

1 AN ACT in relation to pensions.

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
24 its 1990 equalized assessed value within any county or counties
25 contiguous to a county with 3,000,000 or more inhabitants.
26 Beginning with the 1995 levy year, "taxing district" includes
27 only each non-home rule taxing district subject to this Law
28 before the 1995 levy year and each non-home rule taxing
29 district not subject to this Law before the 1995 levy year
30 having the majority of its 1994 equalized assessed value in an
31 affected county or counties. Beginning with the levy year in
32 which this Law becomes applicable to a taxing district as

1 provided in Section 18-213, "taxing district" also includes
2 those taxing districts made subject to this Law as provided in
3 Section 18-213.

4 "Aggregate extension" for taxing districts to which this
5 Law applied before the 1995 levy year means the annual
6 corporate extension for the taxing district and those special
7 purpose extensions that are made annually for the taxing
8 district, excluding special purpose extensions: (a) made for
9 the taxing district to pay interest or principal on general
10 obligation bonds that were approved by referendum; (b) made for
11 any taxing district to pay interest or principal on general
12 obligation bonds issued before October 1, 1991; (c) made for
13 any taxing district to pay interest or principal on bonds
14 issued to refund or continue to refund those bonds issued
15 before October 1, 1991; (d) made for any taxing district to pay
16 interest or principal on bonds issued to refund or continue to
17 refund bonds issued after October 1, 1991 that were approved by
18 referendum; (e) made for any taxing district to pay interest or
19 principal on revenue bonds issued before October 1, 1991 for
20 payment of which a property tax levy or the full faith and
21 credit of the unit of local government is pledged; however, a
22 tax for the payment of interest or principal on those bonds
23 shall be made only after the governing body of the unit of
24 local government finds that all other sources for payment are
25 insufficient to make those payments; (f) made for payments
26 under a building commission lease when the lease payments are
27 for the retirement of bonds issued by the commission before
28 October 1, 1991, to pay for the building project; (g) made for
29 payments due under installment contracts entered into before
30 October 1, 1991; (h) made for payments of principal and
31 interest on bonds issued under the Metropolitan Water
32 Reclamation District Act to finance construction projects
33 initiated before October 1, 1991; (i) made for payments of
34 principal and interest on limited bonds, as defined in Section
35 3 of the Local Government Debt Reform Act, in an amount not to
36 exceed the debt service extension base less the amount in items

1 (b), (c), (e), and (h) of this definition for non-referendum
2 obligations, except obligations initially issued pursuant to
3 referendum; (j) made for payments of principal and interest on
4 bonds issued under Section 15 of the Local Government Debt
5 Reform Act; (k) made by a school district that participates in
6 the Special Education District of Lake County, created by
7 special education joint agreement under Section 10-22.31 of the
8 School Code, for payment of the school district's share of the
9 amounts required to be contributed by the Special Education
10 District of Lake County to the Illinois Municipal Retirement
11 Fund under Article 7 of the Illinois Pension Code; the amount
12 of any extension under this item (k) shall be certified by the
13 school district to the county clerk; ~~and~~ (l) made to fund
14 expenses of providing joint recreational programs for the
15 handicapped under Section 5-8 of the Park District Code or
16 Section 11-95-14 of the Illinois Municipal Code; and (m) made
17 for contributions to a firefighter's pension fund created under
18 Article 4 of the Illinois Pension Code, to the extent of the
19 amount certified under item (5) of Section 4-134 of the
20 Illinois Pension Code.

21 "Aggregate extension" for the taxing districts to which
22 this Law did not apply before the 1995 levy year (except taxing
23 districts subject to this Law in accordance with Section
24 18-213) means the annual corporate extension for the taxing
25 district and those special purpose extensions that are made
26 annually for the taxing district, excluding special purpose
27 extensions: (a) made for the taxing district to pay interest or
28 principal on general obligation bonds that were approved by
29 referendum; (b) made for any taxing district to pay interest or
30 principal on general obligation bonds issued before March 1,
31 1995; (c) made for any taxing district to pay interest or
32 principal on bonds issued to refund or continue to refund those
33 bonds issued before March 1, 1995; (d) made for any taxing
34 district to pay interest or principal on bonds issued to refund
35 or continue to refund bonds issued after March 1, 1995 that
36 were approved by referendum; (e) made for any taxing district

1 to pay interest or principal on revenue bonds issued before
2 March 1, 1995 for payment of which a property tax levy or the
3 full faith and credit of the unit of local government is
4 pledged; however, a tax for the payment of interest or
5 principal on those bonds shall be made only after the governing
6 body of the unit of local government finds that all other
7 sources for payment are insufficient to make those payments;
8 (f) made for payments under a building commission lease when
9 the lease payments are for the retirement of bonds issued by
10 the commission before March 1, 1995 to pay for the building
11 project; (g) made for payments due under installment contracts
12 entered into before March 1, 1995; (h) made for payments of
13 principal and interest on bonds issued under the Metropolitan
14 Water Reclamation District Act to finance construction
15 projects initiated before October 1, 1991; (i) made for
16 payments of principal and interest on limited bonds, as defined
17 in Section 3 of the Local Government Debt Reform Act, in an
18 amount not to exceed the debt service extension base less the
19 amount in items (b), (c), and (e) of this definition for
20 non-referendum obligations, except obligations initially
21 issued pursuant to referendum and bonds described in subsection
22 (h) of this definition; (j) made for payments of principal and
23 interest on bonds issued under Section 15 of the Local
24 Government Debt Reform Act; (k) made for payments of principal
25 and interest on bonds authorized by Public Act 88-503 and
26 issued under Section 20a of the Chicago Park District Act for
27 aquarium or museum projects; (l) made for payments of principal
28 and interest on bonds authorized by Public Act 87-1191 or
29 93-601 ~~this amendatory Act of the 93rd General Assembly~~ and (i)
30 issued pursuant to Section 21.2 of the Cook County Forest
31 Preserve District Act, (ii) issued under Section 42 of the Cook
32 County Forest Preserve District Act for zoological park
33 projects, or (iii) issued under Section 44.1 of the Cook County
34 Forest Preserve District Act for botanical gardens projects;
35 (m) made pursuant to Section 34-53.5 of the School Code,
36 whether levied annually or not; (n) made to fund expenses of

1 providing joint recreational programs for the handicapped
2 under Section 5-8 of the Park District Code or Section 11-95-14
3 of the Illinois Municipal Code; ~~and~~ (o) made by the Chicago
4 Park District for recreational programs for the handicapped
5 under subsection (c) of Section 7.06 of the Chicago Park
6 District Act; and (p) made for contributions to a firefighter's
7 pension fund created under Article 4 of the Illinois Pension
8 Code, to the extent of the amount certified under item (5) of
9 Section 4-134 of the Illinois Pension Code.

10 "Aggregate extension" for all taxing districts to which
11 this Law applies in accordance with Section 18-213, except for
12 those taxing districts subject to paragraph (2) of subsection
13 (e) of Section 18-213, means the annual corporate extension for
14 the taxing district and those special purpose extensions that
15 are made annually for the taxing district, excluding special
16 purpose extensions: (a) made for the taxing district to pay
17 interest or principal on general obligation bonds that were
18 approved by referendum; (b) made for any taxing district to pay
19 interest or principal on general obligation bonds issued before
20 the date on which the referendum making this Law applicable to
21 the taxing district is held; (c) made for any taxing district
22 to pay interest or principal on bonds issued to refund or
23 continue to refund those bonds issued before the date on which
24 the referendum making this Law applicable to the taxing
25 district is held; (d) made for any taxing district to pay
26 interest or principal on bonds issued to refund or continue to
27 refund bonds issued after the date on which the referendum
28 making this Law applicable to the taxing district is held if
29 the bonds were approved by referendum after the date on which
30 the referendum making this Law applicable to the taxing
31 district is held; (e) made for any taxing district to pay
32 interest or principal on revenue bonds issued before the date
33 on which the referendum making this Law applicable to the
34 taxing district is held for payment of which a property tax
35 levy or the full faith and credit of the unit of local
36 government is pledged; however, a tax for the payment of

1 interest or principal on those bonds shall be made only after
2 the governing body of the unit of local government finds that
3 all other sources for payment are insufficient to make those
4 payments; (f) made for payments under a building commission
5 lease when the lease payments are for the retirement of bonds
6 issued by the commission before the date on which the
7 referendum making this Law applicable to the taxing district is
8 held to pay for the building project; (g) made for payments due
9 under installment contracts entered into before the date on
10 which the referendum making this Law applicable to the taxing
11 district is held; (h) made for payments of principal and
12 interest on limited bonds, as defined in Section 3 of the Local
13 Government Debt Reform Act, in an amount not to exceed the debt
14 service extension base less the amount in items (b), (c), and
15 (e) of this definition for non-referendum obligations, except
16 obligations initially issued pursuant to referendum; (i) made
17 for payments of principal and interest on bonds issued under
18 Section 15 of the Local Government Debt Reform Act; (j) made
19 for a qualified airport authority to pay interest or principal
20 on general obligation bonds issued for the purpose of paying
21 obligations due under, or financing airport facilities
22 required to be acquired, constructed, installed or equipped
23 pursuant to, contracts entered into before March 1, 1996 (but
24 not including any amendments to such a contract taking effect
25 on or after that date); ~~and~~ (k) made to fund expenses of
26 providing joint recreational programs for the handicapped
27 under Section 5-8 of the Park District Code or Section 11-95-14
28 of the Illinois Municipal Code; and (l) made for contributions
29 to a firefighter's pension fund created under Article 4 of the
30 Illinois Pension Code, to the extent of the amount certified
31 under item (5) of Section 4-134 of the Illinois Pension Code.

32 "Aggregate extension" for all taxing districts to which
33 this Law applies in accordance with paragraph (2) of subsection
34 (e) of Section 18-213 means the annual corporate extension for
35 the taxing district and those special purpose extensions that
36 are made annually for the taxing district, excluding special

1 purpose extensions: (a) made for the taxing district to pay
2 interest or principal on general obligation bonds that were
3 approved by referendum; (b) made for any taxing district to pay
4 interest or principal on general obligation bonds issued before
5 the effective date of this amendatory Act of 1997; (c) made for
6 any taxing district to pay interest or principal on bonds
7 issued to refund or continue to refund those bonds issued
8 before the effective date of this amendatory Act of 1997; (d)
9 made for any taxing district to pay interest or principal on
10 bonds issued to refund or continue to refund bonds issued after
11 the effective date of this amendatory Act of 1997 if the bonds
12 were approved by referendum after the effective date of this
13 amendatory Act of 1997; (e) made for any taxing district to pay
14 interest or principal on revenue bonds issued before the
15 effective date of this amendatory Act of 1997 for payment of
16 which a property tax levy or the full faith and credit of the
17 unit of local government is pledged; however, a tax for the
18 payment of interest or principal on those bonds shall be made
19 only after the governing body of the unit of local government
20 finds that all other sources for payment are insufficient to
21 make those payments; (f) made for payments under a building
22 commission lease when the lease payments are for the retirement
23 of bonds issued by the commission before the effective date of
24 this amendatory Act of 1997 to pay for the building project;
25 (g) made for payments due under installment contracts entered
26 into before the effective date of this amendatory Act of 1997;
27 (h) made for payments of principal and interest on limited
28 bonds, as defined in Section 3 of the Local Government Debt
29 Reform Act, in an amount not to exceed the debt service
30 extension base less the amount in items (b), (c), and (e) of
31 this definition for non-referendum obligations, except
32 obligations initially issued pursuant to referendum; (i) made
33 for payments of principal and interest on bonds issued under
34 Section 15 of the Local Government Debt Reform Act; (j) made
35 for a qualified airport authority to pay interest or principal
36 on general obligation bonds issued for the purpose of paying

1 obligations due under, or financing airport facilities
2 required to be acquired, constructed, installed or equipped
3 pursuant to, contracts entered into before March 1, 1996 (but
4 not including any amendments to such a contract taking effect
5 on or after that date); ~~and~~ (k) made to fund expenses of
6 providing joint recreational programs for the handicapped
7 under Section 5-8 of the Park District Code or Section 11-95-14
8 of the Illinois Municipal Code; and (l) made for contributions
9 to a firefighter's pension fund created under Article 4 of the
10 Illinois Pension Code, to the extent of the amount certified
11 under item (5) of Section 4-134 of the Illinois Pension Code.

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

1 established or increased as provided under Section 18-212.

2 "Excluded non-referendum bonds" means (i) bonds authorized by
3 Public Act 88-503 and issued under Section 20a of the Chicago
4 Park District Act for aquarium and museum projects; (ii) bonds
5 issued under Section 15 of the Local Government Debt Reform
6 Act; or (iii) refunding obligations issued to refund or to
7 continue to refund obligations initially issued pursuant to
8 referendum.

9 "Special purpose extensions" include, but are not limited
10 to, extensions for levies made on an annual basis for
11 unemployment and workers' compensation, self-insurance,
12 contributions to pension plans, and extensions made pursuant to
13 Section 6-601 of the Illinois Highway Code for a road
14 district's permanent road fund whether levied annually or not.
15 The extension for a special service area is not included in the
16 aggregate extension.

17 "Aggregate extension base" means the taxing district's
18 last preceding aggregate extension as adjusted under Sections
19 18-215 through 18-230.

20 "Levy year" has the same meaning as "year" under Section
21 1-155.

22 "New property" means (i) the assessed value, after final
23 board of review or board of appeals action, of new improvements
24 or additions to existing improvements on any parcel of real
25 property that increase the assessed value of that real property
26 during the levy year multiplied by the equalization factor
27 issued by the Department under Section 17-30, (ii) the assessed
28 value, after final board of review or board of appeals action,
29 of real property not exempt from real estate taxation, which
30 real property was exempt from real estate taxation for any
31 portion of the immediately preceding levy year, multiplied by
32 the equalization factor issued by the Department under Section
33 17-30, and (iii) in counties that classify in accordance with
34 Section 4 of Article IX of the Illinois Constitution, an
35 incentive property's additional assessed value resulting from
36 a scheduled increase in the level of assessment as applied to

1 the first year final board of review market value. In addition,
2 the county clerk in a county containing a population of
3 3,000,000 or more shall include in the 1997 recovered tax
4 increment value for any school district, any recovered tax
5 increment value that was applicable to the 1995 tax year
6 calculations.

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

11 "Recovered tax increment value" means, except as otherwise
12 provided in this paragraph, the amount of the current year's
13 equalized assessed value, in the first year after a
14 municipality terminates the designation of an area as a
15 redevelopment project area previously established under the
16 Tax Increment Allocation Development Act in the Illinois
17 Municipal Code, previously established under the Industrial
18 Jobs Recovery Law in the Illinois Municipal Code, or previously
19 established under the Economic Development Area Tax Increment
20 Allocation Act, of each taxable lot, block, tract, or parcel of
21 real property in the redevelopment project area over and above
22 the initial equalized assessed value of each property in the
23 redevelopment project area. For the taxes which are extended
24 for the 1997 levy year, the recovered tax increment value for a
25 non-home rule taxing district that first became subject to this
26 Law for the 1995 levy year because a majority of its 1994
27 equalized assessed value was in an affected county or counties
28 shall be increased if a municipality terminated the designation
29 of an area in 1993 as a redevelopment project area previously
30 established under the Tax Increment Allocation Development Act
31 in the Illinois Municipal Code, previously established under
32 the Industrial Jobs Recovery Law in the Illinois Municipal
33 Code, or previously established under the Economic Development
34 Area Tax Increment Allocation Act, by an amount equal to the
35 1994 equalized assessed value of each taxable lot, block,
36 tract, or parcel of real property in the redevelopment project

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

14 Except as otherwise provided in this Section, "limiting
15 rate" means a fraction the numerator of which is the last
16 preceding aggregate extension base times an amount equal to one
17 plus the extension limitation defined in this Section and the
18 denominator of which is the current year's equalized assessed
19 value of all real property in the territory under the
20 jurisdiction of the taxing district during the prior levy year.
21 For those taxing districts that reduced their aggregate
22 extension for the last preceding levy year, the highest
23 aggregate extension in any of the last 3 preceding levy years
24 shall be used for the purpose of computing the limiting rate.
25 The denominator shall not include new property. The denominator
26 shall not include the recovered tax increment value.

27 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;
28 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; revised
29 12-10-03.)

30 Section 10. The Illinois Pension Code is amended by
31 changing Sections 4-109.1, 4-109.2, 4-114, 4-118.1, and 4-134
32 and adding Sections 4-108.4, 4-109.3, and 7-139.10 as follows:

33 (40 ILCS 5/4-108.4 new)

34 Sec. 4-108.4. Transfer of creditable service from Article 7

1 fund.

2 (a) Any firefighter who was excluded from participation in
3 an Article 4 fund because the firefighter earned credit for
4 that service under Article 7 of this Code and who is a
5 participant in the Illinois Municipal Retirement Fund may
6 become an active participant in that firefighter pension fund
7 by making a written application to the Board. Persons so
8 applying shall begin participation on the first day of the
9 month following the month in which the application is received
10 by the Board. An employee who makes application for
11 participation shall not be deemed ineligible to participate in
12 the firefighter pension fund by reason of having failed to
13 apply within the 3-month period specified in subsection (b) of
14 Section 4-107.

15 (b) A firefighter who was excluded from participation in an
16 Article 4 fund because the firefighter earned credit for that
17 service under Article 7 of this Code and who is a participant
18 in the Illinois Municipal Retirement Fund may also elect to
19 establish creditable service for those periods of employment as
20 a firefighter during which he or she was excluded from
21 participation in an Article 4 fund by paying into the fund the
22 amount that the person would have contributed had deductions
23 from salary been made for this purpose at the time the service
24 was rendered, together with interest thereon at 6% per annum,
25 compounded annually, from the time the service was rendered
26 until the date of payment, less any amounts transferred from
27 the Illinois Municipal Retirement Fund under Section 7-139.10.

28 (c) In no event shall pension credit for the same service
29 rendered by an employee be accredited in more than one pension
30 fund or retirement system under this Code. If an employee
31 applies for service credit under subsection (b), then any
32 creditable service time accumulated in the Illinois Municipal
33 Retirement Fund for the same period must be transferred to the
34 Article 4 fund under Section 7-139.10.

1 Sec. 4-109.1. Increase in pension.

2 (a) Except as provided in subsection (e), the monthly
3 pension of a firefighter who retires after July 1, 1971 and
4 prior to January 1, 1986, shall, upon either the first of the
5 month following the first anniversary of the date of retirement
6 if 60 years of age or over at retirement date, or upon the
7 first day of the month following attainment of age 60 if it
8 occurs after the first anniversary of retirement, be increased
9 by 2% of the originally granted monthly pension and by an
10 additional 2% in each January thereafter. Effective January
11 1976, the rate of the annual increase shall be 3% of the
12 originally granted monthly pension.

13 (b) The monthly pension of a firefighter who retired from
14 service with 20 or more years of service, on or before July 1,
15 1971, shall be increased, in January of the year following the
16 year of attaining age 65 or in January 1972, if then over age
17 65, by 2% of the originally granted monthly pension, for each
18 year the firefighter received pension payments. In each January
19 thereafter, he or she shall receive an additional increase of
20 2% of the original monthly pension. Effective January 1976, the
21 rate of the annual increase shall be 3%.

22 (c) The monthly pension of a firefighter who is receiving a
23 disability pension under this Article shall be increased, in
24 January of the year following the year the firefighter attains
25 age 60, or in January 1974, if then over age 60, by 2% of the
26 originally granted monthly pension for each year he or she
27 received pension payments. In each January thereafter, the
28 firefighter shall receive an additional increase of 2% of the
29 original monthly pension. Effective January 1976, the rate of
30 the annual increase shall be 3%.

31 (c-1) On January 1, 1998, every child's disability benefit
32 payable on that date under Section 4-110 or 4-110.1 shall be
33 increased by an amount equal to 1/12 of 3% of the amount of the
34 benefit, multiplied by the number of months for which the
35 benefit has been payable. On each January 1 thereafter, every
36 child's disability benefit payable under Section 4-110 or

1 4-110.1 shall be increased by 3% of the amount of the benefit
2 then being paid, including any previous increases received
3 under this Article. These increases are not subject to any
4 limitation on the maximum benefit amount included in Section
5 4-110 or 4-110.1.

6 (c-2) On July 1, 2004, every pension payable to or on
7 behalf of a minor or disabled surviving child that is payable
8 on that date under Section 4-114 shall be increased by an
9 amount equal to 1/12 of 3% of the amount of the pension,
10 multiplied by the number of months for which the benefit has
11 been payable. On July 1, 2005, July 1, 2006, July 1, 2007, and
12 July 1, 2008, every pension payable to or on behalf of a minor
13 or disabled surviving child that is payable under Section 4-114
14 shall be increased by 3% of the amount of the pension then
15 being paid, including any previous increases received under
16 this Article. These increases are not subject to any limitation
17 on the maximum benefit amount included in Section 4-114.

18 (d) The monthly pension of a firefighter who retires after
19 January 1, 1986, shall, upon either the first of the month
20 following the first anniversary of the date of retirement if 55
21 years of age or over, or upon the first day of the month
22 following attainment of age 55 if it occurs after the first
23 anniversary of retirement, be increased by 1/12 of 3% of the
24 originally granted monthly pension for each full month that has
25 elapsed since the pension began, and by an additional 3% in
26 each January thereafter.

27 The changes made to this subsection (d) by this amendatory
28 Act of the 91st General Assembly apply to all initial increases
29 that become payable under this subsection on or after January
30 1, 1999. All initial increases that became payable under this
31 subsection on or after January 1, 1999 and before the effective
32 date of this amendatory Act shall be recalculated and the
33 additional amount accruing for that period, if any, shall be
34 payable to the pensioner in a lump sum.

35 (e) Notwithstanding the provisions of subsection (a), upon
36 the first day of the month following (1) the first anniversary

1 of the date of retirement, or (2) the attainment of age 55, or
2 (3) July 1, 1987, whichever occurs latest, the monthly pension
3 of a firefighter who retired on or after January 1, 1977 and on
4 or before January 1, 1986 and did not receive an increase under
5 subsection (a) before July 1, 1987, shall be increased by 3% of
6 the originally granted monthly pension for each full year that
7 has elapsed since the pension began, and by an additional 3% in
8 each January thereafter. The increases provided under this
9 subsection are in lieu of the increases provided in subsection
10 (a).

11 (Source: P.A. 90-32, eff. 6-27-97; 91-466, eff. 8-6-99.)

12 (40 ILCS 5/4-109.2) (from Ch. 108 1/2, par. 4-109.2)

13 Sec. 4-109.2. Minimum pension.

14 (a) Beginning January 1, 1984, the minimum disability
15 pension granted under Section 4-110 or 4-111, the minimum
16 surviving spouse's pension, and the minimum retirement pension
17 granted to a firefighter with 20 or more years of creditable
18 service, shall be \$300 per month, without regard to whether the
19 death, disability or retirement of the firefighter occurred
20 prior to that date.

21 Beginning July 1, 1987, the minimum retirement pension
22 payable to a firefighter with 20 or more years of creditable
23 service, the minimum disability pension payable under Section
24 4-110 or 4-111, and the minimum surviving spouse's pension
25 shall be \$400 per month, without regard to whether the death,
26 retirement or disability of the firefighter occurred prior to
27 that date.

28 Beginning July 1, 1993, the minimum retirement pension
29 payable to a firefighter with 20 or more years of creditable
30 service and the minimum surviving spouse's pension shall be
31 \$475 per month, without regard to whether the firefighter was
32 in service on or after the effective date of this amendatory
33 Act of 1993.

34 (b) Beginning January 1, 1999, the minimum retirement
35 pension payable to a firefighter with 20 or more years of

1 creditable service, the minimum disability pension payable
2 under Section 4-110, 4-110.1, or 4-111, and the minimum
3 surviving spouse's pension shall be \$600 per month, without
4 regard to whether the firefighter was in service on or after
5 the effective date of this amendatory Act of the 91st General
6 Assembly.

7 In the case of a pensioner whose pension began before the
8 effective date of this amendatory Act and is subject to
9 increase under this subsection (b), the pensioner shall be
10 entitled to a lump sum payment of the amount of that increase
11 accruing from January 1, 1999 (or the date the pension began,
12 if later) to the effective date of this amendatory Act.

13 (c) Beginning January 1, 2000, the minimum retirement
14 pension payable to a firefighter with 20 or more years of
15 creditable service, the minimum disability pension payable
16 under Section 4-110, 4-110.1, or 4-111, and the minimum
17 surviving spouse's pension shall be \$800 per month, without
18 regard to whether the firefighter was in service on or after
19 the effective date of this amendatory Act of the 91st General
20 Assembly.

21 (d) Beginning January 1, 2001, the minimum retirement
22 pension payable to a firefighter with 20 or more years of
23 creditable service, the minimum disability pension payable
24 under Section 4-110, 4-110.1, or 4-111, and the minimum
25 surviving spouse's pension shall be \$1000 per month, without
26 regard to whether the firefighter was in service on or after
27 the effective date of this amendatory Act of the 91st General
28 Assembly.

29 (e) Beginning July 1, 2004, the minimum retirement pension
30 payable to a firefighter with 20 or more years of creditable
31 service, the minimum disability pension payable under Section
32 4-110, 4-110.1, or 4-111, and the minimum surviving spouse's
33 pension shall be \$1030 per month, without regard to whether the
34 firefighter was in service on or after the effective date of
35 this amendatory Act of the 93rd General Assembly.

36 (f) Beginning July 1, 2005, the minimum retirement pension

1 payable to a firefighter with 20 or more years of creditable
2 service, the minimum disability pension payable under Section
3 4-110, 4-110.1, or 4-111, and the minimum surviving spouse's
4 pension shall be \$1060.90 per month, without regard to whether
5 the firefighter was in service on or after the effective date
6 of this amendatory Act of the 93rd General Assembly.

7 (g) Beginning July 1, 2006, the minimum retirement pension
8 payable to a firefighter with 20 or more years of creditable
9 service, the minimum disability pension payable under Section
10 4-110, 4-110.1, or 4-111, and the minimum surviving spouse's
11 pension shall be \$1092.73 per month, without regard to whether
12 the firefighter was in service on or after the effective date
13 of this amendatory Act of the 93rd General Assembly.

14 (h) Beginning July 1, 2007, the minimum retirement pension
15 payable to a firefighter with 20 or more years of creditable
16 service, the minimum disability pension payable under Section
17 4-110, 4-110.1, or 4-111, and the minimum surviving spouse's
18 pension shall be \$1125.51 per month, without regard to whether
19 the firefighter was in service on or after the effective date
20 of this amendatory Act of the 93rd General Assembly.

21 (i) Beginning July 1, 2008, the minimum retirement pension
22 payable to a firefighter with 20 or more years of creditable
23 service, the minimum disability pension payable under Section
24 4-110, 4-110.1, or 4-111, and the minimum surviving spouse's
25 pension shall be \$1159.27 per month, without regard to whether
26 the firefighter was in service on or after the effective date
27 of this amendatory Act of the 93rd General Assembly.

28 (Source: P.A. 91-466, eff. 8-6-99.)

29 (40 ILCS 5/4-109.3 new)

30 Sec. 4-109.3. Employee creditable service.

31 (a) As used in this Section:

32 "Final monthly salary" means the monthly salary attached to
33 the rank held by the firefighter at the time of his or her last
34 withdrawal from service under a particular pension fund.

35 "Last pension fund" means the pension fund in which the

1 firefighter was participating at the time of his or her last
2 withdrawal from service.

3 (b) The benefits provided under this Section are available
4 only to a firefighter who:

5 (1) is a firefighter at the time of withdrawal from the
6 last pension fund and for at least the final 3 years of
7 employment prior to that withdrawal;

8 (2) has established service credit with at least one
9 pension fund established under this Article other than the
10 last pension fund;

11 (3) has a total of at least 20 years of service under
12 the various pension funds established under this Article
13 and has attained age 50; and

14 (4) is in service on or after the effective date of
15 this amendatory Act of the 93rd General Assembly.

16 (c) A firefighter who is eligible for benefits under this
17 Section may elect to receive a retirement pension from each
18 pension fund under this Article in which the firefighter has at
19 least one year of service credit but has not received a refund
20 under Section 4-116 (unless the firefighter repays that refund
21 under subsection (g)) or subsection (c) of Section 4-118.1, by
22 applying in writing and paying the contribution required under
23 subsection (i).

24 (d) From each such pension fund other than the last pension
25 fund, in lieu of any retirement pension otherwise payable under
26 this Article, a firefighter to whom this Section applies may
27 elect to receive a monthly pension of 1/12th of 2.5% of his or
28 her final monthly salary under that fund for each month of
29 service in that fund, subject to a maximum of 75% of that final
30 monthly salary.

31 (e) From the last pension fund, in lieu of any retirement
32 pension otherwise payable under this Article, a firefighter to
33 whom this Section applies may elect to receive a monthly
34 pension calculated as follows:

35 The last pension fund shall calculate the retirement
36 pension that would be payable to the firefighter under

1 subsection (a) of Section 4-109 as if he or she had
2 participated in that last pension fund during his or her entire
3 period of service under all pension funds established under
4 this Article (excluding any period of service for which the
5 firefighter has received a refund under Section 4-116, unless
6 the firefighter repays that refund under subsection (g), or for
7 which the firefighter has received a refund under subsection
8 (c) of Section 4-118.1). From this hypothetical pension there
9 shall be subtracted the original amounts of the retirement
10 pensions payable to the firefighter by all other pension funds
11 under subsection (d). The remainder is the retirement pension
12 payable to the firefighter by the last pension fund under this
13 subsection (e).

14 (f) Pensions elected under this Section shall be subject to
15 increases as provided in subsection (d) of Section 4-109.1.

16 (g) A current firefighter may reinstate creditable service
17 in a pension fund established under this Article that was
18 terminated upon receipt of a refund, by payment to that pension
19 fund of the amount of the refund together with interest thereon
20 at the rate of 6% per year, compounded annually, from the date
21 of the refund to the date of payment. A repayment of a refund
22 under this Section may be made in equal installments over a
23 period of up to 10 years, but must be paid in full prior to
24 retirement.

25 (h) As a condition of being hired to a position as a
26 firefighter on or after the effective date of this amendatory
27 Act of the 93rd General Assembly, a firefighter must notify the
28 new employer, all of his or her previous employers under this
29 Article, and the Public Pension Division of the Department of
30 Insurance, within one year of being hired, of all periods of
31 service of at least one year under a pension fund established
32 under this Article.

33 (i) In order to receive a pension under this Section or an
34 occupational disease disability pension for which he or she
35 becomes eligible due to the application of subsection (m) of
36 this Section, a firefighter must pay to each pension fund from

1 which he or she has elected to receive a pension under this
2 Section a contribution equal to 1/12th of 1% of monthly salary
3 for each month of service credit that the firefighter has in
4 that fund (other than service credit for which the firefighter
5 has already paid the additional contribution required under
6 subsection (c) of Section 4-118.1), together with interest
7 thereon at the rate of 6% per annum, compounded annually, from
8 the time the service was rendered to the date of payment.

9 (j) A retired firefighter who is receiving pension payments
10 under Section 4-109 may reenter active service under this
11 Article. Subject to the provisions of Section 4-117, the
12 firefighter may receive credit for service performed after the
13 reentry if the firefighter (1) applies to receive credit for
14 that service, (2) suspends his or her pensions under this
15 Section, and (3) makes the contributions required under
16 subsection (i).

17 (k) A firefighter who is newly hired or promoted to a
18 position as a firefighter shall not be denied participation in
19 a fund under this Article based on his or her age.

20 (l) If a firefighter who elects to make contributions under
21 subsection (c) of Section 4-118.1 for the pension benefits
22 provided under this Section becomes entitled to a disability
23 pension under Section 4-110, the last pension fund is
24 responsible to pay that disability pension and the amount of
25 that disability pension shall be based only on the
26 firefighter's service with the last pension fund.

27 (m) Notwithstanding any provision in Section 4-110.1 to the
28 contrary, if a firefighter who elects to make contributions
29 under subsection (c) of Section 4-118.1 for the pension
30 benefits provided under this Section becomes entitled to an
31 occupational disease disability pension under Section 4-110.1,
32 each pension fund to which the firefighter has made
33 contributions under subsection (c) of Section 4-118.1 must pay
34 a portion of that occupational disease disability pension equal
35 to the proportion that the firefighter's service credit with
36 that pension fund for which the contributions under subsection

1 (c) of Section 4-118.1 have been made bears to the
2 firefighter's total service credit with all of the pension
3 funds for which the contributions under subsection (c) of
4 Section 4-118.1 have been made. A firefighter who has made
5 contributions under subsection (c) of Section 4-118.1 for at
6 least 5 years of creditable service shall be deemed to have met
7 the 5-year creditable service requirement under Section
8 4-110.1, regardless of whether the firefighter has 5 years of
9 creditable service with the last pension fund.

10 (n) If a firefighter who elects to make contributions under
11 subsection (c) of Section 4-118.1 for the pension benefits
12 provided under this Section becomes entitled to a disability
13 pension under Section 4-111, the last pension fund is
14 responsible to pay that disability pension, provided that the
15 firefighter has at least 7 years of creditable service with the
16 last pension fund.

17 (40 ILCS 5/4-114) (from Ch. 108 1/2, par. 4-114)

18 Sec. 4-114. Pension to survivors. If a firefighter who is
19 not receiving a disability pension under Section 4-110 or
20 4-110.1 dies (1) as a result of any illness or accident, or (2)
21 from any cause while in receipt of a disability pension under
22 this Article, or (3) during retirement after 20 years service,
23 or (4) while vested for or in receipt of a pension payable
24 under subsection (b) of Section 4-109, or (5) while a deferred
25 pensioner, having made all required contributions, a pension
26 shall be paid to his or her survivors, based on the monthly
27 salary attached to the firefighter's rank on the last day of
28 service in the fire department, as follows:

29 (a) To the surviving spouse, a monthly pension of 40% of
30 the monthly salary, and to the guardian of any minor child or
31 children including a child which has been conceived but not yet
32 born, 12% of such monthly salary for each such child until
33 attainment of age 18 or until the child's marriage, whichever
34 occurs first. Beginning July 1, 1993, the monthly pension to
35 the surviving spouse shall be 54% of the monthly salary for all

1 persons receiving a surviving spouse pension under this
2 Article, regardless of whether the deceased firefighter was in
3 service on or after the effective date of this amendatory Act
4 of 1993.

5 Beginning July 1, 2004, the total monthly pension payable
6 under this paragraph (a) to the surviving spouse of a
7 firefighter who died while receiving a retirement pension,
8 including any amount payable on account of children, shall be
9 no less than 100% of the monthly retirement pension that the
10 deceased firefighter was receiving at the time of death,
11 including any increases under Section 4-109.1. This minimum
12 applies to all such surviving spouses who are eligible to
13 receive a surviving spouse pension, regardless of whether the
14 deceased firefighter was in service on or after the effective
15 date of this amendatory Act of the 93rd General Assembly, and
16 notwithstanding any limitation on maximum pension under
17 paragraph (d) or any other provision of this Article.

18 The pension to the surviving spouse shall terminate in the
19 event of the surviving spouse's remarriage prior to July 1,
20 1993; remarriage on or after that date does not affect the
21 surviving spouse's pension, regardless of whether the deceased
22 firefighter was in service on or after the effective date of
23 this amendatory Act of 1993.

24 The surviving spouse's pension shall be subject to the
25 minimum established in Section 4-109.2.

26 (b) Upon the death of the surviving spouse leaving one or
27 more minor children, to the duly appointed guardian of each
28 such child, for support and maintenance of each such child
29 until the child reaches age 18 or marries, whichever occurs
30 first, a monthly pension of 20% of the monthly salary.

31 (c) If a deceased firefighter leaves no surviving spouse or
32 unmarried minor children under age 18, but leaves a dependent
33 father or mother, to each dependent parent a monthly pension of
34 18% of the monthly salary. To qualify for the pension, a
35 dependent parent must furnish satisfactory proof that the
36 deceased firefighter was at the time of his or her death the

1 sole supporter of the parent or that the parent was the
2 deceased's dependent for federal income tax purposes.

3 (d) The total pension provided under paragraphs (a), (b)
4 and (c) of this Section shall not exceed 75% of the monthly
5 salary of the deceased firefighter (1) when paid to the
6 survivor of a firefighter who has attained 20 or more years of
7 service credit and who receives or is eligible to receive a
8 retirement pension under this Article, or (2) when paid to the
9 survivor of a firefighter who dies as a result of illness or
10 accident, or (3) when paid to the survivor of a firefighter who
11 dies from any cause while in receipt of a disability pension
12 under this Article, or (4) when paid to the survivor of a
13 deferred pensioner. For all other survivors of deceased
14 firefighters, the total pension provided under paragraphs (a),
15 (b) and (c) of this Section shall not exceed 50% of the
16 retirement annuity the firefighter would have received on the
17 date of death.

18 The maximum pension limitations in this paragraph (d) do
19 not control over any contrary provision of this Article
20 explicitly establishing a minimum amount of pension or granting
21 a one-time or annual increase in pension.

22 (e) If a firefighter leaves no eligible survivors under
23 paragraphs (a), (b) and (c), the board shall refund to the
24 firefighter's estate the amount of his or her accumulated
25 contributions, less the amount of pension payments, if any,
26 made to the firefighter while living.

27 (f) An adopted child is eligible for the pension provided
28 under paragraph (a) if the child was adopted before the
29 firefighter attained age 50.

30 (g) If a judgment of dissolution of marriage between a
31 firefighter and spouse is judicially set aside subsequent to
32 the firefighter's death, the surviving spouse is eligible for
33 the pension provided in paragraph (a) only if the judicial
34 proceedings are filed within 2 years after the date of the
35 dissolution of marriage and within one year after the
36 firefighter's death and the board is made a party to the

1 proceedings. In such case the pension shall be payable only
2 from the date of the court's order setting aside the judgment
3 of dissolution of marriage.

4 (h) Benefits payable on account of a child under this
5 Section shall not be reduced or terminated by reason of the
6 child's attainment of age 18 if he or she is then dependent by
7 reason of a physical or mental disability but shall continue to
8 be paid as long as such dependency continues. Individuals over
9 the age of 18 and adjudged as a disabled person pursuant to
10 Article XIa of the Probate Act of 1975, except for persons
11 receiving benefits under Article III of the Illinois Public Aid
12 Code, shall be eligible to receive benefits under this Act.

13 (i) Beginning January 1, 2000, the pension of the surviving
14 spouse of a firefighter who dies on or after January 1, 1994 as
15 a result of sickness, accident, or injury incurred in or
16 resulting from the performance of an act of duty or from the
17 cumulative effects of acts of duty shall not be less than 100%
18 of the salary attached to the rank held by the deceased
19 firefighter on the last day of service, notwithstanding
20 subsection (d) or any other provision of this Article.

21 (j) Beginning July 1, 2004, the pension of the surviving
22 spouse of a firefighter who dies on or after January 1, 1988 as
23 a result of sickness, accident, or injury incurred in or
24 resulting from the performance of an act of duty or from the
25 cumulative effects of acts of duty shall not be less than 100%
26 of the salary attached to the rank held by the deceased
27 firefighter on the last day of service, notwithstanding
28 subsection (d) or any other provision of this Article.

29 (Source: P.A. 91-466, eff. 8-6-99.)

30 (40 ILCS 5/4-118.1) (from Ch. 108 1/2, par. 4-118.1)

31 Sec. 4-118.1. Contributions by firefighters.

32 (a) Beginning January 1, 1976 and until the effective date
33 of this amendatory Act of the 91st General Assembly, each
34 firefighter shall contribute to the pension fund 6 3/4% of
35 salary towards the cost of his or her pension. Beginning on the

1 effective date of this amendatory Act of the 91st General
2 Assembly, each firefighter shall contribute to the pension fund
3 6.955% of salary towards the cost of his or her pension.

4 (b) In addition, beginning January 1, 1976, each
5 firefighter shall contribute 1% of salary toward the cost of
6 the increase in pension provided in Section 4-109.1; beginning
7 January 1, 1987, such contribution shall be 1.5% of salary;
8 beginning July 1, 2004, the contribution shall be 2.5% of
9 salary.

10 (c) Beginning on the effective date of this amendatory Act
11 of the 93rd General Assembly, each firefighter who elects to
12 receive a pension under Section 4-109.3 and who has
13 participated in at least one other pension fund under this
14 Article for a period of at least one year shall contribute an
15 additional 1.0% of salary toward the cost of the increase in
16 pensions provided in Section 4-109.3.

17 In the event that a firefighter does not elect to receive a
18 retirement pension provided under Section 4-109.3 from one or
19 more of the pension funds in which the firefighter has credit,
20 he or she shall, upon withdrawal from the last pension fund as
21 defined in Section 4-109.3, be entitled to receive, from each
22 such fund to which he or she has paid additional contributions
23 under this subsection (c) and from which he or she does not
24 receive a refund under Section 4-116, a refund of those
25 contributions without interest.

26 A refund of total contributions to a particular firefighter
27 pension fund under Section 4-116 shall include any refund of
28 additional contributions paid to that fund under this
29 subsection (c), but a firefighter who accepts a refund from a
30 pension fund under Section 4-116 is thereafter ineligible to
31 receive a pension provided under Section 4-109.3 from that
32 fund. A firefighter who meets the eligibility requirements of
33 Section 4-109.3 may receive a pension under Section 4-109.3
34 from any pension fund from which the firefighter has not
35 received a refund under Section 4-116 or under this subsection
36 (c).

1 (d) "Salary" means the annual salary, including longevity,
2 attached to the firefighter's rank, as established by the
3 municipality appropriation ordinance, including any
4 compensation for overtime which is included in the salary so
5 established, but excluding any "overtime pay", "holiday pay",
6 "bonus pay", "merit pay", or any other cash benefit not
7 included in the salary so established.

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

10 (Source: P.A. 91-466, eff. 8-6-99.)

11 (40 ILCS 5/4-134) (from Ch. 108 1/2, par. 4-134)

12 Sec. 4-134. Report for tax levy. The board shall report to
13 the city council or board of trustees of the municipality on
14 the condition of the pension fund at the end of its most
15 recently completed fiscal year. The report shall be made prior
16 to the council or board meeting held for appropriating and
17 levying taxes for the year for which the report is made.

18 The board in the report shall certify:

19 (1) the assets of the fund and their current market
20 value;

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

24 (3) the estimated amount necessary during the fiscal
25 year to meet the annual actuarial requirements of the
26 pension fund as provided in Sections 4-118 and 4-120; ~~and~~

27 (4) the total net income received from investment of
28 assets, compared to such income received during the
29 preceding fiscal year; and

30 (5) the increase in employer pension contributions
31 that results from the implementation of the provisions of
32 this amendatory Act of the 93rd General Assembly.

33 Before the board makes its report, the municipality shall
34 have the assets of the fund and their current market value
35 verified by an independent certified public accountant of its

1 choice.

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

3 (40 ILCS 5/7-139.10 new)

4 Sec. 7-139.10. Transfer to Article 4 pension fund. A person
5 who has elected under Section 4-108.4 to become an active
6 participant in a firefighter pension fund established under
7 Article 4 of this Code may apply for transfer to that Article 4
8 fund of his or her creditable service accumulated under this
9 Article for municipal firefighter service. At the time of the
10 transfer, the Fund shall pay to the firefighter pension fund an
11 amount equal to:

12 (1) the amounts accumulated to the credit of the
13 applicant for municipal firefighter service, including
14 interest;

15 (2) any interest paid by the applicant in order to
16 reinstate that service; and

17 (3) the municipality credits based on that service,
18 including interest.

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

21 For the purpose of this Section, "municipal firefighter
22 service" means service with the fire department of a
23 participating municipality for which the applicant established
24 creditable service under this Article.

25 Section 90. The State Mandates Act is amended by adding
26 Section 8.28 as follows:

27 (30 ILCS 805/8.28 new)

28 Sec. 8.28. Exempt mandate. Notwithstanding Sections 6 and 8
29 of this Act, no reimbursement by the State is required for the
30 implementation of any mandate created by this amendatory Act of
31 the 93rd General Assembly.

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

1 becoming law.