



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *104th General Assembly*

BILL NO: **HB 1574**

January 27, 2025

SPONSOR: Stuart

SYSTEM: IMRF

FISCAL IMPACT

HB 1574 amends the IMRF article of the Pension Code to enable paramedics and emergency medical technicians (EMTs) ineligible for participation in a Downstate Fire pension fund to participate in the IMRF Sheriff's Law Enforcement Personnel (SLEP) plan if approved by their municipality. It's currently unknown how many new SLEP participants would result from this bill. The village of Bedford Park, for example, has a population of 602 and has a fully-staffed fire department due to its industrial base, but does not have a Downstate Fire fund due to its small population. According to the 2023 IMRF comprehensive annual report, (CAFR), the statewide average employer contribution rate for SLEP members was 18.5% of payroll. IMRF has an unfunded liability of \$970 million and a funding ratio of 98.2% as of September 2024.

SUBJECT MATTER:

HB 1574 amends the IMRF article of the Pension Code to enable paramedics and EMTs who are not eligible for participation in a Downstate Fire pension fund to participate in IMRF SLEP if approved by their municipality. Such participation is prospective, and service credit before January 1, 2011 is not included. Thus, all new entrants into SLEP would be in Tier 2.

COMMENT:

HB 1574 amends the IMRF article of the Pension Code to enable paramedics and emergency medical technicians (EMTs) who are not eligible to participate in a Downstate Fire fund to participate instead in the IMRF Sheriff's Law Enforcement Personnel (SLEP) plan if approved by their municipality.

See chart below on the differences between IMRF Regular and SLEP Formulas

Tier 2 IMRF Formulas		
System	Regular	SLEP
Service Accrual Rate	1-2/3% of the final rate of earnings for each of the first 15 years of service credit, plus 2% for each year of service credit in excess of 15 years.	2- ½% of the final rate of earnings for each year of service.
Retirement Age	Age 67 with 10 or more years of service, or 35 or more years of service at age 63	Age 55 with 10 years of service, or at age 50 with an annuity reduced by .5% for each month under age 55
Employee Contribution	4.5% of payroll	7.5% of payroll
Employer* Contributions	7% of payroll	18.5% of payroll

*As of the 2023 actuarial valuation

HB 1574 would enable paramedics and EMTs ineligible for participation in a Downstate Fire pension fund to participate in IMRF SLEP if approved by their municipality via adoption of an ordinance or affirmative resolution. The bill specifies that SLEP status would be granted prospectively only; no service credit would be granted prior to the effective date of participation, and all persons who would go into SLEP would be in Tier 2.

RF:bs

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