

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 Sections 4-108, 4-108.6, and 6-227 and by adding Section  
6 3-110.12 as follows:

7 (40 ILCS 5/3-110.12 new)

8 Sec. 3-110.12. Transfer to Article 4 fund.

9 (a) At any time during the 6 months following the effective  
10 date of this Section, an active member of an Article 4  
11 firefighters' pension fund may apply for transfer to that fund  
12 of up to 6 years of his or her creditable service accumulated  
13 in the police pension fund under this Article that is  
14 administered by the same unit of local government if that  
15 active member was not subject to disciplinary action when he or  
16 she terminated employment with that police department. The  
17 creditable service shall be transferred upon payment by the  
18 police pension fund to the Article 4 fund of an amount equal  
19 to:

20 (1) the amounts accumulated to the credit of the  
21 applicant on the books of the fund on the date of transfer  
22 for the service to be transferred; and

23 (2) employer contributions in an amount equal to the

1 amount determined under item (1); and

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

4 Participation in the police pension fund with respect to  
5 the transferred creditable service shall terminate on the date  
6 of transfer.

7 (b) At the time of applying for transfer of creditable  
8 service under this Section, an active member of an Article 4  
9 firefighters' pension fund may, for the purpose of that  
10 transfer, reinstate creditable service that was terminated by  
11 receipt of a refund, by payment to the police pension fund of  
12 the amount of the refund with interest thereon at the rate of  
13 6% per year, compounded annually, from the date of the refund  
14 to the date of payment.

15 (40 ILCS 5/4-108) (from Ch. 108 1/2, par. 4-108)

16 Sec. 4-108. Creditable service.

17 (a) Creditable service is the time served as a firefighter  
18 of a municipality. In computing creditable service, furloughs  
19 and leaves of absence without pay exceeding 30 days in any one  
20 year shall not be counted, but leaves of absence for illness or  
21 accident regardless of length, and periods of disability for  
22 which a firefighter received no disability pension payments  
23 under this Article, shall be counted.

24 (b) Furloughs and leaves of absence of 30 days or less in  
25 any one year may be counted as creditable service, if the

1 firefighter makes the contribution to the fund that would have  
2 been required had he or she not been on furlough or leave of  
3 absence. To qualify for this creditable service, the  
4 firefighter must pay the required contributions to the fund not  
5 more than 90 days subsequent to the termination of the furlough  
6 or leave of absence, to the extent that the municipality has  
7 not made such contribution on his or her behalf.

8 (c) Creditable service includes:

9 (1) Service in the military, naval or air forces of the  
10 United States entered upon when the person was an active  
11 firefighter, provided that, upon applying for a permanent  
12 pension, and in accordance with the rules of the board the  
13 firefighter pays into the fund the amount that would have  
14 been contributed had he or she been a regular contributor  
15 during such period of service, if and to the extent that  
16 the municipality which the firefighter served made no such  
17 contributions in his or her behalf. The total amount of  
18 such creditable service shall not exceed 5 years, except  
19 that any firefighter who on July 1, 1973 had more than 5  
20 years of such creditable service shall receive the total  
21 amount thereof as of that date.

22 (1.5) Up to 24 months of service in the military,  
23 naval, or air forces of the United States that was served  
24 prior to employment by a municipality or fire protection  
25 district as a firefighter. To receive the credit for the  
26 military service prior to the employment as a firefighter,

1 the firefighter must apply in writing to the fund and must  
2 make contributions to the fund equal to (i) the employee  
3 contributions that would have been required had the service  
4 been rendered as a member, plus (ii) an amount determined  
5 by the fund to be equal to the employer's normal cost of  
6 the benefits accrued for that military service, plus (iii)  
7 interest at the actuarially assumed rate provided by the  
8 Department of Financial and Professional Regulation,  
9 compounded annually from the first date of membership in  
10 the fund to the date of payment on items (i) and (ii). The  
11 changes to this paragraph (1.5) by this amendatory Act of  
12 the 95th General Assembly apply only to participating  
13 employees in service on or after its effective date.

14 (2) Service prior to July 1, 1976 by a firefighter  
15 initially excluded from participation by reason of age who  
16 elected to participate and paid the required contributions  
17 for such service.

18 (3) Up to 8 years of service by a firefighter as an  
19 officer in a statewide firefighters' association when he is  
20 on a leave of absence from a municipality's payroll,  
21 provided that (i) the firefighter has at least 10 years of  
22 creditable service as an active firefighter, (ii) the  
23 firefighter contributes to the fund the amount that he  
24 would have contributed had he remained an active member of  
25 the fund, (iii) the employee or statewide firefighter  
26 association contributes to the fund an amount equal to the

1 employer's required contribution as determined by the  
2 board, and (iv) for all leaves of absence under this  
3 subdivision (3), including those beginning before the  
4 effective date of this amendatory Act of the 97th General  
5 Assembly, the firefighter continues to remain in sworn  
6 status, subject to the professional standards of the public  
7 employer or those terms established in statute.

8 (4) Time spent as an on-call fireman for a  
9 municipality, calculated at the rate of one year of  
10 creditable service for each 5 years of time spent as an  
11 on-call fireman, provided that (i) the firefighter has at  
12 least 18 years of creditable service as an active  
13 firefighter, (ii) the firefighter spent at least 14 years  
14 as an on-call firefighter for the municipality, (iii) the  
15 firefighter applies for such creditable service within 30  
16 days after the effective date of this amendatory Act of  
17 1989, (iv) the firefighter contributes to the Fund an  
18 amount representing employee contributions for the number  
19 of years of creditable service granted under this  
20 subdivision (4), based on the salary and contribution rate  
21 in effect for the firefighter at the date of entry into the  
22 Fund, to be determined by the board, and (v) not more than  
23 3 years of creditable service may be granted under this  
24 subdivision (4).

25 Except as provided in Section 4-108.5, creditable  
26 service shall not include time spent as a volunteer

1 firefighter, whether or not any compensation was received  
2 therefor. The change made in this Section by Public Act  
3 83-0463 is intended to be a restatement and clarification  
4 of existing law, and does not imply that creditable service  
5 was previously allowed under this Article for time spent as  
6 a volunteer firefighter.

7 (5) Time served between July 1, 1976 and July 1, 1988  
8 in the position of protective inspection officer or  
9 administrative assistant for fire services, for a  
10 municipality with a population under 10,000 that is located  
11 in a county with a population over 3,000,000 and that  
12 maintains a firefighters' pension fund under this Article,  
13 if the position included firefighting duties,  
14 notwithstanding that the person may not have held an  
15 appointment as a firefighter, provided that application is  
16 made to the pension fund within 30 days after the effective  
17 date of this amendatory Act of 1991, and the corresponding  
18 contributions are paid for the number of years of service  
19 granted, based upon the salary and contribution rate in  
20 effect for the firefighter at the date of entry into the  
21 pension fund, as determined by the Board.

22 (6) Service before becoming a participant by a  
23 firefighter initially excluded from participation by  
24 reason of age who becomes a participant under the amendment  
25 to Section 4-107 made by this amendatory Act of 1993 and  
26 pays the required contributions for such service.

1           (7) Up to 3 years of time during which the firefighter  
2 receives a disability pension under Section 4-110,  
3 4-110.1, or 4-111, provided that (i) the firefighter  
4 returns to active service after the disability for a period  
5 at least equal to the period for which credit is to be  
6 established and (ii) the firefighter makes contributions  
7 to the fund based on the rates specified in Section 4-118.1  
8 and the salary upon which the disability pension is based.  
9 These contributions may be paid at any time prior to the  
10 commencement of a retirement pension. The firefighter may,  
11 but need not, elect to have the contributions deducted from  
12 the disability pension or to pay them in installments on a  
13 schedule approved by the board. If not deducted from the  
14 disability pension, the contributions shall include  
15 interest at the rate of 6% per year, compounded annually,  
16 from the date for which service credit is being established  
17 to the date of payment. If contributions are paid under  
18 this subdivision (c)(7) in excess of those needed to  
19 establish the credit, the excess shall be refunded. This  
20 subdivision (c)(7) applies to persons receiving a  
21 disability pension under Section 4-110, 4-110.1, or 4-111  
22 on the effective date of this amendatory Act of the 91st  
23 General Assembly, as well as persons who begin to receive  
24 such a disability pension after that date.

25           (8) Up to 6 years of service as a police officer and  
26 participant in an Article 3 police pension fund

1       administered by the unit of local government that employs  
2       the firefighter under this Article, provided that the  
3       service has been transferred to, and the required payment  
4       received by, the Article 4 fund in accordance with Section  
5       3-110.12 of this Code.

6       (Source: P.A. 97-651, eff. 1-5-12.)

7             (40 ILCS 5/4-108.6)

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

10            (a) Until 6 months after the effective date of this  
11       amendatory Act of the 100th General Assembly, January 1, 2010,  
12       any active member of the Firemen's Annuity and Benefit Fund of  
13       Chicago may apply for transfer of up to 10 years of creditable  
14       service accumulated in any pension fund established under this  
15       Article to the Firemen's Annuity and Benefit Fund of Chicago.  
16       Such creditable service shall be transferred only upon payment  
17       by such pension fund to the Firemen's Annuity and Benefit Fund  
18       of Chicago of an amount equal to:

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

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

23            (3) any interest paid by the applicant in order to  
24       reinstate service.

25       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 Until 6 months after the effective date of this amendatory Act  
15 of the 100th General Assembly, ~~January 1, 2010,~~ any active  
16 member of the Firemen's Annuity and Benefit Fund of Chicago may  
17 transfer to the Fund up to a total of 10 years of creditable  
18 service accumulated under Article 4 of this Code upon payment  
19 to the Fund within 5 years after the date of application of an  
20 amount equal to the difference between the amount of employee  
21 and employer contributions transferred to the Fund under  
22 Section 4-108.6 and the amounts determined by the Fund in  
23 accordance with this Section, plus interest on that difference  
24 at the actuarially assumed rate, compounded annually, from the  
25 date of service to the date of payment.

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

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

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

18           (30 ILCS 805/8.41 new)

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

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