



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB0065

Introduced 1/20/2023, by Sen. Laura Fine

SYNOPSIS AS INTRODUCED:

40 ILCS 5/3-103	from Ch. 108 1/2, par. 3-103
40 ILCS 5/3-146 new	
40 ILCS 5/4-103	from Ch. 108 1/2, par. 4-103
40 ILCS 5/4-141.5 new	
40 ILCS 5/7-109	from Ch. 108 1/2, par. 7-109
40 ILCS 5/7-132	from Ch. 108 1/2, par. 7-132

Amends the Downstate Police, Downstate Firefighter, and Illinois Municipal Retirement Fund (IMRF) Articles of the Illinois Pension Code. Provides that a municipality with a population that has fallen below 5,000 inhabitants as determined by both of the preceding 2 federal decennial censuses, or that has a population of less than 5,000 inhabitants that approved a referendum creating a pension fund, may terminate its participation in a pension fund created under the Downstate Police or Downstate Firefighter Article with regard to persons who first become police officers or firefighters after a specified proposition is adopted and enroll in IMRF police officers or firefighters hired after the adoption of that proposition. Provides the required notice and form of the proposition. Provides that a municipality may elect to terminate its participation under the Article and dissolve the fund if certain conditions are met. Makes conforming and other changes. Effective immediately.

LRB103 00029 RPS 45029 b

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 3-103, 4-103, 7-109, and 7-132 and by adding
6 Sections 3-146 and 4-141.5 as follows:

7 (40 ILCS 5/3-103) (from Ch. 108 1/2, par. 3-103)

8 Sec. 3-103. Municipality. "Municipality": (1) Any city,
9 village, or incorporated town of 5,000 or more but less than
10 500,000 inhabitants, as determined from the United States
11 Government statistics or a census taken at any time by the
12 city, village, or incorporated town and (2) any city, village,
13 or incorporated town of less than 5,000 inhabitants that
14 ~~which~~, by referendum held under Section 3-145, adopts this
15 Article.

16 "Municipality" does not include a city, village, or
17 incorporated town with a population of less than 5,000
18 inhabitants that has adopted a referendum under Section 3-146.

19 (Source: P.A. 83-1440.)

20 (40 ILCS 5/3-146 new)

21 Sec. 3-146. Termination of participation by referendum.
22 Any municipality, as defined in Section 3-103, with a

1 population of less than 5,000 inhabitants as determined by
2 both of the preceding 2 federal decennial censuses, or that
3 has a population of less than 5,000 inhabitants and approved a
4 referendum creating a pension fund under Section 3-145, may,
5 in accordance with this Section, terminate its participation
6 in a pension fund created under this Article with regard to
7 persons who first become police officers after the adoption of
8 the proposition under this Section and enroll in the Illinois
9 Municipal Retirement Fund persons who first become police
10 officers after the adoption of the proposition under this
11 Section.

12 The corporate authorities of the municipality shall, by
13 resolution, provide for submission of the proposition to the
14 voters. The municipality shall certify the resolution and the
15 proposition to the proper election officials who shall submit
16 the proposition in accordance with the general election law at
17 a regular election in the municipality if notice of the
18 referendum has been given in accordance with the provisions of
19 Section 12-5 of the Election Code in effect at the time of the
20 referendum and notice has been published at least 10 and not
21 more than 45 days before the date of the election,
22 notwithstanding the time for publication otherwise imposed by
23 Section 12-5. Notices required in connection with the
24 submission of public questions shall be as set forth in
25 Section 12-5 of the Election Code. If the proposition is not
26 adopted at that election, it may be submitted in like manner at

1 any regular election thereafter. The proposition shall be
2 substantially in the following form:

3 Shall the city (or village or incorporated town as the
4 case may be) of enroll police officers hired after
5 the adoption of this proposition into the Illinois
6 Municipal Retirement Fund and terminate its participation
7 in the Article 3 pension fund once all participants and
8 current beneficiaries have received their entitled
9 benefits?

10 The votes shall be recorded as "Yes" or "No". If a majority
11 of the electors voting on the referendum are in favor of the
12 referendum, the municipality shall notify the Illinois
13 Municipal Retirement Fund in the form and manner specified by
14 the Board of the Illinois Municipal Retirement Fund and all
15 police officers who first become police officers after the
16 adoption of the proposition shall be enrolled in the Illinois
17 Municipal Retirement Fund instead of the fund under this
18 Article. Police officers who first became participants prior
19 to the adoption of the proposition shall continue as
20 participants in the fund under this Article.

21 A municipality that has adopted the proposition may elect
22 to terminate its participation under this Article and dissolve
23 the fund if all of the following conditions are met:

24 (1) An independent auditor certifies that the fund
25 created under this Article has no liabilities and there
26 are no members or participants in the fund and no

1 beneficiaries entitled to benefits under the fund.

2 (2) The corporate authorities of the municipality, by
3 ordinance, approve the closing of the fund.

4 The Department of Insurance shall adopt rules to implement
5 this Section.

6 (40 ILCS 5/4-103) (from Ch. 108 1/2, par. 4-103)

7 Sec. 4-103. Municipality. "Municipality": (1) Any city,
8 township, village, or incorporated town of 5,000 or more but
9 less than 500,000 inhabitants, and any fire protection
10 district having any full-time paid firefighters, and (2) any
11 city, village, incorporated town or township of less than
12 5,000 inhabitants having a full-time paid fire department
13 which adopts the provisions of this article pursuant to the
14 provisions of Section 4-141. The term "city council" or "board
15 of trustees" includes the board of trustees of a fire
16 protection district and the board of town trustees or other
17 persons empowered to draft the tentative budget and
18 appropriation ordinance and the electors of such a township
19 acting at the annual or special meeting of town electors.

20 "Municipality" does not include a city, village,
21 incorporated town, or township of less than 5,000 inhabitants
22 that has adopted a referendum under Section 4-141.5.

23 (Source: P.A. 83-1440.)

24 (40 ILCS 5/4-141.5 new)

1 Sec. 4-141.5. Termination of participation by referendum.
2 Any municipality, as defined in Section 4-103, with a
3 population of less than 5,000 inhabitants as determined by
4 both of the preceding 2 federal decennial censuses, or that
5 has a population of less than 5,000 inhabitants and approved a
6 referendum creating a pension fund under Section 4-141, may,
7 in accordance with this Section, terminate its participation
8 in a pension fund created under this Article with regard to
9 persons who first become firefighters after the adoption of
10 the proposition under this Section and enroll in the Illinois
11 Municipal Retirement Fund persons who first become
12 firefighters after the adoption of the proposition under this
13 Section.

14 The corporate authorities of the municipality shall, by
15 resolution, provide for submission of the proposition to the
16 voters. The municipality shall certify the resolution and the
17 proposition to the proper election officials who shall submit
18 the proposition in accordance with the general election law at
19 a regular election in the municipality if notice of the
20 referendum has been given in accordance with the provisions of
21 Section 12-5 of the Election Code in effect at the time of the
22 referendum and notice has been published at least 10 and not
23 more than 45 days before the date of the election,
24 notwithstanding the time for publication otherwise imposed by
25 Section 12-5. Notices required in connection with the
26 submission of public questions shall be as set forth in

1 Section 12-5 of the Election Code. If the proposition is not
2 adopted at that election, it may be submitted in like manner at
3 any regular election thereafter. The proposition shall be
4 substantially in the following form:

5 Shall the city (or village, township, or incorporated
6 town as the case may be) of enroll firefighters
7 hired after the adoption of this proposition into the
8 Illinois Municipal Retirement Fund and terminate its
9 participation in the Article 4 pension fund once all
10 current participants and beneficiaries have received their
11 entitled benefits?

12 The votes shall be recorded as "Yes" or "No". If a majority
13 of the electors voting on the referendum are in favor of the
14 referendum, the municipality shall notify the Illinois
15 Municipal Retirement Fund in the form and manner specified by
16 the Board of the Illinois Municipal Retirement Fund and all
17 firefighters who first become firefighters after the adoption
18 of the proposition shall be enrolled in the Illinois Municipal
19 Retirement Fund instead of the fund under this Article.
20 Firefighters who first became participants prior to the
21 adoption of the proposition shall continue as participants in
22 the fund under this Article.

23 A municipality that has adopted the proposition may elect
24 to terminate its participation under this Article and dissolve
25 the fund if all of the following conditions are met:

26 (1) An independent auditor certifies that the fund

1 created under this Article has no liabilities and there
2 are no members or participants in the fund and no
3 beneficiaries entitled to benefits under the fund.

4 (2) The corporate authorities of the municipality, by
5 ordinance, approve the closing of the fund.

6 The Department of Insurance shall adopt rules to implement
7 this Section.

8 (40 ILCS 5/7-109) (from Ch. 108 1/2, par. 7-109)
9 Sec. 7-109. Employee.

10 (1) "Employee" means any person who:

11 (a) 1. Receives earnings as payment for the
12 performance of personal services or official duties out of
13 the general fund of a municipality, or out of any special
14 fund or funds controlled by a municipality, or by an
15 instrumentality thereof, or a participating
16 instrumentality, including, in counties, the fees or
17 earnings of any county fee office; and

18 2. Under the usual common law rules applicable in
19 determining the employer-employee relationship, has the
20 status of an employee with a municipality, or any
21 instrumentality thereof, or a participating
22 instrumentality, including alderpersons, county
23 supervisors and other persons (excepting those employed as
24 independent contractors) who are paid compensation, fees,
25 allowances or other emolument for official duties, and, in

1 counties, the several county fee offices.

2 (b) Serves as a township treasurer appointed under the
3 School Code, as heretofore or hereafter amended, and who
4 receives for such services regular compensation as
5 distinguished from per diem compensation, and any regular
6 employee in the office of any township treasurer whether
7 or not his earnings are paid from the income of the
8 permanent township fund or from funds subject to
9 distribution to the several school districts and parts of
10 school districts as provided in the School Code, or from
11 both such sources; or is the chief executive officer,
12 chief educational officer, chief fiscal officer, or other
13 employee of a Financial Oversight Panel established
14 pursuant to Article 1H of the School Code, other than a
15 superintendent or certified school business official,
16 except that such person shall not be treated as an
17 employee under this Section if that person has negotiated
18 with the Financial Oversight Panel, in conjunction with
19 the school district, a contractual agreement for exclusion
20 from this Section.

21 (c) Holds an elective office in a municipality,
22 instrumentality thereof or participating instrumentality.

23 (2) "Employee" does not include persons who:

24 (a) Are eligible for inclusion under any of the
25 following laws:

26 1. "An Act in relation to an Illinois State

1 Teachers' Pension and Retirement Fund", approved May
2 27, 1915, as amended;

3 2. Articles 15 and 16 of this Code.

4 However, such persons shall be included as employees
5 to the extent of earnings that are not eligible for
6 inclusion under the foregoing laws for services not of an
7 instructional nature of any kind.

8 However, any member of the armed forces who is
9 employed as a teacher of subjects in the Reserve Officers
10 Training Corps of any school and who is not certified
11 under the law governing the certification of teachers
12 shall be included as an employee.

13 (b) Are designated by the governing body of a
14 municipality in which a pension fund is required by law to
15 be established for policemen or firemen, respectively, as
16 performing police or fire protection duties, except that
17 when such persons are the heads of the police or fire
18 department and are not eligible to be included within any
19 such pension fund, they shall be included within this
20 Article; provided, that such persons shall not be excluded
21 to the extent of concurrent service and earnings not
22 designated as being for police or fire protection duties.
23 This paragraph (b) does not apply to a person performing
24 police duties for a municipality that has adopted a
25 referendum under Section 3-146 or a person performing fire
26 protection duties for a municipality that has adopted a

1 referendum under Section 4-141.5. However, (i) any head of
2 a police department who was a participant under this
3 Article immediately before October 1, 1977 and did not
4 elect, under Section 3-109 of this Act, to participate in
5 a police pension fund shall be an "employee", and (ii) any
6 chief of police who became a participating employee under
7 this Article before January 1, 2019 and who elects to
8 participate in this Fund under Section 3-109.1 of this
9 Code, regardless of whether such person continues to be
10 employed as chief of police or is employed in some other
11 rank or capacity within the police department, shall be an
12 employee under this Article for so long as such person is
13 employed to perform police duties by a participating
14 municipality and has not lawfully rescinded that election.

15 (b-5) Were not participating employees under this
16 Article before August 26, 2018 (the effective date of
17 Public Act 100-1097) and participated as a chief of police
18 in a fund under Article 3 and return to work in any
19 capacity with the police department, with any oversight of
20 the police department, or in an advisory capacity for the
21 police department with the same municipality with which
22 that pension was earned, regardless of whether they are
23 considered an employee of the police department or are
24 eligible for inclusion in the municipality's Article 3
25 fund.

26 (c) Are contributors to or eligible to contribute to a

1 Taft-Hartley pension plan to which the participating
2 municipality is required to contribute as the person's
3 employer based on earnings from the municipality. Nothing
4 in this paragraph shall affect service credit or
5 creditable service for any period of service prior to July
6 16, 2014 (the effective date of Public Act 98-712), and
7 this paragraph shall not apply to individuals who are
8 participating in the Fund prior to July 16, 2014 (the
9 effective date of Public Act 98-712).

10 (d) Become an employee of any of the following
11 participating instrumentalities on or after January 1,
12 2017 (the effective date of Public Act 99-830): the
13 Illinois Municipal League; the Illinois Association of
14 Park Districts; the Illinois Supervisors, County
15 Commissioners and Superintendents of Highways Association;
16 an association, or not-for-profit corporation, membership
17 in which is authorized under Section 85-15 of the Township
18 Code; the United Counties Council; or the Will County
19 Governmental League.

20 (e) Are members of the Board of Trustees of the
21 Firefighters' Pension Investment Fund, as created under
22 Article 22C of this Code, in their capacity as members of
23 the Board of Trustees of the Firefighters' Pension
24 Investment Fund.

25 (f) Are members of the Board of Trustees of the Police
26 Officers' Pension Investment Fund, as created under

1 Article 22B of this Code, in their capacity as members of
2 the Board of Trustees of the Police Officers' Pension
3 Investment Fund.

4 (3) All persons, including, without limitation, public
5 defenders and probation officers, who receive earnings from
6 general or special funds of a county for performance of
7 personal services or official duties within the territorial
8 limits of the county, are employees of the county (unless
9 excluded by subsection (2) of this Section) notwithstanding
10 that they may be appointed by and are subject to the direction
11 of a person or persons other than a county board or a county
12 officer. It is hereby established that an employer-employee
13 relationship under the usual common law rules exists between
14 such employees and the county paying their salaries by reason
15 of the fact that the county boards fix their rates of
16 compensation, appropriate funds for payment of their earnings
17 and otherwise exercise control over them. This finding and
18 this amendatory Act shall apply to all such employees from the
19 date of appointment whether such date is prior to or after the
20 effective date of this amendatory Act and is intended to
21 clarify existing law pertaining to their status as
22 participating employees in the Fund.

23 (Source: P.A. 102-15, eff. 6-17-21; 102-637, eff. 8-27-21;
24 102-813, eff. 5-13-22.)

25 (40 ILCS 5/7-132) (from Ch. 108 1/2, par. 7-132)

1 Sec. 7-132. Municipalities, instrumentalities and
2 participating instrumentalities included and effective dates.

3 (A) Municipalities and their instrumentalities.

4 (a) The following described municipalities, but not
5 including any with more than 1,000,000 inhabitants, and the
6 instrumentalities thereof, shall be included within and be
7 subject to this Article beginning upon the effective dates
8 specified by the Board:

9 (1) Except as to the municipalities and
10 instrumentalities thereof specifically excluded under this
11 Article, every county shall be subject to this Article,
12 and all cities, villages and incorporated towns having a
13 population in excess of 5,000 inhabitants as determined by
14 the last preceding decennial or subsequent federal census,
15 shall be subject to this Article following publication of
16 the census by the Bureau of the Census. Within 90 days
17 after publication of the census, the Board shall notify
18 any municipality that has become subject to this Article
19 as a result of that census, and shall provide information
20 to the corporate authorities of the municipality
21 explaining the duties and consequences of participation.
22 The notification shall also include a proposed date upon
23 which participation by the municipality will commence.

24 However, for any city, village or incorporated town
25 that attains a population over 5,000 inhabitants after

1 having provided social security coverage for its employees
2 under the Social Security Enabling Act, participation
3 under this Article shall not be mandatory but may be
4 elected in accordance with subparagraph (3) or (4) of this
5 paragraph (a), whichever is applicable.

6 (2) School districts, other than those specifically
7 excluded under this Article, shall be subject to this
8 Article, without election, with respect to all employees
9 thereof.

10 (3) Towns and all other bodies politic and corporate
11 which are formed by vote of, or are subject to control by,
12 the electors in towns and are located in towns which are
13 not participating municipalities on the effective date of
14 this Act, may become subject to this Article by election
15 pursuant to Section 7-132.1.

16 (4) Any other municipality (together with its
17 instrumentalities), other than those specifically excluded
18 from participation and those described in paragraph (3)
19 above, may elect to be included either by referendum under
20 Section 3-146, 4-141.5, or 7-134 or by the adoption of a
21 resolution or ordinance by its governing body. A copy of
22 such resolution or ordinance duly authenticated and
23 certified by the clerk of the municipality or other
24 appropriate official of its governing body shall
25 constitute the required notice to the board of such
26 action.

1 (b) A municipality that is about to begin participation
2 shall submit to the Board an application to participate, in a
3 form acceptable to the Board, not later than 90 days prior to
4 the proposed effective date of participation. The Board shall
5 act upon the application within 90 days, and if it finds that
6 the application is in conformity with its requirements and the
7 requirements of this Article, participation by the applicant
8 shall commence on a date acceptable to the municipality and
9 specified by the Board, but in no event more than one year from
10 the date of application.

11 (c) A participating municipality which succeeds to the
12 functions of a participating municipality which is dissolved
13 or terminates its existence shall assume and be transferred
14 the net accumulation balance in the municipality reserve and
15 the municipality account receivable balance of the terminated
16 municipality.

17 (d) In the case of a Veterans Assistance Commission whose
18 employees were being treated by the Fund on January 1, 1990 as
19 employees of the county served by the Commission, the Fund may
20 continue to treat the employees of the Veterans Assistance
21 Commission as county employees for the purposes of this
22 Article, unless the Commission becomes a participating
23 instrumentality in accordance with subsection (B) of this
24 Section.

25 (B) Participating instrumentalities.

1 (a) The participating instrumentalities designated in
2 paragraph (b) of this subsection shall be included within and
3 be subject to this Article if:

4 (1) an application to participate, in a form
5 acceptable to the Board and adopted by a two-thirds vote
6 of the governing body, is presented to the Board not later
7 than 90 days prior to the proposed effective date; and

8 (2) the Board finds that the application is in
9 conformity with its requirements, that the applicant has
10 reasonable expectation to continue as a political entity
11 for a period of at least 10 years and has the prospective
12 financial capacity to meet its current and future
13 obligations to the Fund, and that the actuarial soundness
14 of the Fund may be reasonably expected to be unimpaired by
15 approval of participation by the applicant.

16 The Board shall notify the applicant of its findings
17 within 90 days after receiving the application, and if the
18 Board approves the application, participation by the applicant
19 shall commence on the effective date specified by the Board.

20 (b) The following participating instrumentalities, so long
21 as they meet the requirements of Section 7-108 and the area
22 served by them or within their jurisdiction is not located
23 entirely within a municipality having more than one million
24 inhabitants, may be included hereunder:

25 i. Township School District Trustees.

26 ii. Multiple County and Consolidated Health

1 Departments created under Division 5-25 of the Counties
2 Code or its predecessor law.

3 iii. Public Building Commissions created under the
4 Public Building Commission Act, and located in counties of
5 less than 1,000,000 inhabitants.

6 iv. A multitype, consolidated or cooperative library
7 system created under the Illinois Library System Act. Any
8 library system created under the Illinois Library System
9 Act that has one or more predecessors that participated in
10 the Fund may participate in the Fund upon application. The
11 Board shall establish procedures for implementing the
12 transfer of rights and obligations from the predecessor
13 system to the successor system.

14 v. Regional Planning Commissions created under
15 Division 5-14 of the Counties Code or its predecessor law.

16 vi. Local Public Housing Authorities created under the
17 Housing Authorities Act, located in counties of less than
18 1,000,000 inhabitants.

19 vii. Illinois Municipal League.

20 viii. Northeastern Illinois Metropolitan Area Planning
21 Commission.

22 ix. Southwestern Illinois Metropolitan Area Planning
23 Commission.

24 x. Illinois Association of Park Districts.

25 xi. Illinois Supervisors, County Commissioners and
26 Superintendents of Highways Association.

- 1 xii. Tri-City Regional Port District.
- 2 xiii. An association, or not-for-profit corporation,
3 membership in which is authorized under Section 85-15 of
4 the Township Code.
- 5 xiv. Drainage Districts operating under the Illinois
6 Drainage Code.
- 7 xv. Local mass transit districts created under the
8 Local Mass Transit District Act.
- 9 xvi. Soil and water conservation districts created
10 under the Soil and Water Conservation Districts Law.
- 11 xvii. Commissions created to provide water supply or
12 sewer services or both under Division 135 or Division 136
13 of Article 11 of the Illinois Municipal Code.
- 14 xviii. Public water districts created under the Public
15 Water District Act.
- 16 xix. Veterans Assistance Commissions established under
17 Section 9 of the Military Veterans Assistance Act that
18 serve counties with a population of less than 1,000,000.
- 19 xx. The governing body of an entity, other than a
20 vocational education cooperative, created under an
21 intergovernmental cooperative agreement established
22 between participating municipalities under the
23 Intergovernmental Cooperation Act, which by the terms of
24 the agreement is the employer of the persons performing
25 services under the agreement under the usual common law
26 rules determining the employer-employee relationship. The

1 governing body of such an intergovernmental cooperative
2 entity established prior to July 1, 1988 may make
3 participation retroactive to the effective date of the
4 agreement and, if so, the effective date of participation
5 shall be the date the required application is filed with
6 the fund. If any such entity is unable to pay the required
7 employer contributions to the fund, then the participating
8 municipalities shall make payment of the required
9 contributions and the payments shall be allocated as
10 provided in the agreement or, if not so provided, equally
11 among them.

12 xxi. The Illinois Municipal Electric Agency.

13 xxii. The Waukegan Port District.

14 xxiii. The Fox Waterway Agency created under the Fox
15 Waterway Agency Act.

16 xxiv. The Illinois Municipal Gas Agency.

17 xxv. The Kaskaskia Regional Port District.

18 xxvi. The Southwestern Illinois Development Authority.

19 xxvii. The Cairo Public Utility Company.

20 xxviii. Except with respect to employees who elect to
21 participate in the State Employees' Retirement System of
22 Illinois under Section 14-104.13 of this Code, the Chicago
23 Metropolitan Agency for Planning created under the
24 Regional Planning Act, provided that, with respect to the
25 benefits payable pursuant to Sections 7-146, 7-150, and
26 7-164 and the requirement that eligibility for such

1 benefits is conditional upon satisfying a minimum period
2 of service or a minimum contribution, any employee of the
3 Chicago Metropolitan Agency for Planning that was
4 immediately prior to such employment an employee of the
5 Chicago Area Transportation Study or the Northeastern
6 Illinois Planning Commission, such employee's service at
7 the Chicago Area Transportation Study or the Northeastern
8 Illinois Planning Commission and contributions to the
9 State Employees' Retirement System of Illinois established
10 under Article 14 and the Illinois Municipal Retirement
11 Fund shall count towards the satisfaction of such
12 requirements.

13 xxix. United Counties Council (formerly the Urban
14 Counties Council), but only if the Council has a ruling
15 from the United States Internal Revenue Service that it is
16 a governmental entity.

17 xxx. The Will County Governmental League, but only if
18 the League has a ruling from the United States Internal
19 Revenue Service that it is a governmental entity.

20 xxxi. The Firefighters' Pension Investment Fund.

21 xxxii. The Police Officers' Pension Investment Fund.

22 (c) The governing boards of special education joint
23 agreements created under Section 10-22.31 of the School Code
24 without designation of an administrative district shall be
25 included within and be subject to this Article as
26 participating instrumentalities when the joint agreement

1 becomes effective. However, the governing board of any such
2 special education joint agreement in effect before September
3 5, 1975 shall not be subject to this Article unless the joint
4 agreement is modified by the school districts to provide that
5 the governing board is subject to this Article, except as
6 otherwise provided by this Section.

7 The governing board of the Special Education District of
8 Lake County shall become subject to this Article as a
9 participating instrumentality on July 1, 1997. Notwithstanding
10 subdivision (a)1 of Section 7-139, on the effective date of
11 participation, employees of the governing board of the Special
12 Education District of Lake County shall receive creditable
13 service for their prior service with that employer, up to a
14 maximum of 5 years, without any employee contribution.
15 Employees may establish creditable service for the remainder
16 of their prior service with that employer, if any, by applying
17 in writing and paying an employee contribution in an amount
18 determined by the Fund, based on the employee contribution
19 rates in effect at the time of application for the creditable
20 service and the employee's salary rate on the effective date
21 of participation for that employer, plus interest at the
22 effective rate from the date of the prior service to the date
23 of payment. Application for this creditable service must be
24 made before July 1, 1998; the payment may be made at any time
25 while the employee is still in service. The employer may elect
26 to make the required contribution on behalf of the employee.

1 The governing board of a special education joint agreement
2 created under Section 10-22.31 of the School Code for which an
3 administrative district has been designated, if there are
4 employees of the cooperative educational entity who are not
5 employees of the administrative district, may elect to
6 participate in the Fund and be included within this Article as
7 a participating instrumentality, subject to such application
8 procedures and rules as the Board may prescribe.

9 The Boards of Control of cooperative or joint educational
10 programs or projects created and administered under Section
11 3-15.14 of the School Code, whether or not the Boards act as
12 their own administrative district, shall be included within
13 and be subject to this Article as participating
14 instrumentalities when the agreement establishing the
15 cooperative or joint educational program or project becomes
16 effective.

17 The governing board of a special education joint agreement
18 entered into after June 30, 1984 and prior to September 17,
19 1985 which provides for representation on the governing board
20 by less than all the participating districts shall be included
21 within and subject to this Article as a participating
22 instrumentality. Such participation shall be effective as of
23 the date the joint agreement becomes effective.

24 The governing boards of educational service centers
25 established under Section 2-3.62 of the School Code shall be
26 included within and subject to this Article as participating

1 instrumentalities. The governing boards of vocational
2 education cooperative agreements created under the
3 Intergovernmental Cooperation Act and approved by the State
4 Board of Education shall be included within and be subject to
5 this Article as participating instrumentalities. If any such
6 governing boards or boards of control are unable to pay the
7 required employer contributions to the fund, then the school
8 districts served by such boards shall make payment of required
9 contributions as provided in Section 7-172. The payments shall
10 be allocated among the several school districts in proportion
11 to the number of students in average daily attendance for the
12 last full school year for each district in relation to the
13 total number of students in average attendance for such period
14 for all districts served. If such educational service centers,
15 vocational education cooperatives or cooperative or joint
16 educational programs or projects created and administered
17 under Section 3-15.14 of the School Code are dissolved, the
18 assets and obligations shall be distributed among the
19 districts in the same proportions unless otherwise provided.

20 The governing board of Paris Cooperative High School shall
21 be included within and be subject to this Article as a
22 participating instrumentality on the effective date of this
23 amendatory Act of the 96th General Assembly. If the governing
24 board of Paris Cooperative High School is unable to pay the
25 required employer contributions to the fund, then the school
26 districts served shall make payment of required contributions

1 as provided in Section 7-172. The payments shall be allocated
2 among the several school districts in proportion to the number
3 of students in average daily attendance for the last full
4 school year for each district in relation to the total number
5 of students in average attendance for such period for all
6 districts served. If Paris Cooperative High School is
7 dissolved, then the assets and obligations shall be
8 distributed among the districts in the same proportions unless
9 otherwise provided.

10 The Philip J. Rock Center and School shall be included
11 within and be subject to this Article as a participating
12 instrumentality on the effective date of this amendatory Act
13 of the 97th General Assembly. The Philip J. Rock Center and
14 School shall certify to the Fund the dates of service of all
15 employees within 90 days of the effective date of this
16 amendatory Act of the 97th General Assembly. The Fund shall
17 transfer to the IMRF account of the Philip J. Rock Center and
18 School all creditable service and all employer contributions
19 made on behalf of the employees for service at the Philip J.
20 Rock Center and School that were reported and paid to IMRF by
21 another employer prior to this date. If the Philip J. Rock
22 Center and School is unable to pay the required employer
23 contributions to the Fund, then the amount due will be paid by
24 all employers as defined in item (2) of paragraph (a) of
25 subsection (A) of this Section. The payments shall be
26 allocated among these employers in proportion to the number of

1 students in average daily attendance for the last full school
2 year for each district in relation to the total number of
3 students in average attendance for such period for all
4 districts. If the Philip J. Rock Center and School is
5 dissolved, then its IMRF assets and obligations shall be
6 distributed in the same proportions unless otherwise provided.

7 Financial Oversight Panels established under Article 1H of
8 the School Code shall be included within and be subject to this
9 Article as a participating instrumentality on the effective
10 date of this amendatory Act of the 97th General Assembly. If
11 the Financial Oversight Panel is unable to pay the required
12 employer contributions to the fund, then the school districts
13 served shall make payment of required contributions as
14 provided in Section 7-172. If the Financial Oversight Panel is
15 dissolved, then the assets and obligations shall be
16 distributed to the district served.

17 (d) The governing boards of special recreation joint
18 agreements created under Section 8-10b of the Park District
19 Code, operating without designation of an administrative
20 district or an administrative municipality appointed to
21 administer the program operating under the authority of such
22 joint agreement shall be included within and be subject to
23 this Article as participating instrumentalities when the joint
24 agreement becomes effective. However, the governing board of
25 any such special recreation joint agreement in effect before
26 January 1, 1980 shall not be subject to this Article unless the

1 joint agreement is modified, by the districts and
2 municipalities which are parties to the agreement, to provide
3 that the governing board is subject to this Article.

4 If the Board returns any employer and employee
5 contributions to any employer which erroneously submitted such
6 contributions on behalf of a special recreation joint
7 agreement, the Board shall include interest computed from the
8 end of each year to the date of payment, not compounded, at the
9 rate of 7% per annum.

10 (e) Each multi-township assessment district, the board of
11 trustees of which has adopted this Article by ordinance prior
12 to April 1, 1982, shall be a participating instrumentality
13 included within and subject to this Article effective December
14 1, 1981. The contributions required under Section 7-172 shall
15 be included in the budget prepared under and allocated in
16 accordance with Section 2-30 of the Property Tax Code.

17 (f) The Illinois Medical District Commission created under
18 the Illinois Medical District Act may be included within and
19 subject to this Article as a participating instrumentality,
20 notwithstanding that the location of the District is entirely
21 within the City of Chicago. To become a participating
22 instrumentality, the Commission must apply to the Board in the
23 manner set forth in paragraph (a) of this subsection (B). If
24 the Board approves the application, under the criteria and
25 procedures set forth in paragraph (a) and any other applicable
26 rules, criteria, and procedures of the Board, participation by

1 the Commission shall commence on the effective date specified
2 by the Board.

3 (C) Prospective participants.

4 Beginning January 1, 1992, each prospective participating
5 municipality or participating instrumentality shall pay to the
6 Fund the cost, as determined by the Board, of a study prepared
7 by the Fund or its actuary, detailing the prospective costs of
8 participation in the Fund to be expected by the municipality
9 or instrumentality.

10 (Source: P.A. 102-637, eff. 8-27-21.)

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