

AN ACT concerning public employee benefits.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

Section 5. The Illinois Pension Code is amended by changing Section 4-109.3 as follows:

(40 ILCS 5/4-109.3)

Sec. 4-109.3. Employee creditable service.

(a) As used in this Section:

"Final monthly salary" means the monthly salary attached to the rank held by the firefighter at the time of his or her last withdrawal from service under a particular pension fund.

"Last pension fund" means the pension fund in which the firefighter was participating at the time of his or her last withdrawal from service.

(b) The benefits provided under this Section are available only to a firefighter who:

(1) is a firefighter at the time of withdrawal from the last pension fund and for at least the final 3 years of employment prior to that withdrawal;

(2) has established service credit with at least one pension fund established under this Article other than the last pension fund;

(3) has a total of at least 20 years of service under

the various pension funds established under this Article and has attained age 50; and

(4) is in service on or after the effective date of this amendatory Act of the 93rd General Assembly.

(c) A firefighter who is eligible for benefits under this Section may elect to receive a retirement pension from each pension fund under this Article in which the firefighter has at least one year of service credit but has not received a refund under Section 4-116 (unless the firefighter repays that refund under subsection (g)) or subsection (c) of Section 4-118.1, by applying in writing and paying the contribution required under subsection (i).

(d) From each such pension fund other than the last pension fund, in lieu of any retirement pension otherwise payable under this Article, a firefighter to whom this Section applies may elect to receive a monthly pension of 1/12th of 2.5% of his or her final monthly salary under that fund for each month of service in that fund, subject to a maximum of 75% of that final monthly salary.

(e) From the last pension fund, in lieu of any retirement pension otherwise payable under this Article, a firefighter to whom this Section applies may elect to receive a monthly pension calculated as follows:

The last pension fund shall calculate the retirement pension that would be payable to the firefighter under subsection (a) of Section 4-109 as if he or she had

participated in that last pension fund during his or her entire period of service under all pension funds established under this Article (excluding any period of service for which the firefighter has received a refund under Section 4-116, unless the firefighter repays that refund under subsection (g), or for which the firefighter has received a refund under subsection (c) of Section 4-118.1). From this hypothetical pension there shall be subtracted the original amounts of the retirement pensions payable to the firefighter by all other pension funds under subsection (d). The remainder is the retirement pension payable to the firefighter by the last pension fund under this subsection (e).

(f) Pensions elected under this Section shall be subject to increases as provided in subsection (d) of Section 4-109.1.

(g) A current firefighter may reinstate creditable service in a pension fund established under this Article that was terminated upon receipt of a refund, by payment to that pension fund of the amount of the refund together with interest thereon at the rate of 6% per year, compounded annually, from the date of the refund to the date of payment. A repayment of a refund under this Section may be made in equal installments over a period of up to 10 years, but must be paid in full prior to retirement.

(h) As a condition of being eligible for the benefits provided in this Section, a person who is hired to a position as a firefighter on or after July 1, 2004 must, within 21

months after being hired, notify the new employer, all of his or her previous employers under this Article, and the Public Pension Division of the Division of Insurance of the Department of Financial and Professional Regulation of his or her intent to receive the benefits provided under this Section.

(i) In order to receive a pension under this Section or an occupational disease disability pension for which he or she becomes eligible due to the application of subsection (m) of this Section, a firefighter must pay to each pension fund from which he or she has elected to receive a pension under this Section a contribution equal to 1% of monthly salary for each month of service credit that the firefighter has in that fund (other than service credit for which the firefighter has already paid the additional contribution required under subsection (c) of Section 4-118.1), together with interest thereon at the rate of 6% per annum, compounded annually, from the firefighter's first day of employment with that fund or the first day of the fiscal year of that fund that immediately precedes the firefighter's first day of employment with that fund, whichever is earlier.

In order for a firefighter who, as of the effective date of this amendatory Act of the 93rd General Assembly, has not begun to receive a pension under this Section or an occupational disease disability pension under subsection (m) of this Section and who has contributed 1/12th of 1% of monthly salary for each month of service credit that the firefighter has in that fund

(other than service credit for which the firefighter has already paid the additional contribution required under subsection (c) of Section 4-118.1), together with the required interest thereon, to receive a pension under this Section or an occupational disease disability pension for which he or she becomes eligible due to the application of subsection (m) of this Section, the firefighter must, within one year after the effective date of this amendatory Act of the 93rd General Assembly, make an additional contribution equal to 11/12ths of 1% of monthly salary for each month of service credit that the firefighter has in that fund (other than service credit for which the firefighter has already paid the additional contribution required under subsection (c) of Section 4-118.1), together with interest thereon at the rate of 6% per annum, compounded annually, from the firefighter's first day of employment with that fund or the first day of the fiscal year of that fund that immediately precedes the firefighter's first day of employment with the fund, whichever is earlier. A firefighter who, as of the effective date of this amendatory Act of the 93rd General Assembly, has not begun to receive a pension under this Section or an occupational disease disability pension under subsection (m) of this Section and who has contributed 1/12th of 1% of monthly salary for each month of service credit that the firefighter has in that fund (other than service credit for which the firefighter has already paid the additional contribution required under subsection (c) of

Section 4-118.1), together with the required interest thereon, in order to receive a pension under this Section or an occupational disease disability pension under subsection (m) of this Section, may elect, within one year after the effective date of this amendatory Act of the 93rd General Assembly to forfeit the benefits provided under this Section and receive a refund of that contribution.

(j) A retired firefighter who is receiving pension payments under Section 4-109 may reenter active service under this Article. Subject to the provisions of Section 4-117, the firefighter may receive credit for service performed after the reentry if the firefighter (1) applies to receive credit for that service, (2) suspends his or her pensions under this Section, and (3) makes the contributions required under subsection (i).

(k) A firefighter who is newly hired or promoted to a position as a firefighter shall not be denied participation in a fund under this Article based on his or her age.

(l) If a firefighter who elects to make contributions under subsection (c) of Section 4-118.1 for the pension benefits provided under this Section becomes entitled to a disability pension under Section 4-110, the last pension fund is responsible to pay that disability pension and the amount of that disability pension shall be based only on the firefighter's service with the last pension fund.

(m) Notwithstanding any provision in Section 4-110.1 to the

contrary, if a firefighter who elects to make contributions under subsection (c) of Section 4-118.1 for the pension benefits provided under this Section becomes entitled to an occupational disease disability pension under Section 4-110.1, each pension fund to which the firefighter has made contributions under subsection (c) of Section 4-118.1 must pay a portion of that occupational disease disability pension equal to the proportion that the firefighter's service credit with that pension fund for which the contributions under subsection (c) of Section 4-118.1 have been made bears to the firefighter's total service credit with all of the pension funds for which the contributions under subsection (c) of Section 4-118.1 have been made. A firefighter who has made contributions under subsection (c) of Section 4-118.1 for at least 5 years of creditable service shall be deemed to have met the 5-year creditable service requirement under Section 4-110.1, regardless of whether the firefighter has 5 years of creditable service with the last pension fund.

(n) If a firefighter who elects to make contributions under subsection (c) of Section 4-118.1 for the pension benefits provided under this Section becomes entitled to a disability pension under Section 4-111, the last pension fund is responsible to pay that disability pension, provided that the firefighter has at least 7 years of creditable service with the last pension fund. In the event a firefighter began employment with a new employer as a result of an intergovernmental

agreement that resulted in the elimination of the previous employer's fire department, the firefighter shall not be required to have 7 years of creditable service with the last pension fund to qualify for a disability pension under Section 4-111. Under this circumstance, a firefighter shall be required to have 7 years of total combined creditable service time to qualify for a disability pension under Section 4-111. The disability pension received pursuant to this Section shall be paid by the previous employer and new employer in proportion to the firefighter's years of service with each employer.

(Source: P.A. 93-689, eff. 7-1-04; 93-1090, eff. 3-11-05.)

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