



Sen. Rachelle Crowe

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10200HB4209sam001

LRB102 20423 RPS 38819 a

1 AMENDMENT TO HOUSE BILL 4209

2 AMENDMENT NO. _____. Amend House Bill 4209 as follows:

3 on page 7, immediately below line 6, by inserting the
4 following:

5 "Section 15. The Illinois Pension Code is amended by
6 adding Sections 3-110.14 and 7-139.1a and by changing Section
7 7-139 as follows:

8 (40 ILCS 5/3-110.14 new)

9 Sec. 3-110.14. Transfer to Article 7. On and after January
10 1, 2023 but no later than July 1, 2023, a participant who is
11 actively employed as a sheriff's law enforcement employee may
12 make an election to transfer up to 10 years of creditable
13 service from a fund established under this Article to the
14 Illinois Municipal Retirement Fund established under Article
15 7. Upon receiving a written election by a participant under

1 this Section, the fund shall transfer the employee and
2 employer contributions to the Illinois Municipal Retirement
3 Fund as soon as is practicable. Participation in the police
4 pension fund with respect to the service to be transferred
5 shall terminate on the date of transfer.

6 (40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)

7 Sec. 7-139. Credits and creditable service to employees.

8 (a) Each participating employee shall be granted credits
9 and creditable service, for purposes of determining the amount
10 of any annuity or benefit to which he or a beneficiary is
11 entitled, as follows:

12 1. For prior service: Each participating employee who
13 is an employee of a participating municipality or
14 participating instrumentality on the effective date shall
15 be granted creditable service, but no credits under
16 paragraph 2 of this subsection (a), for periods of prior
17 service for which credit has not been received under any
18 other pension fund or retirement system established under
19 this Code, as follows:

20 If the effective date of participation for the
21 participating municipality or participating
22 instrumentality is on or before January 1, 1998,
23 creditable service shall be granted for the entire period
24 of prior service with that employer without any employee
25 contribution.

1 If the effective date of participation for the
2 participating municipality or participating
3 instrumentality is after January 1, 1998, creditable
4 service shall be granted for the last 20% of the period of
5 prior service with that employer, but no more than 5
6 years, without any employee contribution. A participating
7 employee may establish creditable service for the
8 remainder of the period of prior service with that
9 employer by making an application in writing, accompanied
10 by payment of an employee contribution in an amount
11 determined by the Fund, based on the employee contribution
12 rates in effect at the time of application for the
13 creditable service and the employee's salary rate on the
14 effective date of participation for that employer, plus
15 interest at the effective rate from the date of the prior
16 service to the date of payment. Application for this
17 creditable service may be made at any time while the
18 employee is still in service.

19 A municipality that (i) has at least 35 employees;
20 (ii) is located in a county with at least 2,000,000
21 inhabitants; and (iii) maintains an independent defined
22 benefit pension plan for the benefit of its eligible
23 employees may restrict creditable service in whole or in
24 part for periods of prior service with the employer if the
25 governing body of the municipality adopts an irrevocable
26 resolution to restrict that creditable service and files

1 the resolution with the board before the municipality's
2 effective date of participation.

3 Any person who has withdrawn from the service of a
4 participating municipality or participating
5 instrumentality prior to the effective date, who reenters
6 the service of the same municipality or participating
7 instrumentality after the effective date and becomes a
8 participating employee is entitled to creditable service
9 for prior service as otherwise provided in this
10 subdivision (a)(1) only if he or she renders 2 years of
11 service as a participating employee after the effective
12 date. Application for such service must be made while in a
13 participating status. The salary rate to be used in the
14 calculation of the required employee contribution, if any,
15 shall be the employee's salary rate at the time of first
16 reentering service with the employer after the employer's
17 effective date of participation.

18 2. For current service, each participating employee
19 shall be credited with:

20 a. Additional credits of amounts equal to each
21 payment of additional contributions received from him
22 under Section 7-173, as of the date the corresponding
23 payment of earnings is payable to him.

24 b. Normal credits of amounts equal to each payment
25 of normal contributions received from him, as of the
26 date the corresponding payment of earnings is payable

1 to him, and normal contributions made for the purpose
2 of establishing out-of-state service credits as
3 permitted under the conditions set forth in paragraph
4 6 of this subsection (a).

5 c. Municipality credits in an amount equal to 1.4
6 times the normal credits, except those established by
7 out-of-state service credits, as of the date of
8 computation of any benefit if these credits would
9 increase the benefit.

10 d. Survivor credits equal to each payment of
11 survivor contributions received from the participating
12 employee as of the date the corresponding payment of
13 earnings is payable, and survivor contributions made
14 for the purpose of establishing out-of-state service
15 credits.

16 3. For periods of temporary and total and permanent
17 disability benefits, each employee receiving disability
18 benefits shall be granted creditable service for the
19 period during which disability benefits are payable.
20 Normal and survivor credits, based upon the rate of
21 earnings applied for disability benefits, shall also be
22 granted if such credits would result in a higher benefit
23 to any such employee or his beneficiary.

24 4. For authorized leave of absence without pay: A
25 participating employee shall be granted credits and
26 creditable service for periods of authorized leave of

1 absence without pay under the following conditions:

2 a. An application for credits and creditable
3 service is submitted to the board while the employee
4 is in a status of active employment.

5 b. Not more than 12 complete months of creditable
6 service for authorized leave of absence without pay
7 shall be counted for purposes of determining any
8 benefits payable under this Article.

9 c. Credits and creditable service shall be granted
10 for leave of absence only if such leave is approved by
11 the governing body of the municipality, including
12 approval of the estimated cost thereof to the
13 municipality as determined by the fund, and employee
14 contributions, plus interest at the effective rate
15 applicable for each year from the end of the period of
16 leave to date of payment, have been paid to the fund in
17 accordance with Section 7-173. The contributions shall
18 be computed upon the assumption earnings continued
19 during the period of leave at the rate in effect when
20 the leave began.

21 d. Benefits under the provisions of Sections
22 7-141, 7-146, 7-150 and 7-163 shall become payable to
23 employees on authorized leave of absence, or their
24 designated beneficiary, only if such leave of absence
25 is creditable hereunder, and if the employee has at
26 least one year of creditable service other than the

1 service granted for leave of absence. Any employee
2 contributions due may be deducted from any benefits
3 payable.

4 e. No credits or creditable service shall be
5 allowed for leave of absence without pay during any
6 period of prior service.

7 5. For military service: The governing body of a
8 municipality or participating instrumentality may elect to
9 allow creditable service to participating employees who
10 leave their employment to serve in the armed forces of the
11 United States for all periods of such service, provided
12 that the person returns to active employment within 90
13 days after completion of full time active duty, but no
14 creditable service shall be allowed such person for any
15 period that can be used in the computation of a pension or
16 any other pay or benefit, other than pay for active duty,
17 for service in any branch of the armed forces of the United
18 States. If necessary to the computation of any benefit,
19 the board shall establish municipality credits for
20 participating employees under this paragraph on the
21 assumption that the employee received earnings at the rate
22 received at the time he left the employment to enter the
23 armed forces. A participating employee in the armed forces
24 shall not be considered an employee during such period of
25 service and no additional death and no disability benefits
26 are payable for death or disability during such period.

1 Any participating employee who left his employment
2 with a municipality or participating instrumentality to
3 serve in the armed forces of the United States and who
4 again became a participating employee within 90 days after
5 completion of full time active duty by entering the
6 service of a different municipality or participating
7 instrumentality, which has elected to allow creditable
8 service for periods of military service under the
9 preceding paragraph, shall also be allowed creditable
10 service for his period of military service on the same
11 terms that would apply if he had been employed, before
12 entering military service, by the municipality or
13 instrumentality which employed him after he left the
14 military service and the employer costs arising in
15 relation to such grant of creditable service shall be
16 charged to and paid by that municipality or
17 instrumentality.

18 Notwithstanding the foregoing, any participating
19 employee shall be entitled to creditable service as
20 required by any federal law relating to re-employment
21 rights of persons who served in the United States Armed
22 Services. Such creditable service shall be granted upon
23 payment by the member of an amount equal to the employee
24 contributions which would have been required had the
25 employee continued in service at the same rate of earnings
26 during the military leave period, plus interest at the

1 effective rate.

2 5.1. In addition to any creditable service established
3 under paragraph 5 of this subsection (a), creditable
4 service may be granted for up to 48 months of service in
5 the armed forces of the United States.

6 In order to receive creditable service for military
7 service under this paragraph 5.1, a participating employee
8 must (1) apply to the Fund in writing and provide evidence
9 of the military service that is satisfactory to the Board;
10 (2) obtain the written approval of the current employer;
11 and (3) make contributions to the Fund equal to (i) the
12 employee contributions that would have been required had
13 the service been rendered as a member, plus (ii) an amount
14 determined by the board to be equal to the employer's
15 normal cost of the benefits accrued for that military
16 service, plus (iii) interest on items (i) and (ii) from
17 the date of first membership in the Fund to the date of
18 payment. The required interest shall be calculated at the
19 regular interest rate.

20 The changes made to this paragraph 5.1 by Public Acts
21 95-483 and 95-486 apply only to participating employees in
22 service on or after August 28, 2007 (the effective date of
23 those Public Acts).

24 6. For out-of-state service: Creditable service shall
25 be granted for service rendered to an out-of-state local
26 governmental body under the following conditions: The

1 employee had participated and has irrevocably forfeited
2 all rights to benefits in the out-of-state public
3 employees pension system; the governing body of his
4 participating municipality or instrumentality authorizes
5 the employee to establish such service; the employee has 2
6 years current service with this municipality or
7 participating instrumentality; the employee makes a
8 payment of contributions, which shall be computed at 8%
9 (normal) plus 2% (survivor) times length of service
10 purchased times the average rate of earnings for the first
11 2 years of service with the municipality or participating
12 instrumentality whose governing body authorizes the
13 service established plus interest at the effective rate on
14 the date such credits are established, payable from the
15 date the employee completes the required 2 years of
16 current service to date of payment. In no case shall more
17 than 120 months of creditable service be granted under
18 this provision.

19 7. For retroactive service: Any employee who could
20 have but did not elect to become a participating employee,
21 or who should have been a participant in the Municipal
22 Public Utilities Annuity and Benefit Fund before that fund
23 was superseded, may receive creditable service for the
24 period of service not to exceed 50 months; however, a
25 current or former elected or appointed official of a
26 participating municipality may establish credit under this

1 paragraph 7 for more than 50 months of service as an
2 official of that municipality, if the excess over 50
3 months is approved by resolution of the governing body of
4 the affected municipality filed with the Fund before
5 January 1, 2002.

6 Any employee who is a participating employee on or
7 after September 24, 1981 and who was excluded from
8 participation by the age restrictions removed by Public
9 Act 82-596 may receive creditable service for the period,
10 on or after January 1, 1979, excluded by the age
11 restriction and, in addition, if the governing body of the
12 participating municipality or participating
13 instrumentality elects to allow creditable service for all
14 employees excluded by the age restriction prior to January
15 1, 1979, for service during the period prior to that date
16 excluded by the age restriction. Any employee who was
17 excluded from participation by the age restriction removed
18 by Public Act 82-596 and who is not a participating
19 employee on or after September 24, 1981 may receive
20 creditable service for service after January 1, 1979.
21 Creditable service under this paragraph shall be granted
22 upon payment of the employee contributions which would
23 have been required had he participated, with interest at
24 the effective rate for each year from the end of the period
25 of service established to date of payment.

26 8. For accumulated unused sick leave: A participating

1 employee who is applying for a retirement annuity shall be
2 entitled to creditable service for that portion of the
3 employee's accumulated unused sick leave for which payment
4 is not received, as follows:

5 a. Sick leave days shall be limited to those
6 accumulated under a sick leave plan established by a
7 participating municipality or participating
8 instrumentality which is available to all employees or
9 a class of employees.

10 b. Except as provided in item b-1, only sick leave
11 days accumulated with a participating municipality or
12 participating instrumentality with which the employee
13 was in service within 60 days of the effective date of
14 his retirement annuity shall be credited; If the
15 employee was in service with more than one employer
16 during this period only the sick leave days with the
17 employer with which the employee has the greatest
18 number of unpaid sick leave days shall be considered.

19 b-1. If the employee was in the service of more
20 than one employer as defined in item (2) of paragraph
21 (a) of subsection (A) of Section 7-132, then the sick
22 leave days from all such employers shall be credited,
23 as long as the creditable service attributed to those
24 sick leave days does not exceed the limitation in item
25 d of this paragraph 8. If the employee was in the
26 service of more than one employer described in

1 paragraph (c) of subsection (B) of Section 7-132 on or
2 after the effective date of this amendatory Act of the
3 101st General Assembly, then the sick leave days from
4 all such employers, except for employers from which
5 the employee terminated service before the effective
6 date of this amendatory Act of the 101st General
7 Assembly, shall be credited, as long as the creditable
8 service attributed to those sick leave days does not
9 exceed the limitation in item d of this paragraph 8. In
10 calculating the creditable service under this item
11 b-1, the sick leave days from the last employer shall
12 be considered first, then the remaining sick leave
13 days shall be considered until there are no more days
14 or the maximum creditable sick leave threshold under
15 item d of this paragraph 8 has been reached.

16 c. The creditable service granted shall be
17 considered solely for the purpose of computing the
18 amount of the retirement annuity and shall not be used
19 to establish any minimum service period required by
20 any provision of the Illinois Pension Code, the
21 effective date of the retirement annuity, or the final
22 rate of earnings.

23 d. The creditable service shall be at the rate of
24 1/20 of a month for each full sick day, provided that
25 no more than 12 months may be credited under this
26 subdivision 8.

1 e. Employee contributions shall not be required
2 for creditable service under this subdivision 8.

3 f. Each participating municipality and
4 participating instrumentality with which an employee
5 has service within 60 days of the effective date of his
6 retirement annuity shall certify to the board the
7 number of accumulated unpaid sick leave days credited
8 to the employee at the time of termination of service.

9 9. For service transferred from another system:
10 Credits and creditable service shall be granted for
11 service under Article 4, 5, 8, 14, or 16 of this Act, to
12 any active member of this Fund, and to any inactive member
13 who has been a county sheriff, upon transfer of such
14 credits pursuant to Section 4-108.3, 5-235, 8-226.7,
15 14-105.6, or 16-131.4, and payment by the member of the
16 amount by which (1) the employer and employee
17 contributions that would have been required if he had
18 participated in this Fund as a sheriff's law enforcement
19 employee during the period for which credit is being
20 transferred, plus interest thereon at the effective rate
21 for each year, compounded annually, from the date of
22 termination of the service for which credit is being
23 transferred to the date of payment, exceeds (2) the amount
24 actually transferred to the Fund. Such transferred service
25 shall be deemed to be service as a sheriff's law
26 enforcement employee for the purposes of Section 7-142.1.

1 10. (Blank).

2 11. For service transferred from an Article 3 system
3 under Section 3-110.3: Credits and creditable service
4 shall be granted for service under Article 3 of this Act as
5 provided in Section 3-110.3, to any active member of this
6 Fund, upon transfer of such credits pursuant to Section
7 3-110.3. If the board determines that the amount
8 transferred is less than the true cost to the Fund of
9 allowing that creditable service to be established, then
10 in order to establish that creditable service, the member
11 must pay to the Fund an additional contribution equal to
12 the difference, as determined by the board in accordance
13 with the rules and procedures adopted under this
14 paragraph. If the member does not make the full additional
15 payment as required by this paragraph prior to termination
16 of his participation with that employer, then his or her
17 creditable service shall be reduced by an amount equal to
18 the difference between the amount transferred under
19 Section 3-110.3, including any payments made by the member
20 under this paragraph prior to termination, and the true
21 cost to the Fund of allowing that creditable service to be
22 established, as determined by the board in accordance with
23 the rules and procedures adopted under this paragraph.

24 The board shall establish by rule the manner of making
25 the calculation required under this paragraph 11, taking
26 into account the appropriate actuarial assumptions; the

1 member's service, age, and salary history, and any other
2 factors that the board determines to be relevant.

3 12. For omitted service: Any employee who was employed
4 by a participating employer in a position that required
5 participation, but who was not enrolled in the Fund, may
6 establish such credits under the following conditions:

7 a. Application for such credits is received by the
8 Board while the employee is an active participant of
9 the Fund or a reciprocal retirement system.

10 b. Eligibility for participation and earnings are
11 verified by the Authorized Agent of the participating
12 employer for which the service was rendered.

13 Creditable service under this paragraph shall be
14 granted upon payment of the employee contributions that
15 would have been required had he participated, which shall
16 be calculated by the Fund using the member contribution
17 rate in effect during the period that the service was
18 rendered.

19 13. For service transferred under Section 7-139.1a.

20 (b) Creditable service - amount:

21 1. One month of creditable service shall be allowed
22 for each month for which a participating employee made
23 contributions as required under Section 7-173, or for
24 which creditable service is otherwise granted hereunder.
25 Not more than 1 month of service shall be credited and
26 counted for 1 calendar month, and not more than 1 year of

1 service shall be credited and counted for any calendar
2 year. A calendar month means a nominal month beginning on
3 the first day thereof, and a calendar year means a year
4 beginning January 1 and ending December 31.

5 2. A seasonal employee shall be given 12 months of
6 creditable service if he renders the number of months of
7 service normally required by the position in a 12-month
8 period and he remains in service for the entire 12-month
9 period. Otherwise a fractional year of service in the
10 number of months of service rendered shall be credited.

11 3. An intermittent employee shall be given creditable
12 service for only those months in which a contribution is
13 made under Section 7-173.

14 (c) No application for correction of credits or creditable
15 service shall be considered unless the board receives an
16 application for correction while (1) the applicant is a
17 participating employee and in active employment with a
18 participating municipality or instrumentality, or (2) while
19 the applicant is actively participating in a pension fund or
20 retirement system which is a participating system under the
21 Retirement Systems Reciprocal Act. A participating employee or
22 other applicant shall not be entitled to credits or creditable
23 service unless the required employee contributions are made in
24 a lump sum or in installments made in accordance with board
25 rule. Payments made to establish service credit under
26 paragraph 1, 4, 5, 5.1, 6, 7, or 12 of subsection (a) of this

1 Section must be received by the Board while the applicant is an
2 active participant in the Fund or a reciprocal retirement
3 system, except that an applicant may make one payment after
4 termination of active participation in the Fund or a
5 reciprocal retirement system.

6 (d) Upon the granting of a retirement, surviving spouse or
7 child annuity, a death benefit or a separation benefit, on
8 account of any employee, all individual accumulated credits
9 shall thereupon terminate. Upon the withdrawal of additional
10 contributions, the credits applicable thereto shall thereupon
11 terminate. Terminated credits shall not be applied to increase
12 the benefits any remaining employee would otherwise receive
13 under this Article.

14 (Source: P.A. 100-148, eff. 8-18-17; 101-492, eff. 8-23-19.)

15 (40 ILCS 5/7-139.1a new)

16 Sec. 7-139.1a. Transfer from Article 3. On and after
17 January 1, 2023 but no later than July 1, 2023, a person who is
18 a sheriff's law enforcement employee may elect to transfer up
19 to 10 years of service credit to the Fund. The service shall
20 accrue to the employee with the benefits of service credit
21 that was otherwise earned as service credit under Section
22 7-142.1. In order to transfer the service credit, the employee
23 must: (1) make a written election for a refund of the employee
24 and employer contributions for the corresponding service
25 credit under Article 3; (2) make a written election to the Fund

1 to purchase an amount of service credit that is not greater
2 than the term of service credited under item (1); and (3) make
3 payment of the amount determined by the Fund to represent the
4 actual costs of the benefits as established by the Fund minus
5 the amounts received from the fund established under Article
6 3."