

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 6-127.5 as follows:

6 (40 ILCS 5/6-127.5 new)

7 Sec. 6-127.5. One-time lump sum payment election.

8 (a) This Section applies only to active firemen not in
9 receipt of disability benefits who (i) have at least 23 years
10 of creditable service, and (ii) have attained age 50, and (iii)
11 withdraw from service on or after the effective date of this
12 Section.

13 (b) A qualifying fireman may make an election under this
14 Section at the time application for an age and service annuity
15 under this Article is made, to receive a lump sum payment in
16 exchange for which he or she agrees to forfeit up to 36 months
17 of service credit. The lump sum payment shall be an amount
18 equal to (1) the employee contributions credited to his or her
19 account that correspond to the service credit being forfeited,
20 plus (2) an additional 2.26 times that amount representing the
21 corresponding employer contributions made to the Fund, plus (3)
22 the amount of any annuity payments the fireman would have been
23 entitled to during the time of the forfeited service. Members

1 electing to receive a lump sum distribution under this Section
2 may request that it be rolled over into other qualified plans.

3 (c) Service credit forfeited under this Section shall not
4 be included in the calculation of the fireman's age and service
5 annuity, nor used for any other purpose under this Act. The
6 monthly retirement annuity, as reduced by any such lump sum
7 distribution under this Section, shall constitute the
8 originally granted annuity amount for all purposes of this Act.
9 Any agreement to reduce total service credit for annuity
10 calculation purposes shall not reduce career service for any
11 purpose used by the City of Chicago. A lump sum distribution
12 election under this Section is not considered a refund of
13 contribution as defined for other purposes in this Article.

14 (d) Election of the lump sum payment distribution under
15 this Section becomes irrevocable upon receipt of the lump sum
16 payment.

17 Section 90. The State Mandates Act is amended by adding
18 Section 8.31 as follows:

19 (30 ILCS 805/8.31 new)

20 Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8
21 of this Act, no reimbursement by the State is required for the
22 implementation of any mandate created by this amendatory Act of
23 the 95th General Assembly.

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

1 becoming law.