



Sen. Pamela J. Althoff

**Filed: 4/6/2010**

09600SB2826sam002

LRB096 16958 AMC 39725 a

1 AMENDMENT TO SENATE BILL 2826

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2826 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by  
5 changing Sections 3-125, 3-142, and 4-118 and by adding  
6 Sections 3-125.3 and 4-118.3 as follows:

7 (40 ILCS 5/3-125) (from Ch. 108 1/2, par. 3-125)

8 Sec. 3-125. Financing. Except as provided in Section  
9 3-125.3, the ~~The~~ city council or the board of trustees of the  
10 municipality shall annually levy a tax upon all the taxable  
11 property of the municipality at the rate on the dollar which  
12 will produce an amount which, when added to the deductions from  
13 the salaries or wages of police officers, and revenues  
14 available from other sources, will equal a sum sufficient to  
15 meet the annual requirements of the police pension fund. The  
16 annual requirements to be provided by such tax levy are equal

1 to (1) the normal cost of the pension fund for the year  
2 involved, plus (2) the amount necessary to amortize the fund's  
3 unfunded accrued liabilities as provided in Section 3-127. The  
4 tax shall be levied and collected in the same manner as the  
5 general taxes of the municipality, and in addition to all other  
6 taxes now or hereafter authorized to be levied upon all  
7 property within the municipality, and shall be in addition to  
8 the amount authorized to be levied for general purposes as  
9 provided by Section 8-3-1 of the Illinois Municipal Code,  
10 approved May 29, 1961, as amended. The tax shall be forwarded  
11 directly to the treasurer of the board within 30 business days  
12 after receipt by the county.

13 The police pension fund shall consist of the following  
14 moneys which shall be set apart by the treasurer of the  
15 municipality:

16 (1) All moneys derived from the taxes levied hereunder;

17 (2) Contributions by police officers under Section  
18 3-125.1;

19 (3) All moneys accumulated by the municipality under  
20 any previous legislation establishing a fund for the  
21 benefit of disabled or retired police officers;

22 (4) Donations, gifts or other transfers authorized by  
23 this Article.

24 (Source: P.A. 95-530, eff. 8-28-07.)

25 (40 ILCS 5/3-125.3 new)

1       Sec. 3-125.3. Temporary municipal budget relief.

2       (a) In 2010, the municipality is required to make an annual  
3 contribution in an amount that is the lesser of:

4           (1) an amount that, when added to the deductions from  
5 the salaries or wages of police officers and revenues  
6 available from other sources, will equal a sum sufficient  
7 to meet the annual requirements of the police pension fund;  
8 or

9           (2) the 2008 annual contribution multiplied by 1.1.

10       (b) For the purpose of this Section, "the 2008 annual  
11 contribution" means the actual amount contributed to the police  
12 pension fund by the municipality in 2008 from property taxes  
13 under Section 3-125 or from any other municipal revenue.

14       (c) This Section applies notwithstanding any provision of  
15 Section 3-125.

16       (40 ILCS 5/3-142) (from Ch. 108 1/2, par. 3-142)

17       Sec. 3-142. Payment of benefits - funds insufficient. Any  
18 police officer and any eligible surviving spouse, child or  
19 children, or dependent parent of the officer to whom the board  
20 has ordered benefits to be paid, shall receive a yearly benefit  
21 payable in 12 equal monthly installments, which shall be the  
22 aggregate amount to which they are entitled.

23       If at any time there is not sufficient money in the fund to  
24 pay the benefits under this Article the city council or board  
25 of trustees of the municipality shall make every legal effort

1 to replenish the fund so that all beneficiaries may receive the  
2 amounts to which they are entitled. ~~If, thereafter, there still~~  
3 ~~remain insufficient funds, the beneficiaries shall be paid pro~~  
4 ~~rata from the available funds, but no allowance or order of the~~  
5 ~~board shall be held to create any liability against the~~  
6 ~~municipality, but only against the pension fund.~~

7 (Source: P.A. 83-1440.)

8 (40 ILCS 5/4-118) (from Ch. 108 1/2, par. 4-118)

9 Sec. 4-118. Financing.

10 (a) Except as provided in Section 4-118.3, ~~The~~ city  
11 council or the board of trustees of the municipality shall  
12 annually levy a tax upon all the taxable property of the  
13 municipality at the rate on the dollar which will produce an  
14 amount which, when added to the deductions from the salaries or  
15 wages of firefighters and revenues available from other  
16 sources, will equal a sum sufficient to meet the annual  
17 actuarial requirements of the pension fund, as determined by an  
18 enrolled actuary employed by the Illinois Department of  
19 Insurance or by an enrolled actuary retained by the pension  
20 fund or municipality. For the purposes of this Section, the  
21 annual actuarial requirements of the pension fund are equal to  
22 (1) the normal cost of the pension fund, or 17.5% of the  
23 salaries and wages to be paid to firefighters for the year  
24 involved, whichever is greater, plus (2) the annual amount  
25 necessary to amortize the fund's unfunded accrued liabilities

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

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

23 (c) The board shall make available to the membership and  
24 the general public for inspection and copying at reasonable  
25 times the most recent Actuarial Valuation Balance Sheet and Tax  
26 Levy Requirement issued to the fund by the Department of

1 Insurance.

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

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

20 (f) The corporate authorities of a municipality that  
21 employs a person who is described in subdivision (d) of Section  
22 4-106 may add to the tax levy otherwise provided for in this  
23 Section an amount equal to the projected cost of the employer  
24 contributions required to be paid by the municipality to the  
25 State Universities Retirement System under subsection (b-1) of  
26 Section 15-155 of this Code.

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

2 (40 ILCS 5/4-118.3 new)

3 Sec. 4-118.3. Temporary municipal budget relief.

4 (a) In 2010, the municipality is required to make an annual  
5 contribution in an amount that is the lesser of:

6 (1) an amount that, when added to the deductions from  
7 the salaries or wages of firefighters and revenues  
8 available from other sources, will equal a sum sufficient  
9 to meet the annual requirements of the firefighters'  
10 pension fund; or

11 (2) the 2008 annual contribution multiplied by 1.1.

12 (b) For the purpose of this Section, "the 2008 annual  
13 contribution" means the actual amount contributed to the  
14 firefighters' pension fund by the municipality in 2008 from  
15 property taxes under Section 4-118 or from any other municipal  
16 revenue.

17 (c) This Section applies notwithstanding any provision of  
18 Section 4-118.

19 Section 99. Effective date. This Act takes effect upon  
20 becoming law."