



## Commission on Government Forecasting and Accountability

### PENSION IMPACT NOTE *104<sup>th</sup> General Assembly*

BILL NO:               **HB 2443**

February 24, 2025

SPONSOR (S):       Ugaste

SYSTEM:             Downstate Police

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#### FISCAL IMPACT

The fiscal impact of HB 2443 cannot be determined as the amount of service credit transfers between the Downstate Police and Downstate Fire pension funds is unknown. To the extent that the amounts transferred from the Downstate Police pension funds are greater than or equal to the increase in the actuarial accrued liabilities associated with that service in the pertinent Downstate Fire pension fund, there should be no fiscal impact to that Downstate Fire pension fund. However, the bill does not explicitly ensure that the amounts transferred will fully cover the cost of the credited service, which could result in additional unfunded liabilities for the Downstate Fire pension fund if the transferred amounts are insufficient.

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**SUBJECT MATTER:** HB 2443 amends the Downstate Police Article of the Illinois Pension Code to extend the Downstate Police to Downstate Fire service credit transfer window created by Public Act 102-0063 (HB 0381) by an additional 6 months.

**COMMENT:** P.A. 102-0063, effective July 9, 2021, opened a 6-month window to allow a Downstate firefighter to transfer up to 8 years of credit from a Downstate Police pension fund “administered by a unit of local government” to a Downstate Fire pension fund.

The police pension fund must have paid to the fire pension fund an amount equal to:

- 1) The amounts accumulated to the credit of the applicant on the date of transfer of service credit;
- 2) Employer contributions in an amount equal to the amount previously stated in item 1, and;

- 3) Any interest paid by the applicant in order to reinstate service in the Downstate Police fund.

HB 2443, effective upon becoming law, would open an identical window to P.A. 102-0063, expiring 6 months after the effective date of this bill.

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