

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 99TH GENERAL ASSEMBLY

BILL NO: **HB 1444**

February 10, 2015

SPONSOR(S): Martwick

SYSTEM(S): Chicago Firefighters

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**FISCAL IMPACT:** HB 1444 will increase the accrued liabilities of the Firemen's Annuity and Benefit Fund of Chicago. According to the fund, as of February 18, 2014, 43 retired annuitants will be affected during the 3-year span of incremental increases prescribed in this bill. The headcount information was obtained for HB 4730, which was an identical measure from the previous General Assembly. An actuarial cost study is needed to determine the full extent of increased liabilities.

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**SUBJECT MATTER:** HB 1444 raises the minimum retirement annuity from the current minimum retirement annuity of \$1,050 per month, to a new minimum retirement annuity of \$1,250 per month, over a three-year period.

**FISCAL IMPACT:** HB 1444 will increase the accrued liabilities of the Firemen's Annuity and Benefit Fund of Chicago. According to the fund, as of February 18, 2014, 43 retired annuitants will be affected during the 3-year span of incremental increases prescribed in this bill. The headcount information was obtained for HB 4730, which was an identical measure from the previous General Assembly. An actuarial cost study is needed to determine the full extent of increased liabilities.

**COMMENT:** Currently, a Chicago Firefighter who has retired, or will retire from service at age 50 or older with 20 or more years of service, is required to receive a minimum retirement annuity of \$1,050.

HB 1444 would incrementally increase the minimum retirement annuity guaranteed to Chicago Firefighters up to \$1,250 by 2018. Under HB 1444, new minimum retirement annuities would be implemented as follows:

- Beginning July 1, 2015, minimum retirement annuity is \$1,100.
- Beginning January 1, 2016, minimum retirement annuity is \$1,150.
- Beginning January 1, 2017, minimum retirement annuity is \$1,200.
- Beginning January 1, 2018, minimum retirement annuity is \$1,250.

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