

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **HB 1223, as amended by House Amendment 1** March 27, 2008

SPONSOR (S): McGuire - Boland

SYSTEM(S): Downstate Police

FISCAL IMPACT: The fiscal impact of HB 1223, as amended by House Amendment 1, cannot be determined as the number of eligible retirees is unknown. The cost is expected to be relatively minor.

SUBJECT MATTER: HB 1223, as amended by House Amendment 1, amends the Downstate Police article of the Pension Code to allow automatic annual increases in disability retirement annuities for certain police officers who meet specified age and service requirements as outlined in the Comment section below.

FISCAL IMPACT: The fiscal impact of HB 1223, as amended by House Amendment 1, cannot be determined as the number of eligible retirees is unknown. The cost is expected to be relatively minor.

COMMENT: Under current law, if a police officer becomes inactive as a result of sickness, accident or injury resulting from the performance of an act of duty, the police officer shall be entitled to a disability pension equal to 65% of the salary attached to the officer's rank at the date of retirement on disability, or the retirement pension that the police officer would be eligible to receive if he or she had retired, whichever is greater. No cost of living adjustment is payable to an officer who receives a disability pension.

HB 1223, as amended by House Amendment 1, provides that the monthly pension of a police officer who receives a line of duty pension who was hired on or before January 1, 1979 and received a line of duty pension on or after January 1, 1993 with at least 14 years of service and applies within 6 months after the effective date shall be increased by 3% of the original pension beginning in January of the year the officer turns 50. The bill also provides that, in each January thereafter, the police officer shall receive an additional increase of 3% of the original pension.

HB 1223, as amended by House Amendment 1, amends the State Mandates Act to require implementation without reimbursement.

DH:bj
LRB095 08052 AMC 46727 a