

AN ACT concerning public employee benefits.

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

Section 5. The Illinois Pension Code is amended by changing Sections 4-108.6, 5-234, 6-153, 6-159, 6-210.1, 6-210.2, and 8-172.1 and by adding Sections 6-227, 6-228, and 9-121.18 as follows:

(40 ILCS 5/4-108.6 new)

Sec. 4-108.6. Transfer of creditable service to the Firemen's Annuity and Benefit Fund of Chicago.

(a) Until January 1, 2010, any active member of the Firemen's Annuity and Benefit Fund of Chicago may apply for transfer of up to 10 years of creditable service accumulated in any pension fund established under this Article to the Firemen's Annuity and Benefit Fund of Chicago. Such creditable service shall be transferred only upon payment by such pension fund to the Firemen's Annuity and Benefit Fund of Chicago of an amount equal to:

(1) the amounts accumulated to the credit of the applicant on the books of the fund on the date of transfer;

(2) employer contributions in an amount equal to the amount determined under subparagraph (1); and

(3) any interest paid by the applicant in order to

reinstate service.

Participation in such pension fund as to any credits transferred under this Section shall terminate on the date of transfer.

(b) An active member of the Firemen's Annuity and Benefit Fund of Chicago applying for a transfer of creditable service under subsection (a) may reinstate credits and creditable service terminated upon receipt of a refund by payment to the Firemen's Annuity and Benefit Fund of Chicago of the amount of the refund with interest thereon at the actuarially assumed rate, compounded annually, from the date of the refund to the date of payment.

(40 ILCS 5/5-234) (from Ch. 108 1/2, par. 5-234)

Sec. 5-234. Transfer of credits.

(a) Any police officer who has at least 10 years of creditable service in the Fund may transfer to this Fund credits and creditable service accumulated under any other pension fund or retirement system established under Article 8 or 12 of this Code, by making application and paying to the Fund before January 1, 1990 the amount by which the employee contributions that would have been required if he had participated in this Fund during the period for which credit is being transferred, plus interest, exceeds the amount actually transferred from such other fund or system to this Fund under item (1) of Section 8-226.5 or item (1) of Section 12-127.5.

(b) Any police officer who has at least 10 years of creditable service in the Fund may transfer to this Fund up to 48 months of creditable service accumulated under Article 9 of this Code as a correctional officer with the county department of corrections prior to January 1, 1994, by making application to the Fund within 6 months after the effective date of this amendatory Act of the 96th General Assembly and by paying to the Fund an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the Fund under Section 9-121.17 and the amounts that would have been contributed had such contributions been made at the rates applicable to members of this Fund, plus (ii) interest thereon at the actuarially assumed rate for each year, compounded annually, from the date of service to the date of payment.

(Source: P.A. 86-272.)

(40 ILCS 5/6-153) (from Ch. 108 1/2, par. 6-153)

Sec. 6-153. Proof of duty, occupational disease, or ordinary disability shall be furnished to the Board by at least one licensed and practicing physician appointed by the Board. In cases where the Board requires the applicant to obtain a second opinion, the applicant may select a physician from a list of qualified licensed and practicing physicians which shall be established and maintained by the board. The Board may require other evidence of disability. A disabled fireman who is

receiving a duty, occupational disease, or ordinary disability benefit shall be examined at least once a year or such longer period as determined by the Board, by one or more licensed and practicing physicians appointed by the board; however such ~~annual~~ examination may be waived by the Board if the appointed physician certifies in writing to the Board that the disability of the fireman is of such a nature as to render him permanently disabled and unable ever to return to service.

When the disability ceases, the Board shall discontinue payment of the benefit and the fireman shall be returned to service in his proper rank or grade.

(Source: P.A. 86-273.)

(40 ILCS 5/6-159) (from Ch. 108 1/2, par. 6-159)

Sec. 6-159. Refund - Re-entry into service - Repayment of refund. A fireman who receives a refund, and who subsequently re-enters the service, shall not thereafter receive, nor shall his widow or parent or parents receive, any annuity, benefit or pension under this Article unless he or his widow, or parent or parents, repays the refund within 2 years after the date of re-entry into service or by January 1, 2011 ~~2000~~, whichever is later, with interest at the actuarially assumed rate ~~of 4% per annum~~, compounded annually, from the date the refund was received to the date such amount is repaid. The change made in this Section by this amendatory Act of 1995 applies without regard to whether the fireman was in service on or after the

effective date of this amendatory Act of 1995.

A fireman who has failed to repay any refund due to the Fund under this Article after re-entering service shall be treated as a new employee and shall only receive service credit from the date that he has re-entered service as a new employee.

(Source: P.A. 89-136, eff. 7-14-95.)

(40 ILCS 5/6-210.1) (from Ch. 108 1/2, par. 6-210.1)

Sec. 6-210.1. Credit for former employment with the fire department.

(a) Any fireman who (1) accumulated service credit in the Article 8 fund for service as an employee of the Chicago Fire Department and (2) has terminated that Article 8 service credit and received a refund of contributions therefor, may establish service credit in this Fund for all or any part of that period of service under the Article 8 fund by making written application to the Board by January 1, 2010 ~~2005~~ and paying to this Fund (i) employee contributions based upon the actual salary received and the rates in effect for members of this Fund at the time of such service, plus (ii) the difference between the amount of employer contributions transferred to the Fund under Section 8-172.1 and the amounts equal to the employer's normal cost of contributions had such contributions been made at the rates in effect for members of this Fund at the time of such service, plus (iii) interest thereon calculated as follows:

(1) For applications received by the Board before July 14, 1995, interest shall be calculated on the amount of employee contributions determined under item (i) above, at the rate of 4% per annum, compounded annually, from the date of termination of such service to the date of payment.

(2) For applications received by the Board on or after July 14, 1995 but before the effective date of this amendatory Act of the 96th General Assembly, interest shall be calculated on the amount of employee contributions determined under item (i) above, at the rate of 4% per annum, compounded annually, from the first date of the period for which credit is being established under this subsection (a) to the date of payment.

(3) For applications received by the Board on or after the effective date of this amendatory Act of the 96th General Assembly, interest shall be calculated on the amount of contributions determined under items (i) and (ii) of this subsection (a), at the actuarially assumed rate for each year, compounded annually, from the first date of the period for which credit is being established under this subsection (a) to the date of payment.

A fireman who (1) retired on or after January 16, 2004 and on or before the effective date of this amendatory Act of the 93rd General Assembly and (2) files an application to establish service credit under this subsection (a) before January 1, 2005, shall have his or her pension recalculated prospectively

to include the service credit established under this subsection (a).

(b) A fireman who, at any time during the period 1970 through 1983, was an employee of the Chicago Fire Department but did not participate in any pension fund subject to this Code with respect to that employment may establish service credit in this Fund for all or any part of that employment by making written application to the Board by January 1, 2010 ~~2005~~ and paying to this Fund (i) employee contributions based upon the actual salary received and the rates in effect for members of this Fund at the time of that employment, plus (ii) the amounts equal to the employer's normal cost of contributions had such contributions been made at the rates in effect for members of this Fund at the time of that employment, plus (iii) interest thereon calculated at the actuarially assumed rate of ~~4% per annum~~, compounded annually, from the first date of the employment for which credit is being established under this subsection (b) to the date of payment.

(c) (Blank). ~~A fireman may pay the contributions required for service credit under this Section established on or after July 14, 1995 in the form of payroll deductions, in accordance with such procedures and limitations as may be established by Board rule and any applicable rules or ordinances of the employer.~~

(d) Employer contributions shall be transferred as provided in Sections 6-210.2 and 8-172.1. The employer shall

not be responsible for making any additional employer contributions for any credit established under this Section.

(Source: P.A. 93-654, eff. 1-16-04; 93-917, eff. 8-12-04.)

(40 ILCS 5/6-210.2)

Sec. 6-210.2. City contributions for paramedics. Municipality credits computed and credited under Article 8 for all firemen who (1) accumulated service credit in the Article 8 fund for service as a paramedic, (2) have terminated that Article 8 service credit and received a refund of contributions, and (3) are participants in this Article 6 fund on the effective date of this amendatory Act of the 96th ~~93rd~~ General Assembly shall be transferred by the Article 8 fund to this Fund, together with interest at the actuarially assumed rate ~~of 11% per annum~~, compounded annually, to the date of the transfer, as provided in Section 8-172.1 of this Code. These city contributions shall be credited to the individual fireman only if he or she pays for prior service as a paramedic in full to this Fund.

(Source: P.A. 93-654, eff. 1-16-04.)

(40 ILCS 5/6-227 new)

Sec. 6-227. Transfer of creditable service from Article 4. Until January 1, 2010, any active member of the Firemen's Annuity and Benefit Fund of Chicago may transfer to the Fund up to a total of 10 years of creditable service accumulated under

Article 4 of this Code upon payment to the Fund within 5 years after the date of application of an amount equal to the difference between the amount of employee and employer contributions transferred to the Fund under Section 4-108.6 and the amounts determined by the Fund in accordance with this Section, plus interest on that difference at the actuarially assumed rate, compounded annually, from the date of service to the date of payment.

The Fund must determine the fireman's payment required to establish creditable service under this Section by taking into account the appropriate actuarial assumptions, including without limitation the fireman's service, age, and salary history; the level of funding of the Fund; and any other factors that the Fund determines to be relevant. For this purpose, the fireman's required payment should result in no significant increase to the Fund's unfunded actuarial accrued liability determined as of the most recent actuarial valuation, based on the same assumptions and methods used to develop and report the Fund's actuarial accrued liability and actuarial value of assets under Statement No. 25 of Governmental Accounting Standards Board or any subsequent applicable Statement.

(40 ILCS 5/6-228 new)

Sec. 6-228. Action by Fund against third party; subrogation. In those cases where the injury or death for which

a disability or death benefit is payable under this Article was caused under circumstances creating a legal liability on the part of some person or entity (hereinafter "third party") to pay damages to the fireman, legal proceedings may be taken against such third party to recover damages notwithstanding the Fund's payment of or liability to pay disability or death benefits under this Article. In such case, however, if the action against such third party is brought by the injured fireman or his personal representative and judgment is obtained and paid, or settlement is made with such third party, either with or without suit, from the amount received by such fireman or personal representative, then there shall be paid to the Fund the amount of money representing the death or disability benefits paid or to be paid to the disabled fireman pursuant to the provisions of this Article. In all circumstances where the action against a third party is brought by the disabled fireman or his personal representative, the Fund shall have a claim or lien upon any recovery, by judgment or settlement, out of which the disabled fireman or his personal representative might be compensated from such third party. The Fund may satisfy or enforce any such claim or lien only from that portion of a recovery that has been, or can be, allocated or attributed to past and future lost salary, which recovery is by judgment or settlement. The Fund's claim or lien shall not be satisfied or enforced from that portion of a recovery that has been, or can be, allocated or attributed to medical care and treatment, pain

and suffering, loss of consortium, and attorney's fees and costs.

Where action is brought by the disabled fireman or his personal representative they shall forthwith notify the Fund, by personal service or registered mail, of such fact and of the name of the court where such suit is brought, filing proof of such notice in such action. The Fund may, at any time thereafter, intervene in such action upon its own motion. Therefore, no release or settlement of claim for damages by reason of injury to the disabled fireman, and no satisfaction of judgment in such proceedings, shall be valid without the written consent of the Board of Trustees authorized by this Code to administer the Fund created under this Article, except that such consent shall be provided expeditiously following a settlement or judgment.

In the event the disabled fireman or his personal representative has not instituted an action against a third party at a time when only 3 months remain before such action would thereafter be barred by law, the Fund may, in its own name or in the name of the personal representative, commence a proceeding against such third party seeking the recovery of all damages on account of injuries caused to the fireman. From any amount so recovered, the Fund shall pay to the personal representative of such disabled fireman all sums collected from such third party by judgment or otherwise in excess of the amount of disability or death benefits paid or to be paid under

this Article to the disabled fireman or his personal representative, and such costs, attorney's fees, and reasonable expenses as may be incurred by the Fund in making the collection or in enforcing such liability. The Fund's recovery, shall be satisfied only from that portion of a recovery that has been, or can be, allocated or attributed to past and future lost salary, which recovery is by judgment or settlement. The Fund's recovery shall not be satisfied from that portion of the recovery that has been or can be allocated or attributed to medical care and treatment, pain and suffering, loss of consortium, and attorney's fees and costs.

Additionally, with respect to any right of subrogation asserted by the Fund under this Section, the Fund, in the exercise of discretion, may determine what amount from past or future salary shall be appropriate under the circumstances to collect from the recovery obtained on behalf of the disabled fireman.

(40 ILCS 5/8-172.1)

Sec. 8-172.1. Transfer of city contributions for paramedics.

(a) Municipality credits computed and credited under this Article 8 for all persons who (1) accumulated service credit in this Article 8 fund for service as a paramedic, (2) have terminated that Article 8 service credit and received a refund of contributions, and (3) are participants in the Article 6

fund on the effective date of this amendatory Act of the 96th ~~93rd~~ General Assembly shall be transferred by this Article 8 fund to the Article 6 fund together with interest at the actuarially assumed rate ~~of 11% per annum~~, compounded annually, to the date of transfer. The city shall not be responsible for making any additional employer contributions to the Fund to replace the amounts transferred under this Section.

(b) Municipality credits computed and credited under this Article 8 for all persons who (1) accumulated service credit in this Article 8 fund for service as a paramedic, (2) have terminated that Article 8 service credit and received a refund of contributions, and (3) are not participants in the Article 6 fund on the effective date of this amendatory Act of the 93rd General Assembly shall be used as provided in Section 8-172.

(Source: P.A. 93-654, eff. 1-16-04.)

(40 ILCS 5/9-121.18 new)

Sec. 9-121.18. Transfer to Article 5.

(a) Any active member of Article 5 of this Code may apply for transfer of some or all of his creditable service as a correctional officer with the county department of corrections accumulated under this Article to the Article 5 Fund in accordance with paragraph (b) of Section 5-234. At the time of the transfer the Fund shall pay to the Article 5 Fund an amount equal to:

(1) the amounts accumulated to the credit of the

applicant on the books of the Fund on the date of transfer for the service to be transferred;

(2) the corresponding employer credits, including interest, on the books of the Fund on the date of transfer; and

(3) any interest paid by the applicant in order to reinstate such service.

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

(b) Any person applying to transfer service under this Section may reinstate credit for service as a member of the county department of corrections that was terminated by receipt of a refund, by paying to the Fund the amount of the refund with interest thereon at the actuarially assumed rate, compounded annually, from the date of refund to the date of payment.

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

(30 ILCS 805/8.33 new)

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

Section 999. Effective date. This Act takes effect upon

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becoming law.