



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *104th General Assembly*

BILL NO: **HB 2136 as amended by HA 001**

April 13, 2026

SPONSOR: Hammond – Kifowit

SYSTEM: Downstate Fire

FISCAL IMPACT

HB 2136 as amended by HA 001, amends the Downstate Fire Article of the Illinois Pension Code to allow Tier 2 participants that are eligible for the maximum pension of 75% of their final average salary (FAS) to retire at any age without having their monthly pension reduced. There would be an increase in actuarial liabilities commensurate with the number of participants who reach 75% of their FAS and choose to retire before the age of 55. An actuarial study would be needed to assess the full impact of the bill.

SUBJECT MATTER: HB 2136, as amended by HA 001, amends the Downstate Fire article of the Illinois Pension Code to allow Tier 2 firefighters to retire at any age as long as they have sufficient service credit to qualify for the maximum pension at 75% of Final Average Salary (FAS). HB 2136, as amended by HA 001, also amends the Illinois Municipal Code to adjust the minimum age a firefighter is eligible to become a firefighter from 21 to 18. The introduced version of HB 2136 amended the Municipal Code to make a technical change in a section concerning the short title. The underlying bill did not amend the Pension Code.

COMMENT: Under current law, both Tier 1 and Tier 2 participants in the Downstate Fire article can earn a maximum pension of 75% of their Final Average Salary (FAS). The means of calculating FAS differ somewhat between tier status, and are explained in the chart on the following page.

Benefit	Tier 1	Tier 2
Maximum Pension (% of FAS)	75%	75%
Formula	50% after 20 years of service. Then increases 2.5% for each year until the maximum of 75% at 30 years	pension equals 2.5% of their FAS for each year of service, until it hits the cap of 75%. They must work for 30 years to hit the cap.
Retirement Age	50 if earned 20 years of service credit, or 60 if earned between 10 and 20 years of service credit	55 with 10 years of service, but can retire early at 50 with a reduced pension
Early retirement penalty	None, but the participant will not reach the 75% FAS cap	6% for each year under the age of 55

HB 2136, as amended by HA 001, amends the Downstate Fire article to allow Tier 2 firefighters that have reached the maximum pension (75% of their FAS) to retire without an age-based reduction in their pension benefit. Since reaching the 75% FAS cap requires a Tier 2 participant to work for 30 years, this bill primarily affects Tier 2 members who would otherwise retire between ages 50 and 55 after reaching the maximum pension and would be subject to a reduced pension. Under this bill, in theory, retirement with a full pension could occur as early as age 48, assuming entry into service at age 18 (as lowered from 21 under this bill and noted below) and 30 years of continuous employment. The bill is prospective and does not entitle any retired members to a recalculation of benefits.

HB 2136, as amended by HA 001, amends the Illinois Municipal Code to adjust the minimum age a firefighter is eligible to become a firefighter from 21 to 18.

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