



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

SB2336

Introduced 1/8/2020, by Sen. Dan McConchie

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/4-117 from Ch. 108 1/2, par. 4-117  
40 ILCS 5/4-117.3 new  
30 ILCS 805/8.44 new

Amends the Downstate Firefighter Article of the Illinois Pension Code. Provides that a municipality that employs a fire chief who meets certain requirements shall establish a defined contribution plan that aggregates firefighter and employer contributions in individual accounts used for retirement. Provides that if a fire chief to whom a specified provision of the Illinois Municipal Code applies (i) first becomes a member on or after January 1, 2021, (ii) is receiving pension payments, and (iii) reenters active service with any municipality that has established a pension fund under the Article, that fire chief may continue to receive pension payments while he or she is in active service, but shall only participate in a defined contribution plan and may not establish creditable service in the pension fund established by that municipality or have his or her pension recomputed. Provides that a municipality that employs a fire chief who participates in a defined contribution plan required to be established by the amendatory Act shall provide a disability insurance benefit to that fire chief that is at least equivalent to the disability benefit he or she would be provided if he or she was a participant in the defined benefit plan. Makes other changes. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB101 16528 RPS 65912 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 4-117 and by adding Section 4-117.3 as follows:

6 (40 ILCS 5/4-117) (from Ch. 108 1/2, par. 4-117)

7 Sec. 4-117. Reentry into active service.

8 (a) If a firefighter receiving pension payments reenters  
9 active service, pension payments shall be suspended while he or  
10 she is in service. If the firefighter again retires or is  
11 discharged, his or her monthly pension shall be resumed in the  
12 same amount as was paid upon first retirement or discharge  
13 unless he or she remained in active service 3 or more years  
14 after re-entry in which case the monthly pension shall be based  
15 on the salary attached to the firefighter's rank at the date of  
16 last retirement.

17 (b) If a deferred pensioner re-enters active service, and  
18 again retires or is discharged from the fire service, his or  
19 her pension shall be based on the salary attached to the rank  
20 held in the fire service at the date of earlier retirement,  
21 unless the firefighter remains in active service for 3 or more  
22 years after re-entry, in which case the monthly pension shall  
23 be based on the salary attached to the firefighter's rank at

1 the date of last retirement.

2 (c) If a pensioner or deferred pensioner re-enters or is  
3 recalled to active service and is thereafter injured, and the  
4 injury is not related to an injury for which he or she was  
5 previously receiving a disability pension, the 3-year ~~3-year~~  
6 service requirement shall not apply in order for the  
7 firefighter to qualify for the increased pension based on the  
8 rate of pay at the time of the new injury.

9 (d) If a fire chief to whom Section 10-1-7.3 of the  
10 Illinois Municipal Code applies (i) first becomes a member on  
11 or after January 1, 2021, (ii) is receiving pension payments,  
12 and (iii) reenters active service with any municipality that  
13 has established a pension fund under this Article, that fire  
14 chief may continue to receive pension payments while he or she  
15 is in active service, but shall only participate in a defined  
16 contribution plan established by the municipality pursuant to  
17 Section 4-117.2 and may not establish creditable service in the  
18 pension fund established by that municipality or have his or  
19 her pension recomputed.

20 (Source: P.A. 83-1440; revised 7-17-19.)

21 (40 ILCS 5/4-117.3 new)

22 Sec. 4-117.3. Defined contribution plan for certain  
23 firefighters.

24 (a) A municipality that employs a fire chief described  
25 under subsection (d) of Section 4-117 shall establish a defined

1 contribution plan that aggregates firefighter and employer  
2 contributions in individual accounts used for retirement. The  
3 defined contribution plan, including both firefighter and  
4 employer contributions, established by the municipality must,  
5 at a minimum: meet the safe harbor provisions of the Internal  
6 Revenue Code of 1986, as amended; be a qualified plan under the  
7 Internal Revenue Code of 1986, as amended; and comply with all  
8 other applicable laws, rules, and regulations. Contributions  
9 shall vest immediately upon deposit in the firefighter's  
10 account.

11 A firefighter who participates in the defined contribution  
12 plan under this Section may not earn creditable service or  
13 otherwise participate in the defined benefit plan offered by  
14 his or her employing municipality, except as an annuitant in  
15 another fund or as a survivor, while he or she is a participant  
16 in the defined contribution plan. The defined contribution plan  
17 under this Section shall not be construed to be a pension,  
18 annuity, or other defined benefit under this Code.

19 A municipality that employs a fire chief described under  
20 subsection (d) of Section 4-117 shall provide a disability  
21 insurance benefit to that fire chief that is at least  
22 equivalent to the disability benefit he or she would be  
23 provided if he or she was a participant in the defined benefit  
24 plan.

25 (b) As used in this Section, "defined benefit plan" means  
26 the retirement plan available to firefighters under this

1 Article who do not participate in the defined contribution plan  
2 under this Section.

3 Section 90. The State Mandates Act is amended by adding  
4 Section 8.44 as follows:

5 (30 ILCS 805/8.44 new)

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

10 Section 99. Effective date. This Act takes effect upon  
11 becoming law.