



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB4511

Introduced 2/4/2020, by Rep. Kathleen Willis

SYNOPSIS AS INTRODUCED:

40 ILCS 5/4-109.3
30 ILCS 805/8.44 new

Amends the Downstate Firefighter Article of the Illinois Pension Code. In a provision concerning firefighters with service credit in more than one fund, provides that the benefits under the provision are available to a Tier 2 firefighter who has a total of at least 10 years of service under the various pension funds established under the Article, has attained the required age, and meets other qualifications. Makes a conforming change. In a provision concerning the calculation of the pension amount for Tier 2 firefighters with service credit in more than one fund, provides that the salary calculation shall be the average monthly salary obtained by dividing the total salary of the firefighter during the last 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period, regardless of which fund service was earned under. Amends the State Mandates Act to require implementation without reimbursement by the State.

LRB101 18663 RPS 68118 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 Section 4-109.3 as follows:

6 (40 ILCS 5/4-109.3)

7 Sec. 4-109.3. Employee creditable service.

8 (a) As used in this Section:

9 "Final monthly salary" means the monthly salary attached to
10 the rank held by the firefighter at the time of his or her last
11 withdrawal from service under a particular pension fund.

12 "Last pension fund" means the pension fund in which the
13 firefighter was participating at the time of his or her last
14 withdrawal from service.

15 (b) The benefits provided under this Section are available
16 only to a firefighter who:

17 (1) is a firefighter at the time of withdrawal from the
18 last pension fund and for at least the final 3 years of
19 employment prior to that withdrawal;

20 (2) has established service credit with at least one
21 pension fund established under this Article other than the
22 last pension fund;

23 (3) has a total of (A) at least 20 years of service

1 under the various pension funds established under this
2 Article and has attained age 50 or (B) 10 years of service
3 under the various pension funds established under this
4 Article if qualifying for a pension under subsection (c) of
5 Section 4-109 and has attained the required age; and

6 (4) is in service on or after the effective date of
7 this amendatory Act of the 93rd General Assembly.

8 (c) A firefighter who is eligible for benefits under this
9 Section or Section 4-109 may elect to receive a retirement
10 pension from each pension fund under this Article in which the
11 firefighter has at least one year of service credit but has not
12 received a refund under Section 4-116 (unless the firefighter
13 repays that refund under subsection (g)) or subsection (c) of
14 Section 4-118.1, by applying in writing and paying the
15 contribution required under subsection (i).

16 (d) From each such pension fund other than the last pension
17 fund, in lieu of any retirement pension otherwise payable under
18 this Article, a firefighter to whom this Section applies may
19 elect to receive a monthly pension of 1/12th of 2.5% of his or
20 her final monthly salary under that fund for each month of
21 service in that fund, subject to a maximum of 75% of that final
22 monthly salary.

23 (e) From the last pension fund, in lieu of any retirement
24 pension otherwise payable under this Article, a firefighter to
25 whom this Section applies may elect to receive a monthly
26 pension calculated as follows:

1 The last pension fund shall calculate the retirement
2 pension that would be payable to the firefighter under
3 subsection (a) of Section 4-109 as if he or she had
4 participated in that last pension fund during his or her entire
5 period of service under all pension funds established under
6 this Article (excluding any period of service for which the
7 firefighter has received a refund under Section 4-116, unless
8 the firefighter repays that refund under subsection (g), or for
9 which the firefighter has received a refund under subsection
10 (c) of Section 4-118.1). From this hypothetical pension there
11 shall be subtracted the original amounts of the retirement
12 pensions payable to the firefighter by all other pension funds
13 under subsection (d). The remainder is the retirement pension
14 payable to the firefighter by the last pension fund under this
15 subsection (e).

16 For individuals qualifying for a pension under subsection
17 (c) of Section 4-109, the salary calculation shall be the
18 average monthly salary obtained by dividing the total salary of
19 the firefighter during the last 48 consecutive months of
20 service within the last 60 months of service in which the total
21 salary was the highest by the number of months of service in
22 that period, regardless of which fund service was earned under.

23 (f) Pensions elected under this Section shall be subject to
24 increases as provided in subsection (d) of Section 4-109.1.

25 (g) A current firefighter may reinstate creditable service
26 in a pension fund established under this Article that was

1 terminated upon receipt of a refund, by payment to that pension
2 fund of the amount of the refund together with interest thereon
3 at the rate of 6% per year, compounded annually, from the date
4 of the refund to the date of payment. A repayment of a refund
5 under this Section may be made in equal installments over a
6 period of up to 10 years, but must be paid in full prior to
7 retirement.

8 (h) As a condition of being eligible for the benefits
9 provided in this Section, a person who is hired to a position
10 as a firefighter on or after July 1, 2004 must, within 21
11 months after being hired, notify the new employer, all of his
12 or her previous employers under this Article, and the Public
13 Pension Division of the Division of Insurance of the Department
14 of Financial and Professional Regulation of his or her intent
15 to receive the benefits provided under this Section.

16 (i) In order to receive a pension under this Section or an
17 occupational disease disability pension for which he or she
18 becomes eligible due to the application of subsection (m) of
19 this Section, a firefighter must pay to each pension fund from
20 which he or she has elected to receive a pension under this
21 Section a contribution equal to 1% of monthly salary for each
22 month of service credit that the firefighter has in that fund
23 (other than service credit for which the firefighter has
24 already paid the additional contribution required under
25 subsection (c) of Section 4-118.1), together with interest
26 thereon at the rate of 6% per annum, compounded annually, from

1 the firefighter's first day of employment with that fund or the
2 first day of the fiscal year of that fund that immediately
3 precedes the firefighter's first day of employment with that
4 fund, whichever is earlier.

5 In order for a firefighter who, as of the effective date of
6 this amendatory Act of the 93rd General Assembly, has not begun
7 to receive a pension under this Section or an occupational
8 disease disability pension under subsection (m) of this Section
9 and who has contributed 1/12th of 1% of monthly salary for each
10 month of service credit that the firefighter has in that fund
11 (other than service credit for which the firefighter has
12 already paid the additional contribution required under
13 subsection (c) of Section 4-118.1), together with the required
14 interest thereon, to receive a pension under this Section or an
15 occupational disease disability pension for which he or she
16 becomes eligible due to the application of subsection (m) of
17 this Section, the firefighter must, within one year after the
18 effective date of this amendatory Act of the 93rd General
19 Assembly, make an additional contribution equal to 11/12ths of
20 1% of monthly salary for each month of service credit that the
21 firefighter has in that fund (other than service credit for
22 which the firefighter has already paid the additional
23 contribution required under subsection (c) of Section
24 4-118.1), together with interest thereon at the rate of 6% per
25 annum, compounded annually, from the firefighter's first day of
26 employment with that fund or the first day of the fiscal year

1 of that fund that immediately precedes the firefighter's first
2 day of employment with the fund, whichever is earlier. A
3 firefighter who, as of the effective date of this amendatory
4 Act of the 93rd General Assembly, has not begun to receive a
5 pension under this Section or an occupational disease
6 disability pension under subsection (m) of this Section and who
7 has contributed 1/12th of 1% of monthly salary for each month
8 of service credit that the firefighter has in that fund (other
9 than service credit for which the firefighter has already paid
10 the additional contribution required under subsection (c) of
11 Section 4-118.1), together with the required interest thereon,
12 in order to receive a pension under this Section or an
13 occupational disease disability pension under subsection (m)
14 of this Section, may elect, within one year after the effective
15 date of this amendatory Act of the 93rd General Assembly to
16 forfeit the benefits provided under this Section and receive a
17 refund of that contribution.

18 (j) A retired firefighter who is receiving pension payments
19 under Section 4-109 may reenter active service under this
20 Article. Subject to the provisions of Section 4-117, the
21 firefighter may receive credit for service performed after the
22 reentry if the firefighter (1) applies to receive credit for
23 that service, (2) suspends his or her pensions under this
24 Section, and (3) makes the contributions required under
25 subsection (i).

26 (k) A firefighter who is newly hired or promoted to a

1 position as a firefighter shall not be denied participation in
2 a fund under this Article based on his or her age.

3 (l) If a firefighter who elects to make contributions under
4 subsection (c) of Section 4-118.1 for the pension benefits
5 provided under this Section becomes entitled to a disability
6 pension under Section 4-110, the last pension fund is
7 responsible to pay that disability pension and the amount of
8 that disability pension shall be based only on the
9 firefighter's service with the last pension fund.

10 (m) Notwithstanding any provision in Section 4-110.1 to the
11 contrary, if a firefighter who elects to make contributions
12 under subsection (c) of Section 4-118.1 for the pension
13 benefits provided under this Section becomes entitled to an
14 occupational disease disability pension under Section 4-110.1,
15 each pension fund to which the firefighter has made
16 contributions under subsection (c) of Section 4-118.1 must pay
17 a portion of that occupational disease disability pension equal
18 to the proportion that the firefighter's service credit with
19 that pension fund for which the contributions under subsection
20 (c) of Section 4-118.1 have been made bears to the
21 firefighter's total service credit with all of the pension
22 funds for which the contributions under subsection (c) of
23 Section 4-118.1 have been made. A firefighter who has made
24 contributions under subsection (c) of Section 4-118.1 for at
25 least 5 years of creditable service shall be deemed to have met
26 the 5-year creditable service requirement under Section

1 4-110.1, regardless of whether the firefighter has 5 years of
2 creditable service with the last pension fund.

3 (n) If a firefighter who elects to make contributions under
4 subsection (c) of Section 4-118.1 for the pension benefits
5 provided under this Section becomes entitled to a disability
6 pension under Section 4-111, the last pension fund is
7 responsible to pay that disability pension, provided that the
8 firefighter has at least 7 years of creditable service with the
9 last pension fund. In the event a firefighter began employment
10 with a new employer as a result of an intergovernmental
11 agreement that resulted in the elimination of the previous
12 employer's fire department, the firefighter shall not be
13 required to have 7 years of creditable service with the last
14 pension fund to qualify for a disability pension under Section
15 4-111. Under this circumstance, a firefighter shall be required
16 to have 7 years of total combined creditable service time to
17 qualify for a disability pension under Section 4-111. The
18 disability pension received pursuant to this Section shall be
19 paid by the previous employer and new employer in proportion to
20 the firefighter's years of service with each employer.

21 (Source: P.A. 95-1032, eff. 2-17-09; 95-1036, eff. 2-17-09.)

22 Section 90. The State Mandates Act is amended by adding
23 Section 8.44 as follows:

24 (30 ILCS 805/8.44 new)

1 Sec. 8.44. Exempt mandate. Notwithstanding Sections 6 and 8
2 of this Act, no reimbursement by the State is required for the
3 implementation of any mandate created by this amendatory Act of
4 the 101st General Assembly.