



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *104TH General Assembly*

BILL NO: SB 1711

February 16, 2025

SPONSOR (S): Martwick

SYSTEM: Chicago Fire

FISCAL IMPACT

SB 1711 is expected to result in an increase in accrued actuarial liabilities (AAL) for the Chicago Fire Pension Fund, as it modifies the rate of growth for the Tier 2 salary cap. The precise impact on AAL would require an actuarial study. If such a study becomes available from the pension fund, an updated impact note will be issued accordingly.

SUBJECT MATTER: SB 1711 amends the Chicago Fire Article of the Pension Code to increase the Tier 2 final average salary growth rate to the lesser of 3% or the full CPI-U, as opposed to half of the CPI-U. The change is detailed below.

COMMENT: SB 1711 amends the Chicago Fire Article of the Illinois Pension Code to modify the annual salary cap adjustment for Tier 2 firefighters. Currently, the salary cap increases annually by the lesser of 3% or half of the Consumer Price Index (CPI-U) increase. Beginning in 2026, the bill changes this to the lesser of 3% or the full CPI-U increase. P.A. 101-0610, the Downstate Police and Fire Investment Consolidation Act of 2020, granted this same Tier 2 final average salary cap change to Downstate Police and Fire pension funds.

Utilizing the pension fund's salary inflation assumption rate of 1.5%, the chart below outlines how the Tier 2 pensionable salary cap would change in future years if SB 1711 were enacted into law.

Year	Current Law	SB 1711
Growth Rate	0.75% per year	1.5% per year
2024	138,093	138,093
2025	139,129	140,164
2030	144,403	151,266
2035	149,915	163,390
2040	155,674	176,457
2045	161,689	190,523

DH:bs

LRB104 10762 RPS 20842 b