



Rep. Robert Martwick

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1 AMENDMENT TO SENATE BILL 419

2 AMENDMENT NO. _____. Amend Senate Bill 419 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 4-108.5 and 6-164 as follows:

6 (40 ILCS 5/4-108.5)

7 Sec. 4-108.5. Service for providing certain fire
8 protection services.

9 (a) A firefighter for a participating municipality who was
10 employed as an active firefighter providing fire protection for
11 a village or incorporated town with a population of greater
12 than 10,000 but less than 11,000 located in a county with a
13 population of greater than 600,000 and less than 700,000, as
14 estimated by the United States Census on July 1, 2004, may
15 elect to establish creditable service for periods of that
16 employment in which the firefighter provided fire protection

1 services for the participating municipality if, by May 1, 2007,
2 the firefighter (i) makes written application to the Board and
3 (ii) pays into the pension fund the amount that the person
4 would have contributed had deductions from salary been made for
5 this purpose at the time the service was rendered, plus
6 interest thereon at 6% per annum compounded annually from the
7 time the service was rendered until the date of payment.

8 (b) Time spent providing fire protection on a part-time
9 basis for a village or incorporated town with a population of
10 greater than 10,000 but less than 11,000 located in a county
11 with a population of greater than 600,000 and less than
12 700,000, as estimated by the United States Census on July 1,
13 2004, shall be calculated at the rate of one year of creditable
14 service for each 5 years of time spent providing such fire
15 protection, if the firefighter (i) has at least 5 years of
16 creditable service as an active firefighter, (ii) has at least
17 5 years of such service with a qualifying village or
18 incorporated town, (iii) applies for the creditable service
19 within 30 days after the effective date of this amendatory Act
20 of the 94th General Assembly, and (iv) contributes to the Fund
21 an amount representing employee contributions for the number of
22 years of creditable service granted under this subsection (b)
23 based on the salary and contribution rate in effect for the
24 firefighter at the date of entry into the fund, as determined
25 by the Board. The amount of creditable service granted under
26 this subsection (b) may not exceed 3 years.

1 (c) This subsection applies only to a person who was first
2 employed by a municipality in 2008 to provide fire protection
3 services on a full-time basis as a firefighter or fire chief,
4 but was prevented from participating in a pension fund under
5 this Article until 2015 by reason of the employing
6 municipality's delay in establishing a pension fund as required
7 under this Article. Such a person may elect to establish
8 creditable service for periods of such employment by that
9 municipality during which he or she did not participate, by
10 applying to the board in writing and paying to the pension fund
11 the employee contributions that he or she would have made had
12 deductions from salary been made for employee contributions at
13 the time the service was rendered, together with interest
14 thereon at the rate of 6% per annum, compounded annually, from
15 the time the service was rendered to the date of payment;
16 except that the granting of such creditable service is
17 contingent upon the consent of the governing body of the
18 municipality and payment to the pension fund by the
19 municipality of the corresponding employer contributions, plus
20 interest.

21 For the purposes of Sections 4-109, 4-109.1, and 4-114, and
22 notwithstanding any other provision of this Article, for a
23 person who establishes creditable service under this
24 subsection (c), the date upon which the person first became a
25 participating firefighter under this Article shall be deemed to
26 be no later than the first day of employment for which such

1 creditable service has been granted.

2 (Source: P.A. 97-813, eff. 7-13-12.)

3 (40 ILCS 5/6-164) (from Ch. 108 1/2, par. 6-164)

4 Sec. 6-164. Automatic annual increase; retirement after
5 September 1, 1959.

6 (a) For a person who first became a fireman under this
7 Article before January 1, 2011 (Tier 1):

8 (1) A fireman qualifying for a minimum annuity who
9 retires from service after September 1, 1959 shall, upon
10 either the first of the month following the first
11 anniversary of his date of retirement if he is age 60 (age
12 55 if born before January 1, 1966) or over on that
13 anniversary date, or upon the first of the month following
14 his attainment of age 60 (age 55 if born before January 1,
15 1966) if that occurs after the first anniversary of his
16 retirement date, have his then fixed and payable monthly
17 annuity increased by 1 1/2%, and such first fixed annuity
18 as granted at retirement increased by an additional 1 1/2%
19 in January of each year thereafter up to a maximum increase
20 of 30%. Beginning July 1, 1982 for firemen born before
21 January 1, 1930, and beginning January 1, 1990 for firemen
22 born after December 31, 1929 and before January 1, 1940,
23 and beginning January 1, 1996 for firemen born after
24 December 31, 1939 but before January 1, 1945, and beginning
25 January 1, 2004, for firemen born after December 31, 1944

1 but before January 1, 1955, and beginning January 1, 2017,
2 for firemen born after December 31, 1954 but before January
3 1, 1966, such increases shall be 3% and such firemen shall
4 not be subject to the 30% maximum increase.

5 (2) Any fireman born before January 1, 1945 who
6 qualifies for a minimum annuity and retires after September
7 1, 1967 but has not received the initial increase under
8 this subsection before January 1, 1996 is entitled to
9 receive the initial increase under this subsection on (1)
10 January 1, 1996, (2) the first anniversary of the date of
11 retirement, or (3) attainment of age 55, whichever occurs
12 last. The changes to this Section made by this amendatory
13 Act of 1995 apply beginning January 1, 1996 and apply
14 without regard to whether the fireman or annuitant
15 terminated service before the effective date of this
16 amendatory Act of 1995.

17 (3) Any fireman born before January 1, 1955 who
18 qualifies for a minimum annuity and retires after September
19 1, 1967 but has not received the initial increase under
20 this subsection before January 1, 2004 is entitled to
21 receive the initial increase under this subsection on (1)
22 January 1, 2004, (2) the first anniversary of the date of
23 retirement, or (3) attainment of age 55, whichever occurs
24 last. The changes to this Section made by this amendatory
25 Act of the 93rd General Assembly apply without regard to
26 whether the fireman or annuitant terminated service before

1 the effective date of this amendatory Act.

2 (4) Any fireman born before January 1, 1966 who
3 qualifies for a minimum annuity and retires after September
4 1, 1967 but has not received the initial increase under
5 this subsection before January 1, 2017 is entitled to
6 receive an initial increase under this subsection (a) on
7 (1) January 1, 2017, (2) the first anniversary of the date
8 of retirement, or (3) attainment of age 55, whichever
9 occurs last, in an amount equal to 3% for each complete
10 year following the date of retirement or attainment of age
11 55, whichever occurs later. This subdivision (4) does not
12 prohibit any qualified fireman from choosing to have his or
13 her eligibility for and the amount of the initial increase
14 in retirement annuity determined in accordance with
15 subdivision (1) or (5) of this subsection.

16 The changes to this subsection made by Public Act
17 99-905 ~~this amendatory Act of the 99th General Assembly~~
18 apply without regard to whether the fireman or annuitant
19 terminated service before November 29, 2016 (the effective
20 date of Public Act 99-905) ~~this amendatory Act.~~

21 (5) A fireman born before January 1, 1966 who qualifies
22 for a minimum annuity and retires after September 1, 1967
23 but has not received the initial increase under this
24 subsection before June 1, 2018 is entitled to receive the
25 initial increase under this subsection on (1) June 1, 2018,
26 (2) the first anniversary of the date of retirement, or (3)

1 attainment of age 55, whichever occurs last. This
2 subdivision (5) does not prohibit any qualified fireman
3 from choosing to have his or her eligibility for and the
4 amount of the initial increase in retirement annuity
5 determined in accordance with subdivision (1) or (4) of
6 this subsection.

7 (6) A fireman born on or after January 1, 1955 whose
8 eligibility for and the amount of the initial increase in
9 retirement annuity was determined, calculated, and granted
10 under subdivision (1) of this subsection on or after
11 January 1, 2010 and before November 29, 2016 (the effective
12 date of Public Act 99-905) shall receive a one-time
13 adjustment in his or her retirement annuity on June 1,
14 2018, equal to (i) 1.5% of the original fixed annuity for
15 each annual increase in that annuity that was calculated at
16 1.5% instead of 3%, plus (ii) 3% of the original fixed
17 annuity for each annual increase in that annuity that was
18 lost because the eligibility requirement under that
19 subdivision was age 60 rather than age 55 due to the
20 delayed extension of the age 55 provision.

21 (7) A fireman born before January 1, 1966 whose
22 eligibility for and the amount of the initial increase in
23 retirement annuity was determined, calculated, and granted
24 under subdivision (4) of this subsection on or after
25 November 29, 2016 (the effective date of Public Act 99-905)
26 and before the effective date of this amendatory Act of the

1 100th General Assembly shall receive a one-time adjustment
2 in his or her retirement annuity on June 1, 2018, equal to
3 3% of the original fixed annuity, representing the loss of
4 the traditional increase on the January 1 following the
5 first anniversary of retirement, due to the "complete year"
6 language that was included in subdivision (4).

7 (8) It is the purpose of this amendatory Act of the
8 100th General Assembly to clarify the intended application
9 of subdivisions (1) and (4) of this subsection (a), as
10 amended by Public Act 99-905, and to grant a one-time
11 adjustment in certain retirement annuities that have
12 already received the initial increase. The changes to this
13 Section made by this amendatory Act apply without regard to
14 whether the fireman or annuitant terminated service before
15 the effective date of this amendatory Act.

16 (b) Subsection (a) of this Section is not applicable to an
17 employee receiving a term annuity.

18 (c) To help defray the cost of such increases in annuity,
19 there shall be deducted, beginning September 1, 1959, from each
20 payment of salary to a fireman, 1/8 of 1% of each such salary
21 payment and an additional 1/8 of 1% beginning on September 1,
22 1961, and September 1, 1963, respectively, concurrently with
23 and in addition to the salary deductions otherwise made for
24 annuity purposes.

25 Each such additional 1/8 of 1% deduction from salary which
26 shall, on September 1, 1963, result in a total increase of 3/8

1 of 1% of salary, shall be credited to the Automatic Increase
2 Reserve, to be used, together with city contributions as
3 provided in this Article, to defray the cost of the annuity
4 increments specified in this Section. Any balance in such
5 reserve as of the beginning of each calendar year shall be
6 credited with interest at the rate of 3% per annum.

7 The salary deductions provided in this Section are not
8 subject to refund, except to the fireman himself in any case in
9 which: (i) the fireman withdraws prior to qualification for
10 minimum annuity or Tier 2 monthly retirement annuity and
11 applies for refund, (ii) the fireman applies for an annuity of
12 a type that is not subject to annual increases under this
13 Section, or (iii) a term annuity becomes payable. In such
14 cases, the total of such salary deductions shall be refunded to
15 the fireman, without interest, and charged to the
16 aforementioned reserve.

17 (d) Notwithstanding any other provision of this Article,
18 the Tier 2 monthly retirement annuity of a person who first
19 becomes a fireman under this Article on or after January 1,
20 2011 shall be increased on the January 1 occurring either on or
21 after (i) the attainment of age 60 or (ii) the first
22 anniversary of the annuity start date, whichever is later. Each
23 annual increase shall be calculated at 3% or one-half the
24 annual unadjusted percentage increase (but not less than zero)
25 in the consumer price index-u for the 12 months ending with the
26 September preceding each November 1, whichever is less, of the

1 originally granted retirement annuity. If the annual
2 unadjusted percentage change in the consumer price index-u for
3 a 12-month period ending in September is zero or, when compared
4 with the preceding period, decreases, then the annuity shall
5 not be increased.

6 For the purposes of this subsection (d), "consumer price
7 index-u" means the index published by the Bureau of Labor
8 Statistics of the United States Department of Labor that
9 measures the average change in prices of goods and services
10 purchased by all urban consumers, United States city average,
11 all items, 1982-84 = 100. The new amount resulting from each
12 annual adjustment shall be determined by the Public Pension
13 Division of the Department of Insurance and made available to
14 the boards of the pension funds by November 1 of each year.
15 (Source: P.A. 99-905, eff. 11-29-16.)

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."