

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102nd GENERAL ASSEMBLY

BILL NO: **SB 2107**

March 19, 2021

SPONSOR (S): Martwick

SYSTEM(S): IMRF, Firefighters' Pension Investment Fund

FISCAL IMPACT: The number of FT employees of the Firefighters' Pension Investment Fund who may wish to participate in IMRF is unknown, but would be small. In 2020, IMRF employers contributed, on average, between 10.15% and 10.65% of payroll on behalf of their covered employees to fund the present value of the employees' future pensions. Each employer's actual rate varies based on its IMRF assets, liabilities, and workforce demographics. The amount of annual employer contribution rates are calculated annually by the pension fund's actuary.

SUBJECT MATTER: SB 2107 amends the IMRF article of the Pension Code to allow full-time employees of the newly created Firefighters' Pension Investment Fund to participate in IMRF. The fire investment fund would be deemed a "participating instrumentality" in IMRF.

COMMENT: P.A. 101-0610, which became effective on January 1, 2020, created the Firefighters Investment Fund for the purposes of commingling and investing the assets of Article 4 (Downstate Fire) pension funds. SB 2107 amends the IMRF article of the Pension Code to provide that the Firefighters' Pension Investment Fund shall be deemed a "participating instrumentality" under IMRF such that full-time employees of the firefighters' fund may participate in IMRF if they so elect. The bill prohibits board members of the Firefighters' Pension Investment Fund from participating in IMRF.

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