



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) A fireman qualifying for a minimum annuity who retires
7 from service after September 1, 1959 shall, upon either the
8 first of the month following the first anniversary of his date
9 of retirement if he is age 60 (age 55 if born before January 1,
10 1966) or over on that anniversary date, or upon the first of
11 the month following his attainment of age 60 (age 55 if born
12 before January 1, 1966) if that occurs after the first
13 anniversary of his retirement date, have his then fixed and
14 payable monthly annuity increased by 1 1/2%, and such first
15 fixed annuity as granted at retirement increased by an
16 additional 1 1/2% in January of each year thereafter up to a
17 maximum increase of 30%. Beginning July 1, 1982 for firemen
18 born before January 1, 1930, and beginning January 1, 1990 for
19 firemen born after December 31, 1929 and before January 1,
20 1940, and beginning January 1, 1996 for firemen born after
21 December 31, 1939 but before January 1, 1945, and beginning
22 January 1, 2004, for firemen born after December 31, 1944 but
23 before January 1, 1955, and beginning January 1, 2017, for
24 firemen born after December 31, 1954 but before January 1,
25 1966, such increases shall be 3% and such firemen shall not be

1 subject to the 30% maximum increase.

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

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

23 Any fireman born after December 31, 1954 but before January
24 1, 1966 who qualifies for a minimum annuity and retires after
25 September 1, 1967 ~~but has not received the initial increase~~
26 ~~under this subsection before January 1, 2017~~ is entitled to

1 receive an ~~initial~~ increase under this subsection on (1)
2 January 1, 2017, (2) the first anniversary of the date of
3 retirement, or (3) attainment of age 55, whichever occurs last,
4 in an amount equal to an increase of 3% of his then fixed and
5 payable monthly annuity upon the first of the month following
6 the first anniversary of his date of retirement if he is age 55
7 or over on that anniversary date or upon the first of the month
8 following his attainment of age 55 if that date occurs after
9 the first anniversary of his retirement date and such first
10 fixed annuity as granted at retirement shall be increased by an
11 additional 3% in January of each year thereafter. In the case
12 of a fireman born after December 31, 1954 but before January 1,
13 1966 who received an increase in any year of 1.5%, that fireman
14 shall receive an increase for any such year so that the total
15 increase is equal to 3% for each year the fireman would have
16 been otherwise eligible had the fireman not received any
17 increase for each complete year following the date of
18 retirement or attainment of age 55, whichever occurs later. The
19 changes to this subsection made by this amendatory Act of the
20 99th General Assembly apply without regard to whether the
21 fireman or annuitant terminated service before the effective
22 date of this amendatory Act. The changes to this subsection
23 made by this amendatory Act of the 100th General Assembly are a
24 declaration of existing law and shall not be construed as a new
25 enactment.

26 (b) Subsection (a) of this Section is not applicable to an

1 employee receiving a term annuity.

2 (c) To help defray the cost of such increases in annuity,
3 there shall be deducted, beginning September 1, 1959, from each
4 payment of salary to a fireman, 1/8 of 1% of each such salary
5 payment and an additional 1/8 of 1% beginning on September 1,
6 1961, and September 1, 1963, respectively, concurrently with
7 and in addition to the salary deductions otherwise made for
8 annuity purposes.

9 Each such additional 1/8 of 1% deduction from salary which
10 shall, on September 1, 1963, result in a total increase of 3/8
11 of 1% of salary, shall be credited to the Automatic Increase
12 Reserve, to be used, together with city contributions as
13 provided in this Article, to defray the cost of the annuity
14 increments specified in this Section. Any balance in such
15 reserve as of the beginning of each calendar year shall be
16 credited with interest at the rate of 3% per annum.

17 The salary deductions provided in this Section are not
18 subject to refund, except to the fireman himself in any case in
19 which: (i) the fireman withdraws prior to qualification for
20 minimum annuity or Tier 2 monthly retirement annuity and
21 applies for refund, (ii) the fireman applies for an annuity of
22 a type that is not subject to annual increases under this
23 Section, or (iii) a term annuity becomes payable. In such
24 cases, the total of such salary deductions shall be refunded to
25 the fireman, without interest, and charged to the
26 aforementioned reserve.

1 (d) Notwithstanding any other provision of this Article,
2 the Tier 2 monthly retirement annuity of a person who first
3 becomes a fireman under this Article on or after January 1,
4 2011 shall be increased on the January 1 occurring either on or
5 after (i) the attainment of age 60 or (ii) the first
6 anniversary of the annuity start date, whichever is later. Each
7 annual increase shall be calculated at 3% or one-half the
8 annual unadjusted percentage increase (but not less than zero)
9 in the consumer price index-u for the 12 months ending with the
10 September preceding each November 1, whichever is less, of the
11 originally granted retirement annuity. If the annual
12 unadjusted percentage change in the consumer price index-u for
13 a 12-month period ending in September is zero or, when compared
14 with the preceding period, decreases, then the annuity shall
15 not be increased.

16 For the purposes of this subsection (d), "consumer price
17 index-u" means the index published by the Bureau of Labor
18 Statistics of the United States Department of Labor that
19 measures the average change in prices of goods and services
20 purchased by all urban consumers, United States city average,
21 all items, 1982-84 = 100. The new amount resulting from each
22 annual adjustment shall be determined by the Public Pension
23 Division of the Department of Insurance and made available to
24 the boards of the pension funds by November 1 of each year.

25 (Source: P.A. 99-905, eff. 11-29-16.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.".