

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **HB 1605**

March 1, 2007

SPONSOR (S): Younge

SYSTEM(S): Downstate Police

FISCAL IMPACT: The fiscal impact to the Village of Shiloh cannot be calculated as the number of police officers who would qualify for membership in the police pension fund under the circumstances set forth in the bill is unknown. According to the Public Pension Division of the Department of Financial and Professional Regulation, the Shiloh Police pension fund has a funding ratio of 44.82%.

SUBJECT MATTER: HB 1605 amends the Downstate Police article of the Pension Code to allow a police officer employed by the Village of Shiloh to participate in the police pension fund, provided that the officer is otherwise qualified to participate in the fund but was excluded by reason of his or her failure to make a written application to the board of the Shiloh Police pension fund within three months of his or her appointment as a police officer.

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COMMENT: Currently, the Pension Code stipulates that membership in a Downstate Police (Article 3) pension fund is contingent upon becoming a sworn police officer in a municipality that has established such a fund. The police officer must, within 3 months of his or her first appointment or reappointment, make a written application to the board of trustees of the pension fund in order to establish membership in the police pension fund.

HB 1605 allows a police officer who was excluded from participation in the Shiloh police pension fund by reason of his or her failure to make written application to the board within 3 months of his or her first appointment or reappointment to elect to participate in the fund. The police officer must make a written application to the board

no later than July 1, 2008, and shall begin participation on the first day of the month following the month in which the application is received by the board.

HB 1605 amends the State Mandates Act to require implementation without reimbursement.

DH:bs

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