



Sen. Bill Cunningham

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1 AMENDMENT TO HOUSE BILL 688

2 AMENDMENT NO. _____. Amend House Bill 688 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 4-108, 4-108.6, and 6-227 and by adding
6 Section 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

1 creditable service shall be transferred upon payment by the
2 police pension fund to the Article 4 fund of an amount equal
3 to:

4 (1) the amounts accumulated to the credit of the
5 applicant on the books of the fund on the date of transfer
6 for the service to be transferred; and

7 (2) employer contributions in an amount equal to the
8 amount determined under item (1); and

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

11 Participation in the police pension fund with respect to
12 the transferred creditable service shall terminate on the date
13 of transfer.

14 (b) At the time of applying for transfer of creditable
15 service under this Section, an active member of an Article 4
16 firefighters' pension fund may, for the purpose of that
17 transfer, reinstate creditable service that was terminated by
18 receipt of a refund, by payment to the police pension fund of
19 the amount of the refund with interest thereon at the rate of
20 6% per year, compounded annually, from the date of the refund
21 to the date of payment.

22 (40 ILCS 5/4-108) (from Ch. 108 1/2, par. 4-108)

23 Sec. 4-108. Creditable service.

24 (a) Creditable service is the time served as a firefighter
25 of a municipality. In computing creditable service, furloughs

1 and leaves of absence without pay exceeding 30 days in any one
2 year shall not be counted, but leaves of absence for illness or
3 accident regardless of length, and periods of disability for
4 which a firefighter received no disability pension payments
5 under this Article, shall be counted.

6 (b) Furloughs and leaves of absence of 30 days or less in
7 any one year may be counted as creditable service, if the
8 firefighter makes the contribution to the fund that would have
9 been required had he or she not been on furlough or leave of
10 absence. To qualify for this creditable service, the
11 firefighter must pay the required contributions to the fund not
12 more than 90 days subsequent to the termination of the furlough
13 or leave of absence, to the extent that the municipality has
14 not made such contribution on his or her behalf.

15 (c) Creditable service includes:

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

1 years of such creditable service shall receive the total
2 amount thereof as of that date.

3 (1.5) Up to 24 months of service in the military,
4 naval, or air forces of the United States that was served
5 prior to employment by a municipality or fire protection
6 district as a firefighter. To receive the credit for the
7 military service prior to the employment as a firefighter,
8 the firefighter must apply in writing to the fund and must
9 make contributions to the fund equal to (i) the employee
10 contributions that would have been required had the service
11 been rendered as a member, plus (ii) an amount determined
12 by the fund to be equal to the employer's normal cost of
13 the benefits accrued for that military service, plus (iii)
14 interest at the actuarially assumed rate provided by the
15 Department of Financial and Professional Regulation,
16 compounded annually from the first date of membership in
17 the fund to the date of payment on items (i) and (ii). The
18 changes to this paragraph (1.5) by this amendatory Act of
19 the 95th General Assembly apply only to participating
20 employees in service on or after its effective date.

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

25 (3) Up to 8 years of service by a firefighter as an
26 officer in a statewide firefighters' association when he is

1 on a leave of absence from a municipality's payroll,
2 provided that (i) the firefighter has at least 10 years of
3 creditable service as an active firefighter, (ii) the
4 firefighter contributes to the fund the amount that he
5 would have contributed had he remained an active member of
6 the fund, (iii) the employee or statewide firefighter
7 association contributes to the fund an amount equal to the
8 employer's required contribution as determined by the
9 board, and (iv) for all leaves of absence under this
10 subdivision (3), including those beginning before the
11 effective date of this amendatory Act of the 97th General
12 Assembly, the firefighter continues to remain in sworn
13 status, subject to the professional standards of the public
14 employer or those terms established in statute.

15 (4) Time spent as an on-call fireman for a
16 municipality, calculated at the rate of one year of
17 creditable service for each 5 years of time spent as an
18 on-call fireman, provided that (i) the firefighter has at
19 least 18 years of creditable service as an active
20 firefighter, (ii) the firefighter spent at least 14 years
21 as an on-call firefighter for the municipality, (iii) the
22 firefighter applies for such creditable service within 30
23 days after the effective date of this amendatory Act of
24 1989, (iv) the firefighter contributes to the Fund an
25 amount representing employee contributions for the number
26 of years of creditable service granted under this

1 subdivision (4), based on the salary and contribution rate
2 in effect for the firefighter at the date of entry into the
3 Fund, to be determined by the board, and (v) not more than
4 3 years of creditable service may be granted under this
5 subdivision (4).

6 Except as provided in Section 4-108.5, creditable
7 service shall not include time spent as a volunteer
8 firefighter, whether or not any compensation was received
9 therefor. The change made in this Section by Public Act
10 83-0463 is intended to be a restatement and clarification
11 of existing law, and does not imply that creditable service
12 was previously allowed under this Article for time spent as
13 a volunteer firefighter.

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

1 effect for the firefighter at the date of entry into the
2 pension fund, as determined by the Board.

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

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

1 subdivision (c)(7) applies to persons receiving a
2 disability pension under Section 4-110, 4-110.1, or 4-111
3 on the effective date of this amendatory Act of the 91st
4 General Assembly, as well as persons who begin to receive
5 such a disability pension after that date.

6 (8) Up to 6 years of service as a police officer and
7 participant in an Article 3 police pension fund
8 administered by the unit of local government that employs
9 the firefighter under this Article, provided that the
10 service has been transferred to, and the required payment
11 received by, the Article 4 fund in accordance with Section
12 3-110.12 of this Code.

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

14 (40 ILCS 5/4-108.6)

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

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

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

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

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

7 Participation in such pension fund as to any credits
8 transferred under this Section shall terminate on the date of
9 transfer.

10 (b) An active member of the Firemen's Annuity and Benefit
11 Fund of Chicago applying for a transfer of creditable service
12 under subsection (a) may reinstate credits and creditable
13 service terminated upon receipt of a refund by payment to the
14 Firemen's Annuity and Benefit Fund of Chicago of the amount of
15 the refund with interest thereon at the actuarially assumed
16 rate, compounded annually, from the date of the refund to the
17 date of payment.

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

19 (40 ILCS 5/6-227)

20 Sec. 6-227. Transfer of creditable service from Article 4.
21 Until 6 months after the effective date of this amendatory Act
22 of the 100th General Assembly, January 1, 2010, any active
23 member of the Firemen's Annuity and Benefit Fund of Chicago may
24 transfer to the Fund up to a total of 10 years of creditable
25 service accumulated under Article 4 of this Code upon payment

1 to the Fund within 5 years after the date of application of an
2 amount equal to the difference between the amount of employee
3 and employer contributions transferred to the Fund under
4 Section 4-108.6 and the amounts determined by the Fund in
5 accordance with this Section, plus interest on that difference
6 at the actuarially assumed rate, compounded annually, from the
7 date of service to the date of payment.

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

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

23 Section 90. The State Mandates Act is amended by adding
24 Section 8.41 as follows:

1 (30 ILCS 805/8.41 new)

2 Sec. 8.41. Exempt mandate. Notwithstanding Sections 6 and 8
3 of this Act, no reimbursement by the State is required for the
4 implementation of any mandate created by this amendatory Act of
5 the 100th General Assembly.

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.".