



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *104th General Assembly*

BILL NO: **HB 3059**

February 21, 2025

SPONSOR: Delgado

SYSTEM: Downstate Fire

FISCAL IMPACT

HB 3059 amends the Downstate Fire Article of the Illinois Pension Code to recalculate annuity increases for Tier 1 firefighters who retired between July 1, 1977 and January 1, 1986 to 3% compounded since their date of retirement, and an additional yearly increase of 3% in each January thereafter. The number of Downstate Fire annuitants who would qualify for the recalculation is unknown but presumed to be small, as such annuitants are 91 years or older (assuming the youngest member retired at age 52 before January 1986). The fiscal impact of HB 3059 is commensurate with the number of annuitants who retired between July 1, 1977 and January 1, 1986, but is expected to be minor.

SUBJECT MATTER: HB 3059 amends the Downstate Fire Article of the Illinois Pension Code to recalculate annuity increases for firefighters who retired between July 1, 1977 and January 1, 1986, to 3% compounded since their date of retirement. Qualifying annuitants' pensions will receive a compounded 3% increase annually thereafter. The bill is meant to upgrade COLAs for a small group of older retired firefighters who retired before 3% compounding went into place. More detail is provided below.

COMMENT: Under current law Cost of Living Adjustments (COLA) for Tier 1 Downstate Fire annuitants vary depending on their date of retirement. These variations are explained further in the chart below.

Tier 1 Downstate Fire Pension Increases		
Public Act	Retirement Date	Compounded COLA upon reaching designated age
P.A. 91-0466 (eff. 8/6/99)	On or after January 1, 1986	Upon turning 55 receive 1/12 th of 3% for each month that elapsed since the pension began followed by another 3% compounded annual increase the following January and each January thereafter
P.A. 96-0775 (eff. 8/28/09)	On or before July 1, 1977	Recalculated to reflect the amount the annuitant would have received in July 2009, had they received a 3% compounded increase to their pensions for each year after January 1, 1986. Pension is increased 3% each year thereafter

HB 3059 would amend the Downstate Fire article of the Illinois Pension Code to recalculate pensions for Tier 1 annuitants who retired between July 1, 1977 and January 1, 1986. These recalculations are designed to reflect what the annuitant would have received in July of 2025 if their annuity increase was 3% compounded for each year after their retirement. The annuitant shall also receive an additional 3% increase each January thereafter.

The number of annuitants affected by HB 3059 is presumed to be small, with affected annuitants being 91 years or older. The bill takes effect immediately and applies to affected firefighters regardless of their service status at that time, making retired members eligible for benefit recalculations.

RF:bs

LRB104 10793 RPS 20874 b