

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

98TH GENERAL ASSEMBLY

REVISED

BILL NO: **HB 1375**

February 27, 2013

SPONSOR(S): Beiser

SYSTEM(S): Downstate Firefighters

FISCAL IMPACT: According to DOI data, in FY 2010, payments for children's annuities totaled \$352,000. Assuming that all of the \$352,000 was for the 12% annuity, this produces an increase of \$235,000, which is roughly equivalent to the retirement annuities for 5 additional firefighters across all the Downstate Funds.

SUBJECT MATTER: HB 1375 amends the Downstate Firefighters article of the Illinois Pension Code to increase certain annuities to surviving children from 12% of monthly salary up to 20%.

COMMENT: As of current law, child annuity amounts are determined as follows:

- For instances involving a surviving spouse, the guardian of the child receives the 12% of salary surviving child annuity.
 - If the surviving spouse dies, the guardian will receive a 20% of salary survivor's pension.
- If a firefighter dies without leaving a surviving spouse, the guardian of the child receives the 12% of salary surviving child annuity.

HB 1375 improves the child annuity left for a guardian of a child when there is no surviving spouse to begin with.

- If a firefighter dies without leaving a surviving spouse, the guardian of the child receives the 12% of salary surviving child annuity.
 - From here on, this annuity is 20%, and any guardian currently receiving the 12% of salary annuity will have the amount increased to 20% of salary.

MD:dkb

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