

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **HB 0561**

February 5, 2009

SPONSOR (S): Joyce

SYSTEM(S): Chicago Fire

FISCAL IMPACT: The Chicago Fire pension fund has not completed an actuarial cost analysis of HB 0561. The cost of granting compounded annual increases for widow's annuities is expected to be significant.

SUBJECT MATTER: HB 0561 amends the Chicago Firefighter article of the Illinois Pension Code to provide for a non-compounded 3% automatic annual increase in all widow's annuities except term annuities.

FISCAL IMPACT: The Chicago Fire pension fund has not completed an actuarial cost analysis of HB 0561. The cost of granting compounded annual increases for widow's annuities is expected to be significant.

COMMENTS: HB 0561 amends the Chicago Firefighter article of the Illinois Pension Code to increase widow's annuities by an amount equal to 3% of the original amount of the annuity. The initial increase will be granted on January 1, 2010, or the January 1st occurring on or immediately after the first anniversary of the deceased fireman's death, whichever occurs later.

DH:dkb

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