



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: **HB 1469**

January 30, 2023

SPONSOR (S): Ford

SYSTEM: General Provisions Article (Cook County Employees' Fund)

FISCAL IMPACT

According to the Cook County Pension Fund, there are currently 149 active Tier 2 Sheriff's Police. The Tier 2 cohort comprises 26% of the total active Sheriff's Police membership (567 total). Decreasing the Tier 2 Sheriff's Police retirement age to 55 with 20 years of service and granting them the current Tier 2 COLA after one year of retirement would have a significant fiscal impact. An actuarial study would be needed to assess the full impact of the legislation.

SUBJECT MATTER: HB 1469 amends the General Provisions Article of the Pension Code to lower the Tier 2 retirement age for Cook County Deputy Sheriffs from age 67 with 10 years of service to age 55 with 20 years of service. The bill would also grant Tier 2 Sheriff's Police the existing Tier 2 cost-of-living adjustment (COLA) at the first anniversary of retirement, rather than at the First of January following the attainment of age 67.

COMMENT: P.A. 96-0889, which took effect on January 1, 2011, created a second tier of benefits for all employees governed under the Illinois Pension Code, with the exception of Downstate and Chicago police and fire personnel. A second Tier 2 enactment covering Downstate and Chicago police and fire personnel occurred when P.A. 96-1495 took effect, also on January 1, 2011. The Cook County Deputy Sheriff's police, who participate in the Cook County Employees' Pension Fund (Article 9 of the Pension Code), were included in the "no-n-police" Tier 2 enactment under P.A. 96-0889.

Hence, Tier 2 Cook County Sheriff's police must work until age 67 with 20 years of service to receive an unreduced retirement annuity, or until age 62 with 20 years of service for an annuity reduced by 0.5% per month for each month under age 67 (although the standard Tier 2 vesting

period is 10 years, the Cook County article of the Pension Code requires Sheriff's Police to work 20 years to vest for a pension). Cost-of-living adjustments for Tier 2 employees are equal to 3% or ½ of the increase in the CPI-U over the prior year, whichever is lower, payable on the 1st of January following the first anniversary of retirement or the attainment of age 67, whichever is later.

HB 1469 amends the General Provisions Article of the Pension Code to allow Tier 2 Cook County Deputy Sheriffs to receive an unreduced annuity at age 55 with 20 years of service. The bill does not grant a reduced annuity at an earlier age. HB 1469 would grant to Tier 2 Cook County Deputy Sheriffs the existing Tier 2 COLA at the first anniversary of retirement. By comparison, Tier 2 members of the Chicago and Downstate police articles must work until age 55 with 10 years of service to receive an unreduced annuity, with the Tier 2 COLA payable on the 1st of January after the attainment of age 60.

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