

SYSTEM(S): Chicago Police

FISCAL IMPACT: Under current law, a Chicago Police officer is not entitled to a refund of employee contributions if they have reached age 50, regardless of years of service. Also, refunds cannot be paid to police officers who withdraw before age 57 with less than 10 years of service. SB 0122 removes these age restrictions, and specifies that the refund will be strictly calculated based upon the officer's contributions to the pension fund. According to the Fund, this change is being sought to clarify antiquated language. There is no discernible fiscal impact as the bill is not expected to change future behavior on the taking of refunds.

SUBJECT MATTER: SB 0122 amends the Chicago Police Article of the Pension Code to remove age limitations on the eligibility for contribution refunds and provides that refund amounts will be strictly calculated using the police officer's contributions to the fund, less any pension benefit received.

COMMENT: Under current law, a police officer must withdraw before age 50 regardless of years worked or have fewer than 10 years of service if they have not attained age 57 in order to be entitled to a refund of contributions. SB 0122 removes these age stipulations and provides that any refund shall be calculated using the police officer's contributions to the fund, subtracting any annuity benefit already received by the individual. Essentially, passage of the bill would entitle an officer to a refund without regard to age or service. SB 0122 holds that a police officer has no right to a refund if the sum of the annuity benefits the police officer and his beneficiaries have received is greater than the amount the police officer contributed to the fund.

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