



Rep. Lawrence Walsh, Jr.

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10100SB0037ham002

LRB101 02871 RPS 61256 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 municipality of
11 5,000 or more inhabitants that employs or enrolls a firefighter
12 while that firefighter continues to earn service credit as a
13 participant in a primary employer's pension fund under this
14 Article shall be deemed a secondary employer and such employees
15 shall be deemed to be secondary employee firefighters. To
16 ensure that the primary employer's pension fund under this
17 Article is aware of additional liabilities and risks to which
18 firefighters are exposed when performing work as firefighters
19 for secondary employers, a secondary employer shall annually
20 prepare a report accounting for all hours worked by and wages
21 and salaries paid to the secondary employee firefighters it
22 receives services from or employs for each fiscal year in which
23 such firefighters are employed and transmit a certified copy of
24 that report to the primary employer's pension fund and the
25 secondary employee firefighter no later than 30 days after the
26 end of any fiscal year in which wages were paid to the

1 secondary employee firefighters.

2 Nothing in this Section shall be construed to allow a
3 secondary employee to qualify for benefits or creditable
4 service for employment as a firefighter for a secondary
5 employer.

6 (a-5) For purposes of determining the required employer
7 contribution to a pension fund, the value of the pension fund's
8 assets shall be equal to the actuarial value of the pension
9 fund's assets, which shall be calculated as follows:

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

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

18 (b) The tax shall be levied and collected in the same
19 manner as the general taxes of the municipality, and shall be
20 in addition to all other taxes now or hereafter authorized to
21 be levied upon all property within the municipality, and in
22 addition to the amount authorized to be levied for general
23 purposes, under Section 8-3-1 of the Illinois Municipal Code or
24 under Section 14 of the Fire Protection District Act. The tax
25 shall be forwarded directly to the treasurer of the board
26 within 30 business days of receipt by the county (or, in the

1 case of amounts added to the tax levy under subsection (f),
2 used by the municipality to pay the employer contributions
3 required under subsection (b-1) of Section 15-155 of this
4 Code).

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

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

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

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

22 The State Comptroller may not deduct from any payments of
23 State funds to the municipality more than the amount of
24 delinquent payments certified to the State Comptroller by the
25 fund.

26 (c) The board shall make available to the membership and

1 the general public for inspection and copying at reasonable
2 times the most recent Actuarial Valuation Balance Sheet and Tax
3 Levy Requirement issued to the fund by the Department of
4 Insurance.

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

15 (e) For the purposes of this Section, "enrolled actuary"
16 means an actuary: (1) who is a member of the Society of
17 Actuaries or the American Academy of Actuaries; and (2) who is
18 enrolled under Subtitle C of Title III of the Employee
19 Retirement Income Security Act of 1974, or who has been engaged
20 in providing actuarial services to one or more public
21 retirement systems for a period of at least 3 years as of July
22 1, 1983.

23 (f) The corporate authorities of a municipality that
24 employs a person who is described in subdivision (d) of Section
25 4-106 may add to the tax levy otherwise provided for in this
26 Section an amount equal to the projected cost of the employer

1 contributions required to be paid by the municipality to the
2 State Universities Retirement System under subsection (b-1) of
3 Section 15-155 of this Code.

4 (g) The Commission on Government Forecasting and
5 Accountability shall conduct a study of all funds established
6 under this Article and shall report its findings to the General
7 Assembly on or before January 1, 2013. To the fullest extent
8 possible, the study shall include, but not be limited to, the
9 following:

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

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

23 Section 90. The State Mandates Act is amended by adding
24 Section 8.43 as follows:

1 (30 ILCS 805/8.43 new)

2 Sec. 8.43. Exempt mandate. Notwithstanding Sections 6 and 8
3 of this Act, no reimbursement by the State is required for the
4 implementation of any mandate created by this amendatory Act of
5 the 101st General Assembly.

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.".