

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by 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.

16 (40 ILCS 5/4-118) (from Ch. 108 1/2, par. 4-118)

17 Sec. 4-118. Financing.

18 (a) The city council or the board of trustees of the
19 municipality shall annually levy a tax upon all the taxable
20 property of the municipality at the rate on the dollar which
21 will produce an amount which, when added to the deductions from
22 the salaries or wages of firefighters and revenues available

1 from other sources, will equal a sum sufficient to meet the
2 annual actuarial requirements of the pension fund, as
3 determined by an enrolled actuary employed by the Illinois
4 Department of Insurance or by an enrolled actuary retained by
5 the pension fund or municipality. For the purposes of this
6 Section, the annual actuarial requirements of the pension fund
7 are equal to (1) the normal cost of the pension fund, or 17.5%
8 of the salaries and wages to be paid to firefighters for the
9 year involved, whichever is greater, plus (2) an annual amount
10 sufficient to bring the total assets of the pension fund up to
11 90% of the total actuarial liabilities of the pension fund by
12 the end of municipal fiscal year 2040, as annually updated and
13 determined by an enrolled actuary employed by the Illinois
14 Department of Insurance or by an enrolled actuary retained by
15 the pension fund or the municipality. In making these
16 determinations, the required minimum employer contribution
17 shall be calculated each year as a level percentage of payroll
18 over the years remaining up to and including fiscal year 2040
19 and shall be determined under the projected unit credit
20 actuarial cost method. The amount to be applied towards the
21 amortization of the unfunded accrued liability in any year
22 shall not be less than the annual amount required to amortize
23 the unfunded accrued liability, including interest, as a level
24 percentage of payroll over the number of years remaining in the
25 40 year amortization period.

26 (a-2) A municipality that has established a pension fund

1 under this Article and who employs a full-time firefighter, as
2 defined in Section 4-106, shall be deemed a primary employer
3 with respect to that full-time firefighter. Any municipality of
4 5,000 or more inhabitants that employs or enrolls a firefighter
5 while that firefighter continues to earn service credit as a
6 participant in a primary employer's pension fund under this
7 Article shall be deemed a secondary employer and such employees
8 shall be deemed to be secondary employee firefighters. To
9 ensure that the primary employer's pension fund under this
10 Article is aware of additional liabilities and risks to which
11 firefighters are exposed when performing work as firefighters
12 for secondary employers, a secondary employer shall annually
13 prepare a report accounting for all hours worked by and wages
14 and salaries paid to the secondary employee firefighters it
15 receives services from or employs for each fiscal year in which
16 such firefighters are employed and transmit a certified copy of
17 that report to the primary employer's pension fund and the
18 secondary employee firefighter no later than 30 days after the
19 end of any fiscal year in which wages were paid to the
20 secondary employee firefighters.

21 Nothing in this Section shall be construed to allow a
22 secondary employee to qualify for benefits or creditable
23 service for employment as a firefighter for a secondary
24 employer.

25 (a-5) For purposes of determining the required employer
26 contribution to a pension fund, the value of the pension fund's

1 assets shall be equal to the actuarial value of the pension
2 fund's assets, which shall be calculated as follows:

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

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

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

24 (b-5) If a participating municipality fails to transmit to
25 the fund contributions required of it under this Article for
26 more than 90 days after the payment of those contributions is

1 due, the fund may, after giving notice to the municipality,
2 certify to the State Comptroller the amounts of the delinquent
3 payments in accordance with any applicable rules of the
4 Comptroller, and the Comptroller must, beginning in fiscal year
5 2016, deduct and remit to the fund the certified amounts or a
6 portion of those amounts from the following proportions of
7 payments of State funds to the municipality:

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

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

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

15 The State Comptroller may not deduct from any payments of
16 State funds to the municipality more than the amount of
17 delinquent payments certified to the State Comptroller by the
18 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
24 becoming law.