



## Commission on Government Forecasting and Accountability

### PENSION IMPACT NOTE *103<sup>RD</sup> General Assembly*

BILL NO:           **HB 1627**

February 7, 2023

SPONSOR (S):     Walsh Jr.

SYSTEM:           Illinois Municipal Retirement Fund (IMRF)

---

#### FISCAL IMPACT

The fiscal impact of HB 1627 cannot be determined as the number of villages/towns in Cook County that would have to enroll their firefighters in the IMRF Sheriff's Law Enforcement Program (SLEP) is not known. According to IMRF, in 2023, the average statewide employer contribution rate for SLEP members is 16.38% of payroll. The amount by which the employer contribution rate for firefighters/paramedics participating in the SLEP program would increase as a result of the new occupational disease disability schedule of benefits is not known, but it would be significant for those municipalities that would be impacted.

---

SUBJECT MATTER: HB 1627 amends the IMRF article of the Illinois Pension Code to allow certain firefighters and paramedics in villages with less than 5,000 inhabitants in Cook County to begin service in the IMRF Sheriff's Law Enforcement Program (SLEP) if they are otherwise unable to participate in an Article 4 (Downstate Fire) Pension Fund. The bill provides that Tier 1 firefighters/paramedics will participate in IMRF SLEP as Tier 1 members if they began service in their respective positions prior to January 1, 2011. The bill also implements a new occupational disease disability schedule of benefits in the IMRF SLEP program for paramedics/firefighters.

#### COMMENTS:

##### *IMRF SLEP Participation for Certain Firefighters/Paramedics*

HB 1627 amends the IMRF article of the Illinois Pension Code. The bill stipulates that any full-time firefighter or paramedic employed by a city, village, incorporated town, or township that has a population of less than 5,000 inhabitants in Cook County may participate in the IMRF

Sheriff's Law Enforcement Personnel (SLEP) pension program, provided the pertinent fire department employs 40 or more full-time paid firefighters/paramedics who are subject to a collective bargaining agreement. The foregoing provisions apply to firefighters or paramedics who are not otherwise able to participate in an Article 4 (Downstate Fire) pension fund.

Tier 1 SLEP employees are eligible to retire at age 50 with 20 years of service, with a pension service accrual schedule of 2.5% of final average salary per year, with a maximum pension of 80% of final salary. Tier 2 SLEP members have the same accrual/pensionable salary schedule as Tier 1 members, but must work until age 55 to receive an unreduced annuity. Tier 2 members have the option of retiring at age 50 with an annuity reduced by 0.5% for each month under age 55.

HB 1627 stipulates that if a member in the foregoing situation were to become a SLEP member via enactment of this bill, those members who were employed as a firefighter/paramedic with the pertinent fire department before January 1, 2011 would be Tier 1 members in IMRF SLEP, even though their first date of participation in IMRF SLEP would otherwise make them Tier 2 members.

*Occupational Disease Disability Benefits for certain IMRF SLEP Members*

HB 1627 amends the IMRF article of the Pension Code to establish a new Occupational Disease Disability Benefit for firefighters or firefighter/paramedics with more than 5 years of service. The occupational disease disability pension shall be equal to the greater of 65% of salary of the firefighter/paramedic at the time of their removal from the fire service or the retirement pension the firefighter would have been eligible to receive had they retired as of the date of disability. The occupational disease disability annuity will be payable for conditions such as stroke, tuberculosis, diseases of the lungs and respiratory tract, among others, that arise from service as a firefighter. The new occupational disease/disability pension that HB 1627 would implement in IMRF SLEP would be equal to that of the Chicago Fire Pension Fund and Article 4 (Downstate Fire) pension funds. Current IMRF disability benefits in both the regular and SLEP plan are equal to 50% of the average monthly earnings based on the 12 months prior to the month the member became disabled, or the pension that would be earned if the member opted to retire.

DH:bs

LRB103 29341 RPS 55728 b