

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

98th GENERAL ASSEMBLY

REVISED

BILL NO: **HB 3624**

April 15, 2013

SPONSOR(S): Bost

SYSTEM(S): Illinois Municipal Retirement Fund (IMRF)

FISCAL IMPACT: According to IMRF, when a similar service credit transfer window was made available via P.A. 97-0273, a total of 25 members transferred service credit from Article 3 funds to IMRF. 14 of the 25 members did not purchase all available service credit and took a reduction in creditable service, while 11 members paid the difference between the amounts that were transferred from their respective Article 3 funds and the amounts that would have been paid had the service been earned in IMRF.

SUBJECT MATTER: HB 3624 amends the IMRF Article of the Illinois Pension Code to revise the deadline for a policeman to transfer up to 10 years of service credit from a downstate police pension fund to IMRF.

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COMMENT: HB 3624 opens a new 180 day period during which policemen may buy service credit in IMRF for up to 10 years worked in downstate police pension funds. This purchased service time will be credited as a sheriff's law enforcement employee in IMRF. To establish service credit under HB 3624 the policeman shall do one of the following: (1) Pay to IMRF an amount to be determined by the Board to equal the difference between the amount transferred to IMRF by the downstate police pension fund and the amount which would have been contributed as a sheriff's law enforcement employee plus interest at the actuarially assumed rate, or (2) Have the amount of creditable service established by HB 3624 reduced by an amount necessary to offset the difference in the employer and employee contributions, plus appropriate interest, that would have been required as a sheriff's law enforcement employee less the amount transferred to IMRF from the downstate police pension fund.

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