



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *104th General Assembly*

BILL NO: **HB 4117**

February 23, 2026

SPONSOR (S): Kelly – Kifowit

SYSTEM: Downstate Fire, Chicago Fire, Illinois Municipal Retirement Fund (IMRF)

FISCAL IMPACT

HB 4117 amends various provisions of the Illinois Pension Code pertaining to fire-safety officials, with emphasis on adding members or eligibility to the funds. While a full actuarial study would be necessary to determine specific costs, CGFA’s actuary, Segal, offers a general statement on the addition of new members to a pension fund:

Segal states that, in general, adding new members creates a small liability initially that accumulates over time. However, new member contributions enter a pension fund immediately and are projected to grow at the assumed rate of return. In essence, the influx of dollars up front along with resulting asset growth is typically a net positive for a pension fund. The optimal scenario for this is when contributions for incoming members pay the members’ normal cost and an amortization of liability over a reasonable period. Small populations may see more notable effects from incoming members. That is, 1 or 2 active members joining a group of 20 current active members will have more of an effect than 200 members joining a group that has 20,000, though the effects are typically positive in both cases.

SUBJECT MATTER: HB 4117 amends various provisions related to fire-safety officials within the Downstate Fire, Chicago Fire, and IMRF Articles in the Illinois Pension Code. Each change is detailed in the comment section below.

COMMENT:

Addition of “De Facto Firefighters” under the Downstate Fire Article

Under current law, the definition of “Firefighter” under Article 4, the Downstate Fire Article, includes the following job titles listed under Article 10 of the Illinois Municipal Code, found in the table below:

Division 1 Municipalities	Division 2.1 Municipalities	Municipalities w/o Division Designation*	Not Included
Firefighter	Firefighter	Firefighter	Anyone actively participating in SURS
Fire Engineer			
Marine Engineer			
Fire Pilot			
Bomb Technician			
Scuba Diver			
Individuals Whose Duties Include Firefighter Responsibilities			
*Including de facto firefighters who would otherwise qualify as firefighters			

Current law provides that de facto firefighters in municipalities that are neither Division 1 nor 2.1 are treated as firefighters if they would have otherwise qualified as firefighters in a Division 1 or 2.1 municipality.

HB 4117 clarifies current law by expressly adding the definition of a “de facto firefighter” to the broader definition of “Firefighter” under Article 4. The definition of a “de facto firefighter” is a firefighter who:

- Spends the majority of working time participating in the work of controlling and extinguishing fires at the location of such fires, preparing for such work, or waiting to respond to calls for such work, and;
- Has scheduled or actually works hours commensurate in duration and frequency with firefighters under both divisions under the Illinois Municipal Code.

This definition **does not** include:

- Part-time firefighters not already covered by the Code;
- Auxiliary, reserve, or voluntary firefighters (including paid-on-call firefighters);
- Clerks, dispatchers, or other civilian employees of fire departments or fire protection districts not routinely expected to perform firefighter duties.

In effect, HB 4117 clarifies that a de facto firefighter, as defined above, shall be recognized as a firefighter under Article 4 in any municipality or fire protection district.

The changes made by this legislation will not apply to individuals covered under Article 4 prior to its effective date.

Placing Downstate Fire and Chicago Fire Articles under the Ambit of the Retirement Systems Reciprocal Act

Current Law

Under current law, neither the Chicago Police and Chicago Fire, nor the Downstate Police and Downstate Firefighters' Articles of the Illinois Pension code are included under the Retirement Systems Reciprocal Act, although reciprocity exists between the funds within each respective article (e.g., members of Downstate police funds can utilize reciprocity with other Downstate Police Funds, although this involves the transfer of service credits, whereas the Downstate Fire article has true reciprocity amongst fire pension funds).

The Retirement Systems Reciprocal Act allows for active employees to combine service credit earned from various participating systems to apply toward the minimum vesting requirements of the fund that they participate in currently or the fund that they last participated in before terminating active service. For example, a Tier 2 member in IMRF could utilize reciprocity and combine 4 years of prior service in SERS and 6 years in IMRF to meet the 10-year Tier 2 vesting requirement in IMRF.

HB 4117

HB 4117 would place the Downstate Fire and Chicago Fire Articles of the Illinois Pension Code under the ambit of the Reciprocal Act. The bill states that participation under the Reciprocal Act would only apply to members who have not yet begun receiving retirement annuities as of the effective date. In other words, retired members would not be entitled to a recalculation of their pensions based upon reciprocal service.

IMRF's Sheriff's Law Enforcement Personnel (SLEP) Formula Eligibility for Certain Public Safety Officials

Under current law, county correctional and probation officers, firefighters, and sworn law enforcement officers working for municipalities without an established Article 3 or Article 4 pension fund, as the case may be, generally participate in the IMRF Regular Formula. Article 4 currently excludes any positions that are not involved with fire-suppression, preventing Emergency Management Services employees from joining an Article 4 pension fund.

HB 4117 would expand eligibility for the IMRF SLEP formula to the following positions, provided that the employee is not eligible to participate in an Article 4 (Downstate Fire) pension fund:

- A paramedic employed by a unit of local government; and
- An emergency medical technician (EMT), emergency medical technician intermediate (EMT-I), or advanced emergency medical technician (A-EMT) employed by a unit of local government.

This bill provides that these paramedics and EMTs, who are ineligible for participation in an Article 4 fund, would be permitted to participate in the IMRF SLEP plan if the governing authority of that municipality adopts an irrevocable affirmative resolution granting SLEP status. Participation would be prospectively only—no service credit could be granted prior to the effective date of the resolution. While this provision could apply to such emergency medical personnel in all IMRF-participating municipalities, it is currently unknown how many new SLEP participants would result from this legislation.

P.A. 100-0354, effective on August 25, 2017, also allowed the Village of Bedford Park to enroll their police officers and firefighters in the IMRF SLEP plan by setting specific and narrow criteria—requiring a municipality to employ at least 30 full-time police officers and 50 full-time firefighters while not having an established Article 3 or 4 fund. This authority may be exercised only through an irrevocable affirmative resolution.

The benefits for each formula are shown in the chart below:

	IMRF Regular		IMRF SLEP	
	Tier 1	Tier 2	Tier 1	Tier 2
Retirement Age	<ul style="list-style-type: none"> •Age 60 w/ 8+ years of service •Age 55 w/ 35+ •Age 55 w/ 8+ (Reduced) 	<ul style="list-style-type: none"> •Age 67 w/ 10+ •Age 62 w/ 35+ •Age 62 w/ 10+ (Reduced) 	Age 50 w/ 20+	<ul style="list-style-type: none"> •Age 55 w/ 10+ •Age 50 w/ 10+ (Reduced)
Formula	1.67% of FAS each year up to 15, 2% every year after 15		2.5% of FAS each year of service	
Max Annuity	75%		80%	75%
FAS	Avg of 4 highest consecutive years of final 10	Avg of highest 8 consecutive years of final 10	Avg of 4 highest consecutive years of final 10	Avg of highest 8 consecutive years of final 10
COLA	3% non-compounded	3% non-compounded or 1/2 CPI-U increase	3% non-compounded	3% non-compounded or 1/2 CPI-U increase
Employee Contributions	4.5% (SS coordinated)		7.50%	

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