



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *104TH General Assembly*

BILL NO: **HB 2478**

February 5, 2025

SPONSOR (S): Kifowit

SYSTEM: Cook County

FISCAL IMPACT

HB 2478 allows members of the Cook County Pension Fund to establish up to 48 months of military service credit by paying to the fund the employee contribution for the period of service, plus interest at the statutory “effective rate” of 3% compounded annually. The pension fund’s actuarially assumed interest rate is 7.0%. The bill does not require the employee to pay the employer’s normal cost to establish the military service credit. As a result of the aforementioned factors, there would be a slight negative cost to the pension fund commensurate with the number of members who purchase this optional service.

SUBJECT MATTER: HB 2478 amends the Cook County Article of the Pension Code to allow for the purchase of up to 48 months of optional military service credit, regardless of when the military service commenced. The employee must pay the employee contribution for the period of optional service, plus compounded interest at the statutory “effective rate” of 3%. The employee is not required to pay the employer’s normal cost for the optional service credit.

COMMENT: Currently, the Cook County Article of the Pension Code contains an outdated provision concerning the purchase of optional military service credit. Current statute holds that a member must have been in active service on January 1, 1993 and must have at least 25 years of service credit in the pension fund to purchase up to 2 years of optional military service credit. HB 2478 deletes this obsolete language and adds a new provision allowing for active members to purchase optional creditable service for up to 48 months of active-duty military service, regardless of whether or not that service occurred after the commencement of employment with Cook County.

To establish this service credit, the member must pay to the fund the employee contributions for the service, plus interest at the statutory “effective rate” (currently 3%) compounded annually from the date of military discharge to the date of payment. The bill does not require the employee to pay the employer’s normal cost to establish the service credit.

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