

104TH GENERAL ASSEMBLY**State of Illinois****2025 and 2026****HB4015**

Introduced 3/6/2025, by Rep. Justin Slaughter

SYNOPSIS AS INTRODUCED:

40 ILCS 5/3-111.2 new

40 ILCS 5/3-125.1

from Ch. 108 1/2, par. 3-125.1

40 ILCS 5/3-144.6

30 ILCS 805/8.49 new

Amends the Downstate Police Article of the Illinois Pension Code. Provides that an eligible police officer may elect to receive a retirement pension from each pension fund under the Article in which the police officer has at least one year of service credit, but has not received a refund, by applying in writing and paying a specified contribution. Provides that from each such pension fund other than the last pension fund, in lieu of any retirement pension otherwise payable, an eligible police officer 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. Provides that the retirement pension from the last pension fund shall be the retirement pension that would be payable to the police officer if he or she had participated in that last pension fund for his or her entire period of service under all pension funds, minus the amounts of the retirement pensions payable to the police officer by all other pension funds. Provides that a police officer must pay to each pension fund from which he or she has elected to receive a pension a contribution equal to 1% of monthly salary for each month of service credit that the police officer has in that fund (other than service credit for which the police officer has already paid a specified additional contribution), together with interest thereon at the rate of 6% per annum, compounded annually. Contains provisions concerning eligibility for the benefit; contributions; refunds; reinstatement of terminated credits; automatic annual increases; and occupational disease disability pensions. Makes conforming and other changes. Amends the State Mandates Act to require implementation without reimbursement.

LRB104 03097 RPS 13115 b

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 adding
5 Section 3-111.2 and changing Sections 3-125.1 and 3-144.6 as
6 follows:

7 (40 ILCS 5/3-111.2 new)

8 Sec. 3-111.2. Employee creditable service.

9 (a) As used in this Section:

10 "Final monthly salary" means the monthly salary attached
11 to the rank held by the police officer at the time of his or
12 her last withdrawal from service under a particular pension
13 fund.

14 "Last pension fund" means the pension fund in which the
15 police officer was participating at the time of his or her last
16 withdrawal from service.

17 (b) The benefits provided under this Section are available
18 only to a police officer who:

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

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

1 last pension fund;

2 (3) has a total of at least 20 years of service under
3 the various pension funds established under this Article
4 and has attained age 50; and

5 (4) is in service on or after the effective date of
6 this amendatory Act of the 104th General Assembly.

7 (c) A police officer who is eligible for benefits under
8 this Section may elect to receive a retirement pension from
9 each pension fund under this Article in which the police
10 officer has at least one year of service credit, but has not
11 received a refund under Section 3-124 (unless the police
12 officer repays that refund under subsection (g)) or subsection
13 (b) of Section 3-125.1, by applying in writing and paying the
14 contribution required under subsection (i).

15 (d) From each such pension fund other than the last
16 pension fund, in lieu of any retirement pension otherwise
17 payable under this Article, a police officer to whom this
18 Section applies may elect to receive a monthly pension of
19 1/12th of 2.5% of his or her final monthly salary under that
20 fund for each month of service in that fund, subject to a
21 maximum of 75% of that final monthly salary.

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

26 The last pension fund shall calculate the retirement

1 pension that would be payable to the police officer under
2 Section 3-111 as if he or she had participated in that last
3 pension fund during his or her entire period of service under
4 all pension funds established under this Article (excluding
5 any period of service for which the police officer has
6 received a refund under Section 3-124, unless the police
7 officer repays that refund under subsection (g), or for which
8 the police officer has received a refund under subsection (b)
9 of Section 3-125.1). From this hypothetical pension, there
10 shall be subtracted the original amounts of the retirement
11 pensions payable to the police officer by all other pension
12 funds under subsection (d). The remainder is the retirement
13 pension payable to the police officer by the last pension fund
14 under this subsection (e).

15 (f) Pensions elected under this Section shall be subject
16 to increases as provided in Section 3-111.1.

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

26 (h) As a condition of being eligible for the benefits

1 provided in this Section, a person who is hired to a position
2 as a police officer on or after July 1, 2026 must, within 21
3 months after being hired, notify the new employer, all of his
4 or her previous employers under this Article, and the Public
5 Pension Division of the Department of Insurance of his or her
6 intent to receive the benefits provided under this Section.

7 (i) In order to receive a pension under this Section or an
8 occupational disease disability pension for which he or she
9 becomes eligible due to the application of subsection (m) of
10 this Section, a police officer must pay to each pension fund
11 from which he or she has elected to receive a pension under
12 this Section a contribution equal to 1% of monthly salary for
13 each month of service credit that the police officer has in
14 that fund (other than service credit for which the police
15 officer has already paid the additional contribution required
16 under subsection (b) of Section 3-125.1), together with
17 interest thereon at the rate of 6% per annum, compounded
18 annually, from the police officer's first day of employment
19 with that fund or the first day of the fiscal year of that fund
20 that immediately precedes the police officer's first day of
21 employment with that fund, whichever is earlier.

22 (j) A retired police officer who is receiving pension
23 payments under Section 3-111 may reenter active service under
24 this Article. Subject to the provisions of Section 3-124.1,
25 the police officer may receive credit for service performed
26 after the reentry if the police officer (1) applies to receive

1 credit for that service, (2) suspends his or her pensions
2 under this Section, and (3) makes the contributions required
3 under subsection (i).

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

7 (l) If a police officer who elects to make contributions
8 under subsection (b) of Section 3-125.1 for the pension
9 benefits provided under this Section becomes entitled to a
10 disability pension under Section 3-114.1, the last pension
11 fund is responsible for paying that disability pension and the
12 amount of that disability pension shall be based only on the
13 police officer's service with the last pension fund.

14 (m) Notwithstanding any provision in Section 3-114.6 to
15 the contrary, if a police officer who elects to make
16 contributions under subsection (b) of Section 3-125.1 for the
17 pension benefits provided under this Section becomes entitled
18 to an occupational disease disability pension under Section
19 3-114.6, each pension fund to which the police officer has
20 made contributions under subsection (b) of Section 3-125.1
21 must pay a portion of that occupational disease disability
22 pension equal to the proportion that the police officer's
23 service credit with that pension fund for which the
24 contributions under subsection (b) of Section 3-125.1 have
25 been made bears to the police officer's total service credit
26 with all of the pension funds for which the contributions

1 under subsection (b) of Section 3-125.1 have been made. A
2 police officer who has made contributions under subsection (b)
3 of Section 3-125.1 for at least 5 years of creditable service
4 shall be deemed to have met the 5-year creditable service
5 requirement under Section 3-114.6, regardless of whether the
6 police officer has 5 years of creditable service with the last
7 pension fund.

8 (n) If a police officer who elects to make contributions
9 under subsection (b) of Section 3-125.1 for the pension
10 benefits provided under this Section becomes entitled to a
11 disability pension under Section 3-114.2, the last pension
12 fund is responsible for paying that disability pension if the
13 police officer has at least 7 years of creditable service with
14 the last pension fund. If a police officer began employment
15 with a new employer as a result of an intergovernmental
16 agreement that resulted in the elimination of the previous
17 employer's police department, the police officer shall not be
18 required to have 7 years of creditable service with the last
19 pension fund to qualify for a disability pension under Section
20 3-114.2. Under this circumstance, a police officer shall be
21 required to have 7 years of total combined creditable service
22 time to qualify for a disability pension under Section
23 3-114.2. The disability pension received pursuant to this
24 Section shall be paid by the previous employer and new
25 employer in proportion to the police officer's years of
26 service with each employer.

1 (40 ILCS 5/3-125.1) (from Ch. 108 1/2, par. 3-125.1)

2 Sec. 3-125.1. Contributions by police officers.

3 (a) Each police officer shall contribute to the pension
4 fund the following percentages of salary for the periods
5 stated: Beginning July 1, 1909 and prior to July 23, 1943, 1%
6 (except that prior to July 1, 1921 not more than one dollar per
7 month shall be deducted, and except that beginning July 1,
8 1921 and prior to July 1, 1927 not more than \$2 per month shall
9 be deducted); beginning July 23, 1943 and prior to July 20,
10 1949, 3%; beginning July 20, 1949 and prior to July 17, 1959,
11 5%; beginning July 17, 1959 and prior to July 1, 1971, 7%;
12 beginning July 1, 1971 and prior to July 1, 1975, 7 1/2%;
13 beginning July 1, 1975 and prior to January 1, 1987, 8 1/2%;
14 beginning January 1, 1987 and prior to January 1, 2001, 9%; and
15 beginning January 1, 2001, 9.91%. Such sums shall be paid or
16 deducted monthly. Contribution to the self-managed plan shall
17 be no less than 10% of salary.

18 (b) Each police officer who elects to receive a pension
19 under Section 3-111.2 and who has participated in at least one
20 other pension fund under this Article for a period of at least
21 one year shall contribute an additional 1% of salary toward
22 the cost of the increase in pensions provided in Section
23 3-111.2.

24 If a police officer does not elect to receive a retirement
25 pension provided under Section 3-111.2 from one or more of the

1 pension funds in which the police officer has credit, he or she
2 shall, upon withdrawal from the last pension fund as defined
3 in Section 3-111.2, be entitled to receive, from each such
4 fund to which he or she has paid additional contributions
5 under this subsection (b) and from which he or she does not
6 receive a refund under Section 3-124, a refund of those
7 contributions without interest.

8 A refund of total contributions to a particular police
9 officer pension fund under Section 3-124 shall include any
10 refund of additional contributions paid to that fund under
11 this subsection (b), but a police officer who accepts a refund
12 from a pension fund under Section 3-124 is thereafter
13 ineligible to receive a pension provided under Section 3-111.2
14 from that fund. A police officer who meets the eligibility
15 requirements of Section 3-111.2 may receive a pension under
16 Section 3-111.2 from any pension fund from which the police
17 officer has not received a refund under Section 3-124 or under
18 this subsection (b).

19 (c) "Salary" means the annual salary, including longevity,
20 attached to the police officer's rank, as established by the
21 municipality's appropriation ordinance, including any
22 compensation for overtime which is included in the salary so
23 established, but excluding any "overtime pay", "holiday pay",
24 "bonus pay", "merit pay", or any other cash benefit not
25 included in the salary so established.

26 (Source: P.A. 91-939, eff. 2-1-01.)

1 (40 ILCS 5/3-144.6)

2 Sec. 3-144.6. Dissolution and reestablishment of inactive
3 police pension funds. The corporate authorities of a
4 municipality for which a pension fund has been established
5 under this Article may, by resolution or ordinance, dissolve
6 the fund if an independent auditor has certified to the
7 authorities that the fund has no liabilities, participants, or
8 beneficiaries entitled to benefits, and the authorities shall
9 reestablish the fund if a police officer of the municipality
10 seeks to establish service credit in the fund or if
11 reestablishment of the fund is required upon a former police
12 officer's reinstatement of creditable service under subsection
13 (b) of Section 3-110.7 or subsection (g) of Section 3-111.2 of
14 this Code.

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

20 (Source: P.A. 97-99, eff. 1-1-12.)

21 Section 90. The State Mandates Act is amended by adding
22 Section 8.49 as follows:

23 (30 ILCS 805/8.49 new)

1 Sec. 8.49. Exempt mandate. Notwithstanding Sections 6 and
2 8 of this Act, no reimbursement by the State is required for
3 the implementation of any mandate created by this amendatory
4 Act of the 104th General Assembly.