

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

98TH GENERAL ASSEMBLY

BILL NO: **HB 5919**

March 13, 2014

SPONSOR(S): Ives

SYSTEM(S): Downstate Police and Downstate Firefighters

FISCAL IMPACT: HB 5919 will have an indiscernible fiscal impact on the Downstate Police and Downstate Firefighters Pension Funds. An exact amount cannot be determined, as the Department of Insurance cannot quantify the number of pensions that are miscalculated because of an incorrect salary or final average salary used for the retirement formula.

SUBJECT MATTER: HB 5919 amends the Illinois Pension Code to require annuitants who receive a pension that was miscalculated in regards to compensation used toward their final average salary or salary, to pay back the amount of the benefit from that compensation.

FISCAL IMPACT: HB 5919 will have an indiscernible fiscal impact on the Downstate Police and Downstate Firefighters Pension Funds. An exact amount cannot be determined, as the Department of Insurance cannot quantify the number of pensions that are miscalculated because of an incorrect salary or final average salary used for the retirement formula.

COMMENT: HB 5919 would require that if a Downstate Firefighter's or a Downstate Police Officer's pension has been miscalculated using compensation that should not have been included in the calculation of final average salary or salary, then the beneficiary of that pension shall pay back the amount of the benefit from that compensation.

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