



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB3426

Introduced 2/16/2018, by Sen. Pamela J. Althoff

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Pension Code. Merges all Article 3 police officers' pension funds and Article 4 firefighters' pension funds into the Illinois Municipal Retirement Fund (IMRF) on January 1, 2020. Creates a Transition Board, which is responsible for planning, overseeing, and administering the consolidation. Authorizes the Transition Board to undertake numerous activities necessary for the consolidation, including making arrangements for the transfer of assets and liabilities and for making recommendations to IMRF for an appropriate system of determining, administering, receiving, and enforcing the required municipal contributions to the fund. Makes conforming and other changes. Provides that a person first employed as a police officer or firefighter on or after January 1, 2020 shall participate and earn benefits in IMRF as an employee under the IMRF Article (rather than participating and earning benefits under the Downstate Police or Downstate Firefighter Articles). Amends the Property Tax Extension Limitation Law (PTELL) of the Property Tax Code to exclude from the definition of "aggregate extension" special purpose extensions made for contributions to IMRF for benefits under the Downstate Police and Downstate Firefighter Articles. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately, except that certain changes to the Illinois Pension Code and PTELL of the Property Tax Code take effect January 1, 2020.

LRB100 20446 MJP 35795 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 Property Tax Code is amended by changing
5 Section 18-185 as follows:

6 (35 ILCS 200/18-185)

7 Sec. 18-185. Short title; definitions. This Division 5 may
8 be cited as the Property Tax Extension Limitation Law. As used
9 in this Division 5:

10 "Consumer Price Index" means the Consumer Price Index for
11 All Urban Consumers for all items published by the United
12 States Department of Labor.

13 "Extension limitation" means (a) the lesser of 5% or the
14 percentage increase in the Consumer Price Index during the
15 12-month calendar year preceding the levy year or (b) the rate
16 of increase approved by voters under Section 18-205.

17 "Affected county" means a county of 3,000,000 or more
18 inhabitants or a county contiguous to a county of 3,000,000 or
19 more inhabitants.

20 "Taxing district" has the same meaning provided in Section
21 1-150, except as otherwise provided in this Section. For the
22 1991 through 1994 levy years only, "taxing district" includes
23 only each non-home rule taxing district having the majority of

1 its 1990 equalized assessed value within any county or counties
2 contiguous to a county with 3,000,000 or more inhabitants.
3 Beginning with the 1995 levy year, "taxing district" includes
4 only each non-home rule taxing district subject to this Law
5 before the 1995 levy year and each non-home rule taxing
6 district not subject to this Law before the 1995 levy year
7 having the majority of its 1994 equalized assessed value in an
8 affected county or counties. Beginning with the levy year in
9 which this Law becomes applicable to a taxing district as
10 provided in Section 18-213, "taxing district" also includes
11 those taxing districts made subject to this Law as provided in
12 Section 18-213.

13 "Aggregate extension" for taxing districts to which this
14 Law applied before the 1995 levy year means the annual
15 corporate extension for the taxing district and those special
16 purpose extensions that are made annually for the taxing
17 district, excluding special purpose extensions: (a) made for
18 the taxing district to pay interest or principal on general
19 obligation bonds that were approved by referendum; (b) made for
20 any taxing district to pay interest or principal on general
21 obligation bonds issued before October 1, 1991; (c) made for
22 any taxing district to pay interest or principal on bonds
23 issued to refund or continue to refund those bonds issued
24 before October 1, 1991; (d) made for any taxing district to pay
25 interest or principal on bonds issued to refund or continue to
26 refund bonds issued after October 1, 1991 that were approved by

1 referendum; (e) made for any taxing district to pay interest or
2 principal on revenue bonds issued before October 1, 1991 for
3 payment of which a property tax levy or the full faith and
4 credit of the unit of local government is pledged; however, a
5 tax for the payment of interest or principal on those bonds
6 shall be made only after the governing body of the unit of
7 local government finds that all other sources for payment are
8 insufficient to make those payments; (f) made for payments
9 under a building commission lease when the lease payments are
10 for the retirement of bonds issued by the commission before
11 October 1, 1991, to pay for the building project; (g) made for
12 payments due under installment contracts entered into before
13 October 1, 1991; (h) made for payments of principal and
14 interest on bonds issued under the Metropolitan Water
15 Reclamation District Act to finance construction projects
16 initiated before October 1, 1991; (i) made for payments of
17 principal and interest on limited bonds, as defined in Section
18 3 of the Local Government Debt Reform Act, in an amount not to
19 exceed the debt service extension base less the amount in items
20 (b), (c), (e), and (h) of this definition for non-referendum
21 obligations, except obligations initially issued pursuant to
22 referendum; (j) made for payments of principal and interest on
23 bonds issued under Section 15 of the Local Government Debt
24 Reform Act; (k) made by a school district that participates in
25 the Special Education District of Lake County, created by
26 special education joint agreement under Section 10-22.31 of the

1 School Code, for payment of the school district's share of the
2 amounts required to be contributed by the Special Education
3 District of Lake County to the Illinois Municipal Retirement
4 Fund under Article 7 of the Illinois Pension Code; the amount
5 of any extension under this item (k) shall be certified by the
6 school district to the county clerk; (l) made to fund expenses
7 of providing joint recreational programs for persons with
8 disabilities under Section 5-8 of the Park District Code or
9 Section 11-95-14 of the Illinois Municipal Code; (m) made for
10 temporary relocation loan repayment purposes pursuant to
11 Sections 2-3.77 and 17-2.2d of the School Code; (n) made for
12 payment of principal and interest on any bonds issued under the
13 authority of Section 17-2.2d of the School Code; (o) made
14 before January 1, 2020 for contributions to a firefighter's
15 pension fund created under Article 4 of the Illinois Pension
16 Code, to the extent of the amount certified under item (5) of
17 Section 4-134 of the Illinois Pension Code; ~~and~~ (p) made for
18 road purposes in the first year after a township assumes the
19 rights, powers, duties, assets, property, liabilities,
20 obligations, and responsibilities of a road district abolished
21 under the provisions of Section 6-133 of the Illinois Highway
22 Code; and (q) made under Articles 3 and 4 of the Illinois
23 Pension Code for contributions to the Illinois Municipal
24 Retirement Fund.

25 "Aggregate extension" for the taxing districts to which
26 this Law did not apply before the 1995 levy year (except taxing

1 districts subject to this Law in accordance with Section
2 18-213) means the annual corporate extension for the taxing
3 district and those special purpose extensions that are made
4 annually for the taxing district, excluding special purpose
5 extensions: (a) made for the taxing district to pay interest or
6 principal on general obligation bonds that were approved by
7 referendum; (b) made for any taxing district to pay interest or
8 principal on general obligation bonds issued before March 1,
9 1995; (c) made for any taxing district to pay interest or
10 principal on bonds issued to refund or continue to refund those
11 bonds issued before March 1, 1995; (d) made for any taxing
12 district to pay interest or principal on bonds issued to refund
13 or continue to refund bonds issued after March 1, 1995 that
14 were approved by referendum; (e) made for any taxing district
15 to pay interest or principal on revenue bonds issued before
16 March 1, 1995 for payment of which a property tax levy or the
17 full faith and credit of the unit of local government is
18 pledged; however, a tax for the payment of interest or
19 principal on those bonds shall be made only after the governing
20 body of the unit of local government finds that all other
21 sources for payment are insufficient to make those payments;
22 (f) made for payments under a building commission lease when
23 the lease payments are for the retirement of bonds issued by
24 the commission before March 1, 1995 to pay for the building
25 project; (g) made for payments due under installment contracts
26 entered into before March 1, 1995; (h) made for payments of

1 principal and interest on bonds issued under the Metropolitan
2 Water Reclamation District Act to finance construction
3 projects initiated before October 1, 1991; (h-4) made for
4 stormwater management purposes by the Metropolitan Water
5 Reclamation District of Greater Chicago under Section 12 of the
6 Metropolitan Water Reclamation District Act; (i) made for
7 payments of principal and interest on limited bonds, as defined
8 in Section 3 of the Local Government Debt Reform Act, in an
9 amount not to exceed the debt service extension base less the
10 amount in items (b), (c), and (e) of this definition for
11 non-referendum obligations, except obligations initially
12 issued pursuant to referendum and bonds described in subsection
13 (h) of this definition; (j) made for payments of principal and
14 interest on bonds issued under Section 15 of the Local
15 Government Debt Reform Act; (k) made for payments of principal
16 and interest on bonds authorized by Public Act 88-503 and
17 issued under Section 20a of the Chicago Park District Act for
18 aquarium or museum projects; (l) made for payments of principal
19 and interest on bonds authorized by Public Act 87-1191 or
20 93-601 and (i) issued pursuant to Section 21.2 of the Cook
21 County Forest Preserve District Act, (ii) issued under Section
22 42 of the Cook County Forest Preserve District Act for
23 zoological park projects, or (iii) issued under Section 44.1 of
24 the Cook County Forest Preserve District Act for botanical
25 gardens projects; (m) made pursuant to Section 34-53.5 of the
26 School Code, whether levied annually or not; (n) made to fund

1 expenses of providing joint recreational programs for persons
2 with disabilities under Section 5-8 of the Park District Code
3 or Section 11-95-14 of the Illinois Municipal Code; (o) made by
4 the Chicago Park District for recreational programs for persons
5 with disabilities under subsection (c) of Section 7.06 of the
6 Chicago Park District Act; (p) made before January 1, 2020 for
7 contributions to a firefighter's pension fund created under
8 Article 4 of the Illinois Pension Code, to the extent of the
9 amount certified under item (5) of Section 4-134 of the
10 Illinois Pension Code; (q) made by Ford Heights School District
11 169 under Section 17-9.02 of the School Code; ~~and~~ (r) made for
12 the purpose of making employer contributions to the Public
13 School Teachers' Pension and Retirement Fund of Chicago under
14 Section 34-53 of the School Code; and (s) made under Articles 3
15 and 4 of the Illinois Pension Code for contributions to the
16 Illinois Municipal Retirement Fund.

17 "Aggregate extension" for all taxing districts to which
18 this Law applies in accordance with Section 18-213, except for
19 those taxing districts subject to paragraph (2) of subsection
20 (e) of Section 18-213, means the annual corporate extension for
21 the taxing district and those special purpose extensions that
22 are made annually for the taxing district, excluding special
23 purpose extensions: (a) made for the taxing district to pay
24 interest or principal on general obligation bonds that were
25 approved by referendum; (b) made for any taxing district to pay
26 interest or principal on general obligation bonds issued before

1 the date on which the referendum making this Law applicable to
2 the taxing district is held; (c) made for any taxing district
3 to pay interest or principal on bonds issued to refund or
4 continue to refund those bonds issued before the date on which
5 the referendum making this Law applicable to the taxing
6 district is held; (d) made for any taxing district to pay
7 interest or principal on bonds issued to refund or continue to
8 refund bonds issued after the date on which the referendum
9 making this Law applicable to the taxing district is held if
10 the bonds were approved by referendum after the date on which
11 the referendum making this Law applicable to the taxing
12 district is held; (e) made for any taxing district to pay
13 interest or principal on revenue bonds issued before the date
14 on which the referendum making this Law applicable to the
15 taxing district is held for payment of which a property tax
16 levy or the full faith and credit of the unit of local
17 government is pledged; however, a tax for the payment of
18 interest or principal on those bonds shall be made only after
19 the governing body of the unit of local government finds that
20 all other sources for payment are insufficient to make those
21 payments; (f) made for payments under a building commission
22 lease when the lease payments are for the retirement of bonds
23 issued by the commission before the date on which the
24 referendum making this Law applicable to the taxing district is
25 held to pay for the building project; (g) made for payments due
26 under installment contracts entered into before the date on

1 which the referendum making this Law applicable to the taxing
2 district is held; (h) made for payments of principal and
3 interest on limited bonds, as defined in Section 3 of the Local
4 Government Debt Reform Act, in an amount not to exceed the debt
5 service extension base less the amount in items (b), (c), and
6 (e) of this definition for non-referendum obligations, except
7 obligations initially issued pursuant to referendum; (i) made
8 for payments of principal and interest on bonds issued under
9 Section 15 of the Local Government Debt Reform Act; (j) made
10 for a qualified airport authority to pay interest or principal
11 on general obligation bonds issued for the purpose of paying
12 obligations due under, or financing airport facilities
13 required to be acquired, constructed, installed or equipped
14 pursuant to, contracts entered into before March 1, 1996 (but
15 not including any amendments to such a contract taking effect
16 on or after that date); (k) made to fund expenses of providing
17 joint recreational programs for persons with disabilities
18 under Section 5-8 of the Park District Code or Section 11-95-14
19 of the Illinois Municipal Code; (l) made before January 1, 2020
20 for contributions to a firefighter's pension fund created under
21 Article 4 of the Illinois Pension Code, to the extent of the
22 amount certified under item (5) of Section 4-134 of the
23 Illinois Pension Code; ~~and~~ (m) made for the taxing district to
24 pay interest or principal on general obligation bonds issued
25 pursuant to Section 19-3.10 of the School Code; and (n) made
26 under Articles 3 and 4 of the Illinois Pension Code for

1 contributions to the Illinois Municipal Retirement Fund.

2 "Aggregate extension" for all taxing districts to which
3 this Law applies in accordance with paragraph (2) of subsection
4 (e) of Section 18-213 means the annual corporate extension for
5 the taxing district and those special purpose extensions that
6 are made annually for the taxing district, excluding special
7 purpose extensions: (a) made for the taxing district to pay
8 interest or principal on general obligation bonds that were
9 approved by referendum; (b) made for any taxing district to pay
10 interest or principal on general obligation bonds issued before
11 the effective date of this amendatory Act of 1997; (c) made for
12 any taxing district to pay interest or principal on bonds
13 issued to refund or continue to refund those bonds issued
14 before the effective date of this amendatory Act of 1997; (d)
15 made for any taxing district to pay interest or principal on
16 bonds issued to refund or continue to refund bonds issued after
17 the effective date of this amendatory Act of 1997 if the bonds
18 were approved by referendum after the effective date of this
19 amendatory Act of 1997; (e) made for any taxing district to pay
20 interest or principal on revenue bonds issued before the
21 effective date of this amendatory Act of 1997 for payment of
22 which a property tax levy or the full faith and credit of the
23 unit of local government is pledged; however, a tax for the
24 payment of interest or principal on those bonds shall be made
25 only after the governing body of the unit of local government
26 finds that all other sources for payment are insufficient to

1 make those payments; (f) made for payments under a building
2 commission lease when the lease payments are for the retirement
3 of bonds issued by the commission before the effective date of
4 this amendatory Act of 1997 to pay for the building project;
5 (g) made for payments due under installment contracts entered
6 into before the effective date of this amendatory Act of 1997;
7 (h) made for payments of principal and interest on limited
8 bonds, as defined in Section 3 of the Local Government Debt
9 Reform Act, in an amount not to exceed the debt service
10 extension base less the amount in items (b), (c), and (e) of
11 this definition for non-referendum obligations, except
12 obligations initially issued pursuant to referendum; (i) made
13 for payments of principal and interest on bonds issued under
14 Section 15 of the Local Government Debt Reform Act; (j) made
15 for a qualified airport authority to pay interest or principal
16 on general obligation bonds issued for the purpose of paying
17 obligations due under, or financing airport facilities
18 required to be acquired, constructed, installed or equipped
19 pursuant to, contracts entered into before March 1, 1996 (but
20 not including any amendments to such a contract taking effect
21 on or after that date); (k) made to fund expenses of providing
22 joint recreational programs for persons with disabilities
23 under Section 5-8 of the Park District Code or Section 11-95-14
24 of the Illinois Municipal Code; ~~and~~ (l) made before January 1,
25 2020 for contributions to a firefighter's pension fund created
26 under Article 4 of the Illinois Pension Code, to the extent of

1 the amount certified under item (5) of Section 4-134 of the
2 Illinois Pension Code; and (m) made under Articles 3 and 4 of
3 the Illinois Pension Code for contributions to the Illinois
4 Municipal Retirement Fund.

5 "Debt service extension base" means an amount equal to that
6 portion of the extension for a taxing district for the 1994
7 levy year, or for those taxing districts subject to this Law in
8 accordance with Section 18-213, except for those subject to
9 paragraph (2) of subsection (e) of Section 18-213, for the levy
10 year in which the referendum making this Law applicable to the
11 taxing district is held, or for those taxing districts subject
12 to this Law in accordance with paragraph (2) of subsection (e)
13 of Section 18-213 for the 1996 levy year, constituting an
14 extension for payment of principal and interest on bonds issued
15 by the taxing district without referendum, but not including
16 excluded non-referendum bonds. For park districts (i) that were
17 first subject to this Law in 1991 or 1995 and (ii) whose
18 extension for the 1994 levy year for the payment of principal
19 and interest on bonds issued by the park district without
20 referendum (but not including excluded non-referendum bonds)
21 was less than 51% of the amount for the 1991 levy year
22 constituting an extension for payment of principal and interest
23 on bonds issued by the park district without referendum (but
24 not including excluded non-referendum bonds), "debt service
25 extension base" means an amount equal to that portion of the
26 extension for the 1991 levy year constituting an extension for

1 payment of principal and interest on bonds issued by the park
2 district without referendum (but not including excluded
3 non-referendum bonds). A debt service extension base
4 established or increased at any time pursuant to any provision
5 of this Law, except Section 18-212, shall be increased each
6 year commencing with the later of (i) the 2009 levy year or
7 (ii) the first levy year in which this Law becomes applicable
8 to the taxing district, by the lesser of 5% or the percentage
9 increase in the Consumer Price Index during the 12-month
10 calendar year preceding the levy year. The debt service
11 extension base may be established or increased as provided
12 under Section 18-212. "Excluded non-referendum bonds" means
13 (i) bonds authorized by Public Act 88-503 and issued under
14 Section 20a of the Chicago Park District Act for aquarium and
15 museum projects; (ii) bonds issued under Section 15 of the
16 Local Government Debt Reform Act; or (iii) refunding
17 obligations issued to refund or to continue to refund
18 obligations initially issued pursuant to referendum.

19 "Special purpose extensions" include, but are not limited
20 to, extensions for levies made on an annual basis for
21 unemployment and workers' compensation, self-insurance,
22 contributions to pension plans, and extensions made pursuant to
23 Section 6-601 of the Illinois Highway Code for a road
24 district's permanent road fund whether levied annually or not.
25 The extension for a special service area is not included in the
26 aggregate extension.

1 "Aggregate extension base" means the taxing district's
2 last preceding aggregate extension as adjusted under Sections
3 18-135, 18-215, 18-230, and 18-206. An adjustment under Section
4 18-135 shall be made for the 2007 levy year and all subsequent
5 levy years whenever one or more counties within which a taxing
6 district is located (i) used estimated valuations or rates when
7 extending taxes in the taxing district for the last preceding
8 levy year that resulted in the over or under extension of
9 taxes, or (ii) increased or decreased the tax extension for the
10 last preceding levy year as required by Section 18-135(c).
11 Whenever an adjustment is required under Section 18-135, the
12 aggregate extension base of the taxing district shall be equal
13 to the amount that the aggregate extension of the taxing
14 district would have been for the last preceding levy year if
15 either or both (i) actual, rather than estimated, valuations or
16 rates had been used to calculate the extension of taxes for the
17 last levy year, or (ii) the tax extension for the last
18 preceding levy year had not been adjusted as required by
19 subsection (c) of Section 18-135.

20 Notwithstanding any other provision of law, for levy year
21 2012, the aggregate extension base for West Northfield School
22 District No. 31 in Cook County shall be \$12,654,592.

23 "Levy year" has the same meaning as "year" under Section
24 1-155.

25 "New property" means (i) the assessed value, after final
26 board of review or board of appeals action, of new improvements

1 or additions to existing improvements on any parcel of real
2 property that increase the assessed value of that real property
3 during the levy year multiplied by the equalization factor
4 issued by the Department under Section 17-30, (ii) the assessed
5 value, after final board of review or board of appeals action,
6 of real property not exempt from real estate taxation, which
7 real property was exempt from real estate taxation for any
8 portion of the immediately preceding levy year, multiplied by
9 the equalization factor issued by the Department under Section
10 17-30, including the assessed value, upon final stabilization
11 of occupancy after new construction is complete, of any real
12 property located within the boundaries of an otherwise or
13 previously exempt military reservation that is intended for
14 residential use and owned by or leased to a private corporation
15 or other entity, (iii) in counties that classify in accordance
16 with Section 4 of Article IX of the Illinois Constitution, an
17 incentive property's additional assessed value resulting from
18 a scheduled increase in the level of assessment as applied to
19 the first year final board of review market value, and (iv) any
20 increase in assessed value due to oil or gas production from an
21 oil or gas well required to be permitted under the Hydraulic
22 Fracturing Regulatory Act that was not produced in or accounted
23 for during the previous levy year. In addition, the county
24 clerk in a county containing a population of 3,000,000 or more
25 shall include in the 1997 recovered tax increment value for any
26 school district, any recovered tax increment value that was

1 applicable to the 1995 tax year calculations.

2 "Qualified airport authority" means an airport authority
3 organized under the Airport Authorities Act and located in a
4 county bordering on the State of Wisconsin and having a
5 population in excess of 200,000 and not greater than 500,000.

6 "Recovered tax increment value" means, except as otherwise
7 provided in this paragraph, the amount of the current year's
8 equalized assessed value, in the first year after a
9 municipality terminates the designation of an area as a
10 redevelopment project area previously established under the
11 Tax Increment Allocation Development Act in the Illinois
12 Municipal Code, previously established under the Industrial
13 Jobs Recovery Law in the Illinois Municipal Code, previously
14 established under the Economic Development Project Area Tax
15 Increment Act of 1995, or previously established under the
16 Economic Development Area Tax Increment Allocation Act, of each
17 taxable lot, block, tract, or parcel of real property in the
18 redevelopment project area over and above the initial equalized
19 assessed value of each property in the redevelopment project
20 area. For the taxes which are extended for the 1997 levy year,
21 the recovered tax increment value for a non-home rule taxing
22 district that first became subject to this Law for the 1995
23 levy year because a majority of its 1994 equalized assessed
24 value was in an affected county or counties shall be increased
25 if a municipality terminated the designation of an area in 1993
26 as a redevelopment project area previously established under

1 the Tax Increment Allocation Development Act in the Illinois
2 Municipal Code, previously established under the Industrial
3 Jobs Recovery Law in the Illinois Municipal Code, or previously
4 established under the Economic Development Area Tax Increment
5 Allocation Act, by an amount equal to the 1994 equalized
6 assessed value of each taxable lot, block, tract, or parcel of
7 real property in the redevelopment project area over and above
8 the initial equalized assessed value of each property in the
9 redevelopment project area. In the first year after a
10 municipality removes a taxable lot, block, tract, or parcel of
11 real property from a redevelopment project area established
12 under the Tax Increment Allocation Development Act in the
13 Illinois Municipal Code, the Industrial Jobs Recovery Law in
14 the Illinois Municipal Code, or the Economic Development Area
15 Tax Increment Allocation Act, "recovered tax increment value"
16 means the amount of the current year's equalized assessed value
17 of each taxable lot, block, tract, or parcel of real property
18 removed from the redevelopment project area over and above the
19 initial equalized assessed value of that real property before
20 removal from the redevelopment project area.

21 Except as otherwise provided in this Section, "limiting
22 rate" means a fraction the numerator of which is the last
23 preceding aggregate extension base times an amount equal to one
24 plus the extension limitation defined in this Section and the
25 denominator of which is the current year's equalized assessed
26 value of all real property in the territory under the

1 jurisdiction of the taxing district during the prior levy year.
2 For those taxing districts that reduced their aggregate
3 extension for the last preceding levy year, except for school
4 districts that reduced their extension for educational
5 purposes pursuant to Section 18-206, the highest aggregate
6 extension in any of the last 3 preceding levy years shall be
7 used for the purpose of computing the limiting rate. The
8 denominator shall not include new property or the recovered tax
9 increment value. If a new rate, a rate decrease, or a limiting
10 rate increase has been approved at an election held after March
11 21, 2006, then (i) the otherwise applicable limiting rate shall
12 be increased by the amount of the new rate or shall be reduced
13 by the amount of the rate decrease, as the case may be, or (ii)
14 in the case of a limiting rate increase, the limiting rate
15 shall be equal to the rate set forth in the proposition
16 approved by the voters for each of the years specified in the
17 proposition, after which the limiting rate of the taxing
18 district shall be calculated as otherwise provided. In the case
19 of a taxing district that obtained referendum approval for an
20 increased limiting rate on March 20, 2012, the limiting rate
21 for tax year 2012 shall be the rate that generates the
22 approximate total amount of taxes extendable for that tax year,
23 as set forth in the proposition approved by the voters; this
24 rate shall be the final rate applied by the county clerk for
25 the aggregate of all capped funds of the district for tax year
26 2012.

1 (Source: P.A. 99-143, eff. 7-27-15; 99-521, eff. 6-1-17;
2 100-465, eff. 8-31-17.)

3 Section 10. The Illinois Pension Code is amended by
4 changing Sections 3-101, 3-106, 4-101, 4-106, and 7-109 and by
5 adding Sections 3-101.1, 3-101.2, 4-101.1, 4-101.2, 7-199.5,
6 and 7-199.6 as follows:

7 (40 ILCS 5/3-101) (from Ch. 108 1/2, par. 3-101)

8 Sec. 3-101. Creation and consolidation of the funds ~~fund~~.

9 (a) Until January 1, 2020, in ~~in~~ each municipality, as
10 defined in Section 3-103, the city council or the board of
11 trustees, as the case may be, shall establish and administer a
12 police pension fund, as prescribed in this Article, for the
13 benefit of its police officers and of their surviving spouses,
14 children, and certain other dependents. The duty of the
15 corporate authorities of a municipality to establish and
16 administer a police pension fund shall be suspended during any
17 period during which the fund is dissolved under Section 3-144.6
18 of this Code.

19 (b) On January 1, 2020, all of the individual police
20 pension funds then existing under this Article are merged and
21 consolidated into the Illinois Municipal Retirement Fund,
22 which shall be administered as prescribed in this Article and
23 Article 7.

24 (c) Beginning January 1, 2020, each municipality, as

1 defined in Section 3-103, shall participate in the Illinois
2 Municipal Retirement Fund for the benefit of its police
3 officers and of their surviving spouses, children, and certain
4 other dependents.

5 (d) It is the purpose of this consolidation to provide the
6 advantages of (i) centralized custody and investment of pension
7 fund assets, (ii) consistent interpretation and application of
8 this Article in accordance with a single set of rules and
9 procedures adopted by the Illinois Municipal Retirement Fund,
10 and (iii) securing the future funding of pension benefits
11 through an independent determination of each municipality's
12 required annual contribution rate.

13 (Source: P.A. 97-99, eff. 1-1-12.)

14 (40 ILCS 5/3-101.1 new)

15 Sec. 3-101.1. Transition Board.

16 (a) There is hereby created a Downstate Police Pension Fund
17 Transition Board, which may be referred to as the "Transition
18 Board". The Transition Board shall consist of 11 members as
19 follows:

20 (1) The Director of the Illinois Department of
21 Insurance, or his or her designee.

22 (2) Two persons with experience in managing or
23 administering an Illinois public employee pension fund or
24 retirement system, appointed by the Governor.

25 (3) One person with experience in providing actuarial

1 services to an Illinois public employee pension fund or
2 retirement system, appointed by the Governor.

3 (4) One person with experience in auditing Illinois
4 public employee pension funds or retirement systems,
5 appointed by the Auditor General.

6 (5) Two members of the labor organization representing
7 the largest number of police officers participating in
8 Article 3 pension funds, with one member being an active
9 participant and the other being a retired participant,
10 appointed by the Governor from recommendations of the
11 President of that organization.

12 (6) Two persons who are mayors or chief elected
13 officers of municipalities that maintain an Article 3
14 pension fund, appointed by the Governor from
15 recommendations of the Executive Director of the
16 organization representing the largest number of
17 municipalities in the State.

18 (7) One person familiar with the operation and
19 administration of the Illinois Municipal Retirement Fund,
20 appointed by the Executive Director of that Fund.

21 (8) One person familiar with the investment authority
22 and practices of the Illinois State Board of Investment,
23 appointed by the Executive Director of the Illinois State
24 Board of Investment.

25 All such appointments and designations shall be made by
26 filing a written notice thereof with the Secretary of State no

1 later than 30 days after the effective date of this amendatory
2 Act of the 100th General Assembly.

3 (b) The Transition Board shall be responsible for planning,
4 overseeing, and administering the consolidation and merger of
5 all existing Article 3 pension funds into the Illinois
6 Municipal Retirement Fund.

7 Members of the Transition Board shall act at all times in a
8 manner appropriate for fiduciaries of the Fund and fiduciaries
9 of the pension funds being consolidated.

10 The Transition Board's powers and duties include, but are
11 not limited to, the following:

12 (1) Providing for the preservation and consolidation
13 of membership, beneficiary, financial, and other records
14 relating to the Article 3 pension funds to be merged.

15 (2) Obtaining all necessary Internal Revenue Service
16 and any other necessary approval or review.

17 (3) Providing for the final auditing of existing
18 Article 3 pension funds, including a final accounting of
19 their respective assets and liabilities, paid for by the
20 applicable pension fund.

21 (4) Providing for the custody and transfer of the
22 assets and liabilities of the existing Article 3 pension
23 funds to the Illinois Municipal Retirement Fund, on a
24 schedule to be determined by the Transition Board.

25 (5) Recommending to the Illinois Municipal Retirement
26 Fund an appropriate system of accounting for the assets and

1 liabilities attributable to the existing Article 3 pension
2 funds and for establishing separate reserves and accounts
3 for each municipality participating in the Fund with
4 respect to its police officers.

5 (6) Recommending to the Illinois Municipal Retirement
6 Fund an appropriate system of determining, administering,
7 receiving, and enforcing the required municipal
8 contributions to the Fund. The municipal contribution rate
9 shall be determined separately for each municipality on an
10 annual basis in accordance with the requirements of this
11 Article, based on the municipality's separate reserves and
12 accounts within the Illinois Municipal Retirement Fund.
13 The Transition Board shall endeavor to determine the
14 required municipal contributions to the Illinois Municipal
15 Retirement Fund with regard to the municipality's police
16 officers under this Article and to notify and provide
17 reasonable guidance to municipalities in a manner that
18 ensures uninterrupted contributions during the transition
19 period.

20 (7) Ensuring the uninterrupted payment and
21 administration of benefits.

22 (8) Adopting any rules or procedures necessary for the
23 efficient consolidation of the existing Article 3 pension
24 funds.

25 (9) Considering the consequences of the consolidation
26 on any QILDROs filed with the pension funds being

1 consolidated and giving appropriate notice and advice to
2 persons who may be affected by those QILDROs concerning the
3 possible effects of consolidation.

4 (10) Making recommendations to the Governor and the
5 General Assembly with respect to legislation necessary or
6 useful for the implementation of this consolidation or for
7 the successful administration of the Illinois Municipal
8 Retirement Fund with respect to police officers under this
9 Article.

10 (11) Consulting with the Illinois Municipal Retirement
11 Fund about the Illinois Municipal Retirement Fund's
12 policies, practices, rules, and structure.

13 (c) The Public Pension Division of the Department of
14 Insurance shall provide all reasonably necessary and available
15 temporary office space, technical and clerical support, and
16 monetary or other assistance at the request of the Transition
17 Board.

18 For the purpose of implementing the consolidation, the
19 Transition Board may direct the Public Pension Division to
20 accelerate, expand, or enhance its examination under Section
21 1A-104 of all or specific Article 3 pension funds, or to
22 conduct a particular study or investigation thereof. The
23 expenses of such examinations and investigations, to the extent
24 not paid by the Division, shall be charged to the applicable
25 pension fund.

26 (d) In preparation for the consolidation of the pension

1 funds into the Illinois Municipal Retirement Fund on January 1,
2 2020, the Transition Board is authorized to expend or obligate
3 the assets of the Illinois Municipal Retirement Fund for any of
4 the reasonable expenses of consolidating the pension funds into
5 the Illinois Municipal Retirement Fund, including the payment
6 of benefits during the consolidation period and reasonable
7 administrative expenses. As used in this Section, "reasonable
8 administrative expenses" includes, but is not limited to, the
9 cost of hiring personnel and obtaining professional services to
10 the extent necessary for the consolidation, the cost of
11 insurance, and the cost of indemnifying members of the
12 Transition Board and its employees, advisors, and agents.

13 (e) Members of the Transition Board, other than State
14 officials and employees, may be compensated for their service,
15 and all members may be reimbursed for their reasonable expenses
16 out of any moneys available for that purpose.

17 (f) Sixty days after the Board of Trustees of the Illinois
18 Municipal Retirement Fund assumes its duties, the Transition
19 Board is abolished.

20 (40 ILCS 5/3-101.2 new)

21 Sec. 3-101.2. Consolidation of pension funds into the
22 Illinois Municipal Retirement Fund.

23 (a) On January 1, 2020, all of the individual police
24 pension funds then existing under this Article are merged and
25 consolidated into the Illinois Municipal Retirement Fund,

1 which shall be administered as prescribed in this Article and
2 Article 7.

3 In preparation for that consolidation, all pension funds
4 established under this Article, and the municipalities that
5 established them, shall cooperate with the Transition Board.

6 (b) The Illinois Municipal Retirement Fund shall be the
7 legal successor to each of the pension funds that are
8 consolidated within it, and it may exercise any of the rights
9 and powers and perform any of the duties of those pension
10 funds.

11 At the time of consolidation, or as otherwise directed by
12 the Transition Board, all assets and liabilities belonging to
13 or arising from the trust of an existing pension fund shall
14 become the assets and liabilities of the Illinois Municipal
15 Retirement Fund.

16 As and when directed by the Transition Board, the trustees
17 of the pension funds established under Article 3 of this Code
18 shall transfer to the Illinois Municipal Retirement Fund, for
19 management and investment as assets of the Illinois Municipal
20 Retirement Fund, all of their securities and other investments
21 not needed for immediate use.

22 (c) At the time of consolidation or as otherwise directed
23 by the Transition Board, assets not belonging to or arising
24 from the trust that are incidentally owned by a pension fund,
25 and any incidental liabilities of a pension fund not relating
26 to or arising from the trust, shall become the assets and

1 liabilities of the municipality.

2 Assets not belonging to or arising from the trust that are
3 owned by a municipality and incidentally used by a pension
4 fund, and any associated liabilities, are not affected by the
5 consolidation and shall continue to be managed as assets and
6 liabilities of that municipality.

7 As necessary or useful to effectuate the consolidation, the
8 board of trustees of a pension fund to be consolidated and the
9 applicable municipality may each, in its discretion, continue
10 or renegotiate any employment or service contract, lease, or
11 other contract to which it is a party that relates to the
12 operation of the consolidated pension fund, and it may take
13 appropriate action to terminate any such contract as necessary
14 to terminate or avoid unnecessary or duplicative personnel,
15 facilities, or services.

16 (d) Beginning on January 1, 2020, all benefits payable
17 under this Article shall be payable from the appropriate
18 accounts and reserves of the Illinois Municipal Retirement
19 Fund.

20 (e) The consolidation of pension funds under this Article
21 shall not diminish or impair the benefits of any current or
22 former police officer who participated in one of those pension
23 funds, or of any such police officer's surviving spouse,
24 children, or other dependents.

25 The consolidation of pension funds under this Article shall
26 not change the police officer contribution rate.

1 The consolidation of pension funds under this Article does
2 not entitle any person to a recalculation or combination of any
3 benefit or benefits previously granted or to a refund of any
4 contribution previously paid.

5 The consolidation of pension funds under this Article is
6 not intended to increase the benefits provided under this
7 Article, except insofar as the consolidation of pension funds
8 into the Illinois Municipal Retirement Fund will allow police
9 officers in active service on or after the consolidation date
10 to have their benefit calculations (and those of their
11 qualifying survivors) include consideration of all of the
12 police officer's service, salary, and credits in the Fund as
13 though arising under the Fund, rather than as arising under
14 more than one participating municipality or more than one
15 Article 3 pension fund.

16 (f) On January 1, 2020, the rules adopted by the Transition
17 Board shall become the rules of the Illinois Municipal
18 Retirement Fund with respect to this Article.

19 (40 ILCS 5/3-106) (from Ch. 108 1/2, par. 3-106)

20 Sec. 3-106. Police officer, officer. "Police officer" or
21 "officer": Any person who (1) is first appointed before January
22 1, 2020 to the police force of a police department and sworn
23 and commissioned to perform police duties; and (2) within 3
24 months after receiving his or her first appointment and, if
25 reappointed, within 3 months thereafter, or as otherwise

1 provided in Section 3-109, makes written application to the
2 board to come under the provisions of this Article.

3 Police officers serving initial probationary periods, if
4 otherwise eligible, shall be police officers within the meaning
5 of this Section.

6 (Source: P.A. 89-52, eff. 6-30-95.)

7 (40 ILCS 5/4-101) (from Ch. 108 1/2, par. 4-101)

8 Sec. 4-101. Creation and consolidation of the funds fund.

9 (a) Until January 1, 2020, in ~~in~~ each municipality as
10 defined in Section 4-103, the city council or the board of
11 trustees, as the case may be, shall establish and administer a
12 firefighters' pension fund as prescribed in this Article, for
13 the benefit of its firefighters and of their surviving spouses,
14 children and certain other dependents. The duty of the
15 corporate authorities of a municipality to establish and
16 administer a firefighters' pension fund shall be suspended
17 during any period during which the fund is dissolved under
18 subsection (c) of Section 4-106.1 of this Code.

19 (b) On January 1, 2020, all of the individual firefighter
20 pension funds then existing under this Article are merged and
21 consolidated into the Illinois Municipal Retirement Fund,
22 which shall be administered as prescribed in this Article and
23 Article 7.

24 (c) Beginning January 1, 2020, each municipality, as
25 defined in Section 4-103, shall participate in the Illinois

1 Municipal Retirement Fund for the benefit of its firefighters
2 and of their surviving spouses, children, and certain other
3 dependents.

4 (d) It is the purpose of this consolidation to provide the
5 advantages of (i) centralized custody and investment of pension
6 fund assets, (ii) consistent interpretation and application of
7 this Article in accordance with a single set of rules and
8 procedures adopted by the Illinois Municipal Retirement Fund,
9 and (iii) securing the future funding of pension benefits
10 through an independent determination of each municipality's
11 required annual contribution rate.

12 (Source: P.A. 97-99, eff. 1-1-12.)

13 (40 ILCS 5/4-101.1 new)

14 Sec. 4-101.1. Transition Board.

15 (a) There is hereby created a Downstate Firefighter Pension
16 Fund Transition Board, which may be referred to as the
17 "Transition Board". The Transition Board shall consist of 11
18 members as follows:

19 (1) The Director of the Illinois Department of
20 Insurance, or his or her designee.

21 (2) Two persons with experience in managing or
22 administering an Illinois public employee pension fund or
23 retirement system, appointed by the Governor.

24 (3) One person with experience in providing actuarial
25 services to an Illinois public employee pension fund or

1 retirement system, appointed by the Governor.

2 (4) One person with experience in auditing Illinois
3 public employee pension funds or retirement systems,
4 appointed by the Auditor General.

5 (5) Two members of the labor organization representing
6 the largest number of firefighters participating in
7 Article 4 pension funds, with one member being an active
8 participant and the other being a retired participant,
9 appointed by the Governor from recommendations of the
10 President of that organization.

11 (6) Two persons who are mayors or chief elected
12 officers of municipalities that maintain an Article 4
13 pension fund, appointed by the Governor from
14 recommendations of the Executive Director of the
15 organization representing the largest number of
16 municipalities in the State.

17 (7) One person familiar with the operation and
18 administration of the Illinois Municipal Retirement Fund,
19 appointed by the Executive Director of that Fund.

20 (8) One person familiar with the investment authority
21 and practices of the Illinois State Board of Investment,
22 appointed by the Executive Director of the Illinois State
23 Board of Investment.

24 All such appointments and designations shall be made by
25 filing a written notice thereof with the Secretary of State no
26 later than 30 days after the effective date of this amendatory

1 Act of the 100th General Assembly.

2 (b) The Transition Board shall be responsible for planning,
3 overseeing, and administering the consolidation and merger of
4 all existing Article 4 pension funds into the Illinois
5 Municipal Retirement Fund.

6 Members of the Transition Board shall act at all times in a
7 manner appropriate for fiduciaries of the Fund and fiduciaries
8 of the pension funds being consolidated.

9 The Transition Board's powers and duties include, but are
10 not limited to, the following:

11 (1) Providing for the preservation and consolidation
12 of membership, beneficiary, financial, and other records
13 relating to the Article 4 pension funds to be merged.

14 (2) Obtaining all necessary Internal Revenue Service
15 and any other necessary approval or review.

16 (3) Providing for the final auditing of existing
17 Article 4 pension funds, including a final accounting of
18 their respective assets and liabilities, paid for by the
19 applicable pension fund.

20 (4) Providing for the custody and transfer of the
21 assets and liabilities of the existing Article 4 pension
22 funds to the Illinois Municipal Retirement Fund, on a
23 schedule to be determined by the Transition Board.

24 (5) Recommending to the Illinois Municipal Retirement
25 Fund an appropriate system of accounting for the assets and
26 liabilities attributable to the existing Article 4 pension

1 funds and for establishing separate reserves and accounts
2 for each municipality participating in the Fund with
3 respect to its firefighters.

4 (6) Recommending to the Illinois Municipal Retirement
5 Fund an appropriate system of determining, administering,
6 receiving, and enforcing the required municipal
7 contributions to the Fund. The municipal contribution rate
8 shall be determined separately for each municipality on an
9 annual basis in accordance with the requirements of this
10 Article, based on the municipality's separate reserves and
11 accounts within the Illinois Municipal Retirement Fund.
12 The Transition Board shall endeavor to determine the
13 required municipal contributions to the Illinois Municipal
14 Retirement Fund with regard to the municipality's
15 firefighters under this Article and to notify and provide
16 reasonable guidance to municipalities in a manner that
17 ensures uninterrupted contributions during the transition
18 period.

19 (7) Ensuring the uninterrupted payment and
20 administration of benefits.

21 (8) Adopting any rules or procedures necessary for the
22 efficient consolidation of the existing Article 4 pension
23 funds.

24 (9) Considering the consequences of the consolidation
25 on any QILDROs filed with the pension funds being
26 consolidated and giving appropriate notice and advice to

1 persons who may be affected by those QILDROs concerning the
2 possible effects of consolidation.

3 (10) Making recommendations to the Governor and the
4 General Assembly with respect to legislation necessary or
5 useful for the implementation of this consolidation or for
6 the successful administration of the Illinois Municipal
7 Retirement Fund with respect to firefighters under this
8 Article.

9 (11) Consulting with the Illinois Municipal Retirement
10 Fund about the Illinois Municipal Retirement Fund's
11 policies, practices, rules, and structure.

12 (c) The Public Pension Division of the Department of
13 Insurance shall provide all reasonably necessary and available
14 temporary office space, technical and clerical support, and
15 monetary or other assistance at the request of the Transition
16 Board.

17 For the purpose of implementing the consolidation, the
18 Transition Board may direct the Public Pension Division to
19 accelerate, expand, or enhance its examination under Section
20 1A-104 of all or specific Article 4 pension funds, or to
21 conduct a particular study or investigation thereof. The
22 expenses of such examinations and investigations, to the extent
23 not paid by the Division, shall be charged to the applicable
24 pension fund.

25 (d) In preparation for the consolidation of the pension
26 funds into the Illinois Municipal Retirement Fund on January 1,

1 2020, the Transition Board is authorized to expend or obligate
2 the assets of the Illinois Municipal Retirement Fund for any of
3 the reasonable expenses of consolidating the pension funds into
4 the Illinois Municipal Retirement Fund, including the payment
5 of benefits during the consolidation period and reasonable
6 administrative expenses. As used in this Section, "reasonable
7 administrative expenses" includes, but is not limited to, the
8 cost of hiring personnel and obtaining professional services to
9 the extent necessary for the consolidation, the cost of
10 insurance, and the cost of indemnifying members of the
11 Transition Board and its employees, advisors, and agents.

12 (e) Members of the Transition Board, other than State
13 officials and employees, may be compensated for their service,
14 and all members may be reimbursed for their reasonable expenses
15 out of any moneys available for that purpose.

16 (f) Sixty days after the Board of Trustees of the Illinois
17 Municipal Retirement Fund assumes its duties, the Transition
18 Board is abolished.

19 (40 ILCS 5/4-101.2 new)

20 Sec. 4-101.2. Consolidation of pension funds into the
21 Illinois Municipal Retirement Fund.

22 (a) On January 1, 2020, all of the individual firefighter
23 pension funds then existing under this Article are merged and
24 consolidated into the Illinois Municipal Retirement Fund,
25 which shall be administered as prescribed in this Article and

1 Article 7.

2 In preparation for that consolidation, all pension funds
3 established under this Article, and the municipalities that
4 established them, shall cooperate with the Transition Board.

5 (b) The Illinois Municipal Retirement Fund shall be the
6 legal successor to each of the pension funds that are
7 consolidated within it, and it may exercise any of the rights
8 and powers and perform any of the duties of those pension
9 funds.

10 At the time of consolidation, or as otherwise directed by
11 the Transition Board, all assets and liabilities belonging to
12 or arising from the trust of an existing pension fund shall
13 become the assets and liabilities of the Illinois Municipal
14 Retirement Fund.

15 As and when directed by the Transition Board, the trustees
16 of the pension funds established under Article 4 of this Code
17 shall transfer to the Illinois Municipal Retirement Fund, for
18 management and investment as assets of the Illinois Municipal
19 Retirement Fund, all of their securities and other investments
20 not needed for immediate use.

21 (c) At the time of consolidation or as otherwise directed
22 by the Transition Board, assets not belonging to or arising
23 from the trust that are incidentally owned by a pension fund,
24 and any incidental liabilities of a pension fund not relating
25 to or arising from the trust, shall become the assets and
26 liabilities of the municipality.

1 Assets not belonging to or arising from the trust that are
2 owned by a municipality and incidentally used by a pension
3 fund, and any associated liabilities, are not affected by the
4 consolidation and shall continue to be managed as assets and
5 liabilities of that municipality.

6 As necessary or useful to effectuate the consolidation, the
7 board of trustees of a pension fund to be consolidated and the
8 applicable municipality may each, in its discretion, continue
9 or renegotiate any employment or service contract, lease, or
10 other contract to which it is a party that relates to the
11 operation of the consolidated pension fund, and it may take
12 appropriate action to terminate any such contract as necessary
13 to terminate or avoid unnecessary or duplicative personnel,
14 facilities, or services.

15 (d) Beginning on January 1, 2020, all benefits payable
16 under this Article shall be payable from the appropriate
17 accounts and reserves of the Illinois Municipal Retirement
18 Fund.

19 (e) The consolidation of pension funds under this Article
20 shall not diminish or impair the benefits of any current or
21 former firefighter who participated in one of those pension
22 funds, or of any such firefighter's surviving spouse, children,
23 or other dependents.

24 The consolidation of pension funds under this Article shall
25 not change the firefighter contribution rate, except that no
26 additional contribution shall be paid under subsection (c) of

1 Section 4-118.1.

2 The consolidation of pension funds under this Article does
3 not entitle any person to a recalculation or combination of any
4 benefit or benefits previously granted or to a refund of any
5 contribution previously paid.

6 The consolidation of pension funds under this Article is
7 not intended to increase the benefits provided under this
8 Article, except insofar as the consolidation of pension funds
9 into the Illinois Municipal Retirement Fund will allow
10 firefighters in active service on or after the consolidation
11 date to have their benefit calculations (and those of their
12 qualifying survivors) include consideration of all of the
13 firefighter's service, salary, and credits in the Fund as
14 though arising under the Fund, rather than as arising under
15 more than one participating municipality or more than one
16 Article 4 pension fund.

17 (f) On January 1, 2020, the rules adopted by the Transition
18 Board shall become the rules of the Illinois Municipal
19 Retirement Fund with respect to this Article.

20 (40 ILCS 5/4-106) (from Ch. 108 1/2, par. 4-106)

21 Sec. 4-106. Firefighter, firefighters. "Firefighter,
22 firefighters":

23 (a) In municipalities which have adopted Division 1 of
24 Article 10 of the Illinois Municipal Code, any person first
25 employed before January 1, 2020 in the municipality's fire

1 service as a firefighter, fire engineer, marine engineer, fire
2 pilot, bomb technician or scuba diver; and in any of these
3 positions where such person's duties also include those of a
4 firefighter as classified by the Civil Service Commission of
5 that city, and whose duty is to participate in the work of
6 controlling and extinguishing fires at the location of any such
7 fires.

8 (b) In municipalities which are subject to Division 2.1 of
9 Article 10 of the Illinois Municipal Code, any person first
10 employed before January 1, 2020 by a city in its fire service
11 as a firefighter, fire engineer, marine engineer, fire pilot,
12 bomb technician, or scuba diver; and, in any of these positions
13 whose duties also include those of a firefighter and are
14 certified in the same manner as a firefighter in that city.

15 (c) In municipalities which are subject to neither Division
16 1 nor Division 2.1 of Article 10 of the Illinois Municipal
17 Code, any person who would have been included as a firefighter
18 under sub-paragraph (a) or (b) above except that he served as a
19 de facto and not as a de jure firefighter.

20 (d) Notwithstanding the other provisions of this Section,
21 "firefighter" does not include any person who is actively
22 participating in the State Universities Retirement System
23 under subsection (h) of Section 15-107 with respect to the
24 employment for which he or she is a participating employee in
25 that System.

26 (e) This amendatory Act of 1977 does not affect persons

1 covered by this Article prior to September 22, 1977.

2 (Source: P.A. 90-576, eff. 3-31-98.)

3 (40 ILCS 5/7-109) (from Ch. 108 1/2, par. 7-109)

4 Sec. 7-109. Employee.

5 (1) "Employee" means any person who:

6 (a) 1. Receives earnings as payment for the performance
7 of personal services or official duties out of the general
8 fund of a municipality, or out of any special fund or funds
9 controlled by a municipality, or by an instrumentality
10 thereof, or a participating instrumentality, including, in
11 counties, the fees or earnings of any county fee office;
12 and

13 2. Under the usual common law rules applicable in
14 determining the employer-employee relationship, has the
15 status of an employee with a municipality, or any
16 instrumentality thereof, or a participating
17 instrumentality, including aldermen, county supervisors
18 and other persons (excepting those employed as independent
19 contractors) who are paid compensation, fees, allowances
20 or other emolument for official duties, and, in counties,
21 the several county fee offices.

22 (b) Serves as a township treasurer appointed under the
23 School Code, as heretofore or hereafter amended, and who
24 receives for such services regular compensation as
25 distinguished from per diem compensation, and any regular

1 employee in the office of any township treasurer whether or
2 not his earnings are paid from the income of the permanent
3 township fund or from funds subject to distribution to the
4 several school districts and parts of school districts as
5 provided in the School Code, or from both such sources; or
6 is the chief executive officer, chief educational officer,
7 chief fiscal officer, or other employee of a Financial
8 Oversight Panel established pursuant to Article 1H of the
9 School Code, other than a superintendent or certified
10 school business official, except that such person shall not
11 be treated as an employee under this Section if that person
12 has negotiated with the Financial Oversight Panel, in
13 conjunction with the school district, a contractual
14 agreement for exclusion from this Section.

15 (c) Holds an elective office in a municipality,
16 instrumentality thereof or participating instrumentality.

17 (d) Is first appointed on or after January 1, 2020 to
18 the police force of a police department in a municipality,
19 as defined in Section 3-103, and sworn and commissioned to
20 perform police duties.

21 (e) Is in a municipality, as defined in Section 4-103,
22 that has adopted Division 1 of Article 10 of the Illinois
23 Municipal Code and is first employed on or after January 1,
24 2020 in the municipality's fire service as a firefighter,
25 fire engineer, marine engineer, fire pilot, bomb
26 technician, or scuba diver; and in any of these positions

1 where such person's duties also include those of a
2 firefighter as classified by the Civil Service Commission
3 of that city, and whose duty is to participate in the work
4 of controlling and extinguishing fires at the location of
5 any such fires.

6 (f) Is in a municipality, as defined in Section 4-103,
7 that is subject to Division 2.1 of Article 10 of the
8 Illinois Municipal Code and is first employed on or after
9 January 1, 2020 by a city in its fire service as a
10 firefighter, fire engineer, marine engineer, fire pilot,
11 bomb technician, or scuba diver; and, in any of these
12 positions whose duties also include those of a firefighter
13 and are certified in the same manner as a firefighter in
14 that city.

15 (g) Is first employed on or after January 1, 2020 in a
16 municipality, as defined in Section 4-103, that is subject
17 to neither Division 1 nor Division 2.1 of Article 10 of the
18 Illinois Municipal Code and would have been included as an
19 employee under items (e) or (f) except that he or she
20 served as a de facto and not as a de jure firefighter.

21 (2) "Employee" does not include persons who:

22 (a) Are eligible for inclusion under any of the
23 following laws:

24 1. "An Act in relation to an Illinois State
25 Teachers' Pension and Retirement Fund", approved May
26 27, 1915, as amended;

1 2. Articles 15 and 16 of this Code.

2 However, such persons shall be included as employees to
3 the extent of earnings that are not eligible for inclusion
4 under the foregoing laws for services not of an
5 instructional nature of any kind.

6 However, any member of the armed forces who is employed
7 as a teacher of subjects in the Reserve Officers Training
8 Corps of any school and who is not certified under the law
9 governing the certification of teachers shall be included
10 as an employee.

11 (b) Are designated before January 1, 2020 by the
12 governing body of a municipality in which a pension fund is
13 required by law to be established for policemen or firemen,
14 respectively, as performing police or fire protection
15 duties, except that when such persons are the heads of the
16 police or fire department and are not eligible to be
17 included within any such pension fund, they shall be
18 included within this Article; provided, that such persons
19 shall not be excluded to the extent of concurrent service
20 and earnings not designated as being for police or fire
21 protection duties. However, (i) any head of a police
22 department who was a participant under this Article
23 immediately before October 1, 1977 and did not elect, under
24 Section 3-109 of this Act, to participate in a police
25 pension fund shall be an "employee", and (ii) any chief of
26 police who became a participating employee under this

1 Article before January 1, 2019 and who elects to
2 participate in this Fund under Section 3-109.1 of this
3 Code, regardless of whether such person continues to be
4 employed as chief of police or is employed in some other
5 rank or capacity within the police department, shall be an
6 employee under this Article for so long as such person is
7 employed to perform police duties by a participating
8 municipality and has not lawfully rescinded that election.

9 (c) Are contributors to or eligible to contribute to a
10 Taft-Hartley pension plan to which the participating
11 municipality is required to contribute as the person's
12 employer based on earnings from the municipality. Nothing
13 in this paragraph shall affect service credit or creditable
14 service for any period of service prior to the effective
15 date of this amendatory Act of the 98th General Assembly,
16 and this paragraph shall not apply to individuals who are
17 participating in the Fund prior to the effective date of
18 this amendatory Act of the 98th General Assembly.

19 (d) Become an employee of any of the following
20 participating instrumentalities on or after the effective
21 date of this amendatory Act of the 99th General Assembly:
22 the Illinois Municipal League; the Illinois Association of
23 Park Districts; the Illinois Supervisors, County
24 Commissioners and Superintendents of Highways Association;
25 an association, or not-for-profit corporation, membership
26 in which is authorized under Section 85-15 of the Township

1 Code; the United Counties Council; or the Will County
2 Governmental League.

3 (3) All persons, including, without limitation, public
4 defenders and probation officers, who receive earnings from
5 general or special funds of a county for performance of
6 personal services or official duties within the territorial
7 limits of the county, are employees of the county (unless
8 excluded by subsection (2) of this Section) notwithstanding
9 that they may be appointed by and are subject to the direction
10 of a person or persons other than a county board or a county
11 officer. It is hereby established that an employer-employee
12 relationship under the usual common law rules exists between
13 such employees and the county paying their salaries by reason
14 of the fact that the county boards fix their rates of
15 compensation, appropriate funds for payment of their earnings
16 and otherwise exercise control over them. This finding and this
17 amendatory Act shall apply to all such employees from the date
18 of appointment whether such date is prior to or after the
19 effective date of this amendatory Act and is intended to
20 clarify existing law pertaining to their status as
21 participating employees in the Fund.

22 (Source: P.A. 99-830, eff. 1-1-17; 100-281, eff. 8-24-17.)

23 (40 ILCS 5/7-199.5 new)

24 Sec. 7-199.5. To assist in the consolidation of the pension
25 funds under Articles 3 and 4. The Board shall assist in the

1 consolidation of pension funds under Articles 3 and 4 and shall
2 provide assistance to the Transition Boards created under
3 Sections 3-101.1 and 4-101.1 of this Code. The Board shall
4 adopt any rules necessary to prepare for the consolidation of
5 the pension funds under Articles 3 and 4, including
6 establishing accounts and reserves necessary for the
7 administration of the benefits and requirements under Articles
8 3 and 4, and to provide recommendations and administrative
9 support necessary to the Transition Boards.

10 (40 ILCS 5/7-199.6 new)

11 Sec. 7-199.6. To administer the benefits under Articles 3
12 and 4.

13 (a) On and after January 1, 2020, the Fund shall administer
14 the benefits and other requirements under Article 3 in
15 accordance with that Article and this Article 7. To the extent
16 that the administrative requirements under Article 3 conflict
17 with this Article 7, this Article 7 shall control. The Fund may
18 exercise any of the rights and powers and perform any of the
19 duties of the consolidated pension funds under Article 3.

20 The Fund shall adopt rules for the efficient operation and
21 administration of Article 3. Any rules adopted by the
22 Transition Board established under Section 3-101.1 shall
23 become the rules of the Illinois Municipal Retirement Fund with
24 respect to the benefits and administration of Article 3 until
25 the Illinois Municipal Retirement Fund rescinds those rules or

1 adopts superseding rules.

2 (b) On and after January 1, 2020, the Fund shall administer
3 the benefits and other requirements under Article 4 in
4 accordance with that Article and this Article 7. To the extent
5 that the administrative requirements under Article 4 conflict
6 with this Article 7, this Article 7 shall control. The Fund may
7 exercise any of the rights and powers and perform any of the
8 duties of the consolidated pension funds under Article 4

9 The Fund shall adopt rules for the efficient operation and
10 administration of Article 4. Any rules adopted by the
11 Transition Board established under Section 4-101.1 shall
12 become the rules of the Illinois Municipal Retirement Fund with
13 respect to the benefits and administration of Article 4 until
14 the Illinois Municipal Retirement Fund rescinds those rules or
15 adopts superseding rules.

16 Section 15. The Illinois Pension Code is amended by
17 changing Sections 3-103, 3-105, 3-108.2, 3-108.3, 3-110,
18 3-110.7, 3-125, 3-125.1, 3-128, 3-134, 3-135, 3-141, 4-103,
19 4-105, 4-105c, 4-105d, 4-108, 4-118, 4-118.1, 4-121, 4-124,
20 4-128, 4-134, 7-175, and 7-175.1 and by adding Sections
21 3-102.1, 3-103.9, 3-141a, 3-141b, 4-102.1, 4-106.5, 4-130.1,
22 and 4-130.3 as follows:

23 (40 ILCS 5/3-102.1 new)

24 Sec. 3-102.1. Fund. "Fund" or "pension fund": Until January

1 1, 2020, a police pension fund established by a municipality
2 under this Article.

3 Beginning January 1, 2020, "Fund" or "pension fund" means
4 the Illinois Municipal Retirement Fund with respect to this
5 Article; depending on the context, the terms may include one or
6 more of those previously established pension funds.

7 (40 ILCS 5/3-103) (from Ch. 108 1/2, par. 3-103)

8 Sec. 3-103. Municipality; participating municipality;
9 governing body.

10 (a) "Municipality": (1) Any city, village or incorporated
11 town of 5,000 or more but less than 500,000 inhabitants, as
12 determined from the United States Government statistics or a
13 census taken at any time by the city, village or incorporated
14 town and (2) any city, village or incorporated town of less
15 than 5,000 inhabitants which, by referendum held under Section
16 3-145 adopts this Article.

17 (b) "Participating municipality" means a municipality, as
18 defined in subsection (a), that both is required (or has
19 elected) to and does in fact participate in the Fund with
20 respect to its police officers under this Article.

21 (c) "Governing body" includes, but is not limited to, the
22 board of town trustees or other persons empowered to draft the
23 tentative budget and appropriation ordinance and the electors
24 of such a township acting at the annual or special meeting of
25 town electors.

1 (Source: P.A. 83-1440.)

2 (40 ILCS 5/3-103.9 new)

3 Sec. 3-103.9. Authorized agent of a participating
4 municipality.

5 (a) Each participating municipality shall appoint an
6 authorized agent who shall have the powers and duties set forth
7 in this Section. In the absence of such an appointment, the
8 duties of the authorized agent shall devolve upon the clerk or
9 secretary of the municipality. The authorized agent may be the
10 same person appointed as the authorized agent under Section
11 7-135.

12 (b) The authorized agent of the municipality shall have the
13 following powers and duties:

14 (1) To certify to the Fund whether or not a given
15 person is authorized to participate in the Fund.

16 (2) To certify to the Fund when a participating
17 employee is on a leave of absence authorized by the
18 municipality.

19 (3) To request the proper officer to cause employee
20 contributions to be withheld from salary and promptly
21 transmitted to the Fund.

22 (4) To request the proper officer to cause municipality
23 contributions to be promptly forwarded to the Fund.

24 (5) To forward promptly to all participating employees
25 any communications for such employees from the Fund or the

1 municipality.

2 (6) To forward promptly to the Board of the Fund all
3 applications, claims reports, and other communications
4 delivered to the agent by participating employees.

5 (7) To perform all duties related to the administration
6 of the Fund as requested by the Fund or the governing body
7 of the municipality.

8 (c) The governing body of each participating municipality
9 may delegate either or both of the following powers to its
10 authorized agent:

11 (1) To file a petition for nomination of an executive
12 trustee of the Fund.

13 (2) To cast the ballot for election of an executive
14 trustee of the Fund.

15 If a governing body does not authorize its agent to perform
16 the powers set forth in this Section, they shall be performed
17 by the governing body itself, unless the governing body by
18 resolution duly certified to the Fund delegates them to some
19 other officer or employee.

20 (d) The delivery of any communication or document by an
21 employee or a municipality to the authorized agent of the
22 municipality does not constitute delivery to the Fund.

23 (40 ILCS 5/3-105) (from Ch. 108 1/2, par. 3-105)

24 Sec. 3-105. Board. "Board": Until January 1, 2020, the ~~The~~
25 board of trustees of the police pension fund of a municipality

1 as established in subsection (a) of Section 3-128.

2 Beginning January 1, 2020, the Board of Trustees of the
3 Illinois Municipal Retirement Fund; depending on the context,
4 the term may include the former board of trustees of one or
5 more of those previously established pension funds.

6 (Source: P.A. 83-1440.)

7 (40 ILCS 5/3-108.2)

8 Sec. 3-108.2. Participant. "Participant": A police officer
9 or deferred pensioner of the Fund ~~a pension fund~~, or a
10 beneficiary of the Fund ~~pension fund~~.

11 (Source: P.A. 90-507, eff. 8-22-97.)

12 (40 ILCS 5/3-108.3)

13 Sec. 3-108.3. Beneficiary. "Beneficiary": A person
14 receiving benefits from the Fund ~~a pension fund~~, including, but
15 not limited to, retired pensioners, disabled pensioners, their
16 surviving spouses, minor children, disabled children, and
17 dependent parents. If a special needs trust as described in
18 Section 1396p(d)(4) of Title 42 of the United States Code, as
19 amended from time to time, has been established for a disabled
20 adult child, then the special needs trust may stand in lieu of
21 the disabled adult child as a beneficiary for the purposes of
22 this Article.

23 (Source: P.A. 96-1143, eff. 7-21-10.)

1 (40 ILCS 5/3-110) (from Ch. 108 1/2, par. 3-110)

2 Sec. 3-110. Creditable service.

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

11 (a-3) Upon the consolidation of the police pension funds
12 under this Article into the Fund on January 1, 2020, creditable
13 service under any such pension fund shall be deemed to be
14 creditable service in the Fund, subject to the following
15 provisions:

16 (1) The consolidation of police pension funds into the
17 Fund shall not result in the duplication of any service
18 credit based on the same period of service in this or any
19 other pension fund or retirement system subject to this
20 Code.

21 (2) If this Section or any other provision of this
22 Article imposes a limit on the amount of creditable service
23 that may be established for a particular activity or
24 purpose and prior to consolidation a police officer has
25 established periods of creditable service for that
26 activity or purpose in more than one former police pension

1 fund under this Article, which periods are within that
2 limitation for each such fund but together exceed that
3 limitation, then upon consolidation all such credit
4 previously established by the police officer shall be
5 preserved under the Fund, but no additional creditable
6 service for that activity or purpose may be established by
7 that police officer in the Fund.

8 (3) The consolidation of police pension funds into the
9 Fund shall not entitle any person or pension fund to a
10 refund of any contribution or payment previously paid or
11 transferred in order to establish or transfer creditable
12 service under this Article.

13 (a-5) Up to 3 years of time during which the police officer
14 receives a disability pension under Section 3-114.1, 3-114.2,
15 3-114.3, or 3-114.6 shall be counted as creditable service,
16 provided that (i) the police officer returns to active service
17 after the disability for a period at least equal to the period
18 for which credit is to be established and (ii) the police
19 officer makes contributions to the Fund ~~fund~~ based on the rates
20 specified in Section 3-125.1 and the salary upon which the
21 disability pension is based. These contributions may be paid at
22 any time prior to the commencement of a retirement pension. The
23 police officer may, but need not, elect to have the
24 contributions deducted from the disability pension or to pay
25 them in installments on a schedule approved by the board. If
26 not deducted from the disability pension, the contributions

1 shall include interest at the rate of 6% per year, compounded
2 annually, from the date for which service credit is being
3 established to the date of payment. If contributions are paid
4 under this subsection (a-5) in excess of those needed to
5 establish the credit, the excess shall be refunded. This
6 subsection (a-5) applies to persons receiving a disability
7 pension under Section 3-114.1, 3-114.2, 3-114.3, or 3-114.6 on
8 the effective date of this amendatory Act of the 91st General
9 Assembly, as well as persons who begin to receive such a
10 disability pension after that date.

11 (b) Creditable service includes all periods of service in
12 the military, naval or air forces of the United States entered
13 upon while an active police officer of a municipality, provided
14 that upon applying for a permanent pension, and in accordance
15 with the rules of the board, the police officer pays into the
16 Fund ~~fund~~ the amount the officer would have contributed if he
17 or she had been a regular contributor during such period, to
18 the extent that the municipality which the police officer
19 served has not made such contributions in the officer's behalf.
20 The total amount of such creditable service shall not exceed 5
21 years, except that any police officer who on July 1, 1973 had
22 more than 5 years of such creditable service shall receive the
23 total amount thereof.

24 (b-5) Creditable service includes all periods of service in
25 the military, naval, or air forces of the United States entered
26 upon before beginning service as an active police officer of a

1 municipality, provided that, in accordance with the rules of
2 the board, the police officer pays into the Fund ~~fund~~ the
3 amount the police officer would have contributed if he or she
4 had been a regular contributor during such period, plus an
5 amount determined by the Board to be equal to the
6 municipality's normal cost of the benefit, plus interest at the
7 actuarially assumed rate calculated from the date the employee
8 last became a police officer under this Article. The total
9 amount of such creditable service shall not exceed 2 years.

10 (c) Creditable service also includes service rendered by a
11 police officer while on leave of absence from a police
12 department to serve as an executive of an organization whose
13 membership consists of members of a police department, subject
14 to the following conditions: (i) the police officer is a
15 participant of the Fund ~~a fund established under this Article~~
16 with at least 10 years of service as a police officer; (ii) the
17 police officer received no credit for such service under any
18 other retirement system, pension fund, or annuity and benefit
19 fund included in this Code; (iii) pursuant to the rules of the
20 board the police officer pays to the Fund ~~fund~~ the amount he or
21 she would have contributed had the officer been an active
22 member of the police department; (iv) the organization pays a
23 contribution equal to the municipality's normal cost for that
24 period of service; and (v) for all leaves of absence under this
25 subsection (c), including those beginning before the effective
26 date of this amendatory Act of the 97th General Assembly, the

1 police officer continues to remain in sworn status, subject to
2 the professional standards of the public employer or those
3 terms established in statute.

4 (d) (1) Creditable service also includes periods of
5 service originally established in another police pension
6 fund under this Article or in the Fund established under
7 Article 7 of this Code for which (i) the contributions have
8 been transferred under Section 3-110.7 or Section 7-139.9
9 and (ii) any additional contribution required under
10 paragraph (2) of this subsection has been paid in full in
11 accordance with the requirements of this subsection (d).

12 (2) If the board of the pension fund to which
13 creditable service and related contributions are
14 transferred under Section 7-139.9 determines that the
15 amount transferred is less than the true cost to the
16 pension fund of allowing that creditable service to be
17 established, then in order to establish that creditable
18 service the police officer must pay to the pension fund,
19 within the payment period specified in paragraph (3) of
20 this subsection, an additional contribution equal to the
21 difference, as determined by the board in accordance with
22 the rules and procedures adopted under paragraph (6) of
23 this subsection. If the board of the pension fund to which
24 creditable service and related contributions are
25 transferred under Section 3-110.7 determines that the
26 amount transferred is less than the true cost to the

1 pension fund of allowing that creditable service to be
2 established, then the police officer may elect (A) to
3 establish that creditable service by paying to the pension
4 fund, within the payment period specified in paragraph (3)
5 of this subsection (d), an additional contribution equal to
6 the difference, as determined by the board in accordance
7 with the rules and procedures adopted under paragraph (6)
8 of this subsection (d) or (B) to have his or her creditable
9 service reduced by an amount equal to the difference
10 between the amount transferred under Section 3-110.7 and
11 the true cost to the pension fund of allowing that
12 creditable service to be established, as determined by the
13 board in accordance with the rules and procedures adopted
14 under paragraph (6) of this subsection (d).

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

24 (4) If the police officer dies in service before
25 payment in full has been made and before the expiration of
26 the 5-year payment period, the surviving spouse of the

1 officer may elect to pay the unpaid amount on the officer's
2 behalf within 6 months after the date of death, in which
3 case the creditable service shall be granted as though the
4 deceased police officer had paid the remaining balance on
5 the day before the date of death.

6 (5) If the additional contribution that is required or
7 elected under paragraph (2) of this subsection (d) is not
8 paid in full within the required time, the creditable
9 service shall not be granted and the police officer (or the
10 officer's surviving spouse or estate) shall be entitled to
11 receive a refund of (i) any partial payment of the
12 additional contribution that has been made by the police
13 officer and (ii) those portions of the amounts transferred
14 under subdivision (a)(1) of Section 3-110.7 or
15 subdivisions (a)(1) and (a)(3) of Section 7-139.9 that
16 represent employee contributions paid by the police
17 officer (but not the accumulated interest on those
18 contributions) and interest paid by the police officer to
19 the prior pension fund in order to reinstate service
20 terminated by acceptance of a refund.

21 At the time of paying a refund under this item (5), the
22 pension fund shall also repay to the pension fund from
23 which the contributions were transferred under Section
24 3-110.7 or 7-139.9 the amount originally transferred under
25 subdivision (a)(2) of that Section, plus interest at the
26 rate of 6% per year, compounded annually, from the date of

1 the original transfer to the date of repayment. Amounts
2 repaid to the Article 7 fund under this provision shall be
3 credited to the appropriate municipality.

4 Transferred credit that is not granted due to failure
5 to pay the additional contribution within the required time
6 is lost; it may not be transferred to another pension fund
7 and may not be reinstated in the pension fund from which it
8 was transferred.

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

26 (e) (1) Creditable service also includes periods of

1 service originally established in the Fund established
2 under Article 7 of this Code for which the contributions
3 have been transferred under Section 7-139.11.

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

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

1 be transferred, the manner in which the calculation was
2 performed, the numbers relied upon in making the
3 calculation, the results of the calculation, and any other
4 information the Division may deem useful.

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

25 (Source: P.A. 96-297, eff. 8-11-09; 96-1260, eff. 7-23-10;
26 97-651, eff. 1-5-12.)

1 (40 ILCS 5/3-110.7)

2 Sec. 3-110.7. Transfer between Article 3 funds.

3 (a) Until January 1, 2020 (the consolidation date), an ~~An~~
4 active member of a pension fund established under this Article
5 may apply for transfer to that fund of his or her creditable
6 service and related contributions accumulated in any other
7 police pension fund established under this Article, except that
8 a police officer may not transfer creditable service under this
9 Section from a pension fund unless (i) the police officer
10 actively served in the police department under that fund for at
11 least 2 years, (ii) the police officer actively served in the
12 police department under that fund for less than 2 years but was
13 laid off or otherwise involuntarily terminated for a reason
14 other than the fault of the officer, or (iii) the police
15 officer was not in service in the police department under that
16 fund on or after the effective date of this Section. Upon
17 receiving the application, that other pension fund shall
18 transfer to the pension fund in which the applicant currently
19 participates an amount equal to:

20 (1) the amounts actually contributed by or on behalf of
21 the applicant to the fund as employee contributions
22 (including any interest paid by the applicant in order to
23 reinstate service), plus interest on those amounts at the
24 rate of 6% per year, compounded annually, from the date of
25 contribution to the date of transfer; plus

1 (2) an amount representing employer contributions,
2 equal to the total amount determined under subdivision (1).
3 Participation in that other pension fund shall terminate on the
4 date of transfer.

5 (b) An active member of the Fund ~~a pension fund established~~
6 ~~under this Article~~ may reinstate in the Fund service ~~in any~~
7 ~~other pension fund~~ established under this Article that was
8 terminated by receipt of a refund, by paying to the Fund ~~that~~
9 ~~other pension fund~~ the amount of the refund plus interest
10 thereon at the rate of 6% per year, compounded annually, from
11 the date of refund to the date of payment.

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

13 (40 ILCS 5/3-125) (from Ch. 108 1/2, par. 3-125)

14 Sec. 3-125. Financing; tax.

15 (a) The governing body ~~city council or the board of~~
16 ~~trustees~~ of a participating ~~the~~ municipality shall annually
17 levy a tax upon all the taxable property of the municipality at
18 the rate on the dollar which will produce an amount which, when
19 added to the deductions from the salaries or wages of police
20 officers, and revenues available from other sources, will equal
21 a sum sufficient to meet the annual requirements of the account
22 of the participating municipality ~~police pension fund~~. The
23 annual requirements to be provided by such tax levy are equal
24 to (1) the normal cost of benefits attributable to the
25 participating municipality and its police officers, as

1 determined by an enrolled actuary employed by the Fund, ~~the~~
2 ~~pension fund~~ for the year involved, plus (2) an amount
3 sufficient to bring the total assets of the account of the
4 participating municipality ~~pension fund~~ up to 90% of the total
5 actuarial liabilities of the account of the participating
6 municipality ~~pension fund~~ by the end of municipal fiscal year
7 2040, as annually updated and determined by an enrolled actuary
8 employed by the Fund ~~Illinois Department of Insurance or by an~~
9 ~~enrolled actuary retained by the pension fund or the~~
10 ~~municipality~~. In making these determinations, the required
11 minimum employer contribution shall be calculated each year as
12 a level percentage of payroll over the years remaining up to
13 and including fiscal year 2040 and shall be determined under
14 the projected unit credit actuarial cost method. The tax shall
15 be levied and collected in the same manner as the general taxes
16 of the municipality, and in addition to all other taxes now or
17 hereafter authorized to be levied upon all property within the
18 municipality, and shall be in addition to the amount authorized
19 to be levied for general purposes as provided by Section 8-3-1
20 of the Illinois Municipal Code, approved May 29, 1961, as
21 amended. The tax shall be forwarded directly to the treasurer
22 of the board within 30 business days after receipt by the
23 county.

24 (b) For purposes of determining the required employer
25 contribution to the Fund ~~a pension fund~~, the value of the
26 pension fund's assets shall be equal to the actuarial value of

1 the pension fund's assets, which shall be calculated as
2 follows:

3 (1) (Blank). ~~On March 30, 2011, the actuarial value of~~
4 ~~a pension fund's assets shall be equal to the market value~~
5 ~~of the assets as of that date.~~

6 (2) In determining the actuarial value of the ~~System's~~
7 assets of the account of the participating municipality for
8 ~~fiscal years after March 30, 2011~~, any actuarial gains or
9 losses from investment return incurred in a fiscal year
10 shall be recognized in equal annual amounts over the 5-year
11 period following that fiscal year.

12 (c) If a participating municipality fails to transmit to
13 the Fund ~~fund~~ contributions required of it under this Article
14 for more than 90 days after the payment of those contributions
15 is due, the Fund ~~fund~~ may, after giving notice to the
16 municipality, certify to the State Comptroller the amounts of
17 the delinquent payments in accordance with any applicable rules
18 of the Comptroller, and the Comptroller must, beginning in
19 fiscal year 2016, deduct and remit to the Fund, for credit to
20 the account of the participating municipality, fund the
21 certified amounts or a portion of those amounts from the
22 following proportions of payments of State funds to the
23 municipality:

24 (1) in fiscal year 2016, one-third of the total amount
25 of any payments of State funds to the municipality;

26 (2) in fiscal year 2017, two-thirds of the total amount

1 of any payments of State funds to the municipality; and

2 (3) in fiscal year 2018 and each fiscal year
3 thereafter, the total amount of any payments of State funds
4 to the municipality.

5 The State Comptroller may not deduct from any payments of
6 State funds to the municipality more than the amount of
7 delinquent payments certified to the State Comptroller by the
8 Fund fund.

9 (d) (Blank). ~~The police pension fund shall consist of the~~
10 ~~following moneys which shall be set apart by the treasurer of~~
11 ~~the municipality:~~

12 ~~(1) All moneys derived from the taxes levied hereunder;~~

13 ~~(2) Contributions by police officers under Section~~
14 ~~3-125.1;~~

15 ~~(3) All moneys accumulated by the municipality under~~
16 ~~any previous legislation establishing a fund for the~~
17 ~~benefit of disabled or retired police officers;~~

18 ~~(4) Donations, gifts or other transfers authorized by~~
19 ~~this Article.~~

20 (e) (Blank). ~~The Commission on Government Forecasting and~~
21 ~~Accountability shall conduct a study of all funds established~~
22 ~~under this Article and shall report its findings to the General~~
23 ~~Assembly on or before January 1, 2013. To the fullest extent~~
24 ~~possible, the study shall include, but not be limited to, the~~
25 ~~following:~~

26 ~~(1) fund balances;~~

1 ~~(2) historical employer contribution rates for each~~
2 ~~fund;~~

3 ~~(3) the actuarial formulas used as a basis for employer~~
4 ~~contributions, including the actual assumed rate of return~~
5 ~~for each year, for each fund;~~

6 ~~(4) available contribution funding sources;~~

7 ~~(5) the impact of any revenue limitations caused by~~
8 ~~PTELL and employer home rule or non home rule status; and~~

9 ~~(6) existing statutory funding compliance procedures~~
10 ~~and funding enforcement mechanisms for all municipal~~
11 ~~pension funds.~~

12 (Source: P.A. 99-8, eff. 7-9-15.)

13 (40 ILCS 5/3-125.1) (from Ch. 108 1/2, par. 3-125.1)

14 Sec. 3-125.1. Contributions by police officers. Each
15 police officer shall contribute to the Fund ~~pension fund~~ the
16 following percentages of salary for the periods stated:
17 Beginning July 1, 1909 and prior to July 23, 1943, 1% (except
18 that prior to July 1, 1921 not more than one dollar per month
19 shall be deducted, and except that beginning July 1, 1921 and
20 prior to July 1, 1927 not more than \$2 per month shall be
21 deducted); beginning July 23, 1943 and prior to July 20, 1949,
22 3%; beginning July 20, 1949 and prior to July 17, 1959, 5%;
23 beginning July 17, 1959 and prior to July 1, 1971, 7%;
24 beginning July 1, 1971 and prior to July 1, 1975, 7 1/2%;
25 beginning July 1, 1975 and prior to January 1, 1987, 8 1/2%;

1 beginning January 1, 1987 and prior to January 1, 2001, 9%; and
2 beginning January 1, 2001, 9.91%. Such sums shall be paid or
3 deducted monthly. Contribution to the self-managed plan shall
4 be no less than 10% of salary.

5 "Salary" means the annual salary, including longevity,
6 attached to the police officer's rank, as established by the
7 municipality's appropriation ordinance, including any
8 compensation for overtime which is included in the salary so
9 established, but excluding any "overtime pay", "holiday pay",
10 "bonus pay", "merit pay", or any other cash benefit not
11 included in the salary so established.

12 (Source: P.A. 91-939, eff. 2-1-01.)

13 (40 ILCS 5/3-128) (from Ch. 108 1/2, par. 3-128)

14 Sec. 3-128. Board created.

15 (a) This subsection (a) applies until January 1, 2020.

16 A board of 5 members shall constitute a board of trustees to
17 administer the pension fund and to designate the beneficiaries
18 thereof. The board shall be known as the "Board of Trustees of
19 the Police Pension Fund" of the municipality.

20 Two members of the board shall be appointed by the mayor or
21 president of the board of trustees of the municipality
22 involved. The 3rd and 4th members of the board shall be elected
23 from the active participants of the pension fund by such active
24 participants. The 5th member shall be elected by and from the
25 beneficiaries.

1 One of the members appointed by the mayor or president of
2 the board of trustees shall serve for one year beginning on the
3 2nd Tuesday in May after the municipality comes under this
4 Article. The other appointed member shall serve for 2 years
5 beginning on the same date. Their successors shall serve for 2
6 years each or until their successors are appointed and
7 qualified.

8 (b) The members of the boards of trustees serving on
9 December 31, 2019 may continue to exercise the powers of that
10 office until March 1, 2020 for the sole purpose of assisting in
11 the consolidation of their respective pension funds, but
12 subject to the supervision and requirements of the Transition
13 Board and the Illinois Municipal Retirement Fund.

14 (c) Beginning January 1, 2020, the Board of Trustees of the
15 Illinois Municipal Retirement Fund shall assume the duties of
16 the former boards of trustees.

17 ~~The election for board members shall be held biennially on~~
18 ~~the 3rd Monday in April, at such place or places in the~~
19 ~~municipality and under the Australian ballot system and such~~
20 ~~other regulations as shall be prescribed by the appointed~~
21 ~~members of the board.~~

22 ~~The active pension fund participants shall be entitled to~~
23 ~~vote only for the active participant members of the board. All~~
24 ~~beneficiaries of legal age may vote only for the member chosen~~
25 ~~from among the beneficiaries. No person shall be entitled to~~
26 ~~cast more than one ballot at such election. The term of elected~~

1 ~~members shall be 2 years, beginning on the 2nd Tuesday of the~~
2 ~~first May after the election.~~

3 ~~Upon the death, resignation or inability to act of any~~
4 ~~elected board member, his or her successor shall be elected for~~
5 ~~the unexpired term at a special election, to be called by the~~
6 ~~board and conducted in the same manner as the regular biennial~~
7 ~~election.~~

8 ~~Members of the board shall neither receive nor have any~~
9 ~~right to receive any salary from the pension fund for services~~
10 ~~performed as trustees in that office.~~

11 (Source: P.A. 83-1440.)

12 (40 ILCS 5/3-134) (from Ch. 108 1/2, par. 3-134)

13 Sec. 3-134. To submit annual list of Fund ~~fund~~ payments. To
14 submit annually to the governing body of each participating
15 municipality ~~city council or board of trustees~~ at the close of
16 the municipality's fiscal year, a list of persons entitled to
17 payments from the Fund that are chargeable to the account of
18 the participating municipality ~~fund~~, stating the amount of
19 payments, and their purpose, as ordered by the Board ~~board~~. It
20 shall also include items of income accrued to the account of
21 the participating municipality ~~fund~~ during the fiscal year. The
22 list shall be signed by the secretary and president of the
23 Board ~~board~~, and attested under oath. A resolution or order for
24 the payment of money shall not be valid unless approved by a
25 majority of the Board ~~board~~ members, and signed by the

1 president and secretary of the Board ~~board~~.

2 (Source: P.A. 83-1440.)

3 (40 ILCS 5/3-135) (from Ch. 108 1/2, par. 3-135)

4 Sec. 3-135. To invest funds. To determine the limitations
5 on the amounts of cash to be invested in order to maintain such
6 cash balances as may be deemed advisable to meet current
7 annuity, benefit, and expense requirements, and to invest the
8 remaining available cash in securities, in accordance with the
9 prudent person investment rule and the other provisions of this
10 Article. Beginning on the consolidation date, the Article 1 and
11 1A restrictions on the investment of Article 3 Funds no longer
12 apply, except to the extent that they do not also apply to
13 Article 7 of this Code. ~~Beginning January 1, 1998, the board~~
14 ~~shall invest funds in accordance with Sections 1-113.1 through~~
15 ~~1-113.10 of this Code.~~

16 (Source: P.A. 90-507, eff. 8-22-97.)

17 (40 ILCS 5/3-141) (from Ch. 108 1/2, par. 3-141)

18 Sec. 3-141. Annual report by treasurer. On the 2nd Tuesday
19 in May annually through 2020, the treasurer of the municipality
20 and all other officials of the municipality who had the custody
21 of any pension funds herein provided, shall make a sworn
22 statement to the pension board, and to the mayor and council or
23 president and board of trustees of the municipality, of all
24 moneys received and paid out by them on account of the pension

1 fund during the year, and of the amount of funds then on hand
2 and owing to the pension fund. The final report required under
3 this subsection shall be due in May of 2020 and shall include
4 the period up to and including the consolidation of the
5 municipality's pension fund into the Fund. All surplus then
6 remaining with any official other than the treasurer shall be
7 paid to the treasurer of the municipality or as directed by the
8 Board. Upon demand of the Board ~~pension board~~, any official
9 shall furnish a statement relative to the official method of
10 collection or handling of the pension funds. All books and
11 records of that official shall be produced at any time by him
12 for examination and inspection by the Board ~~board~~.

13 (Source: P.A. 83-1440.)

14 (40 ILCS 5/3-141a new)

15 Sec. 3-141a. Termination of participation by a
16 participating municipality. If a participating municipality
17 terminates participation because it fails to meet the
18 requirements of Section 3-103, it shall pay to the Fund the
19 amount equal to any net debit balance in its municipality
20 account and any account receivable. Its successors, assigns,
21 and transferees of its assets shall be obligated to make this
22 payment to the extent of the value of assets transferred to
23 them. The Fund shall pay an amount equal to any net credit
24 balance to the participating municipality, its successors or
25 assigns. Any remaining net debit or credit balance not

1 collectible or payable shall be transferred to a terminated
2 municipality reserve account. The Fund shall pay to each police
3 officer of the participating municipality an amount equal to
4 his or her credits in the employee reserves. The employees
5 shall have no further rights to any benefits from the Fund,
6 except that annuities awarded prior to the date of termination
7 shall continue to be paid.

8 (40 ILCS 5/3-141b new)

9 Sec. 3-141b. Authorizations.

10 (a) Each participating municipality shall:

11 (1) deduct all normal and additional contributions
12 from each payment of earnings payable to each participating
13 employee who is entitled to any earnings from the
14 municipality, and remit all normal and additional
15 contributions immediately to the Board; and

16 (2) pay to the Board contributions required by this
17 Article.

18 (b) Each participating employee shall, by virtue of the
19 payment of contributions to this Fund, receive a vested
20 interest in the annuities and benefits provided in this Article
21 and in consideration of such vested interest shall be deemed to
22 have agreed and authorized the deduction from earnings of all
23 contributions payable to this Fund in accordance with this
24 Article.

25 (c) Payment of earnings less the amounts of contributions

1 provided in this Article shall be a full and complete discharge
2 of all claims for payment for services rendered by any employee
3 during the period covered by any such payment.

4 (40 ILCS 5/4-102.1 new)

5 Sec. 4-102.1. Fund. "Fund" or "pension fund": Until January
6 1, 2020, a firefighters' pension fund established by a
7 municipality under this Article.

8 Beginning January 1, 2020, "Fund" or "pension fund" means
9 the Illinois Municipal Retirement Fund with respect to this
10 Article; depending on the context, the terms may include one or
11 more of those previously established pension funds.

12 (40 ILCS 5/4-103) (from Ch. 108 1/2, par. 4-103)

13 Sec. 4-103. Municipality; participating municipality;
14 governing body.

15 (a) "Municipality": (1) Any city, township, village or
16 incorporated town of 5,000 or more but less than 500,000
17 inhabitants, and any fire protection district having any
18 full-time paid firefighters, and (2) any city, village,
19 incorporated town or township of less than 5,000 inhabitants
20 having a full-time paid fire department which adopts the
21 provisions of this Article ~~article~~ pursuant to the provisions
22 of Section 4-141.

23 (b) The term "participating municipality" means a
24 municipality, as defined in subsection (a), that both is

1 required (or has elected) to and does in fact participate in
2 the Fund with respect to its firefighters under this Article.

3 (c) The term "governing body", "city council", or "board of
4 trustees" includes the board of trustees of a fire protection
5 district and the board of town trustees or other persons
6 empowered to draft the tentative budget and appropriation
7 ordinance and the electors of such a township acting at the
8 annual or special meeting of town electors.

9 (Source: P.A. 83-1440.)

10 (40 ILCS 5/4-105) (from Ch. 108 1/2, par. 4-105)

11 Sec. 4-105. Board. "Board": Until January 1, 2020, the ~~The~~
12 "Board of Trustees of the Firefighters' Pension Fund" of a
13 municipality as established in subsection (a) of Section 4-121.

14 Beginning January 1, 2020, the Board of Trustees of the
15 Illinois Municipal Retirement Fund; depending on the context,
16 the term may include the former board of trustees of one or
17 more of those previously established pension funds.

18 (Source: P.A. 83-1440.)

19 (40 ILCS 5/4-105c)

20 Sec. 4-105c. Participant. "Participant": A firefighter or
21 deferred pensioner of the Fund ~~a pension fund~~, or a beneficiary
22 of the Fund ~~pension fund~~.

23 (Source: P.A. 90-507, eff. 8-22-97.)

1 (40 ILCS 5/4-105d)

2 Sec. 4-105d. Beneficiary. "Beneficiary": A person
3 receiving benefits from the Fund ~~a pension fund~~, including, but
4 not limited to, retired pensioners, disabled pensioners, their
5 surviving spouses, minor children, disabled children, and
6 dependent parents.

7 (Source: P.A. 90-507, eff. 8-22-97.)

8 (40 ILCS 5/4-106.5 new)

9 Sec. 4-106.5. Authorized agent of a participating
10 municipality.

11 (a) Each participating municipality shall appoint an
12 authorized agent who shall have the powers and duties set forth
13 in this Section. In the absence of such an appointment, the
14 duties of the authorized agent shall devolve upon the clerk or
15 secretary of the municipality. The authorized agent may be the
16 same person appointed as the authorized agent under Section
17 7-135.

18 (b) The authorized agent of the municipality shall have the
19 following powers and duties:

20 (1) To certify to the Fund whether or not a given
21 person is authorized to participate in the Fund.

22 (2) To certify to the Fund when a participating
23 employee is on a leave of absence authorized by the
24 municipality.

25 (3) To request the proper officer to cause employee

1 contributions to be withheld from salary and promptly
2 transmitted to the Fund.

3 (4) To request the proper officer to cause municipality
4 contributions to be promptly forwarded to the Fund.

5 (5) To forward promptly to all participating employees
6 any communications for such employees from the Fund or the
7 municipality.

8 (6) To forward promptly to the Board of the Fund all
9 applications, claims reports, and other communications
10 delivered to the agent by participating employees.

11 (7) To perform all duties related to the administration
12 of the Fund as requested by the Fund or the governing body
13 of the municipality.

14 (c) The governing body of each participating municipality
15 may delegate either or both of the following powers to its
16 authorized agent:

17 (1) To file a petition for nomination of an executive
18 trustee of the Fund.

19 (2) To cast the ballot for election of an executive
20 trustee of the Fund.

21 If a governing body does not authorize its agent to perform
22 the powers set forth in this Section, they shall be performed
23 by the governing body itself, unless the governing body by
24 resolution duly certified to the Fund delegates them to some
25 other officer or employee.

26 (d) The delivery of any communication or document by an

1 employee or a municipality to the authorized agent of the
2 municipality does not constitute delivery to the Fund.

3 (40 ILCS 5/4-108) (from Ch. 108 1/2, par. 4-108)

4 Sec. 4-108. Creditable service.

5 (a) Creditable service is the time served as a firefighter
6 of a municipality. In computing creditable service, furloughs
7 and leaves of absence without pay exceeding 30 days in any one
8 year shall not be counted, but leaves of absence for illness or
9 accident regardless of length, and periods of disability for
10 which a firefighter received no disability pension payments
11 under this Article, shall be counted.

12 (a-5) Upon the consolidation of the firefighters' pension
13 funds under this Article into the Illinois Municipal Retirement
14 Fund on January 1, 2020, creditable service under any
15 firefighters' pension fund shall be deemed to be creditable
16 service in the Fund, subject to the following provisions:

17 (1) The consolidation of firefighters' pension funds
18 into the Illinois Municipal Retirement Fund shall not
19 result in the duplication of any service credit based on
20 the same period of service in this or any other pension
21 fund or retirement system subject to this Code.

22 (2) If this Section or any other provision of this
23 Article imposes a limit on the amount of creditable service
24 that may be established for a particular activity or
25 purpose, and prior to consolidation a firefighter has

1 established periods of creditable service for that
2 activity or purpose in more than one former firefighters'
3 pension fund under this Article, which periods are within
4 that limitation for each such fund but together exceed that
5 limitation, then upon consolidation all such credit
6 previously established by the firefighter shall be
7 preserved under the Fund, but no additional creditable
8 service for that activity or purpose may be established by
9 that firefighter in the Fund.

10 (3) The consolidation of firefighters' pension funds
11 into the Illinois Municipal Retirement Fund shall not
12 entitle any person or pension fund to a refund of any
13 contribution or payment previously paid or transferred in
14 order to establish or transfer creditable service under
15 this Article.

16 (b) Furloughs and leaves of absence of 30 days or less in
17 any one year may be counted as creditable service, if the
18 firefighter makes the contribution to the Fund ~~fund~~ that would
19 have been required had he or she not been on furlough or leave
20 of absence. To qualify for this creditable service, the
21 firefighter must pay the required contributions to the Fund
22 ~~fund~~ not more than 90 days subsequent to the termination of the
23 furlough or leave of absence, to the extent that the
24 municipality has not made such contribution on his or her
25 behalf.

26 (c) Creditable service includes:

1 (1) Service in the military, naval or air forces of the
2 United States entered upon when the person was an active
3 firefighter, provided that, upon applying for a permanent
4 pension, and in accordance with the rules of the board the
5 firefighter pays into the Fund ~~fund~~ the amount that would
6 have been contributed had he or she been a regular
7 contributor during such period of service, if and to the
8 extent that the municipality which the firefighter served
9 made no such contributions in his or her behalf. The total
10 amount of such creditable service shall not exceed 5 years,
11 except that any firefighter who on July 1, 1973 had more
12 than 5 years of such creditable service shall receive the
13 total amount thereof as of that date.

14 (1.5) Up to 24 months of service in the military,
15 naval, or air forces of the United States that was served
16 prior to employment by a municipality or fire protection
17 district as a firefighter. To receive the credit for the
18 military service prior to the employment as a firefighter,
19 the firefighter must apply in writing to the Fund ~~fund~~ and
20 must make contributions to the Fund ~~fund~~ equal to (i) the
21 employee contributions that would have been required had
22 the service been rendered as a member, plus (ii) an amount
23 determined by the Fund ~~fund~~ to be equal to the employer's
24 normal cost of the benefits accrued for that military
25 service, plus (iii) interest at the prescribed rate
26 ~~actuarially assumed rate provided by the Department of~~

1 ~~Financial and Professional Regulation~~, compounded annually
2 from the first date of membership in the Fund fund to the
3 date of payment on items (i) and (ii). The changes to this
4 paragraph (1.5) made by Public Act 95-1056 ~~this amendatory~~
5 ~~Act of the 95th General Assembly~~ apply only to
6 participating employees in service on or after April 10,
7 2009 (its effective date).

8 (2) Service prior to July 1, 1976 by a firefighter
9 initially excluded from participation by reason of age who
10 elected to participate and paid the required contributions
11 for such service.

12 (3) Up to 8 years of service by a firefighter as an
13 officer in a statewide firefighters' association when he is
14 on a leave of absence from a municipality's payroll,
15 provided that (i) the firefighter has at least 10 years of
16 creditable service as an active firefighter, (ii) the
17 firefighter contributes to the Fund fund the amount that he
18 would have contributed had he remained an active member of
19 the Fund fund, (iii) the employee or statewide firefighter
20 association contributes to the Fund fund an amount equal to
21 the employer's required contribution as determined by the
22 board, and (iv) for all leaves of absence under this
23 subdivision (3), including those beginning before January
24 5, 2012 (the effective date of Public Act 97-651) ~~this~~
25 ~~amendatory Act of the 97th General Assembly~~, the
26 firefighter continues to remain in sworn status, subject to

1 the professional standards of the public employer or those
2 terms established in statute.

3 (4) Time spent as an on-call fireman for a
4 municipality, calculated at the rate of one year of
5 creditable service for each 5 years of time spent as an
6 on-call fireman, provided that (i) the firefighter has at
7 least 18 years of creditable service as an active
8 firefighter, (ii) the firefighter spent at least 14 years
9 as an on-call firefighter for the municipality, (iii) the
10 firefighter applies for such creditable service within 30
11 days after August 23, 1989 (the effective date of Public
12 Act 86-273) ~~this amendatory Act of 1989~~, (iv) the
13 firefighter contributes to the Fund an amount representing
14 employee contributions for the number of years of
15 creditable service granted under this subdivision (4),
16 based on the salary and contribution rate in effect for the
17 firefighter at the date of entry into the Fund, to be
18 determined by the board, and (v) not more than 3 years of
19 creditable service may be granted under this subdivision
20 (4).

21 Except as provided in Section 4-108.5, creditable
22 service shall not include time spent as a volunteer
23 firefighter, whether or not any compensation was received
24 therefor. The change made in this Section by Public Act
25 83-0463 is intended to be a restatement and clarification
26 of existing law, and does not imply that creditable service

1 was previously allowed under this Article for time spent as
2 a volunteer firefighter.

3 (5) Time served between July 1, 1976 and July 1, 1988
4 in the position of protective inspection officer or
5 administrative assistant for fire services, for a
6 municipality with a population under 10,000 that is located
7 in a county with a population over 3,000,000 and that
8 maintains a firefighters' pension fund under this Article,
9 if the position included firefighting duties,
10 notwithstanding that the person may not have held an
11 appointment as a firefighter, provided that application is
12 made to the pension fund within 30 days after November 19,
13 1991 (the effective date of Public Act 87-794) ~~this~~
14 ~~amendatory Act of 1991~~, and the corresponding
15 contributions are paid for the number of years of service
16 granted, based upon the salary and contribution rate in
17 effect for the firefighter at the date of entry into the
18 pension fund, as determined by the Board.

19 (6) Service before becoming a participant by a
20 firefighter initially excluded from participation by
21 reason of age who becomes a participant under the amendment
22 to Section 4-107 made by Public Act 87-1265 ~~this amendatory~~
23 ~~Act of 1993~~ and pays the required contributions for such
24 service.

25 (7) Up to 3 years of time during which the firefighter
26 receives a disability pension under Section 4-110,

1 4-110.1, or 4-111, provided that (i) the firefighter
2 returns to active service after the disability for a period
3 at least equal to the period for which credit is to be
4 established and (ii) the firefighter makes contributions
5 to the Fund ~~fund~~ based on the rates specified in Section
6 4-118.1 and the salary upon which the disability pension is
7 based. These contributions may be paid at any time prior to
8 the commencement of a retirement pension. The firefighter
9 may, but need not, elect to have the contributions deducted
10 from the disability pension or to pay them in installments
11 on a schedule approved by the board. If not deducted from
12 the disability pension, the contributions shall include
13 interest at the rate of 6% per year, compounded annually,
14 from the date for which service credit is being established
15 to the date of payment. If contributions are paid under
16 this subdivision (c)(7) in excess of those needed to
17 establish the credit, the excess shall be refunded. This
18 subdivision (c)(7) applies to persons receiving a
19 disability pension under Section 4-110, 4-110.1, or 4-111
20 on the effective date of this amendatory Act of the 91st
21 General Assembly, as well as persons who begin to receive
22 such a disability pension after that date.

23 (8) Up to 6 years of service as a police officer and
24 participant in an Article 3 police pension fund
25 administered by the unit of local government that employs
26 the firefighter under this Article, provided that the

1 service has been transferred to, and the required payment
2 received by, the Article 4 fund in accordance with Section
3 3-110.12 of this Code.

4 (Source: P.A. 100-544, eff. 11-8-17.)

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

6 Sec. 4-118. Financing; tax.

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

1 the account of the participating municipality ~~pension fund~~ up
2 to 90% of the total actuarial liabilities of the account of the
3 participating municipality ~~pension fund~~ by the end of municipal
4 fiscal year 2040, as annually updated and determined by an
5 enrolled actuary employed by the Fund ~~Illinois Department of~~
6 ~~Insurance or by an enrolled actuary retained by the pension~~
7 ~~fund or the municipality~~. In making these determinations, the
8 required minimum employer contribution shall be calculated
9 each year as a level percentage of payroll over the years
10 remaining up to and including fiscal year 2040 and shall be
11 determined under the projected unit credit actuarial cost
12 method. The amount to be applied towards the amortization of
13 the unfunded accrued liability in any year shall not be less
14 than the annual amount required to amortize the unfunded
15 accrued liability, including interest, as a level percentage of
16 payroll over the number of years remaining in the 40 year
17 amortization period.

18 (a-5) For purposes of determining the required employer
19 contribution to the Fund ~~a pension fund~~, the value of the
20 ~~pension fund's~~ assets of the account of the participating
21 municipality shall be equal to the actuarial value of the
22 ~~pension fund's~~ assets of the account of the participating
23 municipality, which shall be calculated as follows:

24 (1) (Blank). ~~On March 30, 2011, the actuarial value of~~
25 ~~a pension fund's assets shall be equal to the market value~~
26 ~~of the assets as of that date.~~

1 (2) In determining the actuarial value of the ~~pension~~
2 ~~fund's~~ assets of the account of the participating
3 municipality for fiscal years after March 30, 2011, any
4 actuarial gains or losses from investment return incurred
5 in a fiscal year shall be recognized in equal annual
6 amounts over the 5-year period following that fiscal year.

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

20 (b-5) If a participating municipality fails to transmit to
21 the Fund ~~fund~~ contributions required of it under this Article
22 for more than 90 days after the payment of those contributions
23 is due, the Fund ~~fund~~ may, after giving notice to the
24 municipality, certify to the State Comptroller the amounts of
25 the delinquent payments in accordance with any applicable rules
26 of the Comptroller, and the Comptroller must, beginning in

1 fiscal year 2016, deduct and remit to the Fund, for credit to
2 the account of the participating municipality, fund the
3 certified amounts or a portion of those amounts from the
4 following proportions of payments of State funds to the
5 municipality:

6 (1) in fiscal year 2016, one-third of the total amount
7 of any payments of State funds to the municipality;

8 (2) in fiscal year 2017, two-thirds of the total amount
9 of any payments of State funds to the municipality; and

10 (3) in fiscal year 2018 and each fiscal year
11 thereafter, the total amount of any payments of State funds
12 to the municipality.

13 The State Comptroller may not deduct from any payments of
14 State funds to the municipality more than the amount of
15 delinquent payments certified to the State Comptroller by the
16 Fund fund.

17 (c) The Board board shall make available to the membership
18 and the general public for inspection and copying at reasonable
19 times the most recent Actuarial Valuation Balance Sheet and Tax
20 Levy Requirement issued to the Fund fund by the Department of
21 Insurance.

22 (d) (Blank). ~~The firefighters' pension fund shall consist~~
23 ~~of the following moneys which shall be set apart by the~~
24 ~~treasurer of the municipality: (1) all moneys derived from the~~
25 ~~taxes levied hereunder; (2) contributions by firefighters as~~
26 ~~provided under Section 4 118.1; (3) all rewards in money, fees,~~

1 ~~gifts, and emoluments that may be paid or given for or on~~
2 ~~account of extraordinary service by the fire department or any~~
3 ~~member thereof, except when allowed to be retained by~~
4 ~~competitive awards; and (4) any money, real estate or personal~~
5 ~~property received by the board.~~

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

14 (f) The corporate authorities of a municipality that
15 employs a person who is described in subdivision (d) of Section
16 4-106 may add to the tax levy otherwise provided for in this
17 Section an amount equal to the projected cost of the employer
18 contributions required to be paid by the municipality to the
19 State Universities Retirement System under subsection (b-1) of
20 Section 15-155 of this Code.

21 (g) (Blank). ~~The Commission on Government Forecasting and~~
22 ~~Accountability shall conduct a study of all funds established~~
23 ~~under this Article and shall report its findings to the General~~
24 ~~Assembly on or before January 1, 2013. To the fullest extent~~
25 ~~possible, the study shall include, but not be limited to, the~~
26 ~~following:~~

- 1 ~~(1) fund balances;~~
- 2 ~~(2) historical employer contribution rates for each~~
- 3 ~~fund;~~
- 4 ~~(3) the actuarial formulas used as a basis for employer~~
- 5 ~~contributions, including the actual assumed rate of return~~
- 6 ~~for each year, for each fund;~~
- 7 ~~(4) available contribution funding sources;~~
- 8 ~~(5) the impact of any revenue limitations caused by~~
- 9 ~~PTELL and employer home rule or non home rule status; and~~
- 10 ~~(6) existing statutory funding compliance procedures~~
- 11 ~~and funding enforcement mechanisms for all municipal~~
- 12 ~~pension funds.~~

13 (Source: P.A. 99-8, eff. 7-9-15.)

14 (40 ILCS 5/4-118.1) (from Ch. 108 1/2, par. 4-118.1)

15 Sec. 4-118.1. Contributions by firefighters.

16 (a) Beginning January 1, 1976 and until August 6, 1999 (the

17 effective date of Public Act 91-466) ~~this amendatory Act of the~~

18 ~~91st General Assembly~~, each firefighter shall contribute to the

19 pension fund 6 3/4% of salary towards the cost of his or her

20 pension. Beginning August 6, 1999 ~~on the effective date of this~~

21 ~~amendatory Act of the 91st General Assembly~~, each firefighter

22 shall contribute to the pension fund 6.955% of salary towards

23 the cost of his or her pension.

24 (b) In addition, beginning January 1, 1976, each

25 firefighter shall contribute 1% of salary toward the cost of

1 the increase in pension provided in Section 4-109.1; beginning
2 January 1, 1987, such contribution shall be 1.5% of salary;
3 beginning July 1, 2004, the contribution shall be 2.5% of
4 salary.

5 (c) Beginning on July 1, 2004 (the effective date of Public
6 Act 93-689) ~~this amendatory Act of the 93rd General Assembly,~~
7 each firefighter who elects to receive a pension under Section
8 4-109.3 and who has participated in at least one other pension
9 fund under this Article for a period of at least one year shall
10 contribute an additional 1.0% of salary toward the cost of the
11 increase in pensions provided in Section 4-109.3; except that
12 beginning January 1, 2020, no additional contributions shall be
13 paid under this subsection (c).

14 In the event that a firefighter does not elect to receive a
15 retirement pension provided under Section 4-109.3 from one or
16 more of the pension funds under this Article in which the
17 firefighter has credit, he or she shall, upon withdrawal from
18 the last pension fund as defined in Section 4-109.3, be
19 entitled to receive, from each such fund to which he or she has
20 paid additional contributions under this subsection (c) and
21 from which he or she does not receive a refund under Section
22 4-116, a refund of those contributions without interest.
23 Beginning January 1, 2020, however, such refunds shall be
24 payable from the Illinois Municipal Retirement Fund and
25 chargeable to the appropriate municipal accounts and reserves.

26 A refund of total contributions to a particular firefighter

1 pension fund under Section 4-116 shall include any refund of
2 additional contributions paid to that fund under this
3 subsection (c), but a firefighter who accepts a refund from a
4 pension fund under Section 4-116 is thereafter ineligible to
5 receive a pension provided under Section 4-109.3 from that
6 fund. A firefighter who meets the eligibility requirements of
7 Section 4-109.3 may receive a pension under Section 4-109.3
8 from any pension fund from which the firefighter has not
9 received a refund under Section 4-116 or under this subsection
10 (c); except that beginning January 1, 2020 (the consolidation
11 date), such pensions shall be payable from the Illinois
12 Municipal Retirement Fund as provided in Section 4-109.3 and
13 chargeable to the appropriate municipal accounts and reserves.

14 (d) "Salary" means the annual salary, including longevity,
15 attached to the firefighter's rank, as established by the
16 municipality appropriation ordinance, including any
17 compensation for overtime which is included in the salary so
18 established, but excluding any "overtime pay", "holiday pay",
19 "bonus pay", "merit pay", or any other cash benefit not
20 included in the salary so established.

21 (e) The contributions shall be deducted and withheld from
22 the salary of firefighters.

23 (Source: P.A. 93-689, eff. 7-1-04.)

24 (40 ILCS 5/4-121) (from Ch. 108 1/2, par. 4-121)

25 Sec. 4-121. Board created.

1 (a) This subsection (a) applies until January 1, 2020.

2 There is created in each municipality or fire protection
3 district a board of trustees to be known as the "Board of
4 Trustees of the Firefighters' Pension Fund". The membership of
5 the board for each municipality shall be, respectively, as
6 follows: in cities, the treasurer, clerk, marshal or chief
7 officer of the fire department, and the comptroller if there is
8 one, or if not, the mayor; in each township, village or
9 incorporated town, the president of the municipality's board of
10 trustees, the village or town clerk, village or town attorney,
11 village or town treasurer, and the chief officer of the fire
12 department; and in each fire protection district, the president
13 and other 2 members of its board of trustees and the marshal or
14 chief of its fire department or service, as the case may be;
15 and in all the municipalities above designated 3 additional
16 persons chosen from their active firefighters and one other
17 person who has retired under the Firemen's Pension Fund Act of
18 1919~~7~~, or this Article. ~~The Notwithstanding any provision of~~
19 ~~this Section to the contrary, the~~ term of office of each member
20 of a board established on or before the 3rd Monday in April,
21 2006 shall terminate on the 3rd Monday in April, 2006, but all
22 incumbent members shall continue to exercise all of the powers
23 and be subject to all of the duties of a member of the board
24 until all the new members of the board take office.

25 Beginning on the 3rd Monday in April, 2006 and until
26 January 1, 2020, the board of trustees for each municipality or

1 fire protection district shall consist of 5 members. Two
2 members of the board shall be appointed by the mayor or
3 president of the board of trustees of the municipality or fire
4 protection district involved. Two members of the board shall be
5 active participants of the pension fund who are elected from
6 the active participants of the fund. One member of the board
7 shall be a person who is retired under the Firemen's Pension
8 Fund Act of 1919 or this Article who is elected from persons
9 retired under the Firemen's Pension Fund Act of 1919 or this
10 Article.

11 For the purposes of this Section, a firefighter receiving a
12 disability pension shall be considered a retired firefighter.
13 In the event that there are no retired firefighters under the
14 Fund or if none is willing to serve on the board, then an
15 additional active firefighter shall be elected to the board in
16 lieu of the retired firefighter that would otherwise be
17 elected.

18 If the regularly constituted fire department of a
19 municipality is dissolved and Section 4-106.1 is not
20 applicable, the board shall continue to exist and administer
21 the Fund so long as there continues to be any annuitant or
22 deferred pensioner in the Fund. In such cases, elections shall
23 continue to be held as specified in this Section, except that:
24 (1) deferred pensioners shall be deemed to be active members
25 for the purposes of such elections; (2) any otherwise
26 unfillable positions on the board, including ex officio

1 positions, shall be filled by election from the remaining
2 firefighters and deferred pensioners of the Fund, to the extent
3 possible; and (3) if the membership of the board falls below 3
4 persons, the Illinois Director of Insurance or his designee
5 shall be deemed a member of the board, ex officio.

6 (b) The members of the boards of trustees serving on
7 December 31, 2019 may continue to exercise the powers of that
8 office until March 1, 2020 for the sole purpose of assisting in
9 the consolidation of their respective pension funds, but
10 subject to the supervision and requirements of the Transition
11 Board.

12 (c) Beginning January 1, 2020, the Board of Trustees of the
13 Illinois Municipal Retirement Fund shall assume the duties of
14 the former boards of trustees.

15 ~~The members chosen from the active and retired firefighters~~
16 ~~shall be elected by ballot at elections to be held on the 3rd~~
17 ~~Monday in April of the applicable years under the Australian~~
18 ~~ballot system, at such place or places, in the municipality,~~
19 ~~and under such regulations as shall be prescribed by the board.~~

20 ~~No person shall cast more than one vote for each candidate~~
21 ~~for whom he or she is eligible to vote. In the elections for~~
22 ~~board members to be chosen from the active firefighters, all~~
23 ~~active firefighters and no others may vote. In the elections~~
24 ~~for board members to be chosen from retired firefighters, the~~
25 ~~retired firefighters and no others may vote.~~

26 ~~Each member of the board so elected shall hold office for a~~

1 ~~term of 3 years and until his or her successor has been duly~~
2 ~~elected and qualified.~~

3 ~~The board shall canvass the ballots and declare which~~
4 ~~persons have been elected and for what term or terms~~
5 ~~respectively. In case of a tie vote between 2 or more~~
6 ~~candidates, the board shall determine by lot which candidate or~~
7 ~~candidates have been elected and for what term or terms~~
8 ~~respectively. In the event of the failure, resignation, or~~
9 ~~inability to act of any board member, a successor shall be~~
10 ~~elected for the unexpired term at a special election called by~~
11 ~~the board and conducted in the same manner as a regular~~
12 ~~election.~~

13 ~~The board shall elect annually from its members a president~~
14 ~~and secretary.~~

15 ~~Board members shall not receive or have any right to~~
16 ~~receive any salary from a pension fund for services performed~~
17 ~~as board members.~~

18 (Source: P.A. 100-201, eff. 8-18-17.)

19 (40 ILCS 5/4-124) (from Ch. 108 1/2, par. 4-124)

20 Sec. 4-124. To enforce contributions. To assess each
21 firefighter the contributions required under Section 4-118.1.
22 The contributions deducted from salaries, together with all
23 interest accruing thereon, shall be paid promptly ~~placed~~ by the
24 treasurer of the municipality ~~as ex officio treasurer of the~~
25 ~~board,~~ to the Treasurer ~~credit~~ of the Fund ~~pension fund,~~

1 subject to the order of the Board ~~board~~.

2 (Source: P.A. 83-1440.)

3 (40 ILCS 5/4-128) (from Ch. 108 1/2, par. 4-128)

4 Sec. 4-128. To invest funds. To determine the limitations
5 on the amounts of cash to be invested in order to maintain such
6 cash balances as may be deemed advisable to meet current
7 annuity, benefit, and expense requirements, and to invest the
8 remaining available cash in securities, in accordance with the
9 prudent person investment rule and the other provisions of this
10 Article. Beginning on the consolidation date, the Article 1 and
11 1A restrictions on the investment of Article 4 Funds no longer
12 apply, to the extent that they do not also apply to Article 7
13 of this Code. ~~Beginning January 1, 1998, the board shall invest~~
14 ~~funds in accordance with Sections 1-113.1 through 1-113.10 of~~
15 ~~this Code.~~

16 (Source: P.A. 90-507, eff. 8-22-97.)

17 (40 ILCS 5/4-130.1 new)

18 Sec. 4-130.1. Termination of participation by a
19 participating municipality. If a participating municipality
20 terminates participation because it fails to meet the
21 requirements of Section 3-103, it shall pay to the Fund the
22 amount equal to any net debit balance in its municipality
23 account and any account receivable. Its successors, assigns,
24 and transferees of its assets shall be obligated to make this

1 payment to the extent of the value of assets transferred to
2 them. The Fund shall pay an amount equal to any net credit
3 balance to the participating municipality, its successors or
4 assigns. Any remaining net debit or credit balance not
5 collectible or payable shall be transferred to a terminated
6 municipality reserve account. The Fund shall pay to each
7 firefighter of the participating municipality an amount equal
8 to his or her credits in the employee reserves. The employees
9 shall have no further rights to any benefits from the Fund,
10 except that annuities awarded prior to the date of termination
11 shall continue to be paid.

12 (40 ILCS 5/4-130.3 new)

13 Sec. 4-130.3. Authorizations.

14 (a) Each participating municipality shall:

15 (1) Deduct all normal and additional contributions
16 from each payment of earnings payable to each participating
17 employee who is entitled to any earnings from the
18 municipality, and remit all normal and additional
19 contributions immediately to the Board; and

20 (2) Pay to the Board contributions required by this
21 Article.

22 (b) Each participating employee shall, by virtue of the
23 payment of contributions to this Fund, receive a vested
24 interest in the annuities and benefits provided in this Article
25 and in consideration of such vested interest shall be deemed to

1 have agreed and authorized the deduction from earnings of all
2 contributions payable to this Fund in accordance with this
3 Article.

4 (c) Payment of earnings less the amounts of contributions
5 provided in this Article shall be a full and complete discharge
6 of all claims for payment for services rendered by any employee
7 during the period covered by any such payment.

8 (40 ILCS 5/4-134) (from Ch. 108 1/2, par. 4-134)

9 Sec. 4-134. Report for tax levy.

10 (a) The Board ~~board~~ shall report to the governing body of
11 each participating ~~city council or board of trustees of the~~
12 municipality on the condition of the Fund ~~pension fund~~ at the
13 end of its most recently completed fiscal year. The report
14 shall be made prior to the ~~council or board~~ meeting held for
15 appropriating and levying taxes for the year for which the
16 report is made.

17 The ~~pension board in the~~ report shall certify and provide
18 the following information ~~to the city council or board of~~
19 ~~trustees of the municipality:~~

20 (1) the total assets of the fund and the ~~their~~ current
21 market value of those assets;

22 (2) the estimated receipts during the next succeeding
23 fiscal year from deductions from the salaries or wages of
24 firefighters, and from all other sources;

25 (3) the estimated amount necessary during the fiscal

1 year to meet the annual actuarial requirements of the
2 pension fund ~~as provided in Sections 4-118 and 4-120;~~

3 (4) the total net income received from investment of
4 assets along with the assumed investment return and actual
5 investment return received by the Fund ~~fund~~ during its most
6 recently completed fiscal year compared to the total net
7 income, assumed investment return, and actual investment
8 return received during the preceding fiscal year;

9 (5) the increase in employer pension contributions
10 that results from the implementation of the provisions of
11 Public Act 93-689 ~~this amendatory Act of the 93rd General~~
12 ~~Assembly;~~

13 (6) the total number of active employees who are
14 financially contributing to the fund;

15 (7) the total amount that was disbursed in benefits
16 during the fiscal year, including the number of and total
17 amount disbursed to (i) annuitants in receipt of a regular
18 retirement pension, (ii) recipients being paid a
19 disability pension, and (iii) survivors and children in
20 receipt of benefits;

21 (8) the funded ratio of the Fund ~~fund~~; and

22 (9) the unfunded liability carried by the Fund ~~fund~~,
23 along with an actuarial explanation of the unfunded
24 liability. ~~;~~ ~~and~~

25 ~~(10) the investment policy of the pension board under~~
26 ~~the statutory investment restrictions imposed on the fund.~~

1 Before the Board ~~pension board~~ makes its report, the Fund
2 ~~municipality~~ shall have the assets of the Fund ~~fund~~ and their
3 current market value verified by an independent certified
4 public accountant of its choice.

5 (b) A participating ~~The~~ municipality is authorized to
6 publish the report submitted under this Section. This
7 publication may be made, without limitation, by publication in
8 a local newspaper of general circulation in the municipality or
9 by publication on the municipality's Internet website. If the
10 municipality publishes the report, then that publication must
11 include all of the information relating to that municipality
12 submitted by the Board ~~pension board~~ under subsection (a).

13 (Source: P.A. 95-950, eff. 8-29-08.)

14 (40 ILCS 5/7-175) (from Ch. 108 1/2, par. 7-175)

15 Sec. 7-175. Board elections.

16 (a) During the period beginning on August 1 and ending on
17 September 15 of each year the board shall accept nominations of
18 candidates for election to the trusteeships for terms beginning
19 the next January 1, new trusteeships or vacancies to be filled
20 by election.

21 (b) All nominations shall be by petition. Three petitions
22 for an executive trustee shall be signed by governing bodies of
23 contributing participating municipalities or
24 instrumentalities.

25 A petition for an employee trustee shall be signed by at

1 least 350 participating employees who were participants during
2 July of the current year and who, if their employment status
3 remained unchanged, would be eligible to vote for such
4 candidate at the following election.

5 A petition for an annuitant trustee shall be signed by at
6 least 100 persons who were annuitants of the Fund during July
7 of the current year and who, if their annuitant status remains
8 unchanged, would be eligible to vote for the candidate at the
9 following election.

10 (c) A separate ballot shall be used for each class of
11 trustee and the names of all candidates properly nominated in
12 petitions received by the board shall be placed in alphabetical
13 order upon the proper ballot. Where two employee trustees are
14 elected to a full term in the same year, there shall be one
15 election for the two trusteeships and the two candidates
16 getting the highest number of votes shall be elected.

17 (d) At any election, each contributing participating
18 municipality and participating instrumentality and each
19 contributing participating employee employed by such
20 participating municipality or participating instrumentality
21 during September of any year, shall be entitled to vote as
22 follows:

23 1. The governing body of each such participating
24 municipality and participating instrumentality shall have
25 one vote at any election in which an executive trustee is
26 to be elected, and may cast such vote for any candidate on

1 the executive trustee ballot.

2 2. Each participating employee shall have one vote at
3 any election in which an employee trustee is to be elected,
4 and may cast such vote for any candidate on the employee
5 trustee ballot.

6 3. Each annuitant of the Fund shall have one vote at
7 any election in which an annuitant trustee is to be
8 elected, and may cast that vote for any candidate on the
9 annuitant trustee ballot.

10 4. A vote may be cast for a person not on the ballot by
11 writing in his or her name.

12 (e) The election shall be by ballot pursuant to the rules
13 and regulations established by the board and shall be completed
14 by December 31 of the year. The results shall be entered in the
15 minutes of the meeting of the board following the tally of
16 votes.

17 (f) In case of a tie vote, the candidate employed by or
18 retired from the participating municipality or participating
19 instrumentality having the greatest number of participating
20 employees at the time shall be elected.

21 (g) Notwithstanding any other provision of this Article, if
22 only one candidate is properly nominated in petitions received
23 by the Board, that candidate shall be deemed the winner. In the
24 case of 2 employee trustees elected to a full term in the same
25 year, if only 2 candidates are properly nominated in petitions
26 received by the Board, those 2 candidates shall both be deemed

1 winners. If a candidate is deemed a winner under this
2 paragraph, no election under this Section or Section 7-175.1
3 shall be required.

4 (h) For the purposes of this Section, "annuitant" includes
5 a person who receives an annuity pursuant to Article 3 or 4.

6 For the purposes of this Section, "contributing
7 participating municipality" includes a municipality that
8 participates in Article 3 or 4.

9 For the purposes of this Section, "participating employee"
10 includes a police officer under Article 3 or a firefighter
11 under Article 4.

12 (Source: P.A. 98-932, eff. 8-15-14.)

13 (40 ILCS 5/7-175.1) (from Ch. 108 1/2, par. 7-175.1)

14 Sec. 7-175.1. Election of employee and annuitant trustees.

15 (a) The board shall prepare and send ballots and ballot
16 envelopes to the employees, including police officers under
17 Article 3 and firefighters under Article 4, and annuitants
18 eligible to vote as of September of that year. The ballots
19 shall contain the names of all candidates in alphabetical order
20 and an appropriate place where a name may be written in on the
21 ballot. The ballot envelope shall have on the outside a form of
22 certificate stating that the person voting the ballot is a
23 participating employee or annuitant entitled to vote.

24 (b) Employees and annuitants, upon receipt of the ballot,
25 shall vote the ballot and place it in the ballot envelope, seal

1 the envelope, execute the certificate thereon and return the
2 ballot to the Fund.

3 (c) The board shall set a final date for ballot return, and
4 ballots received prior to that date in a ballot envelope with a
5 properly executed certificate and properly voted, shall be
6 valid ballots.

7 (d) The board shall set a day for counting the ballots and
8 name judges and clerks of election to conduct the count of
9 ballots, and shall make any rules and regulations necessary for
10 the conduct of the count.

11 (e) No election under this Section shall be required if a
12 candidate is deemed the winner under subsection (g) of Section
13 7-175.

14 (Source: P.A. 98-932, eff. 8-15-14.)

15 Section 90. The State Mandates Act is amended by adding
16 Section 8.42 as follows:

17 (30 ILCS 805/8.42 new)

18 Sec. 8.42. Exempt mandate. Notwithstanding Sections 6 and 8
19 of this Act, no reimbursement by the State is required for the
20 implementation of any mandate created by this amendatory Act of
21 the 100th General Assembly.

22 Section 99. Effective date. This Act takes effect upon
23 becoming law, except that Sections 5 and 15 take effect January
24 1, 2020.

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40 ILCS 5/3-101.1 new

6

40 ILCS 5/3-101.2 new

7

40 ILCS 5/3-106

from Ch. 108 1/2, par. 3-106

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40 ILCS 5/4-101

from Ch. 108 1/2, par. 4-101

9

40 ILCS 5/4-101.1 new

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11

40 ILCS 5/4-106

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40 ILCS 5/7-199.5 new

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40 ILCS 5/7-199.6 new

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40 ILCS 5/3-102.1 new

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40 ILCS 5/3-103

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40 ILCS 5/3-103.9 new

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