

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

99TH GENERAL ASSEMBLY

BILL NO: **HB 3496**

March 6, 2015

SPONSOR (S): Burke, Kelly

SYSTEM(S): Chicago Fire

FISCAL IMPACT: HB 3496 would have a fiscal impact upon the Chicago Fire Pension Fund; however an actuarial study would be required to determine the precise impact. An updated impact note will be issued when an actuarial study becomes available.

SUBJECT MATTER: HB 3496 amends the Chicago Fire article of the Illinois Pension Code. The bill extends the Tier 1 ordinary death benefit to Tier 2 personnel.

FISCAL IMPACT: HB 3496 would have a fiscal impact upon the Chicago Fire Pension Fund; however an actuarial study would be required to determine the precise impact. An updated impact note will be issued when an actuarial study becomes available.

COMMENT: Currently, for Tier 1 personnel, an ordinary death benefit is payable for death in service and for death after retirement. For death in service, the benefit level ranges from \$12,000 for those persons age 49 and under, and decreases in \$400 increments each year until age 64, when the death benefit floor of \$6,000 is payable. For death after retirement, the benefit amount is the same regardless of age: \$6,000. HB 3496 extends this ordinary death benefit to Tier 2 personnel, those who were hired after January 1, 2011, the effective date of P.A. 96-1495 (the Two Tier Act of 2010).

DH:dkb

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