



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *104th General Assembly*

BILL NO: SB 633, as amended by SA 1 (Joyce)

April 7, 2025

SPONSOR (S): Harmon

SYSTEM: Downstate Fire

FISCAL IMPACT

SB 633, as amended by SA 1, generally allows Downstate firefighters to retire two years earlier than under current law, but only if they began service at age 18. Accordingly, the bill would have an impact on the accrued liabilities of Downstate fire pension funds that employ such members. An actuarial study would be required to determine the approximate increase in cost to select municipalities.

IMPACT OF SA 001: SB 633, as introduced, is a vehicle bill. The substantive provisions of SA 001 are described below.

SUBJECT MATTER: SB 633, as amended by SA 1, amends the Downstate Fire Article of the Illinois Pension Code to adjust minimum age-and-service provisions for firefighters who begin service at age 18. The amendment generally allows these members to qualify for retirement and disability annuities two years earlier than under current law. Each change is detailed in the Comment section below.

COMMENT:

Tier 1 Normal Retirement

Under current law, Tier 1 Downstate Firefighters can receive a monthly pension equal to $\frac{1}{2}$ the monthly salary attached to the rank held at the retirement date if they have attained age 50 and have 20 or more years of creditable service. This annuity is increased by $\frac{1}{2}$ of 2.5% for each month the firefighter works over 20 years through 30 years, with a maximum annuity capped at

75% of the firefighter's final salary. SB 633, as amended by SA 1, allows any firefighter who started their career at age 18 to retire under the preceding provision at age 48 instead of age 50.

Tier 2 Normal Retirement

Under current law, a Tier 2 Downstate firefighter can receive a monthly pension equal to 2.5% of their final average salary if they have attained age 55 and possess 10 or more years of creditable service. For Downstate firefighters who are at least age 50 but under the age of 55 and have 10 or more years of creditable service, the amount is reduced $\frac{1}{2}$ of 1% for each month the firefighter is under the age of 55. The maximum annuity available to a Tier 2 Downstate firefighter is equal to 75% of their final average salary. SB 633, as amended by SA 1, adjusts the retirement age for Tier 2 firefighters who started at age 18 to 53 (instead of 55) for normal retirement and ages 48-53 (instead of 50-55) for a reduced annuity.

Disability Pension Eligibility

Under current law, a disability pension under the Downstate Firefighter Article is not to be paid until the disability has been established by the Board of the pertinent fund following examinations from 3 Board-approved physicians. A yearly medical exam is required prior to the member's attainment of age 50, but no examination is required after the age of 50. SB 633, as amended by SA 1, provides that for firefighters who began at age 18, yearly exams will no longer be required after age 48 (instead of age 50).

Survivor's Benefits

Under current law, a Downstate fire survivor's pension is based on the greater of either:

- 54% of the deceased member's monthly salary for the surviving spouse and 12% of such monthly salary for the guardian of each child until they reach the age of 18 or are married (whichever is first), including children conceived but not yet born; or
- No less than 100% of the monthly annuity earned by the member at the time of death, regardless of whether the death occurs before or after the member attains age 50.

In cases where the attainment of age 50 is required for the payment of survivor's pensions, SB 633, as amended by SA 1, provides that such pensions will be payable to the beneficiaries of members who attain age 48 if they first became a firefighter at age 18.

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