



## Commission on Government Forecasting and Accountability

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

BILL NO: HB 2837

February 24, 2025

SPONSOR (S): Ford

SYSTEM: Chicago Fire

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#### FISCAL IMPACT

Expanding the number of senior command positions that qualify for full pensionable salaries attached to those positions will immediately increase the Unfunded Actuarial Accrued Liability (UAAL) of the Chicago Fire Pension Fund. Since pension benefits are based on final salary, a higher pensionable base means greater long-term liabilities without corresponding pre-funding. The UAAL increase will be commensurate with the number of individuals eligible for the expanded pensionable salary. An actuarial study would be needed to estimate the increase in UAAL and the attendant increase in City of Chicago contributions.

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SUBJECT MATTER: HB 2837 amends the Chicago Firefighter Article of the Pension Code to reduce the required senior command service for pension calculations from 5 to 3 years. The bill also expands the eligible senior command ranks beyond Battalion Chief and Field Officer to include Captain, Ambulance Commander, Lieutenant, and Paramedic-in-Charge, allowing more firefighters to have pensions based on their command salary.

COMMENT: In 1985, the Illinois Supreme Court ruling in *Braun v. Retirement Board* held that firefighter pensions must be based on the highest civil service rank, not exempt senior command positions, because the law classified command roles as temporary. In response, PA 93-0654 (the "Brass Bill") took effect on January 16, 2004, allowing firefighters to have pensions based on their exempt salary—the actual salary of a senior command officer—rather than their last career service rank. To qualify, they had to hold a senior command position for 5 years—specifically, either as Battalion Chief or Field Officer.

HB 2837 builds on the 2004 Brass Bill by reducing the senior command requirement from 5 to 3 years and expanding eligible ranks to include Captain, Ambulance Commander, Lieutenant, and Paramedic-in-Charge.

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