



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB0843

Introduced 2/9/2009, by Rep. Angelo Saviano - Sidney H. Mathias

SYNOPSIS AS INTRODUCED:

40 ILCS 5/4-107	from Ch. 108 1/2, par. 4-107
40 ILCS 5/4-118	from Ch. 108 1/2, par. 4-118
30 ILCS 805/8.33 new	

Amends the Downstate Firefighter Article of the Illinois Pension Code. Allows a person qualified to participate in a downstate firefighter pension fund who was mandatorily retired at age 65 pursuant to applicable law without having obtained 20 years of creditable service to be able to establish up to 5 years of creditable service for periods of employment under the Article for which creditable service is not otherwise established by contributing into the pension fund the amount that the firefighter would have contributed had deductions from salary been made for this purpose, plus interest thereon at the actuarially assumed rate, compounded annually, from the time the service was rendered until the date of payment. Allows the corporate authorities of a municipality that has mandatorily retired a firefighter at age 65 to add to the tax levy for pension purposes an amount equal to the projected cost of the employer contributions for a firefighter electing to establish the additional 5 years of creditable service. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB096 09314 AMC 19468 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing
5 Sections 4-107 and 4-118 as follows:

6 (40 ILCS 5/4-107) (from Ch. 108 1/2, par. 4-107)

7 Sec. 4-107. Qualifications.

8 (a) A firefighter who has not contributed to the fund
9 during the entire period of service, to be entitled to the
10 benefits of this Article, must contribute to the fund the
11 amount he or she would have paid had deductions been made from
12 his or her salary during the entire period of his or her
13 creditable service.

14 (b) Any person appointed as a firefighter in a municipality
15 shall, within 3 months after receiving his or her first
16 appointment and within 3 months after any reappointment make
17 written application to the board to come under the provisions
18 of this Article.

19 (c) A person otherwise qualified to participate who was
20 excluded from participation by reason of the age or fitness
21 requirements removed by this amendatory Act of 1995 may elect
22 to participate by making a written application to the Board
23 before July 1, 1996. Persons so electing shall begin

1 participation on the first day of the month following the month
2 in which the application is received by the Board. These
3 persons may also elect to establish creditable service for
4 periods of employment as a firefighter during which they did
5 not participate by paying into the pension fund, before January
6 1, 1997, the amount that the person would have contributed had
7 deductions from salary been made for this purpose at the time
8 the service was rendered, together with interest thereon at 6%
9 per annum, compounded annually, from the time the service was
10 rendered until the date of payment.

11 (d) A person described in subsection (h) of Section 15-107
12 shall not participate in any pension fund established under
13 this Article with respect to employment for which he or she is
14 a participating employee in the State Universities Retirement
15 System.

16 (e) A person qualified to participate in a pension fund
17 established pursuant to this Article who was mandatorily
18 retired at age 65 pursuant to applicable law without having
19 obtained 20 years of creditable service and who applies in
20 writing to the fund within 6 months after the effective date of
21 this amendatory Act of the 96th General Assembly may establish
22 up to 5 years of creditable service for periods of employment
23 under this Article for which creditable service is not
24 otherwise established by contributing into the pension fund the
25 amount that the firefighter would have contributed had
26 deductions from salary been made for this purpose. The amount

1 contributed by the firefighter shall also include interest
2 thereon at the actuarially assumed rate as determined by the
3 Public Pension Division of the Department of Financial and
4 Professional Regulation, compounded annually, from the time
5 the service was rendered until the date of payment.

6 A firefighter electing to establish creditable service
7 pursuant to this subsection (e) shall receive an adjustment to
8 his or her monthly pension pursuant to Section 4-109.

9 (Source: P.A. 89-52, eff. 6-30-95; 90-576, eff. 3-31-98.)

10 (40 ILCS 5/4-118) (from Ch. 108 1/2, par. 4-118)

11 Sec. 4-118. Financing.

12 (a) The city council or the board of trustees of the
13 municipality shall annually levy a tax upon all the taxable
14 property of the municipality at the rate on the dollar which
15 will produce an amount which, when added to the deductions from
16 the salaries or wages of firefighters and revenues available
17 from other sources, will equal a sum sufficient to meet the
18 annual actuarial requirements of the pension fund, as
19 determined by an enrolled actuary employed by the Illinois
20 Department of Insurance or by an enrolled actuary retained by
21 the pension fund or municipality. For the purposes of this
22 Section, the annual actuarial requirements of the pension fund
23 are equal to (1) the normal cost of the pension fund, or 17.5%
24 of the salaries and wages to be paid to firefighters for the
25 year involved, whichever is greater, plus (2) the annual amount

1 necessary to amortize the fund's unfunded accrued liabilities
2 over a period of 40 years from July 1, 1993, as annually
3 updated and determined by an enrolled actuary employed by the
4 Illinois Department of Insurance or by an enrolled actuary
5 retained by the pension fund or the municipality. The amount to
6 be applied towards the amortization of the unfunded accrued
7 liability in any year shall not be less than the annual amount
8 required to amortize the unfunded accrued liability, including
9 interest, as a level percentage of payroll over the number of
10 years remaining in the 40 year amortization period.

11 (b) The tax shall be levied and collected in the same
12 manner as the general taxes of the municipality, and shall be
13 in addition to all other taxes now or hereafter authorized to
14 be levied upon all property within the municipality, and in
15 addition to the amount authorized to be levied for general
16 purposes, under Section 8-3-1 of the Illinois Municipal Code or
17 under Section 14 of the Fire Protection District Act. The tax
18 shall be forwarded directly to the treasurer of the board
19 within 30 business days of receipt by the county (or, in the
20 case of amounts added to the tax levy under subsection (f),
21 used by the municipality to pay the employer contributions
22 required under subsection (b-1) of Section 15-155 of this
23 Code).

24 (c) The board shall make available to the membership and
25 the general public for inspection and copying at reasonable
26 times the most recent Actuarial Valuation Balance Sheet and Tax

1 Levy Requirement issued to the fund by the Department of
2 Insurance.

3 (d) The firefighters' pension fund shall consist of the
4 following moneys which shall be set apart by the treasurer of
5 the municipality: (1) all moneys derived from the taxes levied
6 hereunder; (2) contributions by firefighters as provided under
7 Section 4-118.1; (3) all rewards in money, fees, gifts, and
8 emoluments that may be paid or given for or on account of
9 extraordinary service by the fire department or any member
10 thereof, except when allowed to be retained by competitive
11 awards; and (4) any money, real estate or personal property
12 received by the board.

13 (e) For the purposes of this Section, "enrolled actuary"
14 means an actuary: (1) who is a member of the Society of
15 Actuaries or the American Academy of Actuaries; and (2) who is
16 enrolled under Subtitle C of Title III of the Employee
17 Retirement Income Security Act of 1974, or who has been engaged
18 in providing actuarial services to one or more public
19 retirement systems for a period of at least 3 years as of July
20 1, 1983.

21 (f) The corporate authorities of a municipality that
22 employs a person who is described in subdivision (d) of Section
23 4-106 may add to the tax levy otherwise provided for in this
24 Section an amount equal to the projected cost of the employer
25 contributions required to be paid by the municipality to the
26 State Universities Retirement System under subsection (b-1) of

1 Section 15-155 of this Code.

2 (g) The corporate authorities of a municipality that has
3 mandatorily retired a firefighter at age 65 may add to the tax
4 levy otherwise provided for in this Section an amount equal to
5 the projected cost of the employer contributions for a
6 firefighter electing to establish creditable service pursuant
7 to subsection (e) of Section 4-107.

8 (Source: P.A. 94-859, eff. 6-15-06.)

9 Section 90. The State Mandates Act is amended by adding
10 Section 8.33 as follows:

11 (30 ILCS 805/8.33 new)

12 Sec. 8.33. Exempt mandate. Notwithstanding Sections 6 and 8
13 of this Act, no reimbursement by the State is required for the
14 implementation of any mandate created by this amendatory Act of
15 the 96th General Assembly.

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.