



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: **SB 1582**

February 9, 2023

SPONSOR (S): Turner, D.

SYSTEM: Downstate Police and IMRF

FISCAL IMPACT

According to IMRF, the fiscal impact of SB 1582 is uncertain, as the number of IMRF members who may wish to transfer service credit from a Downstate Police Pension Fund is unknown. IMRF notes that when past service credit transfer windows of a similar nature have been opened, very few members (often only 2 or 3) apply to transfer service credit between the two funds.

SUBJECT MATTER: SB 1582 amends the Illinois Municipal (IMRF) and Downstate Police articles of the Illinois Pension Code to allow active IMRF members to transfer an unlimited amount of service under the Downstate Police Article to IMRF. This legislation also allows reinstatement of creditable service terminated with receipt of a refund by paying to the police pension fund the amount of the refund plus interest.

COMMENT: Under SB 1582, the amounts that must be transferred from a Downstate Police Pension Fund to IMRF consist of 1) the amounts accumulated to the credit of the applicant for the service to be transferred; 2) an amount representing employer contributions, and 3) any interest paid by the applicant to reinstate service. Upon transfer of such amounts, the individual's participation in the Downstate Police pension fund shall terminate. Individuals taking advantage of the service credit transfer provision must make the transfer of credit within six months of the effective date of this legislation. SB 1582 allows participants seeking to transfer credit to reinstate credit and service terminated by receipt of a refund by paying back to the Downstate Police pension fund the amount of the refund plus interest at the fund's actuarially assumed rate of return to the date of payment.

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