



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB4652

by Rep. David R. Leitch

SYNOPSIS AS INTRODUCED:

40 ILCS 5/4-118

from Ch. 108 1/2, par. 4-118

Amends the Downstate Firefighter Article of the Illinois Pension Code. In provisions concerning the financing, provides that the annual actuarial requirements of the pension fund are equal to (1) the normal cost of the pension fund, or 17.5% of the salaries and wages to be paid to firefighters for the year involved, whichever is greater, plus (2) the annual amount necessary to amortize the fund's unfunded accrued liabilities over a period of 40 years from July 1, 2008 (was, from July 1, 1993), as annually updated and determined by an enrolled actuary employed by the Department of Financial and Professional Regulation (was, the Illinois Department of Insurance) or by an enrolled actuary retained by the pension fund or the municipality. Effective immediately.

LRB095 15997 AMC 42010 b

PENSION IMPACT
NOTE ACT MAY
APPLY

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 Department of
16 Financial and Professional Regulation ~~Illinois Department of~~
17 ~~Insurance~~ or by an enrolled actuary retained by the pension
18 fund or municipality. For the purposes of this Section, the
19 annual actuarial requirements of the pension fund are equal to
20 (1) the normal cost of the pension fund, or 17.5% of the
21 salaries and wages to be paid to firefighters for the year
22 involved, whichever is greater, plus (2) the annual amount
23 necessary to amortize the fund's unfunded accrued liabilities

1 over a period of 40 years from July 1, 2008 ~~July 1, 1993~~, as
2 annually updated and determined by an enrolled actuary employed
3 by the Department of Financial and Professional Regulation
4 ~~Illinois Department of Insurance~~ or by an enrolled actuary
5 retained by the pension fund or the municipality. The amount to
6 be applied towards the amortization of the unfunded accrued
7 liability in any year shall not be less than the annual amount
8 required to amortize the unfunded accrued liability, including
9 interest, as a level percentage of payroll over the number of
10 years remaining in the 40 year amortization period.

11 (b) The tax shall be levied and collected in the same
12 manner as the general taxes of the municipality, and shall be
13 in addition to all other taxes now or hereafter authorized to
14 be levied upon all property within the municipality, and in
15 addition to the amount authorized to be levied for general
16 purposes, under Section 8-3-1 of the Illinois Municipal Code or
17 under Section 14 of the Fire Protection District Act. The tax
18 shall be forwarded directly to the treasurer of the board
19 within 30 business days of receipt by the county (or, in the
20 case of amounts added to the tax levy under subsection (f),
21 used by the municipality to pay the employer contributions
22 required under subsection (b-1) of Section 15-155 of this
23 Code).

24 (c) The board shall make available to the membership and
25 the general public for inspection and copying at reasonable
26 times the most recent Actuarial Valuation Balance Sheet and Tax

1 Levy Requirement issued to the fund by the Department of
2 Financial and Professional Regulation ~~Department of Insurance~~.

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

13 (e) For the purposes of this Section, "enrolled actuary"
14 means an actuary: (1) who is a member of the Society of
15 Actuaries or the American Academy of Actuaries; and (2) who is
16 enrolled under Subtitle C of Title III of the Employee
17 Retirement Income Security Act of 1974, or who has been engaged
18 in providing actuarial services to one or more public
19 retirement systems for a period of at least 3 years as of July
20 1, 1983.

21 (f) The corporate authorities of a municipality that
22 employs a person who is described in subdivision (d) of Section
23 4-106 may add to the tax levy otherwise provided for in this
24 Section an amount equal to the projected cost of the employer
25 contributions required to be paid by the municipality to the
26 State Universities Retirement System under subsection (b-1) of

1 Section 15-155 of this Code.

2 (Source: P.A. 94-859, eff. 6-15-06.)

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