



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB2654

by Rep. Kathleen Willis

SYNOPSIS AS INTRODUCED:

40 ILCS 5/3-110.12 new
40 ILCS 5/4-108
30 ILCS 805/8.39 new

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

Amends the Illinois Pension Code. Authorizes an active member of a downstate firefighters' pension fund to transfer up to 6 years of creditable service to that fund from the downstate police pension fund that is administered by the same unit of local government. Requires application within 6 months after the effective date. Authorizes reinstatement of service that was terminated by a refund. Provides that if the transferred police service was Tier 1, then the firefighter shall be considered to be a Tier 1 firefighter. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB099 09146 EFG 29343 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 Section 4-108 and by adding Section 3-110.12 as follows:

6 (40 ILCS 5/3-110.12 new)

7 Sec. 3-110.12. Transfer to Article 4 fund.

8 (a) At any time during the 6 months following the effective
9 date of this Section, an active member of an Article 4
10 firefighters' pension fund may apply for transfer to that fund
11 of up to 6 years of his or her creditable service accumulated
12 in the police pension fund under this Article that is
13 administered by the same unit of local government. The
14 creditable service shall be transferred upon payment by the
15 police pension fund to the Article 4 fund of an amount equal
16 to:

17 (1) the amounts accumulated to the credit of the
18 applicant on the books of the fund on the date of transfer
19 for the service to be transferred; and

20 (2) employer contributions in an amount equal to the
21 amount determined under item (1); and

22 (3) any interest paid by the applicant in order to
23 reinstate service.

1 Participation in the police pension fund with respect to
2 the transferred creditable service shall terminate on the date
3 of transfer.

4 (b) At the time of applying for transfer of creditable
5 service under this Section, an active member of an Article 4
6 firefighters' pension fund may, for the purpose of that
7 transfer, reinstate creditable service that was terminated by
8 receipt of a refund, by payment to the police pension fund of
9 the amount of the refund with interest thereon at the rate of
10 6% per year, compounded annually, from the date of the refund
11 to the date of payment.

12 (40 ILCS 5/4-108) (from Ch. 108 1/2, par. 4-108)

13 Sec. 4-108. Creditable service.

14 (a) Creditable service is the time served as a firefighter
15 of a municipality. In computing creditable service, furloughs
16 and leaves of absence without pay exceeding 30 days in any one
17 year shall not be counted, but leaves of absence for illness or
18 accident regardless of length, and periods of disability for
19 which a firefighter received no disability pension payments
20 under this Article, shall be counted.

21 (b) Furloughs and leaves of absence of 30 days or less in
22 any one year may be counted as creditable service, if the
23 firefighter makes the contribution to the fund that would have
24 been required had he or she not been on furlough or leave of
25 absence. To qualify for this creditable service, the

1 firefighter must pay the required contributions to the fund not
2 more than 90 days subsequent to the termination of the furlough
3 or leave of absence, to the extent that the municipality has
4 not made such contribution on his or her behalf.

5 (c) Creditable service includes:

6 (1) Service in the military, naval or air forces of the
7 United States entered upon when the person was an active
8 firefighter, provided that, upon applying for a permanent
9 pension, and in accordance with the rules of the board the
10 firefighter pays into the fund the amount that would have
11 been contributed had he or she been a regular contributor
12 during such period of service, if and to the extent that
13 the municipality which the firefighter served made no such
14 contributions in his or her behalf. The total amount of
15 such creditable service shall not exceed 5 years, except
16 that any firefighter who on July 1, 1973 had more than 5
17 years of such creditable service shall receive the total
18 amount thereof as of that date.

19 (1.5) Up to 24 months of service in the military,
20 naval, or air forces of the United States that was served
21 prior to employment by a municipality or fire protection
22 district as a firefighter. To receive the credit for the
23 military service prior to the employment as a firefighter,
24 the firefighter must apply in writing to the fund and must
25 make contributions to the fund equal to (i) the employee
26 contributions that would have been required had the service

1 been rendered as a member, plus (ii) an amount determined
2 by the fund to be equal to the employer's normal cost of
3 the benefits accrued for that military service, plus (iii)
4 interest at the actuarially assumed rate provided by the
5 Department of Financial and Professional Regulation,
6 compounded annually from the first date of membership in
7 the fund to the date of payment on items (i) and (ii). The
8 changes to this paragraph (1.5) by this amendatory Act of
9 the 95th General Assembly apply only to participating
10 employees in service on or after its effective date.

11 (2) Service prior to July 1, 1976 by a firefighter
12 initially excluded from participation by reason of age who
13 elected to participate and paid the required contributions
14 for such service.

15 (3) Up to 8 years of service by a firefighter as an
16 officer in a statewide firefighters' association when he is
17 on a leave of absence from a municipality's payroll,
18 provided that (i) the firefighter has at least 10 years of
19 creditable service as an active firefighter, (ii) the
20 firefighter contributes to the fund the amount that he
21 would have contributed had he remained an active member of
22 the fund, (iii) the employee or statewide firefighter
23 association contributes to the fund an amount equal to the
24 employer's required contribution as determined by the
25 board, and (iv) for all leaves of absence under this
26 subdivision (3), including those beginning before the

1 effective date of this amendatory Act of the 97th General
2 Assembly, the firefighter continues to remain in sworn
3 status, subject to the professional standards of the public
4 employer or those terms established in statute.

5 (4) Time spent as an on-call fireman for a
6 municipality, calculated at the rate of one year of
7 creditable service for each 5 years of time spent as an
8 on-call fireman, provided that (i) the firefighter has at
9 least 18 years of creditable service as an active
10 firefighter, (ii) the firefighter spent at least 14 years
11 as an on-call firefighter for the municipality, (iii) the
12 firefighter applies for such creditable service within 30
13 days after the effective date of this amendatory Act of
14 1989, (iv) the firefighter contributes to the Fund an
15 amount representing employee contributions for the number
16 of years of creditable service granted under this
17 subdivision (4), based on the salary and contribution rate
18 in effect for the firefighter at the date of entry into the
19 Fund, to be determined by the board, and (v) not more than
20 3 years of creditable service may be granted under this
21 subdivision (4).

22 Except as provided in Section 4-108.5, creditable
23 service shall not include time spent as a volunteer
24 firefighter, whether or not any compensation was received
25 therefor. The change made in this Section by Public Act
26 83-0463 is intended to be a restatement and clarification

1 of existing law, and does not imply that creditable service
2 was previously allowed under this Article for time spent as
3 a volunteer firefighter.

4 (5) Time served between July 1, 1976 and July 1, 1988
5 in the position of protective inspection officer or
6 administrative assistant for fire services, for a
7 municipality with a population under 10,000 that is located
8 in a county with a population over 3,000,000 and that
9 maintains a firefighters' pension fund under this Article,
10 if the position included firefighting duties,
11 notwithstanding that the person may not have held an
12 appointment as a firefighter, provided that application is
13 made to the pension fund within 30 days after the effective
14 date of this amendatory Act of 1991, and the corresponding
15 contributions are paid for the number of years of service
16 granted, based upon the salary and contribution rate in
17 effect for the firefighter at the date of entry into the
18 pension fund, as determined by the Board.

19 (6) Service before becoming a participant by a
20 firefighter initially excluded from participation by
21 reason of age who becomes a participant under the amendment
22 to Section 4-107 made by this amendatory Act of 1993 and
23 pays the required contributions for such service.

24 (7) Up to 3 years of time during which the firefighter
25 receives a disability pension under Section 4-110,
26 4-110.1, or 4-111, provided that (i) the firefighter

1 returns to active service after the disability for a period
2 at least equal to the period for which credit is to be
3 established and (ii) the firefighter makes contributions
4 to the fund based on the rates specified in Section 4-118.1
5 and the salary upon which the disability pension is based.
6 These contributions may be paid at any time prior to the
7 commencement of a retirement pension. The firefighter may,
8 but need not, elect to have the contributions deducted from
9 the disability pension or to pay them in installments on a
10 schedule approved by the board. If not deducted from the
11 disability pension, the contributions shall include
12 interest at the rate of 6% per year, compounded annually,
13 from the date for which service credit is being established
14 to the date of payment. If contributions are paid under
15 this subdivision (c)(7) in excess of those needed to
16 establish the credit, the excess shall be refunded. This
17 subdivision (c)(7) applies to persons receiving a
18 disability pension under Section 4-110, 4-110.1, or 4-111
19 on the effective date of this amendatory Act of the 91st
20 General Assembly, as well as persons who begin to receive
21 such a disability pension after that date.

22 (8) Up to 6 years of service as a police officer and
23 participant in an Article 3 police pension fund
24 administered by the unit of local government that employs
25 the firefighter under this Article, provided that the
26 service has been transferred to, and the required payment

1 received by, the Article 4 fund in accordance with Section
2 3-110.12 of this Code. If a firefighter who establishes
3 creditable service under this item (8) first became a
4 police officer and participant in the Article 3 fund before
5 January 1, 2011, then for the purposes of this Article the
6 firefighter shall be considered to be a person who first
7 became a firefighter under this Article before January 1,
8 2011.

9 (Source: P.A. 97-651, eff. 1-5-12.)

10 Section 90. The State Mandates Act is amended by adding
11 Section 8.39 as follows:

12 (30 ILCS 805/8.39 new)

13 Sec. 8.39. Exempt mandate. Notwithstanding Sections 6 and 8
14 of this Act, no reimbursement by the State is required for the
15 implementation of any mandate created by this amendatory Act of
16 the 99th General Assembly.

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.