



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *104th General Assembly*

BILL NO: SB 3403, as amended by HA 1

May 27, 2026

SPONSOR: Martwick (Yang Rohr – Faver Dias)

SYSTEM: Downstate Fire and Illinois State Board of Investment (ISBI)

FISCAL IMPACT

Increasing the continuing disability pension paid to survivors to \$50,051.76 would have a fiscal impact on applicable local downstate firefighter pension funds, limited to survivors who would meet the eligibility requirements. It is not known how many would be eligible for the increase provided in SB 3403, as amended by HA 1. However, the number of eligible survivors is expected to be limited due to the restrictive requirements. There would be no fiscal impact associated with the changes to ISBI, as the changes are purely administrative.

SUBJECT MATTER: SB 3403, as amended by HA 1, amends the Downstate Fire article of the Illinois Pension Code to increase the continuing disability pension offered to eligible survivors of Downstate Fire participants that pass away while receiving disability to \$50,051.76, as well as to provide for an annual simple 3% increase to that amount. SB 3403, as amended by HA 1, also allows the Illinois State Board of Investment (ISBI) to stay in compliance with a deadline associated with their annual report in the event that the required audit opinion is not received in time.

COMMENT:

Disability Pension Paid to Certain Survivors

Impact of HA 001

SB 3403, as amended by HA 1, provides for an increase to the continuing disability pension offered to eligible survivors of Downstate Fire participants that pass away while receiving duty disability to \$50,051.76 and provides for an annual simple 3% increase to that amount. The disability pension language in this bill is similar to HB 727, as amended by HA 1, from the 104th GA, except that SB 3403, as amended by HA 1, specifically includes the increased amount of \$50,051.76 and an annual simple 3% COLA, whereas HB 727, as amended by HA 1, did not.

Under current law, if a firefighter passes away while still disabled and receiving a disability pension, the disability pension should continue to be paid to survivors of the firefighter, which shall be deemed

to be a continuation of the pension. Tier 1 Disability benefits are subject to a simple 3% COLA beginning in January of the year following the year in which the Tier 1 member reaches age 60.

SB 3403, as amended by HA 1, shall increase the continuing disability annuity received by survivors to \$50,051.76 (which also shall be increased by a simple 3% annual COLA) if **all** the following conditions are met:

- The firefighter died in 2023;
- The firefighter died less than 6 months before his or her 60th birthday; and
- By no later than one year after the effective date of this amendatory Act of the 104th General Assembly, the board of trustees of the fire protection district adopted an ordinance or resolution granting the increase.

It is not known how many survivors would be eligible for this increase. Though it is presumed to be limited, given its restrictive requirements.

ISBI Annual Report Deadline

Impact of HA 001

SB 3403, as amended by HA 1, adds language to current statute stating that, if the audit opinion has not been received by December 15th of the year, the Board shall not be considered in violation of the annual report deadline. This is identical to the introduced/engrossed version.

Current Law

- Annually, ISBI produces a report within 6 months after the close of the fiscal year. The report embodies the following:
 - A list of investments;
 - Including the book and market values of investments, as well as the income yields (at market value)
 - The amounts of investments allocable to each pension fund or education fund managed by the Board;
 - A review of pertinent factors affecting the operations of the Board (with commentary);
 - A review of Board policies and any changes made during the year;
 - A copy of the audited financial statements for the year;
 - Any recommended changes to laws governing the operations of the Board; and
 - A list of securities brokers and dealers dealt with during the year and the total amount of commissions received by each on transactions by the Board.
- At least annually, the books, records, accounts and securities of the Board shall be audited by a CPA designated by the Auditor General of the State. The audit opinion shall be published as part of the annual report of the Board.