

AN ACT in relation to pensions.

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

Section 5. The Property Tax Code is amended by changing Section 18-185 as follows:

(35 ILCS 200/18-185)

Sec. 18-185. Short title; definitions. This Division 5 may be cited as the Property Tax Extension Limitation Law. As used in this Division 5:

"Consumer Price Index" means the Consumer Price Index for All Urban Consumers for all items published by the United States Department of Labor.

"Extension limitation" means (a) the lesser of 5% or the percentage increase in the Consumer Price Index during the 12-month calendar year preceding the levy year or (b) the rate of increase approved by voters under Section 18-205.

"Affected county" means a county of 3,000,000 or more inhabitants or a county contiguous to a county of 3,000,000 or more inhabitants.

"Taxing district" has the same meaning provided in Section 1-150, except as otherwise provided in this Section. For the 1991 through 1994 levy years only, "taxing district" includes only each non-home rule taxing district having the majority of its 1990 equalized assessed value within any county or counties contiguous to a county with 3,000,000 or more inhabitants. Beginning with the 1995 levy year, "taxing district" includes only each non-home rule taxing district subject to this Law before the 1995 levy year and each non-home rule taxing district not subject to this Law before the 1995 levy year having the majority of its 1994 equalized assessed value in an affected county or counties. Beginning with the levy year in which this Law becomes applicable to a taxing district as

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

"Aggregate extension" for taxing districts to which this Law applied before the 1995 levy year means the annual corporate extension for the taxing district and those special purpose extensions that are made annually for the taxing district, excluding special purpose extensions: (a) made for the taxing district to pay interest or principal on general obligation bonds that were approved by referendum; (b) made for any taxing district to pay interest or principal on general obligation bonds issued before October 1, 1991; (c) made for any taxing district to pay interest or principal on bonds issued to refund or continue to refund those bonds issued before October 1, 1991; (d) made for any taxing district to pay interest or principal on bonds issued to refund or continue to refund bonds issued after October 1, 1991 that were approved by referendum; (e) made for any taxing district to pay interest or principal on revenue bonds issued before October 1, 1991 for payment of which a property tax levy or the full faith and credit of the unit of local government is pledged; however, a tax for the payment of interest or principal on those bonds shall be made only after the governing body of the unit of local government finds that all other sources for payment are insufficient to make those payments; (f) made for payments under a building commission lease when the lease payments are for the retirement of bonds issued by the commission before October 1, 1991, to pay for the building project; (g) made for payments due under installment contracts entered into before October 1, 1991; (h) made for payments of principal and interest on bonds issued under the Metropolitan Water Reclamation District Act to finance construction projects initiated before October 1, 1991; (i) made for payments of principal and interest on limited bonds, as defined in Section 3 of the Local Government Debt Reform Act, in an amount not to exceed the debt service extension base less the amount in items

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

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

to pay interest or principal on revenue bonds issued before March 1, 1995 for payment of which a property tax levy or the full faith and credit of the unit of local government is pledged; however, a tax for the payment of interest or principal on those bonds shall be made only after the governing body of the unit of local government finds that all other sources for payment are insufficient to make those payments;

(f) made for payments under a building commission lease when the lease payments are for the retirement of bonds issued by the commission before March 1, 1995 to pay for the building project; (g) made for payments due under installment contracts entered into before March 1, 1995; (h) made for payments of principal and interest on bonds issued under the Metropolitan Water Reclamation District Act to finance construction projects initiated before October 1, 1991; (i) made for payments of principal and interest on limited bonds, as defined in Section 3 of the Local Government Debt Reform Act, in an amount not to exceed the debt service extension base less the amount in items (b), (c), and (e) of this definition for non-referendum obligations, except obligations initially issued pursuant to referendum and bonds described in subsection (h) of this definition; (j) made for payments of principal and interest on bonds issued under Section 15 of the Local Government Debt Reform Act; (k) made for payments of principal and interest on bonds authorized by Public Act 88-503 and issued under Section 20a of the Chicago Park District Act for aquarium or museum projects; (l) made for payments of principal and interest on bonds authorized by Public Act 87-1191 or 93-601 ~~this amendatory Act of the 93rd General Assembly~~ and (i) issued pursuant to Section 21.2 of the Cook County Forest Preserve District Act, (ii) issued under Section 42 of the Cook County Forest Preserve District Act for zoological park projects, or (iii) issued under Section 44.1 of the Cook County Forest Preserve District Act for botanical gardens projects; (m) made pursuant to Section 34-53.5 of the School Code, whether levied annually or not; (n) made to fund expenses of

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

"Aggregate extension" for all taxing districts to which this Law applies in accordance with Section 18-213, except for those taxing districts subject to paragraph (2) of subsection (e) of Section 18-213, means the annual corporate extension for the taxing district and those special purpose extensions that are made annually for the taxing district, excluding special purpose extensions: (a) made for the taxing district to pay interest or principal on general obligation bonds that were approved by referendum; (b) made for any taxing district to pay interest or principal on general obligation bonds issued before the date on which the referendum making this Law applicable to the taxing district is held; (c) made for any taxing district to pay interest or principal on bonds issued to refund or continue to refund those bonds issued before the date on which the referendum making this Law applicable to the taxing district is held; (d) made for any taxing district to pay interest or principal on bonds issued to refund or continue to refund bonds issued after the date on which the referendum making this Law applicable to the taxing district is held if the bonds were approved by referendum after the date on which the referendum making this Law applicable to the taxing district is held; (e) made for any taxing district to pay interest or principal on revenue bonds issued before the date on which the referendum making this Law applicable to the taxing district is held for payment of which a property tax levy or the full faith and credit of the unit of local government is pledged; however, a tax for the payment of

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

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

purpose extensions: (a) made for the taxing district to pay interest or principal on general obligation bonds that were approved by referendum; (b) made for any taxing district to pay interest or principal on general obligation bonds issued before the effective date of this amendatory Act of 1997; (c) made for any taxing district to pay interest or principal on bonds issued to refund or continue to refund those bonds issued before the effective date of this amendatory Act of 1997; (d) made for any taxing district to pay interest or principal on bonds issued to refund or continue to refund bonds issued after the effective date of this amendatory Act of 1997 if the bonds were approved by referendum after the effective date of this amendatory Act of 1997; (e) made for any taxing district to pay interest or principal on revenue bonds issued before the effective date of this amendatory Act of 1997 for payment of which a property tax levy or the full faith and credit of the unit of local government is pledged; however, a tax for the payment of interest or principal on those bonds shall be made only after the governing body of the unit of local government finds that all other sources for payment are insufficient to make those payments; (f) made for payments under a building commission lease when the lease payments are for the retirement of bonds issued by the commission before the effective date of this amendatory Act of 1997 to pay for the building project; (g) made for payments due under installment contracts entered into before the effective date of this amendatory Act of 1997; (h) made for payments of principal and interest on limited bonds, as defined in Section 3 of the Local Government Debt Reform Act, in an amount not to exceed the debt service extension base less the amount in items (b), (c), and (e) of this definition for non-referendum obligations, except obligations initially issued pursuant to referendum; (i) made for payments of principal and interest on bonds issued under Section 15 of the Local Government Debt Reform Act; (j) made for a qualified airport authority to pay interest or principal on general obligation bonds issued for the purpose of paying

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

"Debt service extension base" means an amount equal to that portion of the extension for a taxing district for the 1994 levy year, or for those taxing districts subject to this Law in accordance with Section 18-213, except for those subject to paragraph (2) of subsection (e) of Section 18-213, for the levy year in which the referendum making this Law applicable to the taxing district is held, or for those taxing districts subject to this Law in accordance with paragraph (2) of subsection (e) of Section 18-213 for the 1996 levy year, constituting an extension for payment of principal and interest on bonds issued by the taxing district without referendum, but not including excluded non-referendum bonds. For park districts (i) that were first subject to this Law in 1991 or 1995 and (ii) whose extension for the 1994 levy year for the payment of principal and interest on bonds issued by the park district without referendum (but not including excluded non-referendum bonds) was less than 51% of the amount for the 1991 levy year constituting an extension for payment of principal and interest on bonds issued by the park district without referendum (but not including excluded non-referendum bonds), "debt service extension base" means an amount equal to that portion of the extension for the 1991 levy year constituting an extension for payment of principal and interest on bonds issued by the park district without referendum (but not including excluded non-referendum bonds). The debt service extension base may be

established or increased as provided under Section 18-212. "Excluded non-referendum bonds" means (i) bonds authorized by Public Act 88-503 and issued under Section 20a of the Chicago Park District Act for aquarium and museum projects; (ii) bonds issued under Section 15 of the Local Government Debt Reform Act; or (iii) refunding obligations issued to refund or to continue to refund obligations initially issued pursuant to referendum.

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

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

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

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

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

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

"Recovered tax increment value" means, except as otherwise provided in this paragraph, the amount of the current year's equalized assessed value, in the first year after a municipality terminates the designation of an area as a redevelopment project area previously established under the Tax Increment Allocation Development Act in the Illinois Municipal Code, previously established under the Industrial Jobs Recovery Law in the Illinois Municipal Code, or previously established under the Economic Development Area Tax Increment Allocation Act, of each taxable lot, block, tract, or parcel of real property in the redevelopment project area over and above the initial equalized assessed value of each property in the redevelopment project area. For the taxes which are extended for the 1997 levy year, the recovered tax increment value for a non-home rule taxing district that first became subject to this Law for the 1995 levy year because a majority of its 1994 equalized assessed value was in an affected county or counties shall be increased if a municipality terminated the designation of an area in 1993 as a redevelopment project area previously established under the Tax Increment Allocation Development Act in the Illinois Municipal Code, previously established under the Industrial Jobs Recovery Law in the Illinois Municipal Code, or previously established under the Economic Development Area Tax Increment Allocation Act, by an amount equal to the 1994 equalized assessed value of each taxable lot, block, tract, or parcel of real property in the redevelopment project

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

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

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

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

(40 ILCS 5/4-108.4 new)

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

fund.

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

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

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

Sec. 4-109.1. Increase in pension.

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 4-109.2. Minimum pension.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(40 ILCS 5/4-109.3 new)

Sec. 4-109.3. Employee creditable service.

(a) As used in this Section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 4-118.1. Contributions by firefighters.

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

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

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

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

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

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

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

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

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

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

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

The board in the report shall certify:

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

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

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

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

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

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

choice.

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

(40 ILCS 5/7-139.10 new)

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

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

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

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

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

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

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

(30 ILCS 805/8.28 new)

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

Section 99. Effective date. This Act takes effect upon

Public Act 093-0689

HB0599 Enrolled

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becoming law.