COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **SB 1401, as engrossed** May 1, 2009

SPONSOR (S): Maloney (Brosnahan – McCarthy)

SYSTEM(S): Downstate Police Pension Funds

FISCAL IMPACT: SB 1401, as engrossed, will have no fiscal effect upon any pension fund or retirement system in the State of Illinois.

SUBJECT MATTER: SB 1401, as engrossed, amends the Downstate Police Article of the Illinois Pension Code to allow a municipality having a population of less than 5,000 to close its police pension fund under specified conditions.

FISCAL IMPACT: SB 1401, as engrossed, will have no fiscal effect upon any pension fund or retirement system in the State of Illinois.

COMMENTS: Any municipality having a population of less than 5,000 will be authorized by SB 1401, as engrossed, to terminate its participation under the Downstate Police Article and close its police pension fund under the following conditions: (1) An independent auditor certifies its police pension fund has no liabilities and no individual is participating in the fund nor is entitled to any benefits thereof, and (2) The corporate authorities of the municipality, by ordinance, approve the closing of the fund within 60 days after the effective date of this amendatory act. If these conditions are met, all assets of the fund will be transferred to the municipality for its general corporate purposes. If, at a later date, the municipality wishes to reinstate the closed fund, then the reinstatement proposition must be submitted to the voters of the municipality for their approval.

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