



## Commission on Government Forecasting and Accountability

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

BILL NO: SB 0184

January 22, 2025

SPONSOR: Turner, S.

SYSTEM: Downstate Fire

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#### FISCAL IMPACT

**SB 0184 adds fire investigators to the definition of firefighter under Downstate Fire pension funds. While the exact number of fire investigators who may qualify for Downstate Fire pension fund participation under this bill is unknown, the U.S. Bureau of Labor Statistics estimates that there are 440 fire investigators in Illinois as of May 2023.**

According to CGFA's actuary, Segal Consulting, adding new members to a pension fund will create new liability that accumulates over time, but is balanced out by increased member contributions and subsequent investment earnings. The net fiscal impact to the pension fund is thus positive in the long-term. The cost to the employing municipality would depend on the number of new members added and the demographic factors pertaining thereto, such as salary, age at commencement of participation, and projected future accruals.

Per the Illinois Fire Pension Investment Fund (IFPIF), the Lincoln Fire Pension Fund had 21 active members and a statutory minimum contribution of \$1.6 million, which represents 108.2% of payroll, and a funding ratio of 24.3%, as of May of 2024. Downstate Fire pension funds overall have accrued unfunded liabilities of \$4.6 billion with a funding ratio of 65.4% as of December of 2023.

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**SUBJECT MATTER:** SB 0184 amends the Downstate Fire Article of the Pension Code. The bill enables fire investigators to participate in Downstate Fire Pension Funds by including them in the statutory definition of "firefighter."

COMMENT: SB 0184 amends the Downstate Fire Article of the Pension Code to add “fire investigator” to the definition of “firefighter,” thus qualifying fire investigators for membership in Downstate Fire funds. Under current law, the term “firefighter” applies to firefighters and fire-related positions such as fire engineers, marine engineers, fire pilots, bomb technicians and scuba divers, among others, who have been employed by a municipality’s fire service.

According to CGFA’s actuary, Segal Consultants, adding new members will create new liability that will accumulate over time, but is balanced out by increased member contributions and subsequent investment earnings. The net fiscal impact of adding members is thus a net positive to the pension fund in the long term. The U.S. Bureau of Labor Statistics estimates that there are 440 fire investigators in Illinois as of May 2023.

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