

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

97TH GENERAL ASSEMBLY

BILL NO: **HB 1901**

February 24, 2011

SPONSOR (S): Hatcher

SYSTEM(S): Downstate Police, Fire

FISCAL IMPACT: The Department of Insurance estimates that in 2011, 24 communities within Illinois exceed the 5,000 person population threshold necessary for the formation of police and fire pension funds. This estimate is based upon a review of unofficial 2010 census data.

SUBJECT MATTER: HB 1901 amends the Downstate Police and Fire articles of the Pension Code to allow municipalities that have not yet formed a police or fire pension fund to opt out of creating such a fund.

FISCAL IMPACT: The Department of Insurance estimates that in 2011, 24 communities within Illinois exceed the 5,000 person population threshold necessary for the formation of police and fire pension funds. This estimate is based upon a review of unofficial 2010 census data.

COMMENT: Under current law, municipalities that have 5,000 or more residents and employ at least one full-time police officer or firefighter must create a police or fire pension fund. The Department of Insurance estimates that in 2011, 24 communities within Illinois exceed the 5,000 person population threshold necessary for the formation of police and fire pension funds. This estimate is based upon a review of unofficial 2010 census data. HB 1901 allows the corporate authorities of a municipality to elect not to form a police or fire pension fund via the adoption of a resolution or ordinance within 60 days of the effective date of this amendatory Act.

DH:dkb

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