



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: **HB 5603**

March 7, 2024

SPONSOR (S): Buckner

SYSTEM: Chicago Fire

FISCAL IMPACT

The Chicago Fire Pension Fund has stated that, due to variable permanency of the positions outlined in HB 5603, it is unable to provide an exact number of how many firefighters in exempt rank positions would become eligible to have retirement benefits calculations based on the salary attached to pertinent rank. To the extent the bill would allow for higher pension annuity payments to more exempt rank personnel, there would be an increase in accrued liabilities to the fund.

SUBJECT MATTER: HB 5603 amends the Chicago Fire article of the Illinois Pension Code to alter the requirements by which Chicago firefighters in exempt rank positions (i.e., appointed senior level positions) are deemed eligible to have retirement benefit calculations based on the full salary attached to their exempt rank positions. These changes are detailed in the Comment section below.

COMMENT: Under current law, retirement benefit calculations for Chicago firefighters in exempt rank positions (i.e., appointed senior level positions) are based on the full salary attached to the firefighter's exempt rank, but only if the firefighter satisfies the following conditions:

- The firefighter must have paid employee contributions on the full salary attached to the exempt rank position;
- The firefighter must have held at least one exempt position for at least 5 consecutive years, while concurrently holding the career service rank of either battalion chief or field officer; and

- The firefighter must have been born *before* 1955.

Firefighters who meet the first two criteria detailed above but were born *after* 1955 are considered ineligible to have their pensions calculated on the full amount of their exempt rank salary. As they do not satisfy the birthdate requirement in statute, pensionable salary calculations for those firefighters are based on the salary attached to their permanent career service rank rather than their exempt rank. Any employee contributions paid on the full salary attached to the exempt rank position held by the firefighter that are in excess of the salary attached to the member's corresponding career service rank are refunded to the member when they file for retirement benefits.

Exempt rank positions referenced in current law are not specifically listed by job title; however, these positions are appointed by the Chicago Fire Commissioner, as shown below:

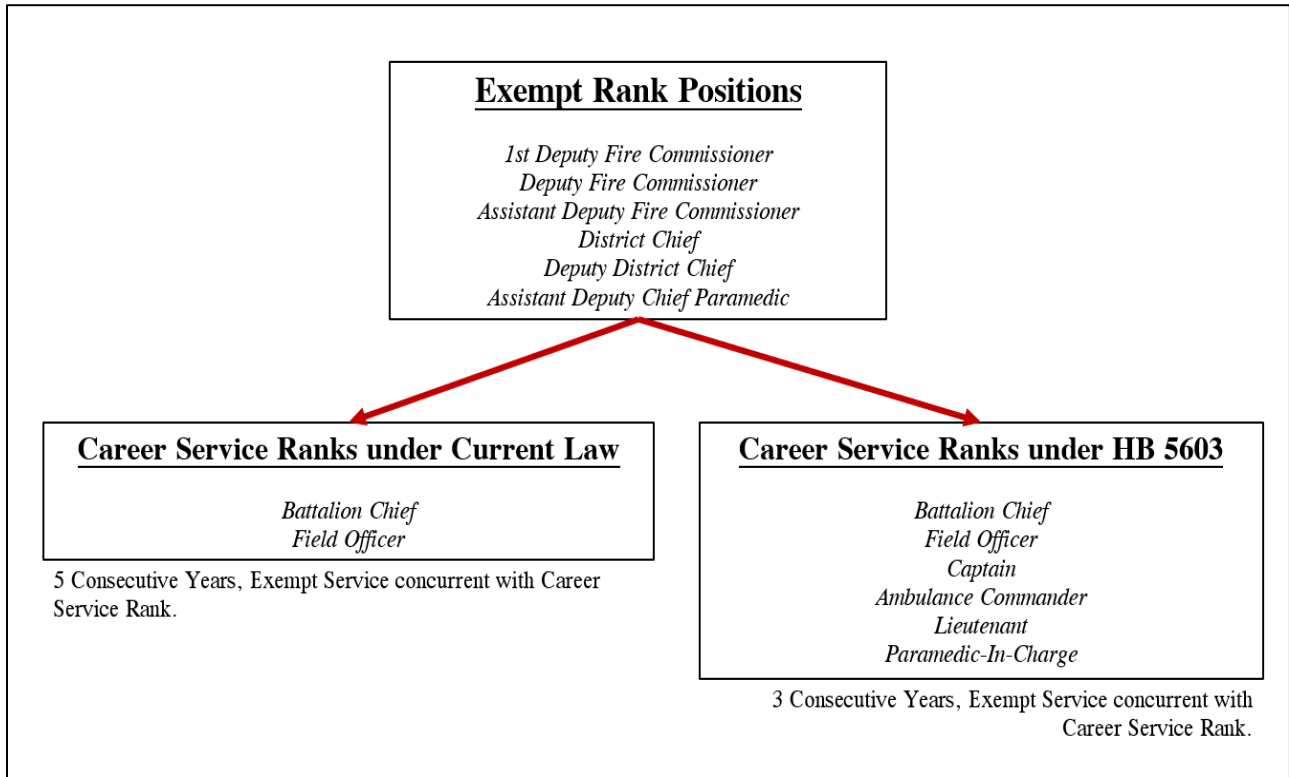
- 1st Deputy Fire Commissioner;
- Deputy Fire Commissioner;
- Assistant Deputy Fire Commissioner;
- District Chief;
- Deputy District Chief; and
- Assistant Deputy Chief Paramedic.

If HB 5603 became law, pension benefit calculations for Chicago firefighters in exempt rank positions would be based on the full salary attached to the firefighter's exempt rank only if the firefighter satisfies the following conditions:

- The firefighter must have paid employee contributions on the full salary attached to the exempt rank position;
- The firefighter must have held at least one exempt position for at least 3 consecutive years while concurrently holding any of the following ranks:
 - Battalion chief; or
 - Field officer; or
 - Captain; or
 - Ambulance commander; or
 - Lieutenant; or
 - Paramedic-in-charge.

Chart I, as seen on the following page, more clearly displays the differences between current law and HB 5603 as to which exempt and career service rank positions must be held concurrently and the number of consecutive years of concurrent exempt and career service that would be necessary for a firefighter to be deemed eligible to have his or her pension calculated on the full exempt rank salary.

Chart I



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