



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB3694

Introduced 2/24/2009, by Rep. Robert W. Pritchard

SYNOPSIS AS INTRODUCED:

40 ILCS 5/3-110	from Ch. 108 1/2, par. 3-110
40 ILCS 5/7-139	from Ch. 108 1/2, par. 7-139
40 ILCS 5/7-139.9	
40 ILCS 5/3-110.8 rep.	
40 ILCS 5/3-110.10 rep.	
40 ILCS 5/7-139.11 rep.	
30 ILCS 805/8.33 new	

Amends the Illinois Pension Code. Removes provisions added by Public Act 94-356 concerning the transfer of creditable police service under the Illinois Municipal Retirement Fund to a downstate police pension fund (and cross references to those provisions) and opens a window during which police officers may transfer the creditable service under different terms and conditions. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB096 07517 AMC 17612 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 3-110, 7-139, and 7-139.9 as follows:

6 (40 ILCS 5/3-110) (from Ch. 108 1/2, par. 3-110)
7 Sec. 3-110. Creditable service.

8 (a) "Creditable service" is the time served by a police
9 officer as a member of a regularly constituted police force of
10 a municipality. In computing creditable service furloughs
11 without pay exceeding 30 days shall not be counted, but all
12 leaves of absence for illness or accident, regardless of
13 length, and all periods of disability retirement for which a
14 police officer has received no disability pension payments
15 under this Article shall be counted.

16 (a-5) Up to 3 years of time during which the police officer
17 receives a disability pension under Section 3-114.1, 3-114.2,
18 3-114.3, or 3-114.6 shall be counted as creditable service,
19 provided that (i) the police officer returns to active service
20 after the disability for a period at least equal to the period
21 for which credit is to be established and (ii) the police
22 officer makes contributions to the fund based on the rates
23 specified in Section 3-125.1 and the salary upon which the

1 disability pension is based. These contributions may be paid at
2 any time prior to the commencement of a retirement pension. The
3 police officer may, but need not, elect to have the
4 contributions deducted from the disability pension or to pay
5 them in installments on a schedule approved by the board. If
6 not deducted from the disability pension, the contributions
7 shall include interest at the rate of 6% per year, compounded
8 annually, from the date for which service credit is being
9 established to the date of payment. If contributions are paid
10 under this subsection (a-5) in excess of those needed to
11 establish the credit, the excess shall be refunded. This
12 subsection (a-5) applies to persons receiving a disability
13 pension under Section 3-114.1, 3-114.2, 3-114.3, or 3-114.6 on
14 the effective date of this amendatory Act of the 91st General
15 Assembly, as well as persons who begin to receive such a
16 disability pension after that date.

17 (b) Creditable service includes all periods of service in
18 the military, naval or air forces of the United States entered
19 upon while an active police officer of a municipality, provided
20 that upon applying for a permanent pension, and in accordance
21 with the rules of the board, the police officer pays into the
22 fund the amount the officer would have contributed if he or she
23 had been a regular contributor during such period, to the
24 extent that the municipality which the police officer served
25 has not made such contributions in the officer's behalf. The
26 total amount of such creditable service shall not exceed 5

1 years, except that any police officer who on July 1, 1973 had
2 more than 5 years of such creditable service shall receive the
3 total amount thereof.

4 (c) Creditable service also includes service rendered by a
5 police officer while on leave of absence from a police
6 department to serve as an executive of an organization whose
7 membership consists of members of a police department, subject
8 to the following conditions: (i) the police officer is a
9 participant of a fund established under this Article with at
10 least 10 years of service as a police officer; (ii) the police
11 officer received no credit for such service under any other
12 retirement system, pension fund, or annuity and benefit fund
13 included in this Code; (iii) pursuant to the rules of the board
14 the police officer pays to the fund the amount he or she would
15 have contributed had the officer been an active member of the
16 police department; and (iv) the organization pays a
17 contribution equal to the municipality's normal cost for that
18 period of service.

19 (d) (1) Creditable service also includes periods of
20 service originally established in another police pension
21 fund under this Article or in the Fund established under
22 Article 7 of this Code for which (i) the contributions have
23 been transferred under Section 3-110.7 or Section 7-139.9
24 and (ii) any additional contribution required under
25 paragraph (2) of this subsection has been paid in full in
26 accordance with the requirements of this subsection (d).

1 (2) If the board of the pension fund to which
2 creditable service and related contributions are
3 transferred under Section 3-110.7 or 7-139.9 determines
4 that the amount transferred is less than the true cost to
5 the pension fund of allowing that creditable service to be
6 established, then in order to establish that creditable
7 service the police officer must pay to the pension fund,
8 within the payment period specified in paragraph (3) of
9 this subsection, an additional contribution equal to the
10 difference, as determined by the board in accordance with
11 the rules and procedures adopted under paragraph (6) of
12 this subsection.

13 (3) Except as provided in paragraph (4), the additional
14 contribution must be paid to the board (i) within 5 years
15 from the date of the transfer of contributions under
16 Section 3-110.7 or 7-139.9 and (ii) before the police
17 officer terminates service with the fund. The additional
18 contribution may be paid in a lump sum or in accordance
19 with a schedule of installment payments authorized by the
20 board.

21 (4) If the police officer dies in service before
22 payment in full has been made and before the expiration of
23 the 5-year payment period, the surviving spouse of the
24 officer may elect to pay the unpaid amount on the officer's
25 behalf within 6 months after the date of death, in which
26 case the creditable service shall be granted as though the

1 deceased police officer had paid the remaining balance on
2 the day before the date of death.

3 (5) If the additional contribution is not paid in full
4 within the required time, the creditable service shall not
5 be granted and the police officer (or the officer's
6 surviving spouse or estate) shall be entitled to receive a
7 refund of (i) any partial payment of the additional
8 contribution that has been made by the police officer and
9 (ii) those portions of the amounts transferred under
10 subdivision (a)(1) of Section 3-110.7 or subdivisions
11 (a)(1) and (a)(3) of Section 7-139.9 that represent
12 employee contributions paid by the police officer (but not
13 the accumulated interest on those contributions) and
14 interest paid by the police officer to the prior pension
15 fund in order to reinstate service terminated by acceptance
16 of a refund.

17 At the time of paying a refund under this item (5), the
18 pension fund shall also repay to the pension fund from
19 which the contributions were transferred under Section
20 3-110.7 or 7-139.9 the amount originally transferred under
21 subdivision (a)(2) of that Section, plus interest at the
22 rate of 6% per year, compounded annually, from the date of
23 the original transfer to the date of repayment. Amounts
24 repaid to the Article 7 fund under this provision shall be
25 credited to the appropriate municipality.

26 Transferred credit that is not granted due to failure

1 to pay the additional contribution within the required time
2 is lost; it may not be transferred to another pension fund
3 and may not be reinstated in the pension fund from which it
4 was transferred.

5 (6) The Public Employee Pension Fund Division of the
6 Department of Insurance shall establish by rule the manner
7 of making the calculation required under paragraph (2) of
8 this subsection, taking into account the appropriate
9 actuarial assumptions; the police officer's service, age,
10 and salary history; the level of funding of the pension
11 fund to which the credits are being transferred; and any
12 other factors that the Division determines to be relevant.
13 The rules may require that all calculations made under
14 paragraph (2) be reported to the Division by the board
15 performing the calculation, together with documentation of
16 the creditable service to be transferred, the amounts of
17 contributions and interest to be transferred, the manner in
18 which the calculation was performed, the numbers relied
19 upon in making the calculation, the results of the
20 calculation, and any other information the Division may
21 deem useful.

22 ~~(e) (1) Creditable service also includes periods of~~
23 ~~service originally established in the Fund established~~
24 ~~under Article 7 of this Code for which the contributions~~
25 ~~have been transferred under Section 7-139.11.~~

26 ~~(2) If the board of the pension fund to which~~

1 ~~creditable service and related contributions are~~
2 ~~transferred under Section 7-139.11 determines that the~~
3 ~~amount transferred is less than the true cost to the~~
4 ~~pension fund of allowing that creditable service to be~~
5 ~~established, then the amount of creditable service the~~
6 ~~police officer may establish under this subsection (c)~~
7 ~~shall be reduced by an amount equal to the difference, as~~
8 ~~determined by the board in accordance with the rules and~~
9 ~~procedures adopted under paragraph (3) of this subsection.~~

10 ~~(3) The Public Pension Division of the Department of~~
11 ~~Financial and Professional Regulation shall establish by~~
12 ~~rule the manner of making the calculation required under~~
13 ~~paragraph (2) of this subsection, taking into account the~~
14 ~~appropriate actuarial assumptions; the police officer's~~
15 ~~service, age, and salary history; the level of funding of~~
16 ~~the pension fund to which the credits are being~~
17 ~~transferred; and any other factors that the Division~~
18 ~~determines to be relevant. The rules may require that all~~
19 ~~calculations made under paragraph (2) be reported to the~~
20 ~~Division by the board performing the calculation, together~~
21 ~~with documentation of the creditable service to be~~
22 ~~transferred, the amounts of contributions and interest to~~
23 ~~be transferred, the manner in which the calculation was~~
24 ~~performed, the numbers relied upon in making the~~
25 ~~calculation, the results of the calculation, and any other~~
26 ~~information the Division may deem useful.~~

1 ~~(4) Until January 1, 2010, a police officer who~~
2 ~~transferred service from the Fund established under~~
3 ~~Article 7 of this Code under the provisions of Public Act~~
4 ~~94-356 may establish additional credit, but only for the~~
5 ~~amount of the service credit reduction in that transfer, as~~
6 ~~calculated under paragraph (3) of this subsection (c). This~~
7 ~~credit may be established upon payment by the police~~
8 ~~officer of an amount to be determined by the board, equal~~
9 ~~to (1) the amount that would have been contributed as~~
10 ~~employee and employer contributions had all of the service~~
11 ~~been as an employee under this Article, plus interest~~
12 ~~thereon at the rate of 6% per year, compounded annually~~
13 ~~from the date of service to the date of transfer, less (2)~~
14 ~~the total amount transferred from the Article 7 Fund, plus~~
15 ~~(3) interest on the difference at the rate of 6% per year,~~
16 ~~compounded annually, from the date of the transfer to the~~
17 ~~date of payment. The additional service credit is allowed~~
18 ~~under this amendatory Act of the 95th General Assembly~~
19 ~~notwithstanding the provisions of Article 7 terminating~~
20 ~~all transferred credits on the date of transfer.~~

21 (Source: P.A. 94-356, eff. 7-29-05; 95-812, eff. 8-13-08.)

22 (40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)

23 Sec. 7-139. Credits and creditable service to employees.

24 (a) Each participating employee shall be granted credits
25 and creditable service, for purposes of determining the amount

1 of any annuity or benefit to which he or a beneficiary is
2 entitled, as follows:

3 1. For prior service: Each participating employee who
4 is an employee of a participating municipality or
5 participating instrumentality on the effective date shall
6 be granted creditable service, but no credits under
7 paragraph 2 of this subsection (a), for periods of prior
8 service for which credit has not been received under any
9 other pension fund or retirement system established under
10 this Code, as follows:

11 If the effective date of participation for the
12 participating municipality or participating
13 instrumentality is on or before January 1, 1998, creditable
14 service shall be granted for the entire period of prior
15 service with that employer without any employee
16 contribution.

17 If the effective date of participation for the
18 participating municipality or participating
19 instrumentality is after January 1, 1998, creditable
20 service shall be granted for the last 20% of the period of
21 prior service with that employer, but no more than 5 years,
22 without any employee contribution. A participating
23 employee may establish creditable service for the
24 remainder of the period of prior service with that employer
25 by making an application in writing, accompanied by payment
26 of an employee contribution in an amount determined by the

1 Fund, based on the employee contribution rates in effect at
2 the time of application for the creditable service and the
3 employee's salary rate on the effective date of
4 participation for that employer, plus interest at the
5 effective rate from the date of the prior service to the
6 date of payment. Application for this creditable service
7 may be made at any time while the employee is still in
8 service.

9 A municipality that (i) has at least 35 employees; (ii)
10 is located in a county with at least 2,000,000 inhabitants;
11 and (iii) maintains an independent defined benefit pension
12 plan for the benefit of its eligible employees may restrict
13 creditable service in whole or in part for periods of prior
14 service with the employer if the governing body of the
15 municipality adopts an irrevocable resolution to restrict
16 that creditable service and files the resolution with the
17 board before the municipality's effective date of
18 participation.

19 Any person who has withdrawn from the service of a
20 participating municipality or participating
21 instrumentality prior to the effective date, who reenters
22 the service of the same municipality or participating
23 instrumentality after the effective date and becomes a
24 participating employee is entitled to creditable service
25 for prior service as otherwise provided in this subdivision
26 (a)(1) only if he or she renders 2 years of service as a

1 participating employee after the effective date.
2 Application for such service must be made while in a
3 participating status. The salary rate to be used in the
4 calculation of the required employee contribution, if any,
5 shall be the employee's salary rate at the time of first
6 reentering service with the employer after the employer's
7 effective date of participation.

8 2. For current service, each participating employee
9 shall be credited with:

10 a. Additional credits of amounts equal to each
11 payment of additional contributions received from him
12 under Section 7-173, as of the date the corresponding
13 payment of earnings is payable to him.

14 b. Normal credits of amounts equal to each payment
15 of normal contributions received from him, as of the
16 date the corresponding payment of earnings is payable
17 to him, and normal contributions made for the purpose
18 of establishing out-of-state service credits as
19 permitted under the conditions set forth in paragraph 6
20 of this subsection (a).

21 c. Municipality credits in an amount equal to 1.4
22 times the normal credits, except those established by
23 out-of-state service credits, as of the date of
24 computation of any benefit if these credits would
25 increase the benefit.

26 d. Survivor credits equal to each payment of

1 survivor contributions received from the participating
2 employee as of the date the corresponding payment of
3 earnings is payable, and survivor contributions made
4 for the purpose of establishing out-of-state service
5 credits.

6 3. For periods of temporary and total and permanent
7 disability benefits, each employee receiving disability
8 benefits shall be granted creditable service for the period
9 during which disability benefits are payable. Normal and
10 survivor credits, based upon the rate of earnings applied
11 for disability benefits, shall also be granted if such
12 credits would result in a higher benefit to any such
13 employee or his beneficiary.

14 4. For authorized leave of absence without pay: A
15 participating employee shall be granted credits and
16 creditable service for periods of authorized leave of
17 absence without pay under the following conditions:

18 a. An application for credits and creditable
19 service is submitted to the board while the employee is
20 in a status of active employment, and within 2 years
21 after termination of the leave of absence period for
22 which credits and creditable service are sought.

23 b. Not more than 12 complete months of creditable
24 service for authorized leave of absence without pay
25 shall be counted for purposes of determining any
26 benefits payable under this Article.

1 c. Credits and creditable service shall be granted
2 for leave of absence only if such leave is approved by
3 the governing body of the municipality, including
4 approval of the estimated cost thereof to the
5 municipality as determined by the fund, and employee
6 contributions, plus interest at the effective rate
7 applicable for each year from the end of the period of
8 leave to date of payment, have been paid to the fund in
9 accordance with Section 7-173. The contributions shall
10 be computed upon the assumption earnings continued
11 during the period of leave at the rate in effect when
12 the leave began.

13 d. Benefits under the provisions of Sections
14 7-141, 7-146, 7-150 and 7-163 shall become payable to
15 employees on authorized leave of absence, or their
16 designated beneficiary, only if such leave of absence
17 is creditable hereunder, and if the employee has at
18 least one year of creditable service other than the
19 service granted for leave of absence. Any employee
20 contributions due may be deducted from any benefits
21 payable.

22 e. No credits or creditable service shall be
23 allowed for leave of absence without pay during any
24 period of prior service.

25 5. For military service: The governing body of a
26 municipality or participating instrumentality may elect to

1 allow creditable service to participating employees who
2 leave their employment to serve in the armed forces of the
3 United States for all periods of such service, provided
4 that the person returns to active employment within 90 days
5 after completion of full time active duty, but no
6 creditable service shall be allowed such person for any
7 period that can be used in the computation of a pension or
8 any other pay or benefit, other than pay for active duty,
9 for service in any branch of the armed forces of the United
10 States. If necessary to the computation of any benefit, the
11 board shall establish municipality credits for
12 participating employees under this paragraph on the
13 assumption that the employee received earnings at the rate
14 received at the time he left the employment to enter the
15 armed forces. A participating employee in the armed forces
16 shall not be considered an employee during such period of
17 service and no additional death and no disability benefits
18 are payable for death or disability during such period.

19 Any participating employee who left his employment
20 with a municipality or participating instrumentality to
21 serve in the armed forces of the United States and who
22 again became a participating employee within 90 days after
23 completion of full time active duty by entering the service
24 of a different municipality or participating
25 instrumentality, which has elected to allow creditable
26 service for periods of military service under the preceding

1 paragraph, shall also be allowed creditable service for his
2 period of military service on the same terms that would
3 apply if he had been employed, before entering military
4 service, by the municipality or instrumentality which
5 employed him after he left the military service and the
6 employer costs arising in relation to such grant of
7 creditable service shall be charged to and paid by that
8 municipality or instrumentality.

9 Notwithstanding the foregoing, any participating
10 employee shall be entitled to creditable service as
11 required by any federal law relating to re-employment
12 rights of persons who served in the United States Armed
13 Services. Such creditable service shall be granted upon
14 payment by the member of an amount equal to the employee
15 contributions which would have been required had the
16 employee continued in service at the same rate of earnings
17 during the military leave period, plus interest at the
18 effective rate.

19 5.1. In addition to any creditable service established
20 under paragraph 5 of this subsection (a), creditable
21 service may be granted for up to 48 months of service in
22 the armed forces of the United States.

23 In order to receive creditable service for military
24 service under this paragraph 5.1, a participating employee
25 must (1) apply to the Fund in writing and provide evidence
26 of the military service that is satisfactory to the Board;

1 (2) obtain the written approval of the current employer;
2 and (3) make contributions to the Fund equal to (i) the
3 employee contributions that would have been required had
4 the service been rendered as a member, plus (ii) an amount
5 determined by the board to be equal to the employer's
6 normal cost of the benefits accrued for that military
7 service, plus (iii) interest on items (i) and (ii) from the
8 date of first membership in the Fund to the date of
9 payment. The required interest shall be calculated at the
10 regular interest rate.

11 The changes made to this paragraph 5.1 by Public Acts
12 95-483 and 95-486 apply only to participating employees in
13 service on or after August 28, 2007 (the effective date of
14 those Public Acts) .

15 6. For out-of-state service: Creditable service shall
16 be granted for service rendered to an out-of-state local
17 governmental body under the following conditions: The
18 employee had participated and has irrevocably forfeited
19 all rights to benefits in the out-of-state public employees
20 pension system; the governing body of his participating
21 municipality or instrumentality authorizes the employee to
22 establish such service; the employee has 2 years current
23 service with this municipality or participating
24 instrumentality; the employee makes a payment of
25 contributions, which shall be computed at 8% (normal) plus
26 2% (survivor) times length of service purchased times the

1 average rate of earnings for the first 2 years of service
2 with the municipality or participating instrumentality
3 whose governing body authorizes the service established
4 plus interest at the effective rate on the date such
5 credits are established, payable from the date the employee
6 completes the required 2 years of current service to date
7 of payment. In no case shall more than 120 months of
8 creditable service be granted under this provision.

9 7. For retroactive service: Any employee who could have
10 but did not elect to become a participating employee, or
11 who should have been a participant in the Municipal Public
12 Utilities Annuity and Benefit Fund before that fund was
13 superseded, may receive creditable service for the period
14 of service not to exceed 50 months; however, a current or
15 former elected or appointed official of a participating
16 municipality may establish credit under this paragraph 7
17 for more than 50 months of service as an official of that
18 municipality, if the excess over 50 months is approved by
19 resolution of the governing body of the affected
20 municipality filed with the Fund before January 1, 2002.

21 Any employee who is a participating employee on or
22 after September 24, 1981 and who was excluded from
23 participation by the age restrictions removed by Public Act
24 82-596 may receive creditable service for the period, on or
25 after January 1, 1979, excluded by the age restriction and,
26 in addition, if the governing body of the participating

1 municipality or participating instrumentality elects to
2 allow creditable service for all employees excluded by the
3 age restriction prior to January 1, 1979, for service
4 during the period prior to that date excluded by the age
5 restriction. Any employee who was excluded from
6 participation by the age restriction removed by Public Act
7 82-596 and who is not a participating employee on or after
8 September 24, 1981 may receive creditable service for
9 service after January 1, 1979. Creditable service under
10 this paragraph shall be granted upon payment of the
11 employee contributions which would have been required had
12 he participated, with interest at the effective rate for
13 each year from the end of the period of service established
14 to date of payment.

15 8. For accumulated unused sick leave: A participating
16 employee who is applying for a retirement annuity shall be
17 entitled to creditable service for that portion of the
18 employee's accumulated unused sick leave for which payment
19 is not received, as follows:

20 a. Sick leave days shall be limited to those
21 accumulated under a sick leave plan established by a
22 participating municipality or participating
23 instrumentality which is available to all employees or
24 a class of employees.

25 b. Only sick leave days accumulated with a
26 participating municipality or participating

1 instrumentality with which the employee was in service
2 within 60 days of the effective date of his retirement
3 annuity shall be credited; If the employee was in
4 service with more than one employer during this period
5 only the sick leave days with the employer with which
6 the employee has the greatest number of unpaid sick
7 leave days shall be considered.

8 c. The creditable service granted shall be
9 considered solely for the purpose of computing the
10 amount of the retirement annuity and shall not be used
11 to establish any minimum service period required by any
12 provision of the Illinois Pension Code, the effective
13 date of the retirement annuity, or the final rate of
14 earnings.

15 d. The creditable service shall be at the rate of
16 1/20 of a month for each full sick day, provided that
17 no more than 12 months may be credited under this
18 subdivision 8.

19 e. Employee contributions shall not be required
20 for creditable service under this subdivision 8.

21 f. Each participating municipality and
22 participating instrumentality with which an employee
23 has service within 60 days of the effective date of his
24 retirement annuity shall certify to the board the
25 number of accumulated unpaid sick leave days credited
26 to the employee at the time of termination of service.

1 9. For service transferred from another system:
2 Credits and creditable service shall be granted for service
3 under Article 3, 4, 5, 8, 14, or 16 of this Act, to any
4 active member of this Fund, and to any inactive member who
5 has been a county sheriff, upon transfer of such credits
6 pursuant to Section 3-110.3, 4-108.3, 5-235, 8-226.7,
7 14-105.6, or 16-131.4, and payment by the member of the
8 amount by which (1) the employer and employee contributions
9 that would have been required if he had participated in
10 this Fund as a sheriff's law enforcement employee during
11 the period for which credit is being transferred, plus
12 interest thereon at the effective rate for each year,
13 compounded annually, from the date of termination of the
14 service for which credit is being transferred to the date
15 of payment, exceeds (2) the amount actually transferred to
16 the Fund. Such transferred service shall be deemed to be
17 service as a sheriff's law enforcement employee for the
18 purposes of Section 7-142.1.

19 ~~10. For service transferred from an Article 3 system~~
20 ~~under Section 3-110.8: Credits and creditable service~~
21 ~~shall be granted for service under Article 3 of this Act as~~
22 ~~provided in Section 3-110.8, to any active member of this~~
23 ~~Fund upon transfer of such credits pursuant to Section~~
24 ~~3-110.8. If the amount by which (1) the employer and~~
25 ~~employee contributions that would have been required if he~~
26 ~~had participated in this Fund during the period for which~~

1 ~~credit is being transferred, plus interest thereon at the~~
2 ~~effective rate for each year, compounded annually, from the~~
3 ~~date of termination of the service for which credit is~~
4 ~~being transferred to the date of payment, exceeds (2) the~~
5 ~~amount actually transferred to the Fund, then the amount of~~
6 ~~creditable service established under this paragraph 10~~
7 ~~shall be reduced by a corresponding amount in accordance~~
8 ~~with the rules and procedures established under this~~
9 ~~paragraph 10.~~

10 ~~The board shall establish by rule the manner of making~~
11 ~~the calculation required under this paragraph 10, taking~~
12 ~~into account the appropriate actuarial assumptions; the~~
13 ~~member's service, age, and salary history; the level of~~
14 ~~funding of the employer; and any other factors that the~~
15 ~~board determines to be relevant.~~

16 ~~Until January 1, 2010, members who transferred service~~
17 ~~from an Article 3 system under the provisions of Public Act~~
18 ~~94 356 may establish additional credit in this Fund, but~~
19 ~~only up to the amount of the service credit reduction in~~
20 ~~that transfer, as calculated under the actuarial~~
21 ~~assumptions. This credit may be established upon payment by~~
22 ~~the member of an amount to be determined by the board,~~
23 ~~equal to (1) the amount that would have been contributed as~~
24 ~~employee and employer contributions had all the service~~
25 ~~been as an employee under this Article, plus interest~~
26 ~~thereon compounded annually from the date of service to the~~

1 ~~date of transfer, less (2) the total amount transferred~~
2 ~~from the Article 3 system, plus (3) interest on the~~
3 ~~difference at the effective rate for each year, compounded~~
4 ~~annually, from the date of the transfer to the date of~~
5 ~~payment. The additional service credit is allowed under~~
6 ~~this amendatory Act of the 95th General Assembly~~
7 ~~notwithstanding the provisions of Article 3 terminating~~
8 ~~all transferred credits on the date of transfer.~~

9 (b) Creditable service - amount:

10 1. One month of creditable service shall be allowed for
11 each month for which a participating employee made
12 contributions as required under Section 7-173, or for which
13 creditable service is otherwise granted hereunder. Not
14 more than 1 month of service shall be credited and counted
15 for 1 calendar month, and not more than 1 year of service
16 shall be credited and counted for any calendar year. A
17 calendar month means a nominal month beginning on the first
18 day thereof, and a calendar year means a year beginning
19 January 1 and ending December 31.

20 2. A seasonal employee shall be given 12 months of
21 creditable service if he renders the number of months of
22 service normally required by the position in a 12-month
23 period and he remains in service for the entire 12-month
24 period. Otherwise a fractional year of service in the
25 number of months of service rendered shall be credited.

26 3. An intermittent employee shall be given creditable

1 service for only those months in which a contribution is
2 made under Section 7-173.

3 (c) No application for correction of credits or creditable
4 service shall be considered unless the board receives an
5 application for correction while (1) the applicant is a
6 participating employee and in active employment with a
7 participating municipality or instrumentality, or (2) while
8 the applicant is actively participating in a pension fund or
9 retirement system which is a participating system under the
10 Retirement Systems Reciprocal Act. A participating employee or
11 other applicant shall not be entitled to credits or creditable
12 service unless the required employee contributions are made in
13 a lump sum or in installments made in accordance with board
14 rule.

15 (d) Upon the granting of a retirement, surviving spouse or
16 child annuity, a death benefit or a separation benefit, on
17 account of any employee, all individual accumulated credits
18 shall thereupon terminate. Upon the withdrawal of additional
19 contributions, the credits applicable thereto shall thereupon
20 terminate. Terminated credits shall not be applied to increase
21 the benefits any remaining employee would otherwise receive
22 under this Article.

23 (Source: P.A. 95-483, eff. 8-28-07; 95-486, eff. 8-28-07;
24 95-504, eff. 8-28-07; 95-812, eff. 8-13-08; 95-876, eff.
25 8-21-08.)

1 (40 ILCS 5/7-139.9)

2 Sec. 7-139.9. Transfer to Article 3 pension fund.

3 (a) Until June 30, 2014 ~~January 1, 1999~~, a person who has
4 lawfully rescinded an election to participate in this Fund
5 under Section 3-109.1 and has become an active participant in a
6 police pension fund established under Article 3 of this Code
7 may apply for transfer to that Article 3 fund of his or her
8 creditable service accumulated under this Article for
9 municipal law enforcement service. At the time of the transfer
10 the Fund shall pay to the police pension fund an amount equal
11 to:

12 (1) the amounts accumulated to the credit of the
13 applicant for municipal law enforcement service, including
14 interest; and

15 (2) the municipality credits based on that service,
16 including interest; and

17 (3) any interest paid by the applicant in order to
18 reinstate that service.

19 Participation in this Fund with respect to the transferred
20 credits shall terminate on the date of transfer.

21 For the purposes of this Section, "municipal law
22 enforcement service" means service with the police department
23 of a participating municipality for which the applicant
24 established creditable service under this Article as a result
25 of an election under Section 3-109.1 of this Code.

26 (b) An active member of a pension fund established under

1 Article 3 of this Code may reinstate municipal law enforcement
2 service under this Article that was terminated by receipt of a
3 refund, by paying to the Fund the amount of the refund plus
4 interest thereon at the rate of 6% per year, compounded
5 annually, from the date of refund to the date of payment.

6 (c) A chief of police who participates in this Fund as a
7 result of an election under Section 3-109.1 may rescind that
8 election and transfer his or her participation from this Fund
9 to a police pension fund established under Article 3 of this
10 Code in which he or she is eligible to participate, as provided
11 in Section 3-109.1(b). A transfer of participation under this
12 subsection (c) and Section 3-109.1(b) is irrevocable.

13 (Source: P.A. 90-460, eff. 8-17-97.)

14 (40 ILCS 5/3-110.8 rep.)

15 (40 ILCS 5/3-110.10 rep.)

16 (40 ILCS 5/7-139.11 rep.)

17 Section 10. The Illinois Pension Code is amended by
18 repealing Sections 3-110.8, 3-110.10, and 7-139.11.

19 Section 90. The State Mandates Act is amended by adding
20 Section 8.33 as follows:

21 (30 ILCS 805/8.33 new)

22 Sec. 8.33. Exempt mandate. Notwithstanding Sections 6 and 8
23 of this Act, no reimbursement by the State is required for the

1 implementation of any mandate created by this amendatory Act of
2 the 96th General Assembly.

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.