**Section 4404.80 Current Fund Payment Schedule, Determination of Creditable Service Time to be Credited and Notification to the Police Officer**

Within 14 days after receipt of the prior pension funds notification, the current pension fund shall notify the requesting officer of:

a) The additional contribution needed from the officer to transfer the designated creditable service time as required by Section 3-110 of the Illinois Pension Code [40 ILCS 5/3-110] should the officer elect to have all creditable service time earned in the prior fund credited to the current fund under 40 ILCS 5/3-110(d)(2), option (A). The additional contribution should represent the true cost necessary to transfer the designated creditable service time minus the amount payable by the prior pension funds as calculated pursuant to Section 4404.73 of this Part, leaving a balance payable by the officer to satisfy the true cost of effectively transferring the designated creditable service time. This additional contribution is in addition to any amount required to be paid by the officer to reinstate the prior creditable service when a refund had been received as calculated in Section 4404.76 of this Part. In addition, the current pension fund must:

1) Specify the method of payment as either a lump sum or a schedule of payments, to include 6% annual interest on the declining balance, and any fees, not to exceed the 5 year statutory limit (see 40 ILCS 5/3-110(d)(3)), deemed acceptable by the current pension fund board of trustees and that payment must be made in full before the officer terminates service; and

2) Notify the officer that once final authorization has been given pursuant to Section 4404.90 of this Part, the transfer cannot be reversed, and failure to satisfy the agreed to payment arrangement will result in a forfeiture of the employer paid portion and any accumulated interest on the designated creditable service time pursuant to Section 3-110.7 of the Illinois Pension Code [40 ILCS 5/3-110.7].

b) The amount of creditable service time that will be credited to the current pension fund should the officer elect to have the creditable service time earned in the prior pension fund and credited to the current fund reduced in lieu of payment of an additional contribution. The reduced amount of creditable service time to be credited to the current pension fund shall equal the portion of the creditable service time accumulated in the prior pension fund after applying to that creditable service time the ratio of the amount of monies transferred from the prior pension fund to the appropriate true cost amount as determined under Section 4404.50 of this Part. If the ratio of the amount transferred from the prior pension fund to the appropriate true cost amount is greater than one, only the amount of actual creditable service time accumulated in the prior pension fund is credited to the current pension fund. Any amount required to be paid by the officer to reinstate the prior creditable service when a refund had been received as calculated in Section 4404.76 of this Part must still be paid to the prior pension fund.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Service Credited To Current Fund | = | Service Accumulated In Prior Fund | X | (Monies from Prior Fund) |
| (Appropriate True Cost) |

In addition, the current pension fund must notify the officer that, once final authorization has been given pursuant to Section 4404.90 of this Part, the transfer cannot be reversed. Creditable service time transferred out of the prior pension fund and not credited to the current pension fund is lost. It may not be transferred to another pension fund and may not be reinstated in the pension fund from which it was transferred.

(Source: Amended at 35 Ill. Reg. 2120, effective January 24, 2011)