



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: SB 2102

February 9, 2023

SPONSOR (S): Martwick

SYSTEM: Article 1A (Regulation of Public Pension Funds)

FISCAL IMPACT

The Police and Fire Investment Funds would incur increased expenses as a result of assuming sole responsibility for performing triannual investigations of Downstate Police and Fire pension funds. The fiscal impact is expected to be minor.

SUBJECT MATTER: SB 2102 amends Article 1A of the Pension Code (the Regulation of Public Funds Article). The bill grants sole power to conduct triannual audits of Downstate Police and Fire Pension Funds to the consolidated police and fire investment funds. Current law says that the audits can be conducted by either the Department of Insurance or the consolidated funds, as appropriate.

COMMENT: P.A. 101-0610, which took effect on January 1, 2020, established the Police Officers' Pension Investment Fund and the Firefighters' Pension Investment Fund (the "consolidated funds," in statutory parlance). Article 1A of the Pension Code is known as the Regulation of Public Pension Funds Act. Under this Act, the Department of Insurance had sole authority to conduct examinations or investigations of Article 3 and Article 4 (Downstate Police and Fire) Pension Funds prior to the enactment of P.A. 101-0610. These "examinations" are essentially audits of the Police and Fire funds. The Act stipulated that such audits could be conducted by either the consolidated funds or the Department of Insurance, as appropriate.

SB 2102 would place the responsibility for conducting such examinations/audits solely in the purview of the consolidated funds. Current law requires the Downstate Police and Fire Pension Funds to be examined once every 3 years.

DH:bs

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