



## 102ND GENERAL ASSEMBLY

### State of Illinois

### 2021 and 2022

### SB0167

Introduced 2/9/2021, by Sen. Laura Ellman

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/4-109.3  
30 ILCS 805/8.45 new

Amends the Downstate Firefighter Article of the Illinois Pension Code. In a provision concerning the calculation of retirement pensions and automatic annual increases for eligible firefighters who participated in more than one pension fund, removes language limiting application of the provision to Tier 1 retirement pension amounts and Tier 1 automatic annual increases. Provides that as a condition of being eligible for the benefits in a provision concerning firefighters who participated in more than one pension fund, a person who is hired to a position as a firefighter after December 31, 2010 must within 21 months after being hired or within 21 months after the effective date of the amendatory Act, whichever is later, notify the new employer, all of his or her previous employers under the Article, and the Public Pension Division of the Department of Insurance of his or her intent to receive those benefits; and make the required contributions with applicable interest. Provides that a person who was hired to a position as a firefighter after December 31, 2010 and who, before the effective date of the amendatory Act, notified the new employer, all of his or her previous employers, and the Public Pension Division of the Department of Insurance of his or her intent to receive the benefits under a provision concerning firefighters who participated in more than one pension fund shall be deemed to have met the notice requirement. Provides that the changes made by the amendatory Act to the provision concerning firefighters who participated in more than one pension fund apply retroactively. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB102 10002 RPS 15320 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

A BILL FOR

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 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  
10 to the rank held by the firefighter at the time of his or her  
11 last 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  
18 the 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 at least 20 years of service under

1 the various pension funds established under this Article  
2 and has attained age 50; and

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

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

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

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

24 The last pension fund shall calculate the retirement  
25 pension that would be payable to the firefighter under  
26 ~~subsection (a)~~ of Section 4-109 as if he or she had

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

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

15 (g) A current firefighter may reinstate creditable service  
16 in a pension fund established under this Article that was  
17 terminated upon receipt of a refund, by payment to that  
18 pension fund of the amount of the refund together with  
19 interest thereon at the rate of 6% per year, compounded  
20 annually, from the date of the refund to the date of payment. A  
21 repayment of a refund under this Section may be made in equal  
22 installments over a period of up to 10 years, but must be paid  
23 in full prior to retirement.

24 (h) As a condition of being eligible for the benefits  
25 provided in this Section, a person who is hired to a position  
26 as a firefighter on or after July 1, 2004 must, within 21

1 months after being hired, notify the new employer, all of his  
2 or her previous employers under this Article, and the Public  
3 Pension Division of the Division of Insurance of the  
4 Department of Financial and Professional Regulation of his or  
5 her intent to receive the benefits provided under this  
6 Section.

7 As a condition of being eligible for the benefits provided  
8 in this Section, a person who is hired to a position as a  
9 firefighter after December 31, 2010 must (1) within 21 months  
10 after being hired or within 21 months after the effective date  
11 of this amendatory Act of the 102nd General Assembly,  
12 whichever is later, notify the new employer, all of his or her  
13 previous employers under this Article, and the Public Pension  
14 Division of the Department of Insurance of his or her intent to  
15 receive the benefits provided under this Section; and (2) make  
16 the required contributions with applicable interest. A person  
17 who was hired to a position as a firefighter after December 31,  
18 2010 and who, before the effective date of this amendatory Act  
19 of the 102nd General Assembly, notified the new employer, all  
20 of his or her previous employers under this Article, and the  
21 Public Pension Division of the Department of Insurance of his  
22 or her intent to receive the benefits provided under this  
23 Section shall be deemed to have met the notice requirement  
24 under item (1) of the preceding sentence. The changes made to  
25 this Section by this amendatory Act of the 102nd General  
26 Assembly apply retroactively, notwithstanding Section 1-103.1.

1           (i) In order to receive a pension under this Section or an  
2 occupational disease disability pension for which he or she  
3 becomes eligible due to the application of subsection (m) of  
4 this Section, a firefighter must pay to each pension fund from  
5 which he or she has elected to receive a pension under this  
6 Section a contribution equal to 1% of monthly salary for each  
7 month of service credit that the firefighter has in that fund  
8 (other than service credit for which the firefighter has  
9 already paid the additional contribution required under  
10 subsection (c) of Section 4-118.1), together with interest  
11 thereon at the rate of 6% per annum, compounded annually, from  
12 the firefighter's first day of employment with that fund or  
13 the first day of the fiscal year of that fund that immediately  
14 precedes the firefighter's first day of employment with that  
15 fund, whichever is earlier.

16           In order for a firefighter who, as of the effective date of  
17 this amendatory Act of the 93rd General Assembly, has not  
18 begun to receive a pension under this Section or an  
19 occupational disease disability pension under subsection (m)  
20 of this Section and who has contributed 1/12th of 1% of monthly  
21 salary for each month of service credit that the firefighter  
22 has in that fund (other than service credit for which the  
23 firefighter has already paid the additional contribution  
24 required under subsection (c) of Section 4-118.1), together  
25 with the required interest thereon, to receive a pension under  
26 this Section or an occupational disease disability pension for

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

1 General Assembly to forfeit the benefits provided under this  
2 Section and receive a refund of that contribution.

3 (j) A retired firefighter who is receiving pension  
4 payments under Section 4-109 may reenter active service under  
5 this Article. Subject to the provisions of Section 4-117, the  
6 firefighter may receive credit for service performed after the  
7 reentry if the firefighter (1) applies to receive credit for  
8 that service, (2) suspends his or her pensions under this  
9 Section, and (3) makes the contributions required under  
10 subsection (i).

11 (k) A firefighter who is newly hired or promoted to a  
12 position as a firefighter shall not be denied participation in  
13 a fund under this Article based on his or her age.

14 (l) If a firefighter who elects to make contributions  
15 under subsection (c) of Section 4-118.1 for the pension  
16 benefits provided under this Section becomes entitled to a  
17 disability pension under Section 4-110, the last pension fund  
18 is responsible to pay that disability pension and the amount  
19 of that disability pension shall be based only on the  
20 firefighter's service with the last pension fund.

21 (m) Notwithstanding any provision in Section 4-110.1 to  
22 the contrary, if a firefighter who elects to make  
23 contributions under subsection (c) of Section 4-118.1 for the  
24 pension benefits provided under this Section becomes entitled  
25 to an occupational disease disability pension under Section  
26 4-110.1, each pension fund to which the firefighter has made



1 contributions under subsection (c) of Section 4-118.1 must pay  
2 a portion of that occupational disease disability pension  
3 equal to the proportion that the firefighter's service credit  
4 with that pension fund for which the contributions under  
5 subsection (c) of Section 4-118.1 have been made bears to the  
6 firefighter's total service credit with all of the pension  
7 funds for which the contributions under subsection (c) of  
8 Section 4-118.1 have been made. A firefighter who has made  
9 contributions under subsection (c) of Section 4-118.1 for at  
10 least 5 years of creditable service shall be deemed to have met  
11 the 5-year creditable service requirement under Section  
12 4-110.1, regardless of whether the firefighter has 5 years of  
13 creditable service with the last pension fund.

14 (n) If a firefighter who elects to make contributions  
15 under subsection (c) of Section 4-118.1 for the pension  
16 benefits provided under this Section becomes entitled to a  
17 disability pension under Section 4-111, the last pension fund  
18 is responsible to pay that disability pension, provided that  
19 the firefighter has at least 7 years of creditable service  
20 with the last pension fund. In the event a firefighter began  
21 employment with a new employer as a result of an  
22 intergovernmental agreement that resulted in the elimination  
23 of the previous employer's fire department, the firefighter  
24 shall not be required to have 7 years of creditable service  
25 with the last pension fund to qualify for a disability pension  
26 under Section 4-111. Under this circumstance, a firefighter

1 shall be required to have 7 years of total combined creditable  
2 service time to qualify for a disability pension under Section  
3 4-111. The disability pension received pursuant to this  
4 Section shall be paid by the previous employer and new  
5 employer in proportion to the firefighter's years of service  
6 with each employer.

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

8 Section 90. The State Mandates Act is amended by adding  
9 Section 8.45 as follows:

10 (30 ILCS 805/8.45 new)

11 Sec. 8.45. Exempt mandate. Notwithstanding Sections 6 and  
12 8 of this Act, no reimbursement by the State is required for  
13 the implementation of any mandate created by this amendatory  
14 Act of the 102nd General Assembly.

15 Section 99. Effective date. This Act takes effect upon  
16 becoming law.