

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 Section 4-118 as follows:

6 (40 ILCS 5/4-118) (from Ch. 108 1/2, par. 4-118)

7 Sec. 4-118. Financing.

8 (a) The city council or the board of trustees of the  
9 municipality shall annually levy a tax upon all the taxable  
10 property of the municipality at the rate on the dollar which  
11 will produce an amount which, when added to the deductions from  
12 the salaries or wages of firefighters and revenues available  
13 from other sources, will equal a sum sufficient to meet the  
14 annual actuarial requirements of the pension fund, as  
15 determined by an enrolled actuary employed by the Illinois  
16 Department of Insurance or by an enrolled actuary retained by  
17 the pension fund or municipality. For the purposes of this  
18 Section, the annual actuarial requirements of the pension fund  
19 are equal to (1) the normal cost of the pension fund, or 17.5%  
20 of the salaries and wages to be paid to firefighters for the  
21 year involved, whichever is greater, plus (2) the annual amount  
22 necessary to amortize the fund's unfunded accrued liabilities  
23 over a period of 40 years from July 1, 1993, as annually  
24 updated and determined by an enrolled actuary employed by the  
25 Illinois Department of Insurance or by an enrolled actuary  
26 retained by the pension fund or the municipality. The amount to  
27 be applied towards the amortization of the unfunded accrued  
28 liability in any year shall not be less than the annual amount  
29 required to amortize the unfunded accrued liability, including  
30 interest, as a level percentage of payroll over the number of  
31 years remaining in the 40 year amortization period.

32 (b) The tax shall be levied and collected in the same

1 manner as the general taxes of the municipality, and shall be  
2 in addition to all other taxes now or hereafter authorized to  
3 be levied upon all property within the municipality, and in  
4 addition to the amount authorized to be levied for general  
5 purposes, under Section 8-3-1 of the Illinois Municipal Code or  
6 under Section 14 of the Fire Protection District Act. The tax  
7 shall be forwarded directly to the treasurer of the board  
8 within 30 business days of receipt by the county ~~municipality~~  
9 (or, in the case of amounts added to the tax levy under  
10 subsection (f), used by the municipality to pay the employer  
11 contributions required under subsection (b-1) of Section  
12 15-155 of this Code).

13 (c) The board shall make available to the membership and  
14 the general public for inspection and copying at reasonable  
15 times the most recent Actuarial Valuation Balance Sheet and Tax  
16 Levy Requirement issued to the fund by the Department of  
17 Insurance.

18 (d) The firefighters' pension fund shall consist of the  
19 following moneys which shall be set apart by the treasurer of  
20 the municipality: (1) all moneys derived from the taxes levied  
21 hereunder; (2) contributions by firefighters as provided under  
22 Section 4-118.1; (3) all rewards in money, fees, gifts, and  
23 emoluments that may be paid or given for or on account of  
24 extraordinary service by the fire department or any member  
25 thereof, except when allowed to be retained by competitive  
26 awards; and (4) any money, real estate or personal property  
27 received by the board.

28 (e) For the purposes of this Section, "enrolled actuary"  
29 means an actuary: (1) who is a member of the Society of  
30 Actuaries or the American Academy of Actuaries; and (2) who is  
31 enrolled under Subtitle C of Title III of the Employee  
32 Retirement Income Security Act of 1974, or who has been engaged  
33 in providing actuarial services to one or more public  
34 retirement systems for a period of at least 3 years as of July  
35 1, 1983.

36 (f) The corporate authorities of a municipality that

1 employs a person who is described in subdivision (d) of Section  
2 4-106 may add to the tax levy otherwise provided for in this  
3 Section an amount equal to the projected cost of the employer  
4 contributions required to be paid by the municipality to the  
5 State Universities Retirement System under subsection (b-1) of  
6 Section 15-155 of this Code.

7 (Source: P.A. 90-576, eff. 3-31-98.)

8 Section 99. Effective date. This Act takes effect upon  
9 becoming law.