

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **SB 1530**

February 26, 2009

SPONSOR (S): Martinez

SYSTEM(S): Chicago Police

FISCAL IMPACT: The Chicago police pension fund has not undertaken an actuarial impact study of SB 1530. The funded ratio of the Chicago police pension fund stood at 51.5% as of December 31, 2007. SB 1530 would have a positive fiscal impact on the pension fund.

SUBJECT MATTER: SB 1530 amends the Chicago Police article of the Illinois Pension Code to change the amount of the tax multiplier for the purposes of making employer contributions to the pension fund.

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COMMENT: Under current law, the Chicago city council is required to levy a tax annually at a rate on the dollar of the assessed valuation of all taxable property in the city that will produced an amount not to exceed the total amount of contributions by the policemen to the fund made in the calendar year 2 years before the year for which the applicable tax is levied, multiplied by 2.00. SB 1530 proposes to change the tax multiplier to 3.00 in 2010 and each year thereafter.

DH:dkb

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