

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 changing
5 Sections 3-110 and 7-139 and adding Sections 3-110.8 and
6 7-139.11 as follows:

7 (40 ILCS 5/3-110) (from Ch. 108 1/2, par. 3-110)
8 Sec. 3-110. Creditable service.

9 (a) "Creditable service" is the time served by a police
10 officer as a member of a regularly constituted police force of
11 a municipality. In computing creditable service furloughs
12 without pay exceeding 30 days shall not be counted, but all
13 leaves of absence for illness or accident, regardless of
14 length, and all periods of disability retirement for which a
15 police officer has received no disability pension payments
16 under this Article shall be counted.

17 (a-5) Up to 3 years of time during which the police officer
18 receives a disability pension under Section 3-114.1, 3-114.2,
19 3-114.3, or 3-114.6 shall be counted as creditable service,
20 provided that (i) the police officer returns to active service
21 after the disability for a period at least equal to the period
22 for which credit is to be established and (ii) the police
23 officer makes contributions to the fund based on the rates
24 specified in Section 3-125.1 and the salary upon which the
25 disability pension is based. These contributions may be paid at
26 any time prior to the commencement of a retirement pension. The
27 police officer may, but need not, elect to have the
28 contributions deducted from the disability pension or to pay
29 them in installments on a schedule approved by the board. If
30 not deducted from the disability pension, the contributions
31 shall include interest at the rate of 6% per year, compounded
32 annually, from the date for which service credit is being

1 established to the date of payment. If contributions are paid
2 under this subsection (a-5) in excess of those needed to
3 establish the credit, the excess shall be refunded. This
4 subsection (a-5) applies to persons receiving a disability
5 pension under Section 3-114.1, 3-114.2, 3-114.3, or 3-114.6 on
6 the effective date of this amendatory Act of the 91st General
7 Assembly, as well as persons who begin to receive such a
8 disability pension after that date.

9 (b) Creditable service includes all periods of service in
10 the military, naval or air forces of the United States entered
11 upon while an active police officer of a municipality, provided
12 that upon applying for a permanent pension, and in accordance
13 with the rules of the board, the police officer pays into the
14 fund the amount the officer would have contributed if he or she
15 had been a regular contributor during such period, to the
16 extent that the municipality which the police officer served
17 has not made such contributions in the officer's behalf. The
18 total amount of such creditable service shall not exceed 5
19 years, except that any police officer who on July 1, 1973 had
20 more than 5 years of such creditable service shall receive the
21 total amount thereof.

22 (c) Creditable service also includes service rendered by a
23 police officer while on leave of absence from a police
24 department to serve as an executive of an organization whose
25 membership consists of members of a police department, subject
26 to the following conditions: (i) the police officer is a
27 participant of a fund established under this Article with at
28 least 10 years of service as a police officer; (ii) the police
29 officer received no credit for such service under any other
30 retirement system, pension fund, or annuity and benefit fund
31 included in this Code; (iii) pursuant to the rules of the board
32 the police officer pays to the fund the amount he or she would
33 have contributed had the officer been an active member of the
34 police department; and (iv) the organization pays a
35 contribution equal to the municipality's normal cost for that
36 period of service.

1 (d) (1) Creditable service also includes periods of
2 service originally established in another police pension
3 fund under this Article or in the Fund established under
4 Article 7 of this Code for which (i) the contributions have
5 been transferred under Section 3-110.7 or Section 7-139.9
6 and (ii) any additional contribution required under
7 paragraph (2) of this subsection has been paid in full in
8 accordance with the requirements of this subsection (d).

9 (2) If the board of the pension fund to which
10 creditable service and related contributions are
11 transferred under Section 3-110.7 or 7-139.9 determines
12 that the amount transferred is less than the true cost to
13 the pension fund of allowing that creditable service to be
14 established, then in order to establish that creditable
15 service the police officer must pay to the pension fund,
16 within the payment period specified in paragraph (3) of
17 this subsection, an additional contribution equal to the
18 difference, as determined by the board in accordance with
19 the rules and procedures adopted under paragraph (6) of
20 this subsection.

21 (3) Except as provided in paragraph (4), the additional
22 contribution must be paid to the board (i) within 5 years
23 from the date of the transfer of contributions under
24 Section 3-110.7 or 7-139.9 and (ii) before the police
25 officer terminates service with the fund. The additional
26 contribution may be paid in a lump sum or in accordance
27 with a schedule of installment payments authorized by the
28 board.

29 (4) If the police officer dies in service before
30 payment in full has been made and before the expiration of
31 the 5-year payment period, the surviving spouse of the
32 officer may elect to pay the unpaid amount on the officer's
33 behalf within 6 months after the date of death, in which
34 case the creditable service shall be granted as though the
35 deceased police officer had paid the remaining balance on
36 the day before the date of death.

1 (5) If the additional contribution is not paid in full
2 within the required time, the creditable service shall not
3 be granted and the police officer (or the officer's
4 surviving spouse or estate) shall be entitled to receive a
5 refund of (i) any partial payment of the additional
6 contribution that has been made by the police officer and
7 (ii) those portions of the amounts transferred under
8 subdivision (a)(1) of Section 3-110.7 or subdivisions
9 (a)(1) and (a)(3) of Section 7-139.9 that represent
10 employee contributions paid by the police officer (but not
11 the accumulated interest on those contributions) and
12 interest paid by the police officer to the prior pension
13 fund in order to reinstate service terminated by acceptance
14 of a refund.

15 At the time of paying a refund under this item (5), the
16 pension fund shall also repay to the pension fund from
17 which the contributions were transferred under Section
18 3-110.7 or 7-139.9 the amount originally transferred under
19 subdivision (a)(2) of that Section, plus interest at the
20 rate of 6% per year, compounded annually, from the date of
21 the original transfer to the date of repayment. Amounts
22 repaid to the Article 7 fund under this provision shall be
23 credited to the appropriate municipality.

24 Transferred credit that is not granted due to failure
25 to pay the additional contribution within the required time
26 is lost; it may not be transferred to another pension fund
27 and may not be reinstated in the pension fund from which it
28 was transferred.

29 (6) The Public Employee Pension Fund Division of the
30 Department of Insurance shall establish by rule the manner
31 of making the calculation required under paragraph (2) of
32 this subsection, taking into account the appropriate
33 actuarial assumptions; the police officer's service, age,
34 and salary history; the level of funding of the pension
35 fund to which the credits are being transferred; and any
36 other factors that the Division determines to be relevant.

1 The rules may require that all calculations made under
2 paragraph (2) be reported to the Division by the board
3 performing the calculation, together with documentation of
4 the creditable service to be transferred, the amounts of
5 contributions and interest to be transferred, the manner in
6 which the calculation was performed, the numbers relied
7 upon in making the calculation, the results of the
8 calculation, and any other information the Division may
9 deem useful.

10 (e)(1) Creditable service also includes periods of
11 service originally established in the Fund established
12 under Article 7 of this Code for which the contributions
13 have been transferred under Section 7-139.11.

14 (2) If the board of the pension fund to which
15 creditable service and related contributions are
16 transferred under Section 7-139.11 determines that the
17 amount transferred is less than the true cost to the
18 pension fund of allowing that creditable service to be
19 established, then the amount of creditable service the
20 police officer may establish under this subsection (e)
21 shall be reduced by an amount equal to the difference, as
22 determined by the board in accordance with the rules and
23 procedures adopted under paragraph (3) of this subsection.

24 (3) The Public Pension Division of the Department of
25 Financial and Professional Regulation shall establish by
26 rule the manner of making the calculation required under
27 paragraph (2) of this subsection, taking into account the
28 appropriate actuarial assumptions; the police officer's
29 service, age, and salary history; the level of funding of
30 the pension fund to which the credits are being
31 transferred; and any other factors that the Division
32 determines to be relevant. The rules may require that all
33 calculations made under paragraph (2) be reported to the
34 Division by the board performing the calculation, together
35 with documentation of the creditable service to be
36 transferred, the amounts of contributions and interest to

1 be transferred, the manner in which the calculation was
2 performed, the numbers relied upon in making the
3 calculation, the results of the calculation, and any other
4 information the Division may deem useful.

5 (Source: P.A. 90-460, eff. 8-17-97; 91-887, eff. 7-6-00;
6 91-939, eff. 2-1-01.)

7 (40 ILCS 5/3-110.8 new)

8 Sec. 3-110.8. Transfer to IMRF.

9 (a) Until January 1, 2006, any active member of the
10 Illinois Municipal Retirement Fund who has less than 8 years of
11 creditable service in a police pension fund under this Article,
12 may apply for transfer of his creditable service accumulated in
13 that fund to the Illinois Municipal Retirement Fund. The
14 creditable service shall be transferred upon payment by the
15 police pension fund to the Illinois Municipal Retirement Fund
16 of an amount equal to:

17 (1) the amounts accumulated to the credit of the
18 applicant on the books of the fund on the date of transfer;
19 and

20 (2) employer contributions in an amount equal to the
21 amount determined under subparagraph (1); and

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

24 Participation in this Fund shall terminate on the date of
25 transfer.

26 (b) Until January 1, 2006, any member under subsection (a)
27 may reinstate service which was terminated by receipt of a
28 refund, by payment to the police pension fund of the amount of
29 the refund with interest thereon at the rate of 6% per year,
30 compounded annually, from the date of refund to the date of
31 payment.

32 (40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)

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

34 (a) Each participating employee shall be granted credits

1 and creditable service, for purposes of determining the amount
2 of any annuity or benefit to which he or a beneficiary is
3 entitled, as follows:

4 1. For prior service: Each participating employee who
5 is an employee of a participating municipality or
6 participating instrumentality on the effective date shall
7 be granted creditable service, but no credits under
8 paragraph 2 of this subsection (a), for periods of prior
9 service for which credit has not been received under any
10 other pension fund or retirement system established under
11 this Code, as follows:

12 If the effective date of participation for the
13 participating municipality or participating
14 instrumentality is on or before January 1, 1998, creditable
15 service shall be granted for the entire period of prior
16 service with that employer without any employee
17 contribution.

18 If the effective date of participation for the
19 participating municipality or participating
20 instrumentality is after January 1, 1998, creditable
21 service shall be granted for the last 20% of the period of
22 prior service with that employer, but no more than 5 years,
23 without any employee contribution. A participating
24 employee may establish creditable service for the
25 remainder of the period of prior service with that employer
26 by making an application in writing, accompanied by payment
27 of an employee contribution in an amount determined by the
28 Fund, based on the employee contribution rates in effect at
29 the time of application for the creditable service and the
30 employee's salary rate on the effective date of
31 participation for that employer, plus interest at the
32 effective rate from the date of the prior service to the
33 date of payment. Application for this creditable service
34 may be made at any time while the employee is still in
35 service.

36 A municipality that (i) has at least 35 employees; (ii)

1 is located in a county with at least 2,000,000 inhabitants;
2 and (iii) maintains an independent defined benefit pension
3 plan for the benefit of its eligible employees may restrict
4 creditable service in whole or in part for periods of prior
5 service with the employer if the governing body of the
6 municipality adopts an irrevocable resolution to restrict
7 that creditable service and files the resolution with the
8 board before the municipality's effective date of
9 participation.

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

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

27 a. Additional credits of amounts equal to each
28 payment of additional contributions received from him
29 under Section 7-173, as of the date the corresponding
30 payment of earnings is payable to him.

31 b. Normal credits of amounts equal to each payment
32 of normal contributions received from him, as of the
33 date the corresponding payment of earnings is payable
34 to him, and normal contributions made for the purpose
35 of establishing out-of-state service credits as
36 permitted under the conditions set forth in paragraph 6

1 of this subsection (a).

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

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

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

21 4. For authorized leave of absence without pay: A
22 participating employee shall be granted credits and
23 creditable service for periods of authorized leave of
24 absence without pay under the following conditions:

25 a. An application for credits and creditable
26 service is submitted to the board while the employee is
27 in a status of active employment, and within 2 years
28 after termination of the leave of absence period for
29 which credits and creditable service are sought.

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

34 c. Credits and creditable service shall be granted
35 for leave of absence only if such leave is approved by
36 the governing body of the municipality, including

1 approval of the estimated cost thereof to the
2 municipality as determined by the fund, and employee
3 contributions, plus interest at the effective rate
4 applicable for each year from the end of the period of
5 leave to date of payment, have been paid to the fund in
6 accordance with Section 7-173. The contributions shall
7 be computed upon the assumption earnings continued
8 during the period of leave at the rate in effect when
9 the leave began.

10 d. Benefits under the provisions of Sections
11 7-141, 7-146, 7-150 and 7-163 shall become payable to
12 employees on authorized leave of absence, or their
13 designated beneficiary, only if such leave of absence
14 is creditable hereunder, and if the employee has at
15 least one year of creditable service other than the
16 service granted for leave of absence. Any employee
17 contributions due may be deducted from any benefits
18 payable.

19 e. No credits or creditable service shall be
20 allowed for leave of absence without pay during any
21 period of prior service.

22 5. For military service: The governing body of a
23 municipality or participating instrumentality may elect to
24 allow creditable service to participating employees who
25 leave their employment to serve in the armed forces of the
26 United States for all periods of such service, provided
27 that the person returns to active employment within 90 days
28 after completion of full time active duty, but no
29 creditable service shall be allowed such person for any
30 period that can be used in the computation of a pension or
31 any other pay or benefit, other than pay for active duty,
32 for service in any branch of the armed forces of the United
33 States. If necessary to the computation of any benefit, the
34 board shall establish municipality credits for
35 participating employees under this paragraph on the
36 assumption that the employee received earnings at the rate

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

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

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

32 5.1. In addition to any creditable service established
33 under paragraph 5 of this subsection (a), creditable
34 service may be granted for up to 24 months of service in
35 the armed forces of the United States.

36 In order to receive creditable service for military

1 service under this paragraph 5.1, a participating employee
2 must (1) apply to the Fund in writing and provide evidence
3 of the military service that is satisfactory to the Board;
4 (2) obtain the written approval of the current employer;
5 and (3) make contributions to the Fund equal to (i) the
6 employee contributions that would have been required had
7 the service been rendered as a member, plus (ii) an amount
8 determined by the board to be equal to the employer's
9 normal cost of the benefits accrued for that military
10 service, plus (iii) interest on items (i) and (ii) from the
11 date of first membership in the Fund to the date of
12 payment. If payment is made during the 6-month period that
13 begins 3 months after the effective date of this amendatory
14 Act of 1997, the required interest shall be at the rate of
15 2.5% per year, compounded annually; otherwise, the
16 required interest shall be calculated at the regular
17 interest rate.

18 6. For out-of-state service: Creditable service shall
19 be granted for service rendered to an out-of-state local
20 governmental body under the following conditions: The
21 employee had participated and has irrevocably forfeited
22 all rights to benefits in the out-of-state public employees
23 pension system; the governing body of his participating
24 municipality or instrumentality authorizes the employee to
25 establish such service; the employee has 2 years current
26 service with this municipality or participating
27 instrumentality; the employee makes a payment of
28 contributions, which shall be computed at 8% (normal) plus
29 2% (survivor) times length of service purchased times the
30 average rate of earnings for the first 2 years of service
31 with the municipality or participating instrumentality
32 whose governing body authorizes the service established
33 plus interest at the effective rate on the date such
34 credits are established, payable from the date the employee
35 completes the required 2 years of current service to date
36 of payment. In no case shall more than 120 months of

1 creditable service be granted under this provision.

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

14 Any employee who is a participating employee on or
15 after September 24, 1981 and who was excluded from
16 participation by the age restrictions removed by Public Act
17 82-596 may receive creditable service for the period, on or
18 after January 1, 1979, excluded by the age restriction and,
19 in addition, if the governing body of the participating
20 municipality or participating instrumentality elects to
21 allow creditable service for all employees excluded by the
22 age restriction prior to January 1, 1979, for service
23 during the period prior to that date excluded by the age
24 restriction. Any employee who was excluded from
25 participation by the age restriction removed by Public Act
26 82-596 and who is not a participating employee on or after
27 September 24, 1981 may receive creditable service for
28 service after January 1, 1979. Creditable service under
29 this paragraph shall be granted upon payment of the
30 employee contributions which would have been required had
31 he participated, with interest at the effective rate for
32 each year from the end of the period of service established
33 to date of payment.

34 8. For accumulated unused sick leave: A participating
35 employee who is applying for a retirement annuity shall be
36 entitled to creditable service for that portion of the

1 employee's accumulated unused sick leave for which payment
2 is not received, as follows:

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

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

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

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

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

30 f. Each participating municipality and
31 participating instrumentality with which an employee
32 has service within 60 days of the effective date of his
33 retirement annuity shall certify to the board the
34 number of accumulated unpaid sick leave days credited
35 to the employee at the time of termination of service.

36 9. For service transferred from another system:

1 Credits and creditable service shall be granted for service
2 under Article 3, 4, 5, 14 or 16 of this Act, to any active
3 member of this Fund, and to any inactive member who has
4 been a county sheriff, upon transfer of such credits
5 pursuant to Section 3-110.3, 4-108.3, 5-235, 14-105.6 or
6 16-131.4, and payment by the member of the amount by which
7 (1) the employer and employee contributions that would have
8 been required if he had participated in this Fund as a
9 sheriff's law enforcement employee during the period for
10 which credit is being transferred, plus interest thereon at
11 the effective rate for each year, compounded annually, from
12 the date of termination of the service for which credit is
13 being transferred to the date of payment, exceeds (2) the
14 amount actually transferred to the Fund. Such transferred
15 service shall be deemed to be service as a sheriff's law
16 enforcement employee for the purposes of Section 7-142.1.

17 10. For service transferred from an Article 3 system
18 under Section 3-110.8: Credits and creditable service
19 shall be granted for service under Article 3 of this Act as
20 provided in Section 3-110.8, to any active member of this
21 Fund upon transfer of such credits pursuant to Section
22 3-110.8. If the amount by which (1) the employer and
23 employee contributions that would have been required if he
24 had participated in this Fund during the period for which
25 credit is being transferred, plus interest thereon at the
26 effective rate for each year, compounded annually, from the
27 date of termination of the service for which credit is
28 being transferred to the date of payment, exceeds (2) the
29 amount actually transferred to the Fund, then the amount of
30 creditable service established under this paragraph 10
31 shall be reduced by a corresponding amount in accordance
32 with the rules and procedures established under this
33 paragraph 10.

34 The board shall establish by rule the manner of making
35 the calculation required under this paragraph 10, taking
36 into account the appropriate actuarial assumptions; the

1 member's service, age, and salary history; the level of
2 funding of the employer; and any other factors that the
3 board determines to be relevant.

4 (b) Creditable service - amount:

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

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

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

24
25 (c) No application for correction of credits or creditable
26 service shall be considered unless the board receives an
27 application for correction while (1) the applicant is a
28 participating employee and in active employment with a
29 participating municipality or instrumentality, or (2) while
30 the applicant is actively participating in a pension fund or
31 retirement system which is a participating system under the
32 Retirement Systems Reciprocal Act. A participating employee or
33 other applicant shall not be entitled to credits or creditable
34 service unless the required employee contributions are made in
35 a lump sum or in installments made in accordance with board
36 rule.

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

9 (Source: P.A. 92-424, eff. 8-17-01; 93-933, eff. 8-13-04.)

10 (40 ILCS 5/7-139.11 new)

11 Sec. 7-139.11. Transfer to Article 3 pension fund.

12 (a) Until January 1, 2006, a person who has less than 8
13 years of creditable service under this Article and who has
14 become an active participant in a police pension fund
15 established under Article 3 of this Code may apply for transfer
16 to that Article 3 fund of his or her creditable service
17 accumulated under this Article. At the time of the transfer the
18 Fund shall pay to the police pension fund an amount equal to:

19 (1) the amounts accumulated to the credit of the
20 applicant under this Article, including interest; and

21 (2) the municipality credits based on that service,
22 including interest; and

23 (3) any interest paid by the applicant in order to
24 reinstate that service.

25 Participation in this Fund with respect to the transferred
26 credits shall terminate on the date of transfer.

27 (b) An active member of a pension fund established under
28 Article 3 of this Code may reinstate creditable service under
29 this Article that was terminated by receipt of a refund, by
30 paying to the Fund the amount of the refund plus interest
31 thereon at the rate of 6% per year, compounded annually, from
32 the date of refund to the date of payment.

33 Section 99. Effective date. This Act takes effect upon
34 becoming law.