

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

97TH GENERAL ASSEMBLY

BILL NO: **HB 1042**

February 5, 2013

SPONSOR(S): Tryon

SYSTEM(S): Chicago Police, Downstate Police

FISCAL IMPACT: The fiscal impact of HB 1042 cannot be determined as the number of police officers who may wish to transfer service credit is unknown. HB 1042 re-opens the Chicago Police-to-Downstate Police service credit transfer window first established under P.A. 97-0325. According to the Chicago Police Pension Fund, 10 people transferred service credit from the Chicago Police Fund to Downstate Police funds under P.A. 97-0325.

SUBJECT MATTER: HB 1042 amends the Downstate Police and Chicago Police Articles of the Illinois Pension Code to authorize transfers of up to 10 years of creditable service from a Chicago police pension fund to a Downstate police pension fund.

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COMMENT: Prior to the enactment of P.A. 97-0325 (HB 1872), there was no clause in the Downstate Police or Chicago Police Articles of the Illinois Pension Code that provided for the transfer of creditable service from the Chicago police pension fund to a Downstate police pension fund. P.A. 97-0325 provided that for a period of 60 days after the effective date of the Act, a person became eligible to transfer to a Downstate police pension fund up to 10 years of creditable service accumulated in the Chicago Police Pension Fund. This creditable service could be transferred upon payment to the Downstate police pension fund of an amount to be determined by the board, equal to the difference between the amount of employee and employer contributions transferred to the fund and the amounts that would have been contributed had such contributions been made at the rates applicable to an employee of a Downstate police pension fund, plus interest at the actuarially assumed rate, compounded annually, from the date of service to the date of payment.

HB 1042 re-opens this window created by P.A. 97-0325 for a period of 60 days after the effective date of this Amendatory Act.

DH:dkb

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