

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **HB 2577**

April 27, 2009

SPONSOR (S): McAuliffe

SYSTEM(S): Chicago Police Pension Fund

FISCAL IMPACT: The fiscal impact has not been calculated, but it would be significant.

SUBJECT MATTER: HB 2577 amends the Chicago Police Article of the Pension Code to increase the minimum retirement annuity from \$1,050 per month to \$1,250 per month, effective January 1, 2010. In addition, the bill increases the minimum widow's annuity from \$1,000 per month to \$1,200 per month, effective January 1, 2010.

FISCAL IMPACT: The fiscal impact has not been calculated, but it would be significant.

COMMENT: HB 2577 makes the following changes to the Chicago Police Article of the Pension Code:

Minimum Retirement Annuity

Currently, the minimum Chicago Police retirement annuity for members who retired at age 50 or over with at least 20 years of service is \$1,050 per month. For these retirees, HB 2577 increases the minimum monthly annuity to \$1,250 per month, effective January 1, 2010. The Chicago Firefighters' Article currently provides a minimum retirement annuity of \$1,050 per month.

Minimum Widow's Annuity

Currently, the minimum Chicago Police widow's annuity for anyone entitled to such annuity is \$1,000 per month, effective January 1, 2005. HB 2577 increases the minimum widow's annuity to \$1,200 per month for anyone entitled to such annuity, beginning January 1, 2010. The Chicago Firefighters' Article provides a minimum widow's annuity of \$1,000 per month to anyone entitled to such annuity.

HB 2577 amends the State Mandates Act to require implementation without reimbursement.

MDM:dkb

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