

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 3-127 and 4-118 as follows:

6 (40 ILCS 5/3-127) (from Ch. 108 1/2, par. 3-127)

7 Sec. 3-127. Reserves. The board shall establish and  
8 maintain a reserve to insure the payment of all obligations  
9 incurred under this Article excluding retirement annuities  
10 established under Section 3-109.3. The reserve to be  
11 accumulated shall be equal to the estimated total actuarial  
12 requirements of the fund.

13 If a pension fund has a reserve of less than the accrued  
14 liabilities of the fund, the board of the pension fund, in  
15 making its annual report to the city council or board of  
16 trustees of the municipality, shall designate the amount,  
17 calculated as a level percentage of payroll, needed annually to  
18 insure the accumulation of the reserve to the level of the  
19 fund's accrued liabilities over a period of 40 years from July  
20 1, 2009 ~~1993~~ for pension funds then in operation, or from the  
21 date of establishment in the case of a fund created thereafter,  
22 so that the necessary reserves will be attained over such a  
23 period.

1 (Source: P.A. 91-939, eff. 2-1-01.)

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

3 Sec. 4-118. Financing.

4 (a) The city council or the board of trustees of the  
5 municipality shall annually levy a tax upon all the taxable  
6 property of the municipality at the rate on the dollar which  
7 will produce an amount which, when added to the deductions from  
8 the salaries or wages of firefighters and revenues available  
9 from other sources, will equal a sum sufficient to meet the  
10 annual actuarial requirements of the pension fund, as  
11 determined by an enrolled actuary employed by the Illinois  
12 Department of Insurance or by an enrolled actuary retained by  
13 the pension fund or municipality. For the purposes of this  
14 Section, the annual actuarial requirements of the pension fund  
15 are equal to (1) the normal cost of the pension fund, or 17.5%  
16 of the salaries and wages to be paid to firefighters for the  
17 year involved, whichever is greater, plus (2) the annual amount  
18 necessary to amortize the fund's unfunded accrued liabilities  
19 over a period of 40 years from July 1, 2009 ~~1993~~, as annually  
20 updated and determined by an enrolled actuary employed by the  
21 Illinois Department of Insurance or by an enrolled actuary  
22 retained by the pension fund or the municipality. The amount to  
23 be applied towards the amortization of the unfunded accrued  
24 liability in any year shall not be less than the annual amount  
25 required to amortize the unfunded accrued liability, including

1 interest, as a level percentage of payroll over the number of  
2 years remaining in the 40 year amortization period.

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

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

21 (d) The firefighters' pension fund shall consist of the  
22 following moneys which shall be set apart by the treasurer of  
23 the municipality: (1) all moneys derived from the taxes levied  
24 hereunder; (2) contributions by firefighters as provided under  
25 Section 4-118.1; (3) all rewards in money, fees, gifts, and  
26 emoluments that may be paid or given for or on account of

1 extraordinary service by the fire department or any member  
2 thereof, except when allowed to be retained by competitive  
3 awards; and (4) any money, real estate or personal property  
4 received by the board.

5 (e) For the purposes of this Section, "enrolled actuary"  
6 means an actuary: (1) who is a member of the Society of  
7 Actuaries or the American Academy of Actuaries; and (2) who is  
8 enrolled under Subtitle C of Title III of the Employee  
9 Retirement Income Security Act of 1974, or who has been engaged  
10 in providing actuarial services to one or more public  
11 retirement systems for a period of at least 3 years as of July  
12 1, 1983.

13 (f) The corporate authorities of a municipality that  
14 employs a person who is described in subdivision (d) of Section  
15 4-106 may add to the tax levy otherwise provided for in this  
16 Section an amount equal to the projected cost of the employer  
17 contributions required to be paid by the municipality to the  
18 State Universities Retirement System under subsection (b-1) of  
19 Section 15-155 of this Code.

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

21 Section 99. Effective date. This Act takes effect upon  
22 becoming law.