



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2502

by Rep. Kathleen Willis

SYNOPSIS AS INTRODUCED:

- 40 ILCS 5/4-108.6
- 40 ILCS 5/4-108.7 new
- 40 ILCS 5/6-227
- 40 ILCS 5/6-227.1 new
- 30 ILCS 805/8.43 new

Amends the Downstate Firefighter and Chicago Firefighter Articles of the Illinois Pension Code. Provides that until 6 months after the effective date of the amendatory Act, creditable service may be transferred from municipal firefighters' pension funds to the Firemen's Annuity and Benefit Fund of Chicago. Removes a provision restricting the amount of creditable service that may be transferred. Authorizes, until 6 months after the effective date of the amendatory Act, the transfer of creditable service from the Firemen's Annuity and Benefit Fund of Chicago to municipal firefighters' pension funds. Amends the State Mandates Act to provide for implementation without reimbursement. Effective immediately.

LRB101 08689 RPS 53774 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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 4-108.6 and 6-227 and by adding Sections 4-108.7 and
6 6-227.1 as follows:

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 101st General Assembly ~~the effective date~~
12 ~~of this amendatory Act of the 100th General Assembly,~~ any
13 active member of the Firemen's Annuity and Benefit Fund of
14 Chicago may apply for transfer of ~~up to 10 years of~~ creditable
15 service accumulated in any pension fund established under this
16 Article to the Firemen's Annuity and Benefit Fund of Chicago.
17 Such creditable service shall be transferred only upon payment
18 by such pension fund to the Firemen's Annuity and Benefit Fund
19 of Chicago of an amount equal 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 (2) employer contributions in an amount equal to the
23 amount determined under subparagraph (1); and

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

3 Participation in such pension fund as to any credits
4 transferred under this Section shall terminate on the date of
5 transfer.

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

14 (Source: P.A. 100-544, eff. 11-8-17.)

15 (40 ILCS 5/4-108.7 new)

16 Sec. 4-108.7. Transfer of creditable service from the
17 Firemen's Annuity and Benefit Fund of Chicago. Until 6 months
18 after the effective date of this amendatory Act of the 101st
19 General Assembly, any active participant in a fund established
20 under this Article may transfer to that fund creditable service
21 accumulated under Article 6 of this Code upon payment to the
22 Article 4 fund, within 5 years after the date of application,
23 of an amount equal to the difference between the amount of
24 employee and employer contributions transferred to the Article
25 4 fund under Section 6-227.1 and the amounts determined by the

1 Article 4 fund in accordance with this Section, plus interest
2 on that difference at the actuarially assumed rate, compounded
3 annually, from the date of service to the date of payment.

4 The Article 4 fund must determine the firefighter's payment
5 required to establish creditable service under this Section by
6 taking into account the appropriate actuarial assumptions,
7 including without limitation the firefighter's service, age,
8 and salary history; the level of funding of the Article 4 fund;
9 and any other factors that the Article 4 fund determines to be
10 relevant. For this purpose, the firefighter's required payment
11 should result in no significant increase to the Article 4
12 fund's unfunded actuarial accrued liability determined as of
13 the most recent actuarial valuation, based on the same
14 assumptions and methods used to develop and report the Article
15 4 fund's actuarial accrued liability and actuarial value of
16 assets under Statement No. 25 of Governmental Accounting
17 Standards Board or any subsequent applicable Statement.

18 (40 ILCS 5/6-227)

19 Sec. 6-227. Transfer of creditable service from Article 4.
20 Until 6 months after the effective date of this amendatory Act
21 of the 101st General Assembly ~~the effective date of this~~
22 ~~amendatory Act of the 100th General Assembly~~, any active member
23 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. 100-544, eff. 11-8-17.)

23 (40 ILCS 5/6-227.1 new)

24 Sec. 6-227.1. Transfer of creditable service to Article 4.

25 (a) Until 6 months after the effective date of this

1 amendatory Act of the 101st General Assembly, any active
2 participant in an Article 4 pension fund may apply for transfer
3 of creditable service accumulated in the Firemen's Annuity and
4 Benefit Fund of Chicago to any Article 4 pension fund. Such
5 creditable service shall be transferred only upon payment by
6 the Firemen's Annuity and Benefit Fund of Chicago to the
7 Article 4 fund of an amount equal to:

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

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

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

14 Participation in the Firemen's Annuity and Benefit Fund of
15 Chicago as to any credits transferred under this Section shall
16 terminate on the date of transfer.

17 (b) An active participant in an Article 4 pension fund
18 applying for a transfer of creditable service under subsection
19 (a) may reinstate credits and creditable service terminated
20 upon receipt of a refund by payment to the Article 4 pension
21 fund of the amount of the refund with interest thereon at the
22 actuarially assumed rate, compounded annually, from the date of
23 the refund to the date of payment.

24 Section 90. The State Mandates Act is amended by adding
25 Section 8.43 as follows:

1 (30 ILCS 805/8.43 new)

2 Sec. 8.43. 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 101st General Assembly.

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