

1 AN ACT in relation to 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 4-118.1 and adding Sections 4-108.4,
6 4-109.3, and 7-139.10 as follows:

7 (40 ILCS 5/4-108.4 new)

8 Sec. 4-108.4. Transfer of creditable service from Article
9 7 fund.

10 (a) Any exempt firefighter, as defined in Section
11 4-109.3, who was excluded from participation in an Article 4
12 fund because of age and is a participant in the Illinois
13 Municipal Retirement System may become an active participant
14 in that firefighter pension fund by making a written
15 application to the Board before January 1, 2004. Persons so
16 applying shall begin participation on the first day of the
17 month following the month in which the application is
18 received by the Board. An exempt employee who makes
19 application for participation shall not be deemed ineligible
20 to participate in the firefighter pension fund by reason of
21 having failed to apply within the 3-month period specified in
22 subsection (b) of Section 4-107.

23 (b) An exempt firefighter, as defined in Section
24 4-109.3, who was excluded from participation in an Article 4
25 fund because of age and is a participant in the Illinois
26 Municipal Retirement System may also elect to establish
27 creditable service for periods of employment as a firefighter
28 during which he or she did not participate in an Article 4
29 fund by paying into the fund, before January 1, 2004, the
30 amount that the person would have contributed had deductions
31 from salary been made for this purpose at the time the

1 service was rendered, together with interest thereon at 6%
 2 per annum, compounded annually, from the time the service was
 3 rendered until the date of payment, less any amounts
 4 transferred from the Illinois Municipal Retirement Fund under
 5 Section 7-139.10.

6 (c) In no event shall pension credit for the same
 7 service rendered by an employee be accredited in more than
 8 one participating system. If an exempt employee applies for
 9 service credit under subsection (b), then any creditable
 10 service time accumulated in the Illinois Municipal Retirement
 11 Fund for the same period must be transferred to the Article 4
 12 fund under Section 7-139.10.

13 (40 ILCS 5/4-109.3 new)

14 Sec. 4-109.3. Exempt employee creditable service.

15 (a) As used in this Section:

16 "Exempt firefighter" means a firefighter who is not a
 17 party to a collective bargaining agreement under the Illinois
 18 Public Labor Relations Act by virtue of being employed as a
 19 supervisor for the purposes of that Act.

20 "Final monthly salary" means the monthly salary attached
 21 to the rank held by the firefighter at the time of his or her
 22 last withdrawal from service under a particular pension fund.

23 "Last pension fund" means the pension fund in which the
 24 firefighter was participating at the time of his or her last
 25 withdrawal from service.

26 (b) The benefits provided under this Section are
 27 available only to a firefighter who:

28 (1) is an exempt firefighter at the time of
 29 withdrawal from the last pension fund and for at least
 30 the final 3 years of employment prior to that withdrawal;

31 (2) has established service credit with at least
 32 one pension fund established under this Article other
 33 than the last pension fund;

1 (3) has a total of at least 20 years of service
2 under the various pension funds established under this
3 Article and has attained age 50;

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

6 (5) has not received a refund under subsection (c)
7 of Section 4-118.1.

8 (c) A firefighter who is eligible for benefits under
9 this Section may elect to receive a retirement pension from
10 each pension fund under this Article in which the firefighter
11 has at least one year of service credit, by applying in
12 writing and paying the contribution required under subsection
13 (i).

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

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

25 The last pension fund shall calculate the retirement
26 pension that would be payable to the firefighter under
27 subsection (a) of Section 4-109 if he or she had participated
28 in that last pension fund during his or her entire period of
29 service under all pension funds established under this
30 Article. From this hypothetical pension there shall be
31 subtracted the original amounts of the retirement pensions
32 payable to the firefighter by all other pension funds under
33 subsection (d). The remainder is the retirement pension
34 payable to the firefighter by the last pension fund under

1 this subsection (e).

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

5 (g) A current exempt firefighter may reinstate
6 creditable service in a pension fund established under this
7 Article that was terminated upon receipt of a refund, by
8 payment to that pension fund of the amount of the refund
9 together with interest thereon at the rate of 6% per year,
10 compounded annually, from the date of the refund to the date
11 of payment. A repayment of a refund under this Section may
12 be made in equal installments over a period of up to 10
13 years, but must be paid in full prior to retirement.

14 (h) As a condition of being hired for or promoted to a
15 position as an exempt firefighter on or after the effective
16 date of this amendatory Act of the 93rd General Assembly, a
17 firefighter must notify the new employer, all of his or her
18 previous employers under this Article, and the Public Pension
19 Division of the Department of Insurance, within one year of
20 being hired or promoted to an exempt rank, of all periods of
21 service of at least one year under a pension fund established
22 under this Article.

23 (i) In order to receive a pension under this Section, a
24 firefighter must pay to each pension fund under this Article
25 in which he or she has at least one year of service credit a
26 contribution equal to 1/12th of 1% of monthly salary for each
27 month of service credit that the firefighter has in that fund
28 (other than service credit for which the firefighter has
29 already paid the additional contribution required under
30 subsection (c) of Section 4-118.1), together with interest at
31 the rate of 6% per year, compounded annually, from the date
32 of the service to the date of payment.

33 A retired exempt firefighter who receives a pension under
34 this Section may return to duty as an exempt firefighter if

1 he or she (i) suspends that pension, and (ii) repays the
2 amount of any pension received under this Section, plus
3 interest at the rate of 6% per year, compounded annually.

4 (j) A firefighter who is newly hired or promoted to a
5 position as an exempt firefighter shall not be denied
6 participation in a fund under this Article based on his or
7 her age.

8 (40 ILCS 5/4-118.1) (from Ch. 108 1/2, par. 4-118.1)
9 Sec. 4-118.1. Contributions by firefighters.

10 (a) Beginning January 1, 1976 and until the effective
11 date of this amendatory Act of the 91st General Assembly,
12 each firefighter shall contribute to the pension fund 6 3/4%
13 of salary towards the cost of his or her pension. Beginning
14 on the effective date of this amendatory Act of the 91st
15 General Assembly, each firefighter shall contribute to the
16 pension fund 6.955% of salary towards the cost of his or her
17 pension.

18 (b) In addition, beginning January 1, 1976, each
19 firefighter shall contribute 1% of salary toward the cost of
20 the increase in pension provided in Section 4-109.1;
21 beginning January 1, 1987, such contribution shall be 1.5% of
22 salary.

23 (c) Beginning on the effective date of this amendatory
24 Act of the 93rd General Assembly, each firefighter who is an
25 exempt firefighter as defined in Section 4-109.3 who elects
26 to receive a pension under Section 4-109.3 and who has
27 participated in at least one other pension fund under this
28 Article for a period of at least one year shall contribute an
29 additional 1.0% of salary toward the cost of the pensions
30 provided in Section 4-109.3. In the event that the exempt
31 firefighter does not elect to receive the retirement pensions
32 provided under Section 4-109.3, he or she shall, upon
33 withdrawal from the last pension fund as defined in Section

1 4-109.3, be entitled to receive, from each fund to which he
2 or she has paid additional contributions under this
3 subsection (c), a refund of those contributions without
4 interest. A firefighter who accepts any refund under this
5 subsection is thereafter ineligible to receive the pensions
6 provided under Section 4-109.3.

7 (d) "Salary" means the annual salary, including
8 longevity, attached to the firefighter's rank, as established
9 by the municipality appropriation ordinance, including any
10 compensation for overtime which is included in the salary so
11 established, but excluding any "overtime pay", "holiday pay",
12 "bonus pay", "merit pay", or any other cash benefit not
13 included in the salary so established.

14 (e) The contributions shall be deducted and withheld
15 from the salary of firefighters.

16 (Source: P.A. 91-466, eff. 8-6-99.)

17 (40 ILCS 5/7-139.10 new)

18 Sec. 7-139.10. Transfer to Article 4 pension fund. Until
19 January 1, 2004, a person who has elected under Section
20 4-108.4 to become an active participant in a firefighter
21 pension fund established under Article 4 of this Code may
22 apply for transfer to that Article 4 fund of his or her
23 creditable service accumulated under this Article for
24 municipal firefighter service. At the time of the transfer
25 the Fund shall pay to the firefighter pension fund an amount
26 equal to:

27 (1) the amounts accumulated to the credit of the
28 applicant for municipal firefighter service, including
29 interest;

30 (2) any interest paid by the applicant in order to
31 reinstate that service; and

32 (3) the municipality credits based on that service,
33 including interest.

1 Participation in this fund with respect to the
2 transferred credits shall terminate on the date of transfer.

3 For the purpose of this Section, "municipal firefighter
4 service" means service with the fire department of a
5 participating municipality for which the applicant
6 established creditable service under this Article.

7 Section 90. The State Mandates Act is amended by adding
8 Section 8.27 as follows:

9 (30 ILCS 805/8.27 new)

10 Sec. 8.27. Exempt mandate. Notwithstanding Sections 6
11 and 8 of this Act, no reimbursement by the State is required
12 for the implementation of any mandate created by this
13 amendatory Act of the 93rd General Assembly.

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