

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

99TH GENERAL ASSEMBLY

BILL NO: **SB 0763, as amended by HA 2**

May 25, 2015

SPONSOR (S): Sandoval – Anderson (Zalewski)

SYSTEM(S): Illinois Municipal Retirement Fund

FISCAL IMPACT: According to IMRF, SB 0763, as amended by HA 2, is projected to only affect the firefighters and/or the police officers of Bedford Park. This is projected to affect 133 employees at most. Currently, the employer's normal cost for the IMRF pension fund is approximately 4.56%, and the employer's normal cost for the Sheriff's Law Enforcement Personnel (SLEP) pension fund is approximately 8.67%. . These figures are based on a statewide average as reported in IMRF's most recent actuarial report. The actual cost to the employer would factor in the age, service credit, and salaries of the employees in question and would need to be calculated by IMRF's actuary.

SUBJECT MATTER: SB 0763, as amended by HA 2, amends the IMRF Article of the Pension Code to allow qualifying firefighters and/or police officers to receive Sheriff's Law Enforcement Personnel (SLEP) benefits.

COMMENT: According to current law, the IMRF article of the Pension Code recognizes the following as "Sheriff's Law Enforcement Employees" or "SLEP":

- 1) A county sheriff and all full-time deputies excluding special deputies.
- 2) A person who was elected to participate in IMRF, and who is employed by a participating municipality to perform police duties.
- 3) A law enforcement officer employed on a full-time basis by a Forest Preserve District, provided that such officer is deemed eligible for SLEP service by the board of commissioners of the District.
- 4) A person that is employed full-time by a participating municipality to perform police duties at an airport and is deemed eligible for SLEP service by the governing authority of the employer.

SB 0763, as amended by HA 2, amends the IMRF Article of the Illinois Pension Code by providing participating firefighters and police officers SLEP status with the approval of the employing municipality. The participating municipality must have at least 50 full-time firefighters or 30 full-time police officers that have not established a

Downstate Fire Pension Fund; also, the governing authority of the employer must approve the SLEP status for the aforementioned firefighters.

***HA 1 stated that participating municipalities must obtain approval for SLEP status for its firefighters and police officers. HA 2 differs by stating that participating municipalities must obtain approval for SLEP status for either its firefighters and/or its police officers.**

****Due to the population of Bedford Park being lower than 5,000, their firefighters and police officers are ineligible for an Article 4 pension fund. They have attempted to obtain this type of fund via referendum but were unsuccessful. The employer's normal cost of an Article 4 benefit plan is approximately 7.045% on average. The employer's normal cost of a SLEP benefit plan is approximately 8.67%. This is a difference of about 1.625% making these benefit plans fiscally comparable.**

JL:dkb

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