



Rep. Lawrence Walsh, Jr.

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LRB101 02871 RPS 60407 a

1 AMENDMENT TO SENATE BILL 37

2 AMENDMENT NO. _____. Amend Senate Bill 37 by replacing
3 everything after the enacting clause as follows:

4 "Section 5. The Illinois Pension Code is amended by adding
5 Section 4-110.2 and by changing Section 4-118 as follows:

6 (40 ILCS 5/4-110.2 new)

7 Sec. 4-110.2. Secondary employer injury and exposure
8 reporting. The fire chief of a secondary employer, as described
9 in Section 4-118, shall report any injury, illness, or exposure
10 incurred by a secondary employee during his or her employment
11 to the primary employer's pension fund within 96 hours from the
12 time of the occurrence. The reporting requirements shall be
13 consistent with the recommendations found in Chapters 4, 13,
14 and 14 of the NFPA 1500 Standard on Fire Department
15 Occupational Safety, Health, and Wellness Program.

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

2 Sec. 4-118. Financing.

3 (a) The city council or the board of trustees of the
4 municipality shall annually levy a tax upon all the taxable
5 property of the municipality at the rate on the dollar which
6 will produce an amount which, when added to the deductions from
7 the salaries or wages of firefighters and revenues available
8 from other sources, will equal a sum sufficient to meet the
9 annual actuarial requirements of the pension fund, as
10 determined by an enrolled actuary employed by the Illinois
11 Department of Insurance or by an enrolled actuary retained by
12 the pension fund or municipality. For the purposes of this
13 Section, the annual actuarial requirements of the pension fund
14 are equal to (1) the normal cost of the pension fund, or 17.5%
15 of the salaries and wages to be paid to firefighters for the
16 year involved, whichever is greater, plus (2) an annual amount
17 sufficient to bring the total assets of the pension fund up to
18 90% of the total actuarial liabilities of the pension fund by
19 the end of municipal fiscal year 2040, as annually updated and
20 determined by an enrolled actuary employed by the Illinois
21 Department of Insurance or by an enrolled actuary retained by
22 the pension fund or the municipality. In making these
23 determinations, the required minimum employer contribution
24 shall be calculated each year as a level percentage of payroll
25 over the years remaining up to and including fiscal year 2040
26 and shall be determined under the projected unit credit

1 actuarial cost method. The amount to be applied towards the
2 amortization of the unfunded accrued liability in any year
3 shall not be less than the annual amount required to amortize
4 the unfunded accrued liability, including interest, as a level
5 percentage of payroll over the number of years remaining in the
6 40 year amortization period.

7 (a-2) A municipality that has established a pension fund
8 under this Article and who employs a full-time firefighter, as
9 defined in Section 4-106, shall be deemed a primary employer
10 with respect to that full-time firefighter. Any unit of local
11 government of 5,000 or more inhabitants that employs or enrolls
12 a firefighter while that firefighter continues to earn service
13 credit as a participant in a primary employer's pension fund
14 under this Article shall be deemed a secondary employer and
15 such employees shall be deemed to be secondary employee
16 firefighters. Primary and secondary employers shall have the
17 following duties to ensure that the primary employer's pension
18 fund under this Article is compensated for additional
19 liabilities and risks to which firefighters are exposed when
20 performing work as firefighters for secondary employers:

21 (1) A secondary employer shall annually prepare a
22 report accounting for all wages and salaries paid to the
23 secondary employee firefighters it receives services from
24 or employs for each fiscal year in which such firefighters
25 are employed and transmit a certified copy of that report
26 to the primary employer and the secondary employee

1 firefighter no later than 30 days after the end of any
2 fiscal year in which wages were paid to the secondary
3 employee firefighters.

4 (2) The secondary employer, concurrent with the
5 certification of its report, shall contribute an amount
6 equal to the following percentages of the total wages and
7 salaries paid to the secondary employee firefighter to the
8 primary employer's pension fund for deposit to the credit
9 of the pension fund: for the portion of the secondary
10 employee's wages and salaries that exceeds \$0 but does not
11 exceed \$5,000, 0%; for the portion of the secondary
12 employee's wages and salaries that exceeds \$5,000 but does
13 not exceed \$10,000, 8%; for the portion of the secondary
14 employee's wages and salaries that exceeds \$10,000 but does
15 not exceed \$15,000, 11%; for the portion of the secondary
16 employee's wages and salaries that exceeds \$15,000 but does
17 not exceed \$20,000, 14%; for the portion of the secondary
18 employee's wages and salaries that exceeds \$20,000, 17.5%.

19 (3) The primary employer and the pension fund of that
20 primary employer shall have standing to enforce the pension
21 funding obligations of the secondary employer established
22 under this subsection in accordance with subsection (b-10)
23 of this Section.

24 The contributions required under paragraph (2) of this
25 subsection apply beginning on the first day of the primary
26 employer's pension fund's first fiscal year beginning on or

1 after the effective date of this amendatory Act of the 101st
2 General Assembly.

3 The contributions required under paragraph (2) of this
4 subsection are for the purposes of compensating the primary
5 employer's pension fund for additional liabilities and risks to
6 which firefighters are exposed when performing work as
7 firefighters for secondary employers.

8 Nothing in this Section shall be construed to allow a
9 secondary employee to qualify for benefits or creditable
10 service for employment as a firefighter for a secondary
11 employer.

12 (a-5) For purposes of determining the required employer
13 contribution to a pension fund, the value of the pension fund's
14 assets shall be equal to the actuarial value of the pension
15 fund's assets, which shall be calculated as follows:

16 (1) On March 30, 2011, the actuarial value of a pension
17 fund's assets shall be equal to the market value of the
18 assets as of that date.

19 (2) In determining the actuarial value of the pension
20 fund's assets for fiscal years after March 30, 2011, any
21 actuarial gains or losses from investment return incurred
22 in a fiscal year shall be recognized in equal annual
23 amounts over the 5-year period following that fiscal year.

24 (b) The tax shall be levied and collected in the same
25 manner as the general taxes of the municipality, and shall be
26 in addition to all other taxes now or hereafter authorized to

1 be levied upon all property within the municipality, and in
2 addition to the amount authorized to be levied for general
3 purposes, under Section 8-3-1 of the Illinois Municipal Code or
4 under Section 14 of the Fire Protection District Act. The tax
5 shall be forwarded directly to the treasurer of the board
6 within 30 business days of receipt by the county (or, in the
7 case of amounts added to the tax levy under subsection (f),
8 used by the municipality to pay the employer contributions
9 required under subsection (b-1) of Section 15-155 of this
10 Code).

11 (b-5) If a participating municipality fails to transmit to
12 the fund contributions required of it under this Article for
13 more than 90 days after the payment of those contributions is
14 due, the fund may, after giving notice to the municipality,
15 certify to the State Comptroller the amounts of the delinquent
16 payments in accordance with any applicable rules of the
17 Comptroller, and the Comptroller must, beginning in fiscal year
18 2016, deduct and remit to the fund the certified amounts or a
19 portion of those amounts from the following proportions of
20 payments of State funds to the municipality:

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

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

25 (3) in fiscal year 2018 and each fiscal year
26 thereafter, the total amount of any payments of State funds

1 to the municipality.

2 The State Comptroller may not deduct from any payments of
3 State funds to the municipality more than the amount of
4 delinquent payments certified to the State Comptroller by the
5 fund.

6 (b-10) If a unit of local government fails to transmit to
7 the fund contributions required of it under subsection (a-2) of
8 this Section for more than 90 days after the payment of those
9 contributions is due, the fund may, after giving notice to the
10 unit of local government, certify to the State Comptroller the
11 amounts of the delinquent payments in accordance with any
12 applicable rules of the Comptroller, and the Comptroller must,
13 beginning in fiscal year 2020, deduct and remit to the fund the
14 certified amounts or a portion of those amounts from payments
15 of State funds to the unit of local government. The State
16 Comptroller may not deduct from any payments of State funds to
17 the unit of local government more than the amount of delinquent
18 payments certified to the State Comptroller by the fund.

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

24 (d) The firefighters' pension fund shall consist of the
25 following moneys which shall be set apart by the treasurer of
26 the municipality: (1) all moneys derived from the taxes levied

1 hereunder; (2) contributions by firefighters as provided under
2 Section 4-118.1; (3) all rewards in money, fees, gifts, and
3 emoluments that may be paid or given for or on account of
4 extraordinary service by the fire department or any member
5 thereof, except when allowed to be retained by competitive
6 awards; and (4) any money, real estate or personal property
7 received by the board.

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

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

23 (g) The Commission on Government Forecasting and
24 Accountability shall conduct a study of all funds established
25 under this Article and shall report its findings to the General
26 Assembly on or before January 1, 2013. To the fullest extent

1 possible, the study shall include, but not be limited to, the
2 following:

3 (1) fund balances;

4 (2) historical employer contribution rates for each
5 fund;

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

9 (4) available contribution funding sources;

10 (5) the impact of any revenue limitations caused by
11 PTELL and employer home rule or non-home rule status; and

12 (6) existing statutory funding compliance procedures
13 and funding enforcement mechanisms for all municipal
14 pension funds.

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

16 Section 90. The State Mandates Act is amended by adding
17 Section 8.43 as follows:

18 (30 ILCS 805/8.43 new)

19 Sec. 8.43. Exempt mandate. Notwithstanding Sections 6 and 8
20 of this Act, no reimbursement by the State is required for the
21 implementation of any mandate created by this amendatory Act of
22 the 101st General Assembly.

23 Section 99. Effective date. This Act takes effect upon

1 becoming law.".