

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102nd GENERAL ASSEMBLY

BILL NO: **SB 0603**

March 2, 2021

SPONSOR (S): Cunningham

SYSTEM(S): Chicago Fire

FISCAL IMPACT: The Chicago Fire Pension Fund has not performed an actuarial study on the impact of allowing paramedics to draw a pension based on their actual age of retirement rather than the mandatory retirement age of 63. The fund notes that this bill would impact very few paramedics and the fiscal impact would be relatively minor.

SUBJECT MATTER: SB 0603 amends the Chicago Fire Article of the Pension Code to effectively exempt paramedics from the mandatory retirement age of 63. This mandatory retirement age is enshrined in statute for all members of the Chicago Fire pension fund, even though it does not apply to paramedics.

COMMENT: SB 0603 amends the Chicago Fire article of the Pension Code to address a particular situation with paramedics, who are not subject to the compulsory mandatory retirement age of 63. Currently, the pension fund notes that there are instances where a paramedic might join the CFD later in their career and work past age 63 but not have 20 years of service to qualify for a retirement annuity. Current law would mandate that the paramedic's annuity would be "fixed" at age 63 irrespective of the fact that paramedics are not subject to the compulsory 63 age mandatory retirement age. SB 0603 would stipulate that future entrants who are not subject to the mandatory retirement age shall have their pension calculated as of the date of retirement, but they would still need to have at least 10 years of service credit in order to draw a pension.

DH:bs

LRB102 10824 RPS 16154 b