



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1986

Introduced 2/6/2025, by Sen. Chapin Rose

SYNOPSIS AS INTRODUCED:

40 ILCS 5/3-110.14
40 ILCS 5/7-139.1a
30 ILCS 805/8.49 new

Amends the Downstate Police and Illinois Municipal Retirement Fund (IMRF) Articles of the Illinois Pension Code. Provides that, until 6 months after the effective date of the amendatory Act, a participating sheriff's law enforcement employee may elect to transfer service credit from a downstate police pension fund to IMRF. Provides that to establish that creditable service, the sheriff's law enforcement employee may elect to either pay a specified amount to IMRF or have the amount of his or her creditable service reduced by a specified amount. Provides that if the amount transferred to IMRF is greater than a specified amount, the additional amount shall be credited to the account of the sheriff's law enforcement employee's employer. Makes conforming changes. Amends the State Mandates Act to require implementation without reimbursement.

LRB104 08481 RPS 18533 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 3-110.14 and 7-139.1a as follows:

6 (40 ILCS 5/3-110.14)

7 Sec. 3-110.14. Transfer to Article 7.

8 (a) On and after July 1, 2022 but no later than December 1,
9 2023, a participating employee who is actively employed as a
10 sheriff's law enforcement employee under Article 7 may make a
11 written election to transfer up to 10 years of creditable
12 service from a fund established under this Article to the
13 Illinois Municipal Retirement Fund established under Article
14 7. Upon receiving a written election by a participant under
15 this Section, the creditable service shall be transferred to
16 the Illinois Municipal Retirement Fund as soon as practicable
17 upon payment by the police pension fund to the Illinois
18 Municipal Retirement Fund of an amount equal to:

19 (1) the amounts accumulated to the credit of the
20 applicant on the books of the fund on the date of the
21 transfer; and

22 (2) employer contributions in an amount equal to the
23 amount determined under paragraph (1).

1 Participation in the police pension fund with respect to the
2 service to be transferred shall terminate on the date of
3 transfer. This Section does not allow reinstatement of credits
4 in this Article that were previously forfeited.

5 (b) On and after the effective date of this amendatory Act
6 of the 104th General Assembly but no later than 6 months after
7 the effective date of this amendatory Act of the 104th General
8 Assembly, a participating employee who is actively employed as
9 a sheriff's law enforcement employee under Article 7 may make
10 a written election to transfer creditable service from a fund
11 established under this Article to the Illinois Municipal
12 Retirement Fund established under Article 7. Upon receiving a
13 written election by a participant under this Section, the
14 creditable service shall be transferred to the Illinois
15 Municipal Retirement Fund as soon as practicable upon payment
16 by the police pension fund to the Illinois Municipal
17 Retirement Fund of an amount equal to:

18 (1) the amounts accumulated to the credit of the
19 applicant on the books of the fund on the date of the
20 transfer; and

21 (2) employer contributions in an amount equal to the
22 amount determined under paragraph (1).

23 Participation in the police pension fund with respect to
24 the service to be transferred shall terminate on the date of
25 transfer. This Section does not allow reinstatement of credits
26 in this Article that were previously forfeited.

1 (Source: P.A. 102-1061, eff. 6-10-22.)

2 (40 ILCS 5/7-139.1a)

3 Sec. 7-139.1a. Transfer from Article 3.

4 (a) On and after July 1, 2022 but no later than January 1,
5 2023, a participating sheriff's law enforcement employee may
6 elect to transfer up to 10 years of service credit to the Fund
7 as set forth in Section 3-110.14. To establish creditable
8 service under this Section, the sheriff's law enforcement
9 employee may elect to do either of the following:

10 (1) pay to the Fund an amount to be determined by the
11 Board, equal to (i) the difference between the amount of
12 employee and employer contributions transferred to the
13 Fund under Section 3-110.14 and the amounts that would
14 have been contributed had such contributions been made at
15 the rates applicable to a sheriff's law enforcement
16 employee under this Article, plus (ii) interest thereon at
17 the actuarially assumed rate, compounded annually, from
18 the date of service to the date of payment; or

19 (2) have the amount of his or her creditable service
20 established under this Section reduced by an amount
21 corresponding to the amount by which (i) the employer and
22 employee contributions that would have been required if he
23 or she had participated in the Fund as a sheriff's law
24 enforcement employee during the period for which credit is
25 being transferred, plus interest thereon at the

1 actuarially assumed rate, compounded annually, from the
2 date of termination of the service for which credit is
3 being transferred to the date of payment, exceeds (ii) the
4 amount actually transferred to the Fund.

5 Notwithstanding the amount transferred by the Article 3
6 fund pursuant to Section 3-110.14, in no event shall the
7 service credit established under this Section exceed the
8 lesser of 10 years or the actual amount of service credit that
9 had been earned in the Article 3 fund. If an amount greater
10 than the amount described under paragraph (1) is transferred
11 to the Fund, the additional amount shall be credited to the
12 account of the sheriff's law enforcement employee's employer.

13 (b) On and after the effective date of this amendatory Act
14 of the 104th General Assembly but no later than 6 months after
15 the effective date of this amendatory Act of the 104th General
16 Assembly, a participating sheriff's law enforcement employee
17 may elect to transfer service credit to the Fund as set forth
18 in Section 3-110.14. To establish creditable service under
19 this Section, the sheriff's law enforcement employee may elect
20 to do either of the following:

21 (1) pay to the Fund an amount to be determined by the
22 Board, equal to (i) the difference between the amount of
23 employee and employer contributions transferred to the
24 Fund under Section 3-110.14 and the amounts that would
25 have been contributed had such contributions been made at
26 the rates applicable to a sheriff's law enforcement

1 employee under this Article, plus (ii) interest thereon at
2 the actuarially assumed rate, compounded annually, from
3 the date of service to the date of payment; or

4 (2) have the amount of his or her creditable service
5 established under this Section reduced by an amount
6 corresponding to the amount by which (i) the employer and
7 employee contributions that would have been required if he
8 or she had participated in the Fund as a sheriff's law
9 enforcement employee during the period for which credit is
10 being transferred, plus interest thereon at the
11 actuarially assumed rate, compounded annually, from the
12 date of termination of the service for which credit is
13 being transferred to the date of payment, exceeds (ii) the
14 amount actually transferred to the Fund.

15 Notwithstanding the amount transferred by the Article 3
16 fund pursuant to Section 3-110.14, in no event shall the
17 service credit established under this Section exceed the
18 actual amount of service credit that had been earned in the
19 Article 3 fund. If an amount greater than the amount described
20 under paragraph (1) is transferred to the Fund, the additional
21 amount shall be credited to the account of the sheriff's law
22 enforcement employee's employer.

23 (Source: P.A. 102-1061, eff. 6-10-22.)

24 Section 90. The State Mandates Act is amended by adding
25 Section 8.49 as follows:

1 (30 ILCS 805/8.49 new)

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