



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB2484

Introduced 2/4/2025, by Rep. Stephanie A. Kifowit

SYNOPSIS AS INTRODUCED:

40 ILCS 5/3-109.1	from Ch. 108 1/2, par. 3-109.1
40 ILCS 5/3-109.4	
40 ILCS 5/3-124.1	from Ch. 108 1/2, par. 3-124.1
40 ILCS 5/7-109	from Ch. 108 1/2, par. 7-109

Amends the Downstate Police and Illinois Municipal Retirement Fund (IMRF) Articles of the Illinois Pension Code. Removes language providing that a person may not elect to participate in IMRF with respect to his or her employment as a chief of police of a participating municipality, unless that person became a participating employee in IMRF before January 1, 2019. Makes conforming changes. In the Downstate Police Article, provides that, on and after the effective date of the amendatory Act, a municipality is not required to establish a defined contribution plan. Provides that a municipality is required to maintain a defined contribution plan for persons who began participating in the defined contribution plan before the effective date of the amendatory Act. In provisions authorizing certain police officers to elect to participate in the defined contribution plan, restricts participation to police officers who first became police officers before the effective date of the amendatory Act and to municipalities that established a defined contribution plan before the effective date of the amendatory Act. Amends the State Mandates Act to require implementation without reimbursement.

LRB104 10783 RPS 20863 b

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

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
5 changing Sections 3-109.1, 3-109.4, 3-124.1, and 7-109 and by
6 adding Section 3-109.4 as follows:

7 (40 ILCS 5/3-109.1) (from Ch. 108 1/2, par. 3-109.1)

8 Sec. 3-109.1. Chief of police.

9 (a) Beginning ~~Except as provided in subsection (a-5),~~
10 ~~beginning~~ January 1, 1990, any person who is employed as the
11 chief of police of a "participating municipality" as defined
12 in Section 7-106 of this Code, may elect to participate in the
13 Illinois Municipal Retirement Fund rather than in a fund
14 created under this Article 3. Except as provided in subsection
15 (b), this election shall be irrevocable, and shall be filed in
16 writing with the Board of the Illinois Municipal Retirement
17 Fund.

18 ~~(a-5) On or after January 1, 2019, a person may not elect~~
19 ~~to participate in the Illinois Municipal Retirement Fund with~~
20 ~~respect to his or her employment as the chief of police of a~~
21 ~~participating municipality, unless that person became a~~
22 ~~participating employee in the Illinois Municipal Retirement~~
23 ~~Fund before January 1, 2019.~~

1 (b) Until January 1, 1999, a chief of police who has
2 elected under this Section to participate in IMRF rather than
3 a fund created under this Article may elect to rescind that
4 election and transfer his or her participation to the police
5 pension fund established under this Article by the employing
6 municipality. The chief must notify the boards of trustees of
7 both funds in writing of his or her decision to rescind the
8 election and transfer participation. A chief of police who
9 transfers participation under this subsection (b) shall not be
10 deemed ineligible to participate in the police pension fund by
11 reason of having failed to apply within the 3-month period
12 specified in Section 3-106.

13 (Source: P.A. 100-281, eff. 8-24-17.)

14 (40 ILCS 5/3-109.4)

15 Sec. 3-109.4. Defined contribution plan for certain police
16 officers.

17 (a) Except as otherwise provided in this Section, each
18 ~~Each~~ municipality shall establish a defined contribution plan
19 that aggregates police officer and employer contributions in
20 individual accounts used for retirement. The defined
21 contribution plan, including both police officer and employer
22 contributions, established by the municipality must, at a
23 minimum: meet the safe harbor provisions of the Internal
24 Revenue Code of 1986, as amended; be a qualified plan under the
25 Internal Revenue Code of 1986, as amended; and comply with all

1 other applicable laws, rules, and regulations. Contributions
2 shall vest immediately upon deposit in the police officer's
3 account.

4 On and after the effective date of this amendatory Act of
5 the 104th General Assembly, a municipality is not required to
6 establish a defined contribution plan under this Section.
7 However, a municipality is required to maintain a defined
8 contribution plan for persons who began participating in the
9 defined contribution plan before the effective date of this
10 amendatory Act of the 104th General Assembly.

11 A police officer who participates in the defined
12 contribution plan under this Section may not earn creditable
13 service or otherwise participate in the defined benefit plan
14 offered by his or her employing municipality, except as an
15 annuitant in another fund or as a survivor, while he or she is
16 a participant in the defined contribution plan. The defined
17 contribution plan under this Section shall not be construed to
18 be a pension, annuity, or other defined benefit under this
19 Code.

20 (b) If a police officer who first became a police officer
21 under this Article before the effective date of this
22 amendatory Act of the 104th General Assembly and has more than
23 10 years of creditable service in a fund enters active service
24 with a different municipality, he or she may elect to
25 participate in the defined contribution plan under this
26 Section in lieu of the defined benefit plan if the

1 municipality has such a defined contribution plan.

2 A police officer who has elected under this subsection to
3 participate in the defined contribution plan may, in writing,
4 rescind that election in accordance with the rules of the
5 board. Any employer contributions, and the earnings thereon,
6 shall remain vested in the police officer's account. A police
7 officer who rescinds the election may begin participating in
8 the defined benefit plan on the first day of the month
9 following the rescission.

10 (c) As used in this Section, "defined benefit plan" means
11 the retirement plan available to police officers under this
12 Article who do not participate in the defined contribution
13 plan under this Section.

14 (Source: P.A. 100-281, eff. 8-24-17.)

15 (40 ILCS 5/3-124.1) (from Ch. 108 1/2, par. 3-124.1)

16 Sec. 3-124.1. Re-entry into active service. (a) If a
17 police officer who is receiving pension payments other than as
18 provided in Section 3-109.3 re-enters active service, pension
19 payment shall be suspended while he or she is in service. When
20 he or she again retires, pension payments shall be resumed. If
21 the police officer remains in service after re-entry for a
22 period of less than 5 years, the pension shall be the same as
23 upon first retirement. If the officer's service after re-entry
24 is at least 5 years and the officer makes the required
25 contributions during the period of re-entry, his or her

1 pension shall be recomputed by taking into account the
2 additional period of service and salary.

3 (b) If a police officer who first becomes a member on or
4 after January 1, 2019 but before the effective date of this
5 amendatory Act of the 104th General Assembly is receiving
6 pension payments (other than as provided in Section 3-109.3)
7 and re-enters active service with any municipality that has
8 established a pension fund under this Article, that police
9 officer may continue to receive pension payments while he or
10 she is in active service, but shall only participate in a
11 defined contribution plan established by the municipality
12 pursuant to Section 3-109.4, if the municipality has
13 established such a defined contribution plan, and may not
14 establish creditable service in the pension fund established
15 by that municipality or have his or her pension recomputed.

16 (Source: P.A. 100-281, eff. 8-24-17.)

17 (40 ILCS 5/7-109) (from Ch. 108 1/2, par. 7-109)

18 Sec. 7-109. Employee.

19 (1) "Employee" means any person who:

20 (a) 1. Receives earnings as payment for the
21 performance of personal services or official duties out of
22 the general fund of a municipality, or out of any special
23 fund or funds controlled by a municipality, or by an
24 instrumentality thereof, or a participating
25 instrumentality, including, in counties, the fees or

1 earnings of any county fee office; and

2 2. Under the usual common law rules applicable in
3 determining the employer-employee relationship, has the
4 status of an employee with a municipality, or any
5 instrumentality thereof, or a participating
6 instrumentality, including alderpersons, county
7 supervisors and other persons (excepting those employed as
8 independent contractors) who are paid compensation, fees,
9 allowances or other emolument for official duties, and, in
10 counties, the several county fee offices.

11 (b) Serves as a township treasurer appointed under the
12 School Code, as heretofore or hereafter amended, and who
13 receives for such services regular compensation as
14 distinguished from per diem compensation, and any regular
15 employee in the office of any township treasurer whether
16 or not his earnings are paid from the income of the
17 permanent township fund or from funds subject to
18 distribution to the several school districts and parts of
19 school districts as provided in the School Code, or from
20 both such sources; or is the chief executive officer,
21 chief educational officer, chief fiscal officer, or other
22 employee of a Financial Oversight Panel established
23 pursuant to Article 1H of the School Code, other than a
24 superintendent or certified school business official,
25 except that such person shall not be treated as an
26 employee under this Section if that person has negotiated

1 with the Financial Oversight Panel, in conjunction with
2 the school district, a contractual agreement for exclusion
3 from this Section.

4 (c) Holds an elective office in a municipality,
5 instrumentality thereof or participating instrumentality.

6 (2) "Employee" does not include persons who:

7 (a) Are eligible for inclusion under any of the
8 following laws:

9 1. "An Act in relation to an Illinois State
10 Teachers' Pension and Retirement Fund", approved May
11 27, 1915, as amended;

12 2. Articles 15 and 16 of this Code.

13 However, such persons shall be included as employees
14 to the extent of earnings that are not eligible for
15 inclusion under the foregoing laws for services not of an
16 instructional nature of any kind.

17 However, any member of the armed forces who is
18 employed as a teacher of subjects in the Reserve Officers
19 Training Corps of any school and who is not certified
20 under the law governing the certification of teachers
21 shall be included as an employee.

22 (b) Are designated by the governing body of a
23 municipality in which a pension fund is required by law to
24 be established for policemen or firemen, respectively, as
25 performing police or fire protection duties, except that
26 when such persons are the heads of the police or fire

1 department and are not eligible to be included within any
2 such pension fund, they shall be included within this
3 Article; provided, that such persons shall not be excluded
4 to the extent of concurrent service and earnings not
5 designated as being for police or fire protection duties.
6 However, (i) any head of a police department who was a
7 participant under this Article immediately before October
8 1, 1977 and did not elect, under Section 3-109 of this Act,
9 to participate in a police pension fund shall be an
10 "employee", and (ii) any chief of police who ~~became a~~
11 ~~participating employee under this Article before January~~
12 ~~1, 2019 and who~~ elects to participate in this Fund under
13 Section 3-109.1 of this Code, regardless of whether such
14 person continues to be employed as chief of police or is
15 employed in some other rank or capacity within the police
16 department, shall be an employee under this Article for so
17 long as such person is employed to perform police duties
18 by a participating municipality and has not lawfully
19 rescinded that election.

20 (b-5) Were not participating employees under this
21 Article before August 26, 2018 (the effective date of
22 Public Act 100-1097) and participated as a chief of police
23 in a fund under Article 3 and return to work in any
24 capacity with the police department, with any oversight of
25 the police department, or in an advisory capacity for the
26 police department with the same municipality with which

1 that pension was earned, regardless of whether they are
2 considered an employee of the police department or are
3 eligible for inclusion in the municipality's Article 3
4 fund.

5 (c) Are contributors to or eligible to contribute to a
6 Taft-Hartley pension plan to which the participating
7 municipality is required to contribute as the person's
8 employer based on earnings from the municipality. Nothing
9 in this paragraph shall affect service credit or
10 creditable service for any period of service prior to July
11 16, 2014 (the effective date of Public Act 98-712), and
12 this paragraph shall not apply to individuals who are
13 participating in the Fund prior to July 16, 2014 (the
14 effective date of Public Act 98-712).

15 (d) Become an employee of any of the following
16 participating instrumentalities on or after January 1,
17 2017 (the effective date of Public Act 99-830): the
18 Illinois Municipal League; the Illinois Association of
19 Park Districts; the Illinois Supervisors, County
20 Commissioners and Superintendents of Highways Association;
21 an association, or not-for-profit corporation, membership
22 in which is authorized under Section 85-15 of the Township
23 Code; the United Counties Council; or the Will County
24 Governmental League.

25 (e) Are members of the Board of Trustees of the
26 Firefighters' Pension Investment Fund, as created under

1 Article 22C of this Code, in their capacity as members of
2 the Board of Trustees of the Firefighters' Pension
3 Investment Fund.

4 (f) Are members of the Board of Trustees of the Police
5 Officers' Pension Investment Fund, as created under
6 Article 22B of this Code, in their capacity as members of
7 the Board of Trustees of the Police Officers' Pension
8 Investment Fund.

9 (3) All persons, including, without limitation, public
10 defenders and probation officers, who receive earnings from
11 general or special funds of a county for performance of
12 personal services or official duties within the territorial
13 limits of the county, are employees of the county (unless
14 excluded by subsection (2) of this Section) notwithstanding
15 that they may be appointed by and are subject to the direction
16 of a person or persons other than a county board or a county
17 officer. It is hereby established that an employer-employee
18 relationship under the usual common law rules exists between
19 such employees and the county paying their salaries by reason
20 of the fact that the county boards fix their rates of
21 compensation, appropriate funds for payment of their earnings
22 and otherwise exercise control over them. This finding and
23 this amendatory Act shall apply to all such employees from the
24 date of appointment whether such date is prior to or after the
25 effective date of this amendatory Act and is intended to
26 clarify existing law pertaining to their status as

1 participating employees in the Fund.

2 (Source: P.A. 102-15, eff. 6-17-21; 102-637, eff. 8-27-21;

3 102-813, eff. 5-13-22.)