



## 102ND GENERAL ASSEMBLY

### State of Illinois

### 2021 and 2022

### SB2914

Introduced 10/13/2021, by Sen. Rachelle Crowe

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/3-110.13 new  
40 ILCS 5/7-139  
30 ILCS 805/8.45 new

from Ch. 108 1/2, par. 7-139

Amends the Downstate Police and Illinois Municipal Retirement Fund (IMRF) Articles of the Illinois Pension Code. Provides that within 6 months after the effective date of the amendatory Act, an active IMRF member may apply for transfer of credits and creditable service under the Downstate Police Article to IMRF. Provides that the credits and creditable service shall be transferred upon payment by the police pension fund of an amount equal to the amounts accumulated to the credit of the applicant for the service to be transferred, including interest; an amount representing employer contributions; and any interest paid by the applicant to reinstate such service. Provides that a person applying to transfer service under the provisions may reinstate credits and creditable service terminated upon receipt of a refund by paying to the police pension fund the amount of the refund plus interest. Provides that if the board of trustees of IMRF determines that the amount transferred is less than the true cost to IMRF of allowing that creditable service to be established, then in order to establish that creditable service, the member must pay to IMRF an additional contribution equal to the difference. Makes conforming and other changes. Amends the State Mandates Act to require implementation without reimbursement by the State. Effective immediately.

LRB102 19614 RPS 28383 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  
5 changing Section 7-139 and by adding Section 3-110.13 as  
6 follows:

7 (40 ILCS 5/3-110.13 new)

8 Sec. 3-110.13. Transfer to IMRF.

9 (a) Within 6 months after the effective date of this  
10 amendatory Act of the 102nd General Assembly, an active member  
11 of the Illinois Municipal Retirement Fund established under  
12 Article 7 of this Code may apply for transfer to the Illinois  
13 Municipal Retirement Fund of his or her credits and creditable  
14 service accumulated in a police pension fund under this  
15 Article. The creditable service shall be transferred only upon  
16 payment by the police pension fund to the Illinois Municipal  
17 Retirement Fund of an amount equal to:

18 (1) the amounts accumulated to the credit of the  
19 applicant for the service to be transferred, including  
20 interest;

21 (2) an amount representing employer contributions; and

22 (3) any interest paid by the applicant to reinstate  
23 such service.

1 Participation in the police pension fund as to any credits  
2 transferred under this Section shall terminate on the date of  
3 transfer.

4 (b) Notwithstanding any other provision of this Code, any  
5 person applying to transfer service under this Section may  
6 reinstate credits and creditable service terminated upon  
7 receipt of a refund by paying to the police pension fund the  
8 amount of the refund plus interest thereon at the actuarially  
9 assumed rate of interest to the date of payment. Such payment  
10 must be made within 90 days after notification by the police  
11 pension fund of the cost of such reinstatement.

12 (40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)

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

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

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

1           If the effective date of participation for the  
2 participating municipality or participating  
3 instrumentality is on or before January 1, 1998,  
4 creditable service shall be granted for the entire period  
5 of prior service with that employer without any employee  
6 contribution.

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

25           A municipality that (i) has at least 35 employees;  
26 (ii) is located in a county with at least 2,000,000

1 inhabitants; and (iii) maintains an independent defined  
2 benefit pension plan for the benefit of its eligible  
3 employees may restrict creditable service in whole or in  
4 part for periods of prior service with the employer if the  
5 governing body of the municipality adopts an irrevocable  
6 resolution to restrict that creditable service and files  
7 the resolution with the board before the municipality's  
8 effective date of participation.

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

24 2. For current service, each participating employee  
25 shall be credited with:

26 a. Additional credits of amounts equal to each

1 payment of additional contributions received from him  
2 under Section 7-173, as of the date the corresponding  
3 payment of earnings is payable to him.

4 b. Normal credits of amounts equal to each payment  
5 of normal contributions received from him, as of the  
6 date the corresponding payment of earnings is payable  
7 to him, and normal contributions made for the purpose  
8 of establishing out-of-state service credits as  
9 permitted under the conditions set forth in paragraph  
10 6 of this subsection (a).

11 c. Municipality credits in an amount equal to 1.4  
12 times the normal credits, except those established by  
13 out-of-state service credits, as of the date of  
14 computation of any benefit if these credits would  
15 increase the benefit.

16 d. Survivor credits equal to each payment of  
17 survivor contributions received from the participating  
18 employee as of the date the corresponding payment of  
19 earnings is payable, and survivor contributions made  
20 for the purpose of establishing out-of-state service  
21 credits.

22 3. For periods of temporary and total and permanent  
23 disability benefits, each employee receiving disability  
24 benefits shall be granted creditable service for the  
25 period during which disability benefits are payable.  
26 Normal and survivor credits, based upon the rate of

1 earnings applied for disability benefits, shall also be  
2 granted if such credits would result in a higher benefit  
3 to any such employee or his beneficiary.

4 4. For authorized leave of absence without pay: A  
5 participating employee shall be granted credits and  
6 creditable service for periods of authorized leave of  
7 absence without pay under the following conditions:

8 a. An application for credits and creditable  
9 service is submitted to the board while the employee  
10 is in a status of active employment.

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

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

1           d. Benefits under the provisions of Sections  
2           7-141, 7-146, 7-150 and 7-163 shall become payable to  
3           employees on authorized leave of absence, or their  
4           designated beneficiary, only if such leave of absence  
5           is creditable hereunder, and if the employee has at  
6           least one year of creditable service other than the  
7           service granted for leave of absence. Any employee  
8           contributions due may be deducted from any benefits  
9           payable.

10          e. No credits or creditable service shall be  
11          allowed for leave of absence without pay during any  
12          period of prior service.

13          5. For military service: The governing body of a  
14          municipality or participating instrumentality may elect to  
15          allow creditable service to participating employees who  
16          leave their employment to serve in the armed forces of the  
17          United States for all periods of such service, provided  
18          that the person returns to active employment within 90  
19          days after completion of full time active duty, but no  
20          creditable service shall be allowed such person for any  
21          period that can be used in the computation of a pension or  
22          any other pay or benefit, other than pay for active duty,  
23          for service in any branch of the armed forces of the United  
24          States. If necessary to the computation of any benefit,  
25          the board shall establish municipality credits for  
26          participating employees under this paragraph on the



1           assumption that the employee received earnings at the rate  
2           received at the time he left the employment to enter the  
3           armed forces. A participating employee in the armed forces  
4           shall not be considered an employee during such period of  
5           service and no additional death and no disability benefits  
6           are payable for death or disability during such period.

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

24          Notwithstanding the foregoing, any participating  
25          employee shall be entitled to creditable service as  
26          required by any federal law relating to re-employment

1 rights of persons who served in the United States Armed  
2 Services. Such creditable service shall be granted upon  
3 payment by the member of an amount equal to the employee  
4 contributions which would have been required had the  
5 employee continued in service at the same rate of earnings  
6 during the military leave period, plus interest at the  
7 effective rate.

8 5.1. In addition to any creditable service established  
9 under paragraph 5 of this subsection (a), creditable  
10 service may be granted for up to 48 months of service in  
11 the armed forces of the United States.

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

26 The changes made to this paragraph 5.1 by Public Acts

1 95-483 and 95-486 apply only to participating employees in  
2 service on or after August 28, 2007 (the effective date of  
3 those Public Acts).

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

25 7. For retroactive service: Any employee who could  
26 have but did not elect to become a participating employee,

1 or who should have been a participant in the Municipal  
2 Public Utilities Annuity and Benefit Fund before that fund  
3 was superseded, may receive creditable service for the  
4 period of service not to exceed 50 months; however, a  
5 current or former elected or appointed official of a  
6 participating municipality may establish credit under this  
7 paragraph 7 for more than 50 months of service as an  
8 official of that municipality, if the excess over 50  
9 months is approved by resolution of the governing body of  
10 the affected municipality filed with the Fund before  
11 January 1, 2002.

12 Any employee who is a participating employee on or  
13 after September 24, 1981 and who was excluded from  
14 participation by the age restrictions removed by Public  
15 Act 82-596 may receive creditable service for the period,  
16 on or after January 1, 1979, excluded by the age  
17 restriction and, in addition, if the governing body of the  
18 participating municipality or participating  
19 instrumentality elects to allow creditable service for all  
20 employees excluded by the age restriction prior to January  
21 1, 1979, for service during the period prior to that date  
22 excluded by the age restriction. Any employee who was  
23 excluded from participation by the age restriction removed  
24 by Public Act 82-596 and who is not a participating  
25 employee on or after September 24, 1981 may receive  
26 creditable service for service after January 1, 1979.

1           Creditable service under this paragraph shall be granted  
2           upon payment of the employee contributions which would  
3           have been required had he participated, with interest at  
4           the effective rate for each year from the end of the period  
5           of service established to date of payment.

6           8. For accumulated unused sick leave: A participating  
7           employee who is applying for a retirement annuity shall be  
8           entitled to creditable service for that portion of the  
9           employee's accumulated unused sick leave for which payment  
10          is not received, as follows:

11           a. Sick leave days shall be limited to those  
12           accumulated under a sick leave plan established by a  
13           participating municipality or participating  
14           instrumentality which is available to all employees or  
15           a class of employees.

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

25           b-1. If the employee was in the service of more  
26           than one employer as defined in item (2) of paragraph

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

22 c. The creditable service granted shall be  
23 considered solely for the purpose of computing the  
24 amount of the retirement annuity and shall not be used  
25 to establish any minimum service period required by  
26 any provision of the Illinois Pension Code, the

1 effective date of the retirement annuity, or the final  
2 rate of earnings.

3 d. The creditable service shall be at the rate of  
4 1/20 of a month for each full sick day, provided that  
5 no more than 12 months may be credited under this  
6 subdivision 8.

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

9 f. Each participating municipality and  
10 participating instrumentality with which an employee  
11 has service within 60 days of the effective date of his  
12 retirement annuity shall certify to the board the  
13 number of accumulated unpaid sick leave days credited  
14 to the employee at the time of termination of service.

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

1 for each year, compounded annually, from the date of  
2 termination of the service for which credit is being  
3 transferred to the date of payment, exceeds (2) the amount  
4 actually transferred to the Fund. Such transferred service  
5 shall be deemed to be service as a sheriff's law  
6 enforcement employee for the purposes of Section 7-142.1.

7 10. (Blank).

8 11. For service transferred from an Article 3 system  
9 under Section 3-110.3 or 3-110.13: Credits and creditable  
10 service shall be granted for service under Article 3 of  
11 this Code Act as provided in Section 3-110.3 or 3-110.13,  
12 to any active member of this Fund, upon transfer of such  
13 credits pursuant to Section 3-110.3 or 3-110.13. If the  
14 board determines that the amount transferred is less than  
15 the true cost to the Fund of allowing that creditable  
16 service to be established, then in order to establish that  
17 creditable service, the member must pay to the Fund an  
18 additional contribution equal to the difference, as  
19 determined by the board in accordance with the rules and  
20 procedures adopted under this paragraph. If the member  
21 does not make the full additional payment as required by  
22 this paragraph prior to termination of his participation  
23 with that employer, then his or her creditable service  
24 shall be reduced by an amount equal to the difference  
25 between the amount transferred under Section 3-110.3 or  
26 3-110.13, including any payments made by the member under



1           this paragraph prior to termination, and the true cost to  
2           the Fund of allowing that creditable service to be  
3           established, as determined by the board in accordance with  
4           the rules and procedures adopted under this paragraph.

5           The board shall establish by rule the manner of making  
6           the calculation required under this paragraph 11, taking  
7           into account the appropriate actuarial assumptions; the  
8           member's service, age, and salary history, and any other  
9           factors that the board determines to be relevant.

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

14                 a. Application for such credits is received by the  
15           Board while the employee is an active participant of  
16           the Fund or a reciprocal retirement system.

17                 b. Eligibility for participation and earnings are  
18           verified by the Authorized Agent of the participating  
19           employer for which the service was rendered.

20           Creditable service under this paragraph shall be  
21           granted upon payment of the employee contributions that  
22           would have been required had he participated, which shall  
23           be calculated by the Fund using the member contribution  
24           rate in effect during the period that the service was  
25           rendered.

26           (b) Creditable service - amount:

1           1. One month of creditable service shall be allowed  
2           for each month for which a participating employee made  
3           contributions as required under Section 7-173, or for  
4           which creditable service is otherwise granted hereunder.  
5           Not more than 1 month of service shall be credited and  
6           counted for 1 calendar month, and not more than 1 year of  
7           service shall be credited and counted for any calendar  
8           year. A calendar month means a nominal month beginning on  
9           the first day thereof, and a calendar year means a year  
10          beginning January 1 and ending December 31.

11          2. A seasonal employee shall be given 12 months of  
12          creditable service if he renders the number of months of  
13          service normally required by the position in a 12-month  
14          period and he remains in service for the entire 12-month  
15          period. Otherwise a fractional year of service in the  
16          number of months of service rendered shall be credited.

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

20          (c) No application for correction of credits or creditable  
21          service shall be considered unless the board receives an  
22          application for correction while (1) the applicant is a  
23          participating employee and in active employment with a  
24          participating municipality or instrumentality, or (2) while  
25          the applicant is actively participating in a pension fund or  
26          retirement system which is a participating system under the

1 Retirement Systems Reciprocal Act. A participating employee or  
2 other applicant shall not be entitled to credits or creditable  
3 service unless the required employee contributions are made in  
4 a lump sum or in installments made in accordance with board  
5 rule. Payments made to establish service credit under  
6 paragraph 1, 4, 5, 5.1, 6, 7, or 12 of subsection (a) of this  
7 Section must be received by the Board while the applicant is an  
8 active participant in the Fund or a reciprocal retirement  
9 system, except that an applicant may make one payment after  
10 termination of active participation in the Fund or a  
11 reciprocal retirement system.

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

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

21 Section 90. The State Mandates Act is amended by adding  
22 Section 8.45 as follows:

23 (30 ILCS 805/8.45 new)

24 Sec. 8.45. Exempt mandate. Notwithstanding Sections 6 and

1 8 of this Act, no reimbursement by the State is required for  
2 the implementation of any mandate created by this amendatory  
3 Act of the 102nd General Assembly.

4 Section 99. Effective date. This Act takes effect upon  
5 becoming law.