



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB0688

by Rep. Michael J. Zalewski

SYNOPSIS AS INTRODUCED:

40 ILCS 5/4-108.6
40 ILCS 5/6-227
30 ILCS 805/8.41 new

Amends the Downstate Firefighter and Chicago Firefighter Articles of the Illinois Pension Code. Authorizes a firefighter to transfer up to 10 years of creditable service in a downstate firefighter pension fund to the Firemen's Annuity and Benefit Fund of Chicago upon payment of a specified amount. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB100 06102 RPS 16134 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

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 changing
5 Section 4-108.6 and Section 6-227 as follows:

6 (40 ILCS 5/4-108.6)

7 Sec. 4-108.6. Transfer of creditable service to the
8 Firemen's Annuity and Benefit Fund of Chicago.

9 (a) ~~Any~~ Until January 1, 2010, any active member of the
10 Firemen's Annuity and Benefit Fund of Chicago may apply for
11 transfer of up to 10 years of creditable service accumulated in
12 any pension fund established under this Article to the
13 Firemen's Annuity and Benefit Fund of Chicago. Such creditable
14 service shall be transferred only upon payment by such pension
15 fund to the Firemen's Annuity and Benefit Fund of Chicago of an
16 amount equal to:

17 (1) the amounts accumulated to the credit of the
18 applicant on the books of the fund on the date of transfer;

19 (2) employer contributions in an amount equal to the
20 amount determined under subparagraph (1); and

21 (3) any interest paid by the applicant in order to
22 reinstate service.

23 Participation in such pension fund as to any credits

1 transferred under this Section shall terminate on the date of
2 transfer.

3 (b) An active member of the Firemen's Annuity and Benefit
4 Fund of Chicago applying for a transfer of creditable service
5 under subsection (a) may reinstate credits and creditable
6 service terminated upon receipt of a refund by payment to the
7 Firemen's Annuity and Benefit Fund of Chicago of the amount of
8 the refund with interest thereon at the actuarially assumed
9 rate, compounded annually, from the date of the refund to the
10 date of payment.

11 (Source: P.A. 96-727, eff. 8-25-09.)

12 (40 ILCS 5/6-227)

13 Sec. 6-227. Transfer of creditable service from Article 4.
14 ~~Any~~ ~~Until January 1, 2010,~~ ~~any~~ active member of the Firemen's
15 Annuity and Benefit Fund of Chicago may transfer to the Fund up
16 to a total of 10 years of creditable service accumulated under
17 Article 4 of this Code upon payment to the Fund within 5 years
18 after the date of application of an amount equal to the
19 difference between the amount of employee and employer
20 contributions transferred to the Fund under Section 4-108.6 and
21 the amounts determined by the Fund in accordance with this
22 Section, plus interest on that difference at the actuarially
23 assumed rate, compounded annually, from the date of service to
24 the date of payment.

25 The Fund must determine the fireman's payment required to

1 establish creditable service under this Section by taking into
2 account the appropriate actuarial assumptions, including
3 without limitation the fireman's service, age, and salary
4 history; the level of funding of the Fund; and any other
5 factors that the Fund determines to be relevant. For this
6 purpose, the fireman's required payment should result in no
7 significant increase to the Fund's unfunded actuarial accrued
8 liability determined as of the most recent actuarial valuation,
9 based on the same assumptions and methods used to develop and
10 report the Fund's actuarial accrued liability and actuarial
11 value of assets under Statement No. 25 of Governmental
12 Accounting Standards Board or any subsequent applicable
13 Statement.

14 (Source: P.A. 96-727, eff. 8-25-09.)

15 Section 90. The State Mandates Act is amended by adding
16 Section 8.41 as follows:

17 (30 ILCS 805/8.41 new)

18 Sec. 8.41. Exempt mandate. Notwithstanding Sections 6 and 8
19 of this Act, no reimbursement by the State is required for the
20 implementation of any mandate created by this amendatory Act of
21 the 100th General Assembly.

22 Section 99. Effective date. This Act takes effect upon
23 becoming law.