

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  
5 changing Sections 4-110.2 and 4-118 as follows:

6 (40 ILCS 5/4-110.2)

7 Sec. 4-110.2. Secondary employer injury and exposure  
8 reporting. The fire chief of a secondary employer, as  
9 described in Section 4-118, shall report any injury, illness,  
10 or exposure incurred by a secondary employee during his or her  
11 employment to the primary employer's pension fund and the  
12 Department of Insurance within 96 hours from the time of the  
13 occurrence. The reporting requirements shall be consistent  
14 with the recommendations found in Chapters 4, 13, and 14 of the  
15 NFPA 1500 Standard on Fire Department Occupational Safety,  
16 Health, and Wellness Program.

17 (Source: P.A. 101-522, eff. 8-23-19.)

18 (40 ILCS 5/4-118) (from Ch. 108 1/2, par. 4-118)

19 Sec. 4-118. Financing.

20 (a) The city council or the board of trustees of the  
21 municipality shall annually levy a tax upon all the taxable  
22 property of the municipality at the rate on the dollar which

1 will produce an amount which, when added to the deductions  
2 from the salaries or wages of firefighters and revenues  
3 available from other sources, will equal a sum sufficient to  
4 meet the annual actuarial requirements of the pension fund, as  
5 determined by an enrolled actuary employed by the Illinois  
6 Department of Insurance or by an enrolled actuary retained by  
7 the pension fund or municipality. For the purposes of this  
8 Section, the annual actuarial requirements of the pension fund  
9 are equal to (1) the normal cost of the pension fund, or 17.5%  
10 of the salaries and wages to be paid to firefighters for the  
11 year involved, whichever is greater, plus (2) an annual amount  
12 sufficient to bring the total assets of the pension fund up to  
13 90% of the total actuarial liabilities of the pension fund by  
14 the end of municipal fiscal year 2040, as annually updated and  
15 determined by an enrolled actuary employed by the Illinois  
16 Department of Insurance or by an enrolled actuary retained by  
17 the pension fund or the municipality. In making these  
18 determinations, the required minimum employer contribution  
19 shall be calculated each year as a level percentage of payroll  
20 over the years remaining up to and including fiscal year 2040  
21 and shall be determined under the projected unit credit  
22 actuarial cost method. The amount to be applied towards the  
23 amortization of the unfunded accrued liability in any year  
24 shall not be less than the annual amount required to amortize  
25 the unfunded accrued liability, including interest, as a level  
26 percentage of payroll over the number of years remaining in

1 the 40-year ~~40-year~~ amortization period.

2 (a-2) A municipality that has established a pension fund  
3 under this Article and that ~~who~~ employs a full-time  
4 firefighter, as defined in Section 4-106, shall be deemed a  
5 primary employer with respect to that full-time firefighter.  
6 Any municipality of 5,000 or more inhabitants that employs or  
7 enrolls a firefighter while that firefighter continues to earn  
8 service credit as a participant in a primary employer's  
9 pension fund under this Article shall be deemed a secondary  
10 employer and such employees shall be deemed to be secondary  
11 employee firefighters. To ensure that the primary employer's  
12 pension fund under this Article is aware of additional  
13 liabilities and risks to which firefighters are exposed when  
14 performing work as firefighters for secondary employers, a  
15 secondary employer shall annually prepare a report accounting  
16 for all hours worked by and wages and salaries paid to the  
17 secondary employee firefighters it receives services from or  
18 employs for each fiscal year in which such firefighters are  
19 employed and transmit a certified copy of that report to the  
20 primary employer's pension fund, the Department of Insurance,  
21 and the secondary employee firefighter no later than 30 days  
22 after the end of any fiscal year in which wages were paid to  
23 the secondary employee firefighters.

24 Nothing in this Section shall be construed to allow a  
25 secondary employee to qualify for benefits or creditable  
26 service for employment as a firefighter for a secondary

1 employer.

2 (a-5) For purposes of determining the required employer  
3 contribution to a pension fund, the value of the pension  
4 fund's assets shall be equal to the actuarial value of the  
5 pension fund's assets, which shall be calculated as follows:

6 (1) On March 30, 2011, the actuarial value of a  
7 pension fund's assets shall be equal to the market value  
8 of the assets as of that date.

9 (2) In determining the actuarial value of the pension  
10 fund's assets for fiscal years after March 30, 2011, any  
11 actuarial gains or losses from investment return incurred  
12 in a fiscal year shall be recognized in equal annual  
13 amounts over the 5-year period following that fiscal year.

14 (b) The tax shall be levied and collected in the same  
15 manner as the general taxes of the municipality, and shall be  
16 in addition to all other taxes now or hereafter authorized to  
17 be levied upon all property within the municipality, and in  
18 addition to the amount authorized to be levied for general  
19 purposes, under Section 8-3-1 of the Illinois Municipal Code  
20 or under Section 14 of the Fire Protection District Act. The  
21 tax shall be forwarded directly to the treasurer of the board  
22 within 30 business days of receipt by the county (or, in the  
23 case of amounts added to the tax levy under subsection (f),  
24 used by the municipality to pay the employer contributions  
25 required under subsection (b-1) of Section 15-155 of this  
26 Code).

1 (b-5) If a participating municipality fails to transmit to  
2 the fund contributions required of it under this Article for  
3 more than 90 days after the payment of those contributions is  
4 due, the fund may, after giving notice to the municipality,  
5 certify to the State Comptroller the amounts of the delinquent  
6 payments in accordance with any applicable rules of the  
7 Comptroller, and the Comptroller must, beginning in fiscal  
8 year 2016, deduct and remit to the fund the certified amounts  
9 or a portion of those amounts from the following proportions  
10 of payments of State funds to the municipality:

11 (1) in fiscal year 2016, one-third of the total amount  
12 of any payments of State funds to the municipality;

13 (2) in fiscal year 2017, two-thirds of the total  
14 amount of any payments of State funds to the municipality;

15 and

16 (3) in fiscal year 2018 and each fiscal year  
17 thereafter, the total amount of any payments of State  
18 funds to the municipality.

19 The State Comptroller may not deduct from any payments of  
20 State funds to the municipality more than the amount of  
21 delinquent payments certified to the State Comptroller by the  
22 fund.

23 (c) The board shall make available to the membership and  
24 the general public for inspection and copying at reasonable  
25 times the most recent Actuarial Valuation Balance Sheet and  
26 Tax Levy Requirement issued to the fund by the Department of

1 Insurance.

2 (d) The firefighters' pension fund shall consist of the  
3 following moneys which shall be set apart by the treasurer of  
4 the municipality: (1) all moneys derived from the taxes levied  
5 hereunder; (2) contributions by firefighters as provided under  
6 Section 4-118.1; (2.5) all moneys received from the  
7 Firefighters' Pension Investment Fund as provided in Article  
8 22C of this Code; (3) all rewards in money, fees, gifts, and  
9 emoluments that may be paid or given for or on account of  
10 extraordinary service by the fire department or any member  
11 thereof, except when allowed to be retained by competitive  
12 awards; and (4) any money, real estate or personal property  
13 received by the board.

14 (e) For the purposes of this Section, "enrolled actuary"  
15 means an actuary: (1) who is a member of the Society of  
16 Actuaries or the American Academy of Actuaries; and (2) who is  
17 enrolled under Subtitle C of Title III of the Employee  
18 Retirement Income Security Act of 1974, or who has been  
19 engaged in providing actuarial services to one or more public  
20 retirement systems for a period of at least 3 years as of July  
21 1, 1983.

22 (f) The corporate authorities of a municipality that  
23 employs a person who is described in subdivision (d) of  
24 Section 4-106 may add to the tax levy otherwise provided for in  
25 this Section an amount equal to the projected cost of the  
26 employer contributions required to be paid by the municipality

1 to the State Universities Retirement System under subsection  
2 (b-1) of Section 15-155 of this Code.

3 (g) The Commission on Government Forecasting and  
4 Accountability shall conduct a study of all funds established  
5 under this Article and shall report its findings to the  
6 General Assembly on or before January 1, 2013. To the fullest  
7 extent possible, the study shall include, but not be limited  
8 to, the following:

9 (1) fund balances;

10 (2) historical employer contribution rates for each  
11 fund;

12 (3) the actuarial formulas used as a basis for  
13 employer contributions, including the actual assumed rate  
14 of return for each year, for each fund;

15 (4) available contribution funding sources;

16 (5) the impact of any revenue limitations caused by  
17 PTELL and employer home rule or non-home rule status; and

18 (6) existing statutory funding compliance procedures  
19 and funding enforcement mechanisms for all municipal  
20 pension funds.

21 (Source: P.A. 101-522, eff. 8-23-19; 101-610, eff. 1-1-20;  
22 revised 8-20-20.)

23 Section 99. Effective date. This Act takes effect upon  
24 becoming law.