



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB5510

by Rep. Arthur L. Turner

SYNOPSIS AS INTRODUCED:

40 ILCS 5/4-108.6 new
40 ILCS 5/6-227 new
30 ILCS 805/8.32 new

Amends the Downstate Firefighter and Chicago Firefighter Articles of the Illinois Pension Code. Allows a member of a pension fund established under the Downstate Firefighter Article to forfeit service credit for the purpose of establishing a corresponding amount of service credit under the Chicago Firefighter Article of the Code. Amends the State Mandates Act to require implementation without reimbursement.

LRB095 18208 AMC 44292 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

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 adding
5 Sections 4-108.6 and 6-227 as follows:

6 (40 ILCS 5/4-108.6 new)

7 Sec. 4-108.6. Transfer to Article 6. Any member of a fund
8 established under this Article may forfeit service credit for
9 the purpose of establishing a corresponding amount of service
10 credit under Article 6 of this Code. Upon notification by the
11 board established under Article 6 of this Code, a fund
12 established under this Article shall provide information
13 relating to the firefighter electing forfeit of service credit,
14 and shall transfer the corresponding funds to the board
15 established under Article 6 in a timely manner. If the total
16 amount of funds on deposit is greater than the total amount
17 required by the board established under Article 6, the fund
18 shall retain the difference.

19 (40 ILCS 5/6-227 new)

20 Sec. 6-227. Transfer from Article 4.

21 (a) A firefighter in active service under this Article may
22 transfer all or some of his or her accumulated creditable

1 service established as a member of a fund or funds established
2 under Article 4 of this Code, to a fund established under this
3 Article by making an irrevocable election to the board
4 forfeiting all service credit previously established under
5 Article 4 and providing the payments required by this Section.

6 (b) Upon receipt of the election required by subsection
7 (a), the board shall contact the fund or funds established
8 under Article 4 in which the firefighter has established
9 creditable service. The fund shall verify the total amount that
10 (i) employee contributions paid into the fund or funds
11 established under Article 4 of this Code, including, but not
12 limited to, amounts paid for regular and optional service
13 credit, (ii) any employer contributions corresponding to
14 regular and optional service, and (iii) any actual investment
15 returns that were generated by employee and employer
16 contributions relating to the firefighters creditable service,
17 less any reasonable fees and administrative expense
18 experienced by the fund in relation to those contributions. The
19 Board must then request a transfer of all funds verified under
20 this Section, and shall immediately deposit those funds in a
21 manner consistent with its investment policy.

22 (c) After verifying the total amount of service credit
23 available for transfer, the fund shall establish the total
24 amount of employer contributions, employee contributions, and
25 interest that would have been required if the firefighter had
26 been employed by the City of Chicago as a firefighter during

1 the same time that the firefighter was establishing credit
2 under Article 4 of this Code. In establishing these
3 contributions, the fund shall use the actual salary earned by
4 the firefighter when service was established.

5 (d) When the board has verified the total amount of funds
6 available for deposit under subsection (b), it shall provide a
7 written statement, which includes (i) the amount verified and
8 available for transfer under subsection (b), (ii) the total
9 amount of creditable service available for transfer, (iii) the
10 total cost established under subsection (c) and the difference,
11 if any of the amount in subsection (b) less the amount in
12 subsection (c), and (iv) the amount of creditable service where
13 contributions required under subsection (c) would be equal to
14 the amount available under subsection (b).

15 (e) Within 30 days after receiving the written statement,
16 the firefighter may establish an amount of service credit equal
17 to the amount of forfeited service credit previously
18 established under Article 4 by paying, if necessary, the
19 difference between subsection (b) and the amount in subsection
20 (c). Alternatively, the firefighter may reduce the number of
21 years of creditable service established under this Article by
22 receiving the amount of creditable service where contributions
23 required under subsection (c) would be equal to the amount
24 available under subsection (b).

25 Section 90. The State Mandates Act is amended by adding

1 Section 8.32 as follows:

2 (30 ILCS 805/8.32 new)

3 Sec. 8.32. Exempt mandate. Notwithstanding Sections 6 and 8
4 of this Act, no reimbursement by the State is required for the
5 implementation of any mandate created by this amendatory Act of
6 the 95th General Assembly.