

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

98TH GENERAL ASSEMBLY

BILL NO: **SB 2649**

March 17, 2014

SPONSOR (S): Althoff

SYSTEM(S): Downstate Police, Chicago Police

FISCAL IMPACT: The fiscal impact of SB 2649 cannot be determined as the number of police officers who may elect to transfer service credit is unknown. According to the Chicago Police Pension Fund, the last time a similar service credit transfer window was established in 2011 under P.A. 97-0326, 17 members of Article 3 funds applied for the transfer of service from Chicago Police to an Article 3 pension fund. Of the 17 total applicants, 9 members completed the service credit transaction. Those who did not complete the transaction were ineligible for a variety of reasons including failure to repay refunds, while other applicants withdrew their request to transfer service.

SUBJECT MATTER: SB 2649 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 the Chicago Police Pension Fund to a Downstate police pension fund for a period of 180 days after the effective date of this Amendatory Act.

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COMMENT: Currently there is no clause in the Downstate Police or Chicago Police Articles of the Illinois Pension Code regarding the transfer of creditable service from the Chicago police pension fund to a Downstate police pension fund. SB 2649 allows a person to transfer to a Downstate police pension fund up to 10 years of creditable service accumulated in the Chicago Police Pension Fund for a period of 180 days after the effective date of this amendatory Act. This creditable service can be transferred

upon payment to the Downstate police pension fund of an amount to be determined by the board of the Downstate police pension fund, 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.

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