



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB0144

Introduced 1/18/2011, by Rep. Jack D. Franks

SYNOPSIS AS INTRODUCED:

40 ILCS 5/3-101	from Ch. 108 1/2, par. 3-101
40 ILCS 5/3-144.6 new	
40 ILCS 5/4-101	from Ch. 108 1/2, par. 4-101
40 ILCS 5/4-106.1	from Ch. 108 1/2, par. 4-106.1
30 ILCS 805/8.35 new	

Amends the Downstate Police and Downstate Firefighter Articles of the Illinois Pension Code. Allows the corporate authorities of a municipality, by resolution or ordinance, to dissolve the downstate police or firefighter pension funds established by the municipality if an independent auditor has certified to the authorities that the funds have no liabilities, participants, or beneficiaries entitled to benefits. Requires the corporate authorities of the municipality to reestablish those funds if a police officer or firefighter of the municipality seeks to establish service credit in the fund or if reestablishment of the fund is required upon a former police officer or firefighter's reinstatement of creditable service. Suspends the duty of the corporate authorities of a municipality to establish and administer a downstate police or firefighter pension fund while the fund is dissolved. Requires the Public Pension Division of the Department of Insurance to adopt corresponding procedural rules.

LRB097 05348 JDS 45403 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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 3-101, 4-101, and 4-106.1 and adding Section 3-144.6
6 as follows:

7 (40 ILCS 5/3-101) (from Ch. 108 1/2, par. 3-101)

8 Sec. 3-101. Creation of fund. In each municipality, as
9 defined in Section 3-103, the city council or the board of
10 trustees, as the case may be, shall establish and administer a
11 police pension fund, as prescribed in this Article, for the
12 benefit of its police officers and of their surviving spouses,
13 children, and certain other dependents. The duty of the
14 corporate authorities of a municipality to establish and
15 administer a police pension fund shall be suspended during any
16 period during which the fund is dissolved under Section 3-144.6
17 of this Code.

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

19 (40 ILCS 5/3-144.6 new)

20 Sec. 3-144.6. Dissolution and reestablishment of inactive
21 police pension funds. The corporate authorities of a
22 municipality for which a pension fund has been established

1 under this Article may, by resolution or ordinance, dissolve
2 the fund if an independent auditor has certified to the
3 authorities that the fund has no liabilities, participants, or
4 beneficiaries entitled to benefits, and the authorities shall
5 reestablish the fund if a police officer of the municipality
6 seeks to establish service credit in the fund or if
7 reestablishment of the fund is required upon a former police
8 officer's reinstatement of creditable service under subsection
9 (b) of Section 3-110.7 of this Code.

10 The Public Pension Division of the Department of Insurance
11 shall adopt rules regarding the process and procedures for (i)
12 dissolving a pension fund under this Section and (ii)
13 redistributing assets and reestablishing the fund if
14 reestablishment of the fund is necessary.

15 (40 ILCS 5/4-101) (from Ch. 108 1/2, par. 4-101)

16 Sec. 4-101. Creation of fund. In each municipality as
17 defined in Section 4-103, the city council or the board of
18 trustees, as the case may be, shall establish and administer a
19 firefighters' pension fund as prescribed in this Article, for
20 the benefit of its firefighters and of their surviving spouses,
21 children and certain other dependents. The duty of the
22 corporate authorities of a municipality to establish and
23 administer a firefighters' pension fund shall be suspended
24 during any period during which the fund is dissolved under
25 subsection (c) of Section 4-106.1 of this Code.

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

2 (40 ILCS 5/4-106.1) (from Ch. 108 1/2, par. 4-106.1)

3 Sec. 4-106.1. Discontinuation of fire protection district;
4 annexation to fire protection district; dissolution and
5 reestablishment of inactive firefighters' pension funds..

6 (a) Whenever a fire protection district which has
7 established a pension fund under this Article is discontinued
8 under "An Act in Relation to Fire Protection Districts", and
9 the municipality assuming the obligations of the district is
10 required to and has established a Firefighters' Pension Fund
11 under this Article, the assets of the fund established by the
12 district shall be transferred to the "Board of Trustees of the
13 Firefighters Pension Fund" of the municipality. The
14 Firefighter's Pension Fund of the municipality shall assume all
15 accrued liabilities of the district's pension fund, and all
16 accrued rights, benefits and future expectancies of the
17 members, retired employees and beneficiaries of the district's
18 fund shall remain unimpaired.

19 (b) If a municipal fire department for which a pension fund
20 has been established under this Article is discontinued and the
21 affected territory is annexed by a fire protection district,
22 and the fire protection district is required to and has
23 established a firefighters' pension fund under this Article,
24 then the assets of the firefighters' pension fund established
25 by the municipality shall be transferred to the board of

1 trustees of the pension fund of the fire protection district.
2 The firefighters' pension fund of the fire protection district
3 shall assume all liabilities of the municipality's
4 firefighters' pension fund, and all of the accrued rights,
5 benefits, and future expectancies of the members, retired
6 employees, and beneficiaries of the municipality's
7 firefighters' pension fund shall remain unimpaired.

8 (c) The corporate authorities of a municipality for which a
9 pension fund has been established under this Article may, by
10 resolution or ordinance, dissolve the fund if an independent
11 auditor has certified to the authorities that the fund has no
12 liabilities, participants, or beneficiaries entitled to
13 benefits, and the authorities shall reestablish the fund if a
14 firefighter of the municipality seeks to establish service
15 credit in the fund or if reestablishment of the fund is
16 required upon a former firefighter's reinstatement of
17 creditable service under subsection (g) of Section 4-109.3 of
18 this Code.

19 The Public Pension Division of the Department of Insurance
20 shall adopt rules regarding the process and procedures for (i)
21 dissolving a pension fund under this Section and (ii)
22 redistributing assets and reestablishing the fund if
23 reestablishment of the fund is necessary.

24 (Source: P.A. 93-123, eff. 7-10-03.)

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

1 Section 8.35 as follows:

2 (30 ILCS 805/8.35 new)

3 Sec. 8.35. 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 97th General Assembly.