



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB3424

Introduced 2/16/2018, by Sen. Pamela J. Althoff

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Pension Code. Merges all Article 4 firefighters' pension funds into a single Downstate Firefighters Pension Fund on January 1, 2020. Creates a Transition Board, which is responsible for planning, overseeing, and administering the consolidation. Authorizes the Transition Board to undertake numerous activities necessary for the consolidation, including making arrangements for staff, investments, transfer of assets and liabilities, acquisition of property, establishment of municipality accounts, and adopting rules and procedures. Authorizes the Transition Board to enter into contracts and to obligate and expend the assets of the Fund. Creates a new Board of Trustees for the Fund, and provides for administration of the Fund by the Transition Board until the new Board assumes its duties on January 1, 2021. Provides for investment of the Fund's assets by a custodian chosen by the Board of Trustees. Makes conforming and other changes. Amends the Property Tax Extension Limitation Law (PTELL) of the Property Tax Code to exclude from the definition of "aggregate extension" special purpose extensions made for contributions to the Downstate Firefighters Pension Fund. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately, except that certain changes to the Illinois Pension Code and PTELL of the Property Tax Code take effect January 1, 2020.

LRB100 20450 MJP 35799 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

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 Property Tax Code is amended by changing
5 Section 18-185 as follows:

6 (35 ILCS 200/18-185)

7 Sec. 18-185. Short title; definitions. This Division 5 may
8 be cited as the Property Tax Extension Limitation Law. As used
9 in this Division 5:

10 "Consumer Price Index" means the Consumer Price Index for
11 All Urban Consumers for all items published by the United
12 States Department of Labor.

13 "Extension limitation" means (a) the lesser of 5% or the
14 percentage increase in the Consumer Price Index during the
15 12-month calendar year preceding the levy year or (b) the rate
16 of increase approved by voters under Section 18-205.

17 "Affected county" means a county of 3,000,000 or more
18 inhabitants or a county contiguous to a county of 3,000,000 or
19 more inhabitants.

20 "Taxing district" has the same meaning provided in Section
21 1-150, except as otherwise provided in this Section. For the
22 1991 through 1994 levy years only, "taxing district" includes
23 only each non-home rule taxing district having the majority of

1 its 1990 equalized assessed value within any county or counties
2 contiguous to a county with 3,000,000 or more inhabitants.
3 Beginning with the 1995 levy year, "taxing district" includes
4 only each non-home rule taxing district subject to this Law
5 before the 1995 levy year and each non-home rule taxing
6 district not subject to this Law before the 1995 levy year
7 having the majority of its 1994 equalized assessed value in an
8 affected county or counties. Beginning with the levy year in
9 which this Law becomes applicable to a taxing district as
10 provided in Section 18-213, "taxing district" also includes
11 those taxing districts made subject to this Law as provided in
12 Section 18-213.

13 "Aggregate extension" for taxing districts to which this
14 Law applied before the 1995 levy year means the annual
15 corporate extension for the taxing district and those special
16 purpose extensions that are made annually for the taxing
17 district, excluding special purpose extensions: (a) made for
18 the taxing district to pay interest or principal on general
19 obligation bonds that were approved by referendum; (b) made for
20 any taxing district to pay interest or principal on general
21 obligation bonds issued before October 1, 1991; (c) made for
22 any taxing district to pay interest or principal on bonds
23 issued to refund or continue to refund those bonds issued
24 before October 1, 1991; (d) made for any taxing district to pay
25 interest or principal on bonds issued to refund or continue to
26 refund bonds issued after October 1, 1991 that were approved by

1 referendum; (e) made for any taxing district to pay interest or
2 principal on revenue bonds issued before October 1, 1991 for
3 payment of which a property tax levy or the full faith and
4 credit of the unit of local government is pledged; however, a
5 tax for the payment of interest or principal on those bonds
6 shall be made only after the governing body of the unit of
7 local government finds that all other sources for payment are
8 insufficient to make those payments; (f) made for payments
9 under a building commission lease when the lease payments are
10 for the retirement of bonds issued by the commission before
11 October 1, 1991, to pay for the building project; (g) made for
12 payments due under installment contracts entered into before
13 October 1, 1991; (h) made for payments of principal and
14 interest on bonds issued under the Metropolitan Water
15 Reclamation District Act to finance construction projects
16 initiated before October 1, 1991; (i) made for payments of
17 principal and interest on limited bonds, as defined in Section
18 3 of the Local Government Debt Reform Act, in an amount not to
19 exceed the debt service extension base less the amount in items
20 (b), (c), (e), and (h) of this definition for non-referendum
21 obligations, except obligations initially issued pursuant to
22 referendum; (j) made for payments of principal and interest on
23 bonds issued under Section 15 of the Local Government Debt
24 Reform Act; (k) made by a school district that participates in
25 the Special Education District of Lake County, created by
26 special education joint agreement under Section 10-22.31 of the

1 School Code, for payment of the school district's share of the
2 amounts required to be contributed by the Special Education
3 District of Lake County to the Illinois Municipal Retirement
4 Fund under Article 7 of the Illinois Pension Code; the amount
5 of any extension under this item (k) shall be certified by the
6 school district to the county clerk; (l) made to fund expenses
7 of providing joint recreational programs for persons with
8 disabilities under Section 5-8 of the Park District Code or
9 Section 11-95-14 of the Illinois Municipal Code; (m) made for
10 temporary relocation loan repayment purposes pursuant to
11 Sections 2-3.77 and 17-2.2d of the School Code; (n) made for
12 payment of principal and interest on any bonds issued under the
13 authority of Section 17-2.2d of the School Code; (o) made
14 before January 1, 2020 for contributions to a firefighter's
15 pension fund created under Article 4 of the Illinois Pension
16 Code, to the extent of the amount certified under item (5) of
17 Section 4-134 of the Illinois Pension Code; ~~and~~ (p) made for
18 road purposes in the first year after a township assumes the
19 rights, powers, duties, assets, property, liabilities,
20 obligations, and responsibilities of a road district abolished
21 under the provisions of Section 6-133 of the Illinois Highway
22 Code; and (q) made for contributions to the Downstate
23 Firefighters Pension Fund under Article 4 of the Illinois
24 Pension Code.

25 "Aggregate extension" for the taxing districts to which
26 this Law did not apply before the 1995 levy year (except taxing

1 districts subject to this Law in accordance with Section
2 18-213) means the annual corporate extension for the taxing
3 district and those special purpose extensions that are made
4 annually for the taxing district, excluding special purpose
5 extensions: (a) made for the taxing district to pay interest or
6 principal on general obligation bonds that were approved by
7 referendum; (b) made for any taxing district to pay interest or
8 principal on general obligation bonds issued before March 1,
9 1995; (c) made for any taxing district to pay interest or
10 principal on bonds issued to refund or continue to refund those
11 bonds issued before March 1, 1995; (d) made for any taxing
12 district to pay interest or principal on bonds issued to refund
13 or continue to refund bonds issued after March 1, 1995 that
14 were approved by referendum; (e) made for any taxing district
15 to pay interest or principal on revenue bonds issued before
16 March 1, 1995 for payment of which a property tax levy or the
17 full faith and credit of the unit of local government is
18 pledged; however, a tax for the payment of interest or
19 principal on those bonds shall be made only after the governing
20 body of the unit of local government finds that all other
21 sources for payment are insufficient to make those payments;
22 (f) made for payments under a building commission lease when
23 the lease payments are for the retirement of bonds issued by
24 the commission before March 1, 1995 to pay for the building
25 project; (g) made for payments due under installment contracts
26 entered into before March 1, 1995; (h) made for payments of

1 principal and interest on bonds issued under the Metropolitan
2 Water Reclamation District Act to finance construction
3 projects initiated before October 1, 1991; (h-4) made for
4 stormwater management purposes by the Metropolitan Water
5 Reclamation District of Greater Chicago under Section 12 of the
6 Metropolitan Water Reclamation District Act; (i) made for
7 payments of principal and interest on limited bonds, as defined
8 in Section 3 of the Local Government Debt Reform Act, in an
9 amount not to exceed the debt service extension base less the
10 amount in items (b), (c), and (e) of this definition for
11 non-referendum obligations, except obligations initially
12 issued pursuant to referendum and bonds described in subsection
13 (h) of this definition; (j) made for payments of principal and
14 interest on bonds issued under Section 15 of the Local
15 Government Debt Reform Act; (k) made for payments of principal
16 and interest on bonds authorized by Public Act 88-503 and
17 issued under Section 20a of the Chicago Park District Act for
18 aquarium or museum projects; (l) made for payments of principal
19 and interest on bonds authorized by Public Act 87-1191 or
20 93-601 and (i) issued pursuant to Section 21.2 of the Cook
21 County Forest Preserve District Act, (ii) issued under Section
22 42 of the Cook County Forest Preserve District Act for
23 zoological park projects, or (iii) issued under Section 44.1 of
24 the Cook County Forest Preserve District Act for botanical
25 gardens projects; (m) made pursuant to Section 34-53.5 of the
26 School Code, whether levied annually or not; (n) made to fund

1 expenses of providing joint recreational programs for persons
2 with disabilities under Section 5-8 of the Park District Code
3 or Section 11-95-14 of the Illinois Municipal Code; (o) made by
4 the Chicago Park District for recreational programs for persons
5 with disabilities under subsection (c) of Section 7.06 of the
6 Chicago Park District Act; (p) made before January 1, 2020 for
7 contributions to a firefighter's pension fund created under
8 Article 4 of the Illinois Pension Code, to the extent of the
9 amount certified under item (5) of Section 4-134 of the
10 Illinois Pension Code; (q) made by Ford Heights School District
11 169 under Section 17-9.02 of the School Code; ~~and~~ (r) made for
12 the purpose of making employer contributions to the Public
13 School Teachers' Pension and Retirement Fund of Chicago under
14 Section 34-53 of the School Code; and (s) made for
15 contributions to the Downstate Firefighters Pension Fund under
16 Article 4 of the Illinois Pension Code.

17 "Aggregate extension" for all taxing districts to which
18 this Law applies in accordance with Section 18-213, except for
19 those taxing districts subject to paragraph (2) of subsection
20 (e) of Section 18-213, means the annual corporate extension for
21 the taxing district and those special purpose extensions that
22 are made annually for the taxing district, excluding special
23 purpose extensions: (a) made for the taxing district to pay
24 interest or principal on general obligation bonds that were
25 approved by referendum; (b) made for any taxing district to pay
26 interest or principal on general obligation bonds issued before

1 the date on which the referendum making this Law applicable to
2 the taxing district is held; (c) made for any taxing district
3 to pay interest or principal on bonds issued to refund or
4 continue to refund those bonds issued before the date on which
5 the referendum making this Law applicable to the taxing
6 district is held; (d) made for any taxing district to pay
7 interest or principal on bonds issued to refund or continue to
8 refund bonds issued after the date on which the referendum
9 making this Law applicable to the taxing district is held if
10 the bonds were approved by referendum after the date on which
11 the referendum making this Law applicable to the taxing
12 district is held; (e) made for any taxing district to pay
13 interest or principal on revenue bonds issued before the date
14 on which the referendum making this Law applicable to the
15 taxing district is held for payment of which a property tax
16 levy or the full faith and credit of the unit of local
17 government is pledged; however, a tax for the payment of
18 interest or principal on those bonds shall be made only after
19 the governing body of the unit of local government finds that
20 all other sources for payment are insufficient to make those
21 payments; (f) made for payments under a building commission
22 lease when the lease payments are for the retirement of bonds
23 issued by the commission before the date on which the
24 referendum making this Law applicable to the taxing district is
25 held to pay for the building project; (g) made for payments due
26 under installment contracts entered into before the date on

1 which the referendum making this Law applicable to the taxing
2 district is held; (h) made for payments of principal and
3 interest on limited bonds, as defined in Section 3 of the Local
4 Government Debt Reform Act, in an amount not to exceed the debt
5 service extension base less the amount in items (b), (c), and
6 (e) of this definition for non-referendum obligations, except
7 obligations initially issued pursuant to referendum; (i) made
8 for payments of principal and interest on bonds issued under
9 Section 15 of the Local Government Debt Reform Act; (j) made
10 for a qualified airport authority to pay interest or principal
11 on general obligation bonds issued for the purpose of paying
12 obligations due under, or financing airport facilities
13 required to be acquired, constructed, installed or equipped
14 pursuant to, contracts entered into before March 1, 1996 (but
15 not including any amendments to such a contract taking effect
16 on or after that date); (k) made to fund expenses of providing
17 joint recreational programs for persons with disabilities
18 under Section 5-8 of the Park District Code or Section 11-95-14
19 of the Illinois Municipal Code; (l) made before January 1, 2020
20 for contributions to a firefighter's pension fund created under
21 Article 4 of the Illinois Pension Code, to the extent of the
22 amount certified under item (5) of Section 4-134 of the
23 Illinois Pension Code; ~~and~~ (m) made for the taxing district to
24 pay interest or principal on general obligation bonds issued
25 pursuant to Section 19-3.10 of the School Code; and (n) made
26 for contributions to the Downstate Firefighters Pension Fund

1 under Article 4 of the Illinois Pension Code.

2 "Aggregate extension" for all taxing districts to which
3 this Law applies in accordance with paragraph (2) of subsection
4 (e) of Section 18-213 means the annual corporate extension for
5 the taxing district and those special purpose extensions that
6 are made annually for the taxing district, excluding special
7 purpose extensions: (a) made for the taxing district to pay
8 interest or principal on general obligation bonds that were
9 approved by referendum; (b) made for any taxing district to pay
10 interest or principal on general obligation bonds issued before
11 the effective date of this amendatory Act of 1997; (c) made for
12 any taxing district to pay interest or principal on bonds
13 issued to refund or continue to refund those bonds issued
14 before the effective date of this amendatory Act of 1997; (d)
15 made for any taxing district to pay interest or principal on
16 bonds issued to refund or continue to refund bonds issued after
17 the effective date of this amendatory Act of 1997 if the bonds
18 were approved by referendum after the effective date of this
19 amendatory Act of 1997; (e) made for any taxing district to pay
20 interest or principal on revenue bonds issued before the
21 effective date of this amendatory Act of 1997 for payment of
22 which a property tax levy or the full faith and credit of the
23 unit of local government is pledged; however, a tax for the
24 payment of interest or principal on those bonds shall be made
25 only after the governing body of the unit of local government
26 finds that all other sources for payment are insufficient to

1 make those payments; (f) made for payments under a building
2 commission lease when the lease payments are for the retirement
3 of bonds issued by the commission before the effective date of
4 this amendatory Act of 1997 to pay for the building project;
5 (g) made for payments due under installment contracts entered
6 into before the effective date of this amendatory Act of 1997;
7 (h) made for payments of principal and interest on limited
8 bonds, as defined in Section 3 of the Local Government Debt
9 Reform Act, in an amount not to exceed the debt service
10 extension base less the amount in items (b), (c), and (e) of
11 this definition for non-referendum obligations, except
12 obligations initially issued pursuant to referendum; (i) made
13 for payments of principal and interest on bonds issued under
14 Section 15 of the Local Government Debt Reform Act; (j) made
15 for a qualified airport authority to pay interest or principal
16 on general obligation bonds issued for the purpose of paying
17 obligations due under, or financing airport facilities
18 required to be acquired, constructed, installed or equipped
19 pursuant to, contracts entered into before March 1, 1996 (but
20 not including any amendments to such a contract taking effect
21 on or after that date); (k) made to fund expenses of providing
22 joint recreational programs for persons with disabilities
23 under Section 5-8 of the Park District Code or Section 11-95-14
24 of the Illinois Municipal Code; ~~and~~ (l) made before January 1,
25 2020 for contributions to a firefighter's pension fund created
26 under Article 4 of the Illinois Pension Code, to the extent of

1 the amount certified under item (5) of Section 4-134 of the
2 Illinois Pension Code; and (m) made for contributions to the
3 Downstate Firefighters Pension Fund under Article 4 of the
4 Illinois Pension Code.

5 "Debt service extension base" means an amount equal to that
6 portion of the extension for a taxing district for the 1994
7 levy year, or for those taxing districts subject to this Law in
8 accordance with Section 18-213, except for those subject to
9 paragraph (2) of subsection (e) of Section 18-213, for the levy
10 year in which the referendum making this Law applicable to the
11 taxing district is held, or for those taxing districts subject
12 to this Law in accordance with paragraph (2) of subsection (e)
13 of Section 18-213 for the 1996 levy year, constituting an
14 extension for payment of principal and interest on bonds issued
15 by the taxing district without referendum, but not including
16 excluded non-referendum bonds. For park districts (i) that were
17 first subject to this Law in 1991 or 1995 and (ii) whose
18 extension for the 1994 levy year for the payment of principal
19 and interest on bonds issued by the park district without
20 referendum (but not including excluded non-referendum bonds)
21 was less than 51% of the amount for the 1991 levy year
22 constituting an extension for payment of principal and interest
23 on bonds issued by the park district without referendum (but
24 not including excluded non-referendum bonds), "debt service
25 extension base" means an amount equal to that portion of the
26 extension for the 1991 levy year constituting an extension for

1 payment of principal and interest on bonds issued by the park
2 district without referendum (but not including excluded
3 non-referendum bonds). A debt service extension base
4 established or increased at any time pursuant to any provision
5 of this Law, except Section 18-212, shall be increased each
6 year commencing with the later of (i) the 2009 levy year or
7 (ii) the first levy year in which this Law becomes applicable
8 to the taxing district, by the lesser of 5% or the percentage
9 increase in the Consumer Price Index during the 12-month
10 calendar year preceding the levy year. The debt service
11 extension base may be established or increased as provided
12 under Section 18-212. "Excluded non-referendum bonds" means
13 (i) bonds authorized by Public Act 88-503 and issued under
14 Section 20a of the Chicago Park District Act for aquarium and
15 museum projects; (ii) bonds issued under Section 15 of the
16 Local Government Debt Reform Act; or (iii) refunding
17 obligations issued to refund or to continue to refund
18 obligations initially issued pursuant to referendum.

19 "Special purpose extensions" include, but are not limited
20 to, extensions for levies made on an annual basis for
21 unemployment and workers' compensation, self-insurance,
22 contributions to pension plans, and extensions made pursuant to
23 Section 6-601 of the Illinois Highway Code for a road
24 district's permanent road fund whether levied annually or not.
25 The extension for a special service area is not included in the
26 aggregate extension.

1 "Aggregate extension base" means the taxing district's
2 last preceding aggregate extension as adjusted under Sections
3 18-135, 18-215, 18-230, and 18-206. An adjustment under Section
4 18-135 shall be made for the 2007 levy year and all subsequent
5 levy years whenever one or more counties within which a taxing
6 district is located (i) used estimated valuations or rates when
7 extending taxes in the taxing district for the last preceding
8 levy year that resulted in the over or under extension of
9 taxes, or (ii) increased or decreased the tax extension for the
10 last preceding levy year as required by Section 18-135(c).
11 Whenever an adjustment is required under Section 18-135, the
12 aggregate extension base of the taxing district shall be equal
13 to the amount that the aggregate extension of the taxing
14 district would have been for the last preceding levy year if
15 either or both (i) actual, rather than estimated, valuations or
16 rates had been used to calculate the extension of taxes for the
17 last levy year, or (ii) the tax extension for the last
18 preceding levy year had not been adjusted as required by
19 subsection (c) of Section 18-135.

20 Notwithstanding any other provision of law, for levy year
21 2012, the aggregate extension base for West Northfield School
22 District No. 31 in Cook County shall be \$12,654,592.

23 "Levy year" has the same meaning as "year" under Section
24 1-155.

25 "New property" means (i) the assessed value, after final
26 board of review or board of appeals action, of new improvements

1 or additions to existing improvements on any parcel of real
2 property that increase the assessed value of that real property
3 during the levy year multiplied by the equalization factor
4 issued by the Department under Section 17-30, (ii) the assessed
5 value, after final board of review or board of appeals action,
6 of real property not exempt from real estate taxation, which
7 real property was exempt from real estate taxation for any
8 portion of the immediately preceding levy year, multiplied by
9 the equalization factor issued by the Department under Section
10 17-30, including the assessed value, upon final stabilization
11 of occupancy after new construction is complete, of any real
12 property located within the boundaries of an otherwise or
13 previously exempt military reservation that is intended for
14 residential use and owned by or leased to a private corporation
15 or other entity, (iii) in counties that classify in accordance
16 with Section 4 of Article IX of the Illinois Constitution, an
17 incentive property's additional assessed value resulting from
18 a scheduled increase in the level of assessment as applied to
19 the first year final board of review market value, and (iv) any
20 increase in assessed value due to oil or gas production from an
21 oil or gas well required to be permitted under the Hydraulic
22 Fracturing Regulatory Act that was not produced in or accounted
23 for during the previous levy year. In addition, the county
24 clerk in a county containing a population of 3,000,000 or more
25 shall include in the 1997 recovered tax increment value for any
26 school district, any recovered tax increment value that was

1 applicable to the 1995 tax year calculations.

2 "Qualified airport authority" means an airport authority
3 organized under the Airport Authorities Act and located in a
4 county bordering on the State of Wisconsin and having a
5 population in excess of 200,000 and not greater than 500,000.

6 "Recovered tax increment value" means, except as otherwise
7 provided in this paragraph, the amount of the current year's
8 equalized assessed value, in the first year after a
9 municipality terminates the designation of an area as a
10 redevelopment project area previously established under the
11 Tax Increment Allocation Development Act in the Illinois
12 Municipal Code, previously established under the Industrial
13 Jobs Recovery Law in the Illinois Municipal Code, previously
14 established under the Economic Development Project Area Tax
15 Increment Act of 1995, or previously established under the
16 Economic Development Area Tax Increment Allocation Act, of each
17 taxable lot, block, tract, or parcel of real property in the
18 redevelopment project area over and above the initial equalized
19 assessed value of each property in the redevelopment project
20 area. For the taxes which are extended for the 1997 levy year,
21 the recovered tax increment value for a non-home rule taxing
22 district that first became subject to this Law for the 1995
23 levy year because a majority of its 1994 equalized assessed
24 value was in an affected county or counties shall be increased
25 if a municipality terminated the designation of an area in 1993
26 as a redevelopment project area previously established under

1 the Tax Increment Allocation Development Act in the Illinois
2 Municipal Code, previously established under the Industrial
3 Jobs Recovery Law in the Illinois Municipal Code, or previously
4 established under the Economic Development Area Tax Increment
5 Allocation Act, by an amount equal to the 1994 equalized
6 assessed value of each taxable lot, block, tract, or parcel of
7 real property in the redevelopment project area over and above
8 the initial equalized assessed value of each property in the
9 redevelopment project area. In the first year after a
10 municipality removes a taxable lot, block, tract, or parcel of
11 real property from a redevelopment project area established
12 under the Tax Increment Allocation Development Act in the
13 Illinois Municipal Code, the Industrial Jobs Recovery Law in
14 the Illinois Municipal Code, or the Economic Development Area
15 Tax Increment Allocation Act, "recovered tax increment value"
16 means the amount of the current year's equalized assessed value
17 of each taxable lot, block, tract, or parcel of real property
18 removed from the redevelopment project area over and above the
19 initial equalized assessed value of that real property before
20 removal from the redevelopment project area.

21 Except as otherwise provided in this Section, "limiting
22 rate" means a fraction the numerator of which is the last
23 preceding aggregate extension base times an amount equal to one
24 plus the extension limitation defined in this Section and the
25 denominator of which is the current year's equalized assessed
26 value of all real property in the territory under the

1 jurisdiction of the taxing district during the prior levy year.
2 For those taxing districts that reduced their aggregate
3 extension for the last preceding levy year, except for school
4 districts that reduced their extension for educational
5 purposes pursuant to Section 18-206, the highest aggregate
6 extension in any of the last 3 preceding levy years shall be
7 used for the purpose of computing the limiting rate. The
8 denominator shall not include new property or the recovered tax
9 increment value. If a new rate, a rate decrease, or a limiting
10 rate increase has been approved at an election held after March
11 21, 2006, then (i) the otherwise applicable limiting rate shall
12 be increased by the amount of the new rate or shall be reduced
13 by the amount of the rate decrease, as the case may be, or (ii)
14 in the case of a limiting rate increase, the limiting rate
15 shall be equal to the rate set forth in the proposition
16 approved by the voters for each of the years specified in the
17 proposition, after which the limiting rate of the taxing
18 district shall be calculated as otherwise provided. In the case
19 of a taxing district that obtained referendum approval for an
20 increased limiting rate on March 20, 2012, the limiting rate
21 for tax year 2012 shall be the rate that generates the
22 approximate total amount of taxes extendable for that tax year,
23 as set forth in the proposition approved by the voters; this
24 rate shall be the final rate applied by the county clerk for
25 the aggregate of all capped funds of the district for tax year
26 2012.

1 (Source: P.A. 99-143, eff. 7-27-15; 99-521, eff. 6-1-17;
2 100-465, eff. 8-31-17.)

3 Section 10. The Illinois Pension Code is amended by
4 changing Section 4-101 and by adding Sections 4-101.1, 4-101.2,
5 and 7-199.5 as follows:

6 (40 ILCS 5/4-101) (from Ch. 108 1/2, par. 4-101)

7 Sec. 4-101. Creation of Fund fund.

8 (a) Until January 1, 2020, in ~~in~~ each municipality as
9 defined in Section 4-103, the city council or the board of
10 trustees, as the case may be, shall establish and administer a
11 firefighters' pension fund as prescribed in this Article, for
12 the benefit of its firefighters and of their surviving spouses,
13 children and certain other dependents. The duty of the
14 corporate authorities of a municipality to establish and
15 administer a firefighters' pension fund shall be suspended
16 during any period during which the fund is dissolved under
17 subsection (c) of Section 4-106.1 of this Code.

18 (b) On January 1, 2020, all of the individual firefighters'
19 pension funds then existing under this Article are merged and
20 consolidated into a single pension fund, to be known as the
21 Downstate Firefighters Pension Fund, which shall be
22 established and administered as prescribed in this Article.

23 (c) Beginning January 1, 2020, each municipality, as
24 defined in Section 4-103, shall participate in the Downstate

1 Firefighters Pension Fund for the benefit of its firefighters
2 and of their surviving spouses, children, and certain other
3 dependents.

4 (d) It is the purpose of this consolidation to provide the
5 advantages of (i) centralized custody and investment of pension
6 fund assets, (ii) consistent interpretation and application of
7 this Article in accordance with a single set of rules and
8 procedures adopted by the consolidated pension fund, and (iii)
9 securing the future funding of pension benefits through an
10 independent determination of each municipality's required
11 annual contribution rate.

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

13 (40 ILCS 5/4-101.1 new)

14 Sec. 4-101.1. Transition Board.

15 (a) There is hereby created a Downstate Firefighters
16 Pension Fund Transition Board, which may be referred to as the
17 "Transition Board". The Transition Board shall consist of 11
18 members as follows:

19 (1) The Director of the Illinois Department of
20 Insurance, or his or her designee.

21 (2) Two persons with experience in managing or
22 administering an Illinois public employee pension fund or
23 retirement system, appointed by the Governor.

24 (3) One person with experience in providing actuarial
25 services to an Illinois public employee pension fund or

1 retirement system, appointed by the Governor.

2 (4) One person with experience in auditing Illinois
3 public employee pension funds or retirement systems,
4 appointed by the Auditor General.

5 (5) Two members of the labor organization representing
6 the largest number of firefighters participating in
7 Article 4 pension funds, with one member being an active
8 participant and the other being a retired participant,
9 appointed by the Governor from recommendations of the
10 President of that organization.

11 (6) Two persons who are mayors or chief elected
12 officers of municipalities that maintain an Article 4
13 pension fund, appointed by the Governor from
14 recommendations of the Executive Director of the
15 organization representing the largest number of
16 municipalities in the State.

17 (7) One person familiar with the operation and
18 administration of the Illinois Municipal Retirement Fund,
19 appointed by the Executive Director of that Fund.

20 (8) One person familiar with the investment authority
21 and practices of the Illinois State Board of Investment,
22 appointed by the Executive Director of the Illinois State
23 Board of Investment.

24 All such appointments and designations shall be made by
25 filing a written notice thereof with the Secretary of State no
26 later than 30 days after the effective date of this amendatory

1 Act of the 100th General Assembly.

2 (b) The Transition Board shall be responsible for planning,
3 overseeing, and administering the consolidation and merger of
4 all existing Article 4 pension funds into a single Downstate
5 Firefighters Pension Fund.

6 Members of the Transition Board shall act at all times in a
7 manner appropriate for fiduciaries of the Fund and fiduciaries
8 of the pension funds being consolidated.

9 The Transition Board's powers and duties include, but are
10 not limited to, the following:

11 (1) Providing for the establishment of offices,
12 infrastructure, and personnel necessary for the operation
13 of the Downstate Firefighters Pension Fund.

14 (2) Providing for the preservation and consolidation
15 of membership, beneficiary, financial, and other records
16 relating to the Article 4 pension funds to be merged.

17 (3) Obtaining all necessary Internal Revenue Service
18 and any other necessary approval or review.

19 (4) Providing for the final auditing of existing
20 Article 4 pension funds, including a final accounting of
21 their respective assets and liabilities, paid for by the
22 applicable pension fund.

23 (5) Providing for the custody and transfer of the
24 assets and liabilities of the existing Article 4 pension
25 funds to the Downstate Firefighters Pension Fund, on a
26 schedule to be determined by the Transition Board.

1 (6) Providing for the long-term investment of the
2 assets of the Downstate Firefighters Pension Fund that are
3 not required for the short-term payment of benefits.

4 (7) Providing an appropriate system of accounting for
5 the assets and liabilities attributable to the existing
6 Article 4 pension funds and establishing separate reserves
7 and accounts for each municipality participating in the
8 Downstate Firefighters Pension Fund in accordance with
9 this Article. In so doing, the Transition Board shall be
10 guided by the methods and experience of the Illinois
11 Municipal Retirement Fund.

12 (8) Providing an appropriate system of determining,
13 administering, receiving, and enforcing the required
14 municipal contributions to the Fund. In so doing, the
15 Transition Board shall be guided by the methods and
16 experience of the Illinois Municipal Retirement Fund. The
17 municipal contribution rate shall be determined separately
18 for each municipality on an annual basis in accordance with
19 the requirements of this Article, based on the
20 municipality's separate reserves and accounts within the
21 Fund. The Transition Board shall endeavor to determine the
22 required municipal contributions to the Fund and to notify
23 and provide reasonable guidance to municipalities in a
24 manner that ensures uninterrupted contributions during the
25 transition period.

26 (9) Ensuring the uninterrupted payment and

1 administration of benefits.

2 (10) Adopting any rules or procedures necessary for the
3 efficient consolidation of the existing Article 4 pension
4 funds and the efficient operation and administration of the
5 Downstate Firefighters Pension Fund.

6 (11) Considering the consequences of the consolidation
7 on any QILDROs filed with the pension funds being
8 consolidated and giving appropriate notice and advice to
9 persons who may be affected by those QILDROs concerning the
10 possible effects of consolidation.

11 (12) Administering the Downstate Firefighters Pension
12 Fund and exercising and performing all of the powers and
13 duties of its Board of Trustees from the time of the Fund's
14 inception until the Board of Trustees under subsection (d)
15 of Section 4-121 has been elected and assumes its duties.

16 (13) Making recommendations to the Governor and the
17 General Assembly with respect to legislation necessary or
18 useful for the implementation of this consolidation or for
19 the successful operation of the Downstate Firefighters
20 Pension Fund.

21 (c) The Public Pension Division of the Department of
22 Insurance shall provide all reasonably necessary and available
23 temporary office space, technical and clerical support, and
24 monetary or other assistance at the request of the Transition
25 Board.

26 For the purpose of implementing the consolidation, the

1 Transition Board may direct the Public Pension Division to
2 accelerate, expand, or enhance its examination under Section
3 1A-104 of all or specific Article 4 pension funds, or to
4 conduct a particular study or investigation thereof. The
5 expenses of such examinations and investigations, to the extent
6 not paid by the Division, shall be charged to the applicable
7 pension fund.

8 (d) The Illinois Municipal Retirement Fund is authorized to
9 provide any reasonable managerial, professional, clerical, and
10 other assistance to the Transition Board that is consistent
11 with its fiduciary and other obligations.

12 The Transition Board is authorized to enter into reasonable
13 contracts or other agreements with the Illinois Municipal
14 Retirement Fund, without public bidding or procurement
15 procedures but not exceeding 3 years in duration, to provide
16 administrative, investment, professional, technical, or other
17 services or facilities for the Downstate Firefighters Pension
18 Fund.

19 (e) In preparation for the inception of the Downstate
20 Firefighters Pension Fund on January 1, 2020 and during the
21 period of its administration of that Fund, the Transition Board
22 is authorized to expend or obligate the assets of the Fund for
23 any of the reasonable expenses of the Fund, including the
24 payment of benefits and reasonable administrative expenses. As
25 used in this Section, "reasonable administrative expenses"
26 includes, but is not limited to, the cost of hiring personnel

1 and obtaining professional services, the cost of leases or
2 purchases of property or services for the Fund, the cost of
3 insurance, and the cost of indemnifying members of the
4 Transition Board and its employees, advisors, and agents.

5 (f) In preparation for the inception of the Downstate
6 Firefighters Pension Fund on January 1, 2020, the Transition
7 Board is specifically authorized to retain for the Fund, during
8 the period before its inception, an executive director and an
9 actuary with the powers and duties described in Sections
10 4-130.4 and 4-130.5.

11 (g) Members of the Transition Board, other than State
12 officials and employees, may be compensated for their service,
13 and all members may be reimbursed for their reasonable expenses
14 out of any moneys available for that purpose.

15 (h) Sixty days after the Board of Trustees under subsection
16 (d) of Section 4-121 assumes its duties, the Transition Board
17 is abolished.

18 (40 ILCS 5/4-101.2 new)

19 Sec. 4-101.2. Consolidation of pension funds.

20 (a) On January 1, 2020, all of the individual firefighters'
21 pension funds then established under this Article are merged
22 and consolidated into a single pension fund, to be known as the
23 Downstate Firefighters Pension Fund, which shall be
24 established and administered as prescribed in this Article.

25 In preparation for that consolidation, all pension funds

1 established under this Article, and the municipalities that
2 established them, shall cooperate with the Transition Board.

3 (b) The Downstate Firefighters Pension Fund shall be the
4 legal successor to each of the pension funds that are
5 consolidated within it, and it may exercise any of the rights
6 and powers and perform any of the duties of those pension
7 funds.

8 At the time of consolidation, or as otherwise directed by
9 the Transition Board, all assets and liabilities belonging to
10 or arising from the trust of an existing pension fund shall
11 become the assets and liabilities of the Downstate Firefighters
12 Pension Fund.

13 As and when directed by the Transition Board, the trustees
14 of the pension funds established under Article 4 of this Code
15 shall transfer to the Downstate Firefighters Pension Fund, for
16 management and investment as assets of the Downstate
17 Firefighters Pension Fund, all of their securities and other
18 investments not needed for immediate use.

19 (c) At the time of consolidation or as otherwise directed
20 by the Transition Board, assets not belonging to or arising
21 from the trust that are incidentally owned by a pension fund,
22 and any incidental liabilities of a pension fund not relating
23 to or arising from the trust, shall become the assets and
24 liabilities of the municipality.

25 Assets not belonging to or arising from the trust that are
26 owned by a municipality and incidentally used by a pension

1 fund, and any associated liabilities, are not affected by the
2 consolidation and shall continue to be managed as assets and
3 liabilities of that municipality.

4 As necessary or useful to effectuate the consolidation, the
5 board of trustees of a pension fund to be consolidated and the
6 applicable municipality may each, in its discretion, continue
7 or renegotiate any employment or service contract, lease, or
8 other contract to which it is a party that relates to the
9 operation of the consolidated pension fund, and it may take
10 appropriate action to terminate any such contract as necessary
11 to terminate or avoid unnecessary or duplicative personnel,
12 facilities, or services.

13 (d) Beginning on January 1, 2020, all benefits payable
14 under this Article shall be payable from the Downstate
15 Firefighters Pension Fund.

16 (e) The consolidation of pension funds under this Article
17 shall not diminish or impair the benefits of any current or
18 former firefighter who participated in one of those pension
19 funds, or of any such firefighter's surviving spouse, children,
20 or other dependents.

21 The consolidation of pension funds under this Article does
22 not entitle any person to a recalculation or combination of any
23 benefit or benefits previously granted or to a refund of any
24 contribution previously paid.

25 The consolidation of pension funds under this Article is
26 not intended to increase the benefits provided under this

1 Article, except insofar as the consolidation of pension funds
2 into a single Fund will allow firefighters in active service on
3 or after the consolidation date to have their benefit
4 calculations (and those of their qualifying survivors) include
5 consideration of all of the firefighter's service, salary, and
6 credits in the Fund as though arising under that single Fund,
7 rather than as arising under more than one participating
8 municipality or more than one Article 4 pension fund.

9 (40 ILCS 5/7-199.5 new)

10 Sec. 7-199.5. To assist in the creation and administration
11 of the Downstate Firefighters Pension Fund. To assist in the
12 creation and administration of the Downstate Firefighters
13 Pension Fund under Article 4 of this Code, including assisting
14 the Downstate Firefighters Pension Fund Transition Board,
15 created under Section 4-101.1 of this Code; and pursuant to any
16 contract or other agreement it may enter into with the
17 Transition Board or the Board of Trustees of the Downstate
18 Firefighters Pension Fund, to provide for the administrative
19 staff of one Fund to provide assistance to or consolidate
20 particular services or operations with that of the other Fund,
21 to the extent consistent with their respective fiduciary and
22 other responsibilities.

23 Section 15. The Illinois Pension Code is amended by
24 changing Sections 4-103, 4-105, 4-105c, 4-105d, 4-108, 4-118,

1 4-118.1, 4-121, 4-124, 4-128, and 4-134 and by adding Sections
2 4-102.1, 4-104.5, 4-106.5, 4-121.1, 4-121.2, 4-129.5, 4-130.1,
3 4-130.3, 4-130.4, and 4-130.5 as follows:

4 (40 ILCS 5/4-102.1 new)

5 Sec. 4-102.1. Fund. "Fund" or "pension fund": Until January
6 1, 2020, a firefighters' pension fund established by a
7 municipality under this Article.

8 Beginning January 1, 2020, "Fund" or "pension fund" means
9 the Downstate Firefighters Pension Fund created under this
10 Article to consolidate all of the individual pension funds
11 previously established under this Article; depending on the
12 context, the terms may include one or more of those previously
13 established pension funds.

14 (40 ILCS 5/4-103) (from Ch. 108 1/2, par. 4-103)

15 Sec. 4-103. Municipality; participating municipality;
16 governing body.

17 (a) "Municipality": (1) Any city, township, village or
18 incorporated town of 5,000 or more but less than 500,000
19 inhabitants, and any fire protection district having any
20 full-time paid firefighters, and (2) any city, village,
21 incorporated town or township of less than 5,000 inhabitants
22 having a full-time paid fire department which adopts the
23 provisions of this Article ~~article~~ pursuant to the provisions
24 of Section 4-141.

1 (b) The term "participating municipality" means a
2 municipality, as defined in subsection (a), that both is
3 required (or has elected) to and does in fact participate in
4 the Downstate Firefighters Pension Fund under this Article.

5 (c) The term "governing body", "city council", or "board of
6 trustees" includes the board of trustees of a fire protection
7 district and the board of town trustees or other persons
8 empowered to draft the tentative budget and appropriation
9 ordinance and the electors of such a township acting at the
10 annual or special meeting of town electors.

11 (Source: P.A. 83-1440.)

12 (40 ILCS 5/4-104.5 new)

13 Sec. 4-104.5. Prescribed rate of interest. "Prescribed
14 rate of interest": The rate of interest to be used for
15 calculation of the rates of municipality contributions and
16 amounts of annuities and benefits as determined by the Board on
17 the basis of the probable effective rate of interest on a long
18 term basis.

19 (40 ILCS 5/4-105) (from Ch. 108 1/2, par. 4-105)

20 Sec. 4-105. Board. "Board": Until January 1, 2020, the ~~The~~
21 "Board of Trustees of the Firefighters' Pension Fund" of a
22 municipality as established in subsection (a) of Section 4-121.

23 Beginning January 1, 2020, the Board of Trustees of the
24 Downstate Firefighters Pension Fund created under this Article

1 to consolidate all of the individual pension funds previously
2 established under this Article, as established in subsection
3 (d) of Section 4-121, or until that board is established and
4 has assumed its duties, the Transition Board created under
5 Section 4-101.1; depending on the context, the term may include
6 the former board of trustees of one or more of those previously
7 established pension funds.

8 (Source: P.A. 83-1440.)

9 (40 ILCS 5/4-105c)

10 Sec. 4-105c. Participant. "Participant": A firefighter or
11 deferred pensioner of the Fund ~~a pension fund~~, or a beneficiary
12 of the Fund ~~pension fund~~.

13 (Source: P.A. 90-507, eff. 8-22-97.)

14 (40 ILCS 5/4-105d)

15 Sec. 4-105d. Beneficiary. "Beneficiary": A person
16 receiving benefits from the Fund ~~a pension fund~~, including, but
17 not limited to, retired pensioners, disabled pensioners, their
18 surviving spouses, minor children, disabled children, and
19 dependent parents.

20 (Source: P.A. 90-507, eff. 8-22-97.)

21 (40 ILCS 5/4-106.5 new)

22 Sec. 4-106.5. Authorized agent of a participating
23 municipality.

1 (a) Each participating municipality shall appoint an
2 authorized agent who shall have the powers and duties set forth
3 in this Section. In the absence of such an appointment, the
4 duties of the authorized agent shall devolve upon the clerk or
5 secretary of the municipality.

6 (b) The authorized agent of the municipality shall have the
7 following powers and duties:

8 (1) To certify to the Fund whether or not a given
9 person is authorized to participate in the Fund.

10 (2) To certify to the Fund when a participating
11 employee is on a leave of absence authorized by the
12 municipality.

13 (3) To request the proper officer to cause employee
14 contributions to be withheld from salary and promptly
15 transmitted to the Fund.

16 (4) To request the proper officer to cause municipality
17 contributions to be promptly forwarded to the Fund.

18 (5) To forward promptly to all participating employees
19 any communications for such employees from the Fund or the
20 municipality.

21 (6) To forward promptly to the Board of the Fund all
22 applications, claims reports, and other communications
23 delivered to the agent by participating employees.

24 (7) To perform all duties related to the administration
25 of the Fund as requested by the Fund or the governing body
26 of the municipality.

1 (c) The governing body of each participating municipality
2 may delegate either or both of the following powers to its
3 authorized agent:

4 (1) To file a petition for nomination of an executive
5 trustee of the Fund.

6 (2) To cast the ballot for election of an executive
7 trustee of the Fund.

8 If a governing body does not authorize its agent to perform
9 the powers set forth in this Section, they shall be performed
10 by the governing body itself, unless the governing body by
11 resolution duly certified to the Fund delegates them to some
12 other officer or employee.

13 (d) The delivery of any communication or document by an
14 employee or a municipality to the authorized agent of the
15 municipality does not constitute delivery to the Fund.

16 (40 ILCS 5/4-108) (from Ch. 108 1/2, par. 4-108)
17 Sec. 4-108. Creditable service.

18 (a) Creditable service is the time served as a firefighter
19 of a municipality. In computing creditable service, furloughs
20 and leaves of absence without pay exceeding 30 days in any one
21 year shall not be counted, but leaves of absence for illness or
22 accident regardless of length, and periods of disability for
23 which a firefighter received no disability pension payments
24 under this Article, shall be counted.

25 (a-5) Upon the consolidation of the firefighters' pension

1 funds under this Article into the Downstate Firefighters
2 Pension Fund on January 1, 2020, creditable service under any
3 such pension fund shall be deemed to be creditable service in
4 the Downstate Firefighters Pension Fund, subject to the
5 following provisions:

6 (1) The consolidation of firefighters' pension funds
7 into the Downstate Firefighters Pension Fund shall not
8 result in the duplication of any service credit based on
9 the same period of service in this or any other pension
10 fund or retirement system subject to this Code.

11 (2) If this Section or any other provision of this
12 Article imposes a limit on the amount of creditable service
13 that may be established for a particular activity or
14 purpose, and prior to consolidation a firefighter has
15 established periods of creditable service for that
16 activity or purpose in more than one former firefighters'
17 pension fund under this Article, which periods are within
18 that limitation for each such fund but together exceed that
19 limitation, then upon consolidation all such credit
20 previously established by the firefighter shall be
21 preserved under the Fund, but no additional creditable
22 service for that activity or purpose may be established by
23 that firefighter in the Fund.

24 (3) The consolidation of firefighters' pension funds
25 into the Downstate Firefighters Pension Fund shall not
26 entitle any person or pension fund to a refund of any

1 contribution or payment previously paid or transferred in
2 order to establish or transfer creditable service under
3 this Article.

4 (b) Furloughs and leaves of absence of 30 days or less in
5 any one year may be counted as creditable service, if the
6 firefighter makes the contribution to the Fund ~~fund~~ that would
7 have been required had he or she not been on furlough or leave
8 of absence. To qualify for this creditable service, the
9 firefighter must pay the required contributions to the Fund
10 ~~fund~~ not more than 90 days subsequent to the termination of the
11 furlough or leave of absence, to the extent that the
12 municipality has not made such contribution on his or her
13 behalf.

14 (c) Creditable service includes:

15 (1) Service in the military, naval or air forces of the
16 United States entered upon when the person was an active
17 firefighter, provided that, upon applying for a permanent
18 pension, and in accordance with the rules of the board the
19 firefighter pays into the Fund ~~fund~~ the amount that would
20 have been contributed had he or she been a regular
21 contributor during such period of service, if and to the
22 extent that the municipality which the firefighter served
23 made no such contributions in his or her behalf. The total
24 amount of such creditable service shall not exceed 5 years,
25 except that any firefighter who on July 1, 1973 had more
26 than 5 years of such creditable service shall receive the

1 total amount thereof as of that date.

2 (1.5) Up to 24 months of service in the military,
3 naval, or air forces of the United States that was served
4 prior to employment by a municipality or fire protection
5 district as a firefighter. To receive the credit for the
6 military service prior to the employment as a firefighter,
7 the firefighter must apply in writing to the Fund fund and
8 must make contributions to the Fund fund equal to (i) the
9 employee contributions that would have been required had
10 the service been rendered as a member, plus (ii) an amount
11 determined by the Fund fund to be equal to the employer's
12 normal cost of the benefits accrued for that military
13 service, plus (iii) interest at the prescribed rate
14 ~~actuarially assumed rate provided by the Department of~~
15 ~~Financial and Professional Regulation~~, compounded annually
16 from the first date of membership in the Fund fund to the
17 date of payment on items (i) and (ii). The changes to this
18 paragraph (1.5) made by Public Act 95-1056 ~~this amendatory~~
19 ~~Act of the 95th General Assembly~~ apply only to
20 participating employees in service on or after April 10,
21 2009 (its effective date).

22 (2) Service prior to July 1, 1976 by a firefighter
23 initially excluded from participation by reason of age who
24 elected to participate and paid the required contributions
25 for such service.

26 (3) Up to 8 years of service by a firefighter as an

1 officer in a statewide firefighters' association when he is
2 on a leave of absence from a municipality's payroll,
3 provided that (i) the firefighter has at least 10 years of
4 creditable service as an active firefighter, (ii) the
5 firefighter contributes to the Fund ~~fund~~ the amount that he
6 would have contributed had he remained an active member of
7 the Fund ~~fund~~, (iii) the employee or statewide firefighter
8 association contributes to the Fund ~~fund~~ an amount equal to
9 the employer's required contribution as determined by the
10 board, and (iv) for all leaves of absence under this
11 subdivision (3), including those beginning before January
12 5, 2012 (the effective date of Public Act 97-651) ~~this~~
13 ~~amendatory Act of the 97th General Assembly~~, the
14 firefighter continues to remain in sworn status, subject to
15 the professional standards of the public employer or those
16 terms established in statute.

17 (4) Time spent as an on-call fireman for a
18 municipality, calculated at the rate of one year of
19 creditable service for each 5 years of time spent as an
20 on-call fireman, provided that (i) the firefighter has at
21 least 18 years of creditable service as an active
22 firefighter, (ii) the firefighter spent at least 14 years
23 as an on-call firefighter for the municipality, (iii) the
24 firefighter applies for such creditable service within 30
25 days after August 23, 1989 (the effective date of Public
26 Act 86-273) ~~this amendatory Act of 1989~~, (iv) the

1 firefighter contributes to the Fund an amount representing
2 employee contributions for the number of years of
3 creditable service granted under this subdivision (4),
4 based on the salary and contribution rate in effect for the
5 firefighter at the date of entry into the Fund, to be
6 determined by the board, and (v) not more than 3 years of
7 creditable service may be granted under this subdivision
8 (4).

9 Except as provided in Section 4-108.5, creditable
10 service shall not include time spent as a volunteer
11 firefighter, whether or not any compensation was received
12 therefor. The change made in this Section by Public Act
13 83-0463 is intended to be a restatement and clarification
14 of existing law, and does not imply that creditable service
15 was previously allowed under this Article for time spent as
16 a volunteer firefighter.

17 (5) Time served between July 1, 1976 and July 1, 1988
18 in the position of protective inspection officer or
19 administrative assistant for fire services, for a
20 municipality with a population under 10,000 that is located
21 in a county with a population over 3,000,000 and that
22 maintains a firefighters' pension fund under this Article,
23 if the position included firefighting duties,
24 notwithstanding that the person may not have held an
25 appointment as a firefighter, provided that application is
26 made to the pension fund within 30 days after November 19,

1 1991 (the effective date of Public Act 87-794) ~~this~~
2 ~~amendatory Act of 1991~~, and the corresponding
3 contributions are paid for the number of years of service
4 granted, based upon the salary and contribution rate in
5 effect for the firefighter at the date of entry into the
6 pension fund, as determined by the Board.

7 (6) Service before becoming a participant by a
8 firefighter initially excluded from participation by
9 reason of age who becomes a participant under the amendment
10 to Section 4-107 made by Public Act 87-1265 ~~this amendatory~~
11 ~~Act of 1993~~ and pays the required contributions for such
12 service.

13 (7) Up to 3 years of time during which the firefighter
14 receives a disability pension under Section 4-110,
15 4-110.1, or 4-111, provided that (i) the firefighter
16 returns to active service after the disability for a period
17 at least equal to the period for which credit is to be
18 established and (ii) the firefighter makes contributions
19 to the Fund ~~fund~~ based on the rates specified in Section
20 4-118.1 and the salary upon which the disability pension is
21 based. These contributions may be paid at any time prior to
22 the commencement of a retirement pension. The firefighter
23 may, but need not, elect to have the contributions deducted
24 from the disability pension or to pay them in installments
25 on a schedule approved by the board. If not deducted from
26 the disability pension, the contributions shall include

1 interest at the rate of 6% per year, compounded annually,
2 from the date for which service credit is being established
3 to the date of payment. If contributions are paid under
4 this subdivision (c)(7) in excess of those needed to
5 establish the credit, the excess shall be refunded. This
6 subdivision (c)(7) applies to persons receiving a
7 disability pension under Section 4-110, 4-110.1, or 4-111
8 on the effective date of this amendatory Act of the 91st
9 General Assembly, as well as persons who begin to receive
10 such a disability pension after that date.

11 (8) Up to 6 years of service as a police officer and
12 participant in an Article 3 police pension fund
13 administered by the unit of local government that employs
14 the firefighter under this Article, provided that the
15 service has been transferred to, and the required payment
16 received by, the Article 4 fund in accordance with Section
17 3-110.12 of this Code.

18 (Source: P.A. 100-544, eff. 11-8-17.)

19 (40 ILCS 5/4-118) (from Ch. 108 1/2, par. 4-118)

20 Sec. 4-118. Financing; tax.

21 (a) The governing body ~~city council or the board of~~
22 ~~trustees~~ of a participating ~~the~~ municipality shall annually
23 levy a tax upon all the taxable property of the municipality at
24 the rate on the dollar which will produce an amount which, when
25 added to the deductions from the salaries or wages of

1 firefighters and revenues available from other sources, will
2 equal a sum sufficient to meet the annual actuarial
3 requirements of the account of the participating municipality
4 ~~pension fund~~, as determined by an enrolled actuary employed by
5 the Fund ~~Illinois Department of Insurance or by an enrolled~~
6 ~~actuary retained by the pension fund or municipality~~. For the
7 purposes of this Section, the annual actuarial requirements of
8 the account of the participating municipality ~~pension fund~~ are
9 equal to (1) the normal cost of benefits attributable to the
10 participating municipality and its firefighters, as determined
11 by an enrolled actuary employed by the Fund ~~of the pension~~
12 ~~fund~~, or 17.5% of the salaries and wages to be paid to
13 firefighters for the year involved, whichever is greater, plus
14 (2) an annual amount sufficient to bring the total assets of
15 the account of the participating municipality ~~pension fund~~ up
16 to 90% of the total actuarial liabilities of the account of the
17 participating municipality ~~pension fund~~ by the end of municipal
18 fiscal year 2040, as annually updated and determined by an
19 enrolled actuary employed by the Fund ~~Illinois Department of~~
20 ~~Insurance or by an enrolled actuary retained by the pension~~
21 ~~fund or the municipality~~. In making these determinations, the
22 required minimum employer contribution shall be calculated
23 each year as a level percentage of payroll over the years
24 remaining up to and including fiscal year 2040 and shall be
25 determined under the projected unit credit actuarial cost
26 method. The amount to be applied towards the amortization of

1 the unfunded accrued liability in any year shall not be less
2 than the annual amount required to amortize the unfunded
3 accrued liability, including interest, as a level percentage of
4 payroll over the number of years remaining in the 40 year
5 amortization period.

6 (a-5) For purposes of determining the required employer
7 contribution to the Fund ~~a pension fund~~, the value of the
8 ~~pension fund's~~ assets of the account of the participating
9 municipality shall be equal to the actuarial value of the
10 ~~pension fund's~~ assets of the account of the participating
11 municipality, which shall be calculated as follows:

12 (1) (Blank). ~~On March 30, 2011, the actuarial value of~~
13 ~~a pension fund's assets shall be equal to the market value~~
14 ~~of the assets as of that date.~~

15 (2) In determining the actuarial value of the ~~pension~~
16 ~~fund's~~ assets of the account of the participating
17 municipality ~~for fiscal years after March 30, 2011~~, any
18 actuarial gains or losses from investment return incurred
19 in a fiscal year shall be recognized in equal annual
20 amounts over the 5-year period following that fiscal year.

21 (b) The tax shall be levied and collected in the same
22 manner as the general taxes of the municipality, and shall be
23 in addition to all other taxes now or hereafter authorized to
24 be levied upon all property within the municipality, and in
25 addition to the amount authorized to be levied for general
26 purposes, under Section 8-3-1 of the Illinois Municipal Code or

1 under Section 14 of the Fire Protection District Act. The tax
2 shall be forwarded directly to the treasurer of the Fund ~~board~~
3 within 30 business days of receipt by the county (or, in the
4 case of amounts added to the tax levy under subsection (f),
5 used by the municipality to pay the employer contributions
6 required under subsection (b-1) of Section 15-155 of this
7 Code).

8 (b-5) If a participating municipality fails to transmit to
9 the Fund ~~fund~~ contributions required of it under this Article
10 for more than 90 days after the payment of those contributions
11 is due, the Fund ~~fund~~ may, after giving notice to the
12 municipality, certify to the State Comptroller the amounts of
13 the delinquent payments in accordance with any applicable rules
14 of the Comptroller, and the Comptroller must, beginning in
15 fiscal year 2016, deduct and remit to the Fund, for credit to
16 the account of the participating municipality, ~~fund~~ the
17 certified amounts or a portion of those amounts from the
18 following proportions of payments of State funds to the
19 municipality:

20 (1) in fiscal year 2016, one-third of the total amount
21 of any payments of State funds to the municipality;

22 (2) in fiscal year 2017, two-thirds of the total amount
23 of any payments of State funds to the municipality; and

24 (3) in fiscal year 2018 and each fiscal year
25 thereafter, the total amount of any payments of State funds
26 to the municipality.

1 The State Comptroller may not deduct from any payments of
2 State funds to the municipality more than the amount of
3 delinquent payments certified to the State Comptroller by the
4 Fund fund.

5 (c) The Board board shall make available to the membership
6 and the general public for inspection and copying at reasonable
7 times the most recent Actuarial Valuation Balance Sheet and Tax
8 Levy Requirement issued to the Fund fund by the Department of
9 Insurance.

10 (d) (Blank). ~~The firefighters' pension fund shall consist~~
11 ~~of the following moneys which shall be set apart by the~~
12 ~~treasurer of the municipality: (1) all moneys derived from the~~
13 ~~taxes levied hereunder; (2) contributions by firefighters as~~
14 ~~provided under Section 4-118.1; (3) all rewards in money, fees,~~
15 ~~gifts, and emoluments that may be paid or given for or on~~
16 ~~account of extraordinary service by the fire department or any~~
17 ~~member thereof, except when allowed to be retained by~~
18 ~~competitive awards; and (4) any money, real estate or personal~~
19 ~~property received by the board.~~

20 (e) (Blank). ~~For the purposes of this Section, "enrolled~~
21 ~~actuary" means an actuary: (1) who is a member of the Society~~
22 ~~of Actuaries or the American Academy of Actuaries; and (2) who~~
23 ~~is enrolled under Subtitle C of Title III of the Employee~~
24 ~~Retirement Income Security Act of 1974, or who has been engaged~~
25 ~~in providing actuarial services to one or more public~~
26 ~~retirement systems for a period of at least 3 years as of July~~

1 ~~1, 1983.~~

2 (f) The corporate authorities of a municipality that
3 employs a person who is described in subdivision (d) of Section
4 4-106 may add to the tax levy otherwise provided for in this
5 Section an amount equal to the projected cost of the employer
6 contributions required to be paid by the municipality to the
7 State Universities Retirement System under subsection (b-1) of
8 Section 15-155 of this Code.

9 (g) (Blank). ~~The Commission on Government Forecasting and~~
10 ~~Accountability shall conduct a study of all funds established~~
11 ~~under this Article and shall report its findings to the General~~
12 ~~Assembly on or before January 1, 2013. To the fullest extent~~
13 ~~possible, the study shall include, but not be limited to, the~~
14 ~~following:~~

15 ~~(1) fund balances;~~

16 ~~(2) historical employer contribution rates for each~~
17 ~~fund;~~

18 ~~(3) the actuarial formulas used as a basis for employer~~
19 ~~contributions, including the actual assumed rate of return~~
20 ~~for each year, for each fund;~~

21 ~~(4) available contribution funding sources;~~

22 ~~(5) the impact of any revenue limitations caused by~~
23 ~~PTELL and employer home rule or non-home rule status; and~~

24 ~~(6) existing statutory funding compliance procedures~~
25 ~~and funding enforcement mechanisms for all municipal~~
26 ~~pension funds.~~

1 (Source: P.A. 99-8, eff. 7-9-15.)

2 (40 ILCS 5/4-118.1) (from Ch. 108 1/2, par. 4-118.1)

3 Sec. 4-118.1. Contributions by firefighters.

4 (a) Beginning January 1, 1976 and until August 6, 1999 (the
5 effective date of Public Act 91-466) ~~this amendatory Act of the~~
6 ~~91st General Assembly~~, each firefighter shall contribute to the
7 pension fund 6 3/4% of salary towards the cost of his or her
8 pension. Beginning August 6, 1999 ~~on the effective date of this~~
9 ~~amendatory Act of the 91st General Assembly~~, each firefighter
10 shall contribute to the pension fund 6.955% of salary towards
11 the cost of his or her pension.

12 (b) In addition, beginning January 1, 1976, each
13 firefighter shall contribute 1% of salary toward the cost of
14 the increase in pension provided in Section 4-109.1; beginning
15 January 1, 1987, such contribution shall be 1.5% of salary;
16 beginning July 1, 2004, the contribution shall be 2.5% of
17 salary.

18 (c) Beginning on July 1, 2004 (the effective date of Public
19 Act 93-689) ~~this amendatory Act of the 93rd General Assembly~~,
20 each firefighter who elects to receive a pension under Section
21 4-109.3 and who has participated in at least one other pension
22 fund under this Article for a period of at least one year shall
23 contribute an additional 1.0% of salary toward the cost of the
24 increase in pensions provided in Section 4-109.3; except that
25 beginning January 1, 2020, no additional contributions shall be

1 paid under this subsection (c).

2 In the event that a firefighter does not elect to receive a
3 retirement pension provided under Section 4-109.3 from one or
4 more of the pension funds under this Article in which the
5 firefighter has credit, he or she shall, upon withdrawal from
6 the last pension fund as defined in Section 4-109.3, be
7 entitled to receive, from each such fund to which he or she has
8 paid additional contributions under this subsection (c) and
9 from which he or she does not receive a refund under Section
10 4-116, a refund of those contributions without interest.
11 Beginning January 1, 2020, however, such refunds shall be
12 payable from the Downstate Firefighters Pension Fund and
13 chargeable to the appropriate municipal accounts and reserves.

14 A refund of total contributions to a particular firefighter
15 pension fund under Section 4-116 shall include any refund of
16 additional contributions paid to that fund under this
17 subsection (c), but a firefighter who accepts a refund from a
18 pension fund under Section 4-116 is thereafter ineligible to
19 receive a pension provided under Section 4-109.3 from that
20 fund. A firefighter who meets the eligibility requirements of
21 Section 4-109.3 may receive a pension under Section 4-109.3
22 from any pension fund from which the firefighter has not
23 received a refund under Section 4-116 or under this subsection
24 (c); except that beginning January 1, 2020 (the consolidation
25 date), such pensions shall be payable from the Downstate
26 Firefighters Pension Fund as provided in Section 4-109.3 and

1 chargeable to the appropriate municipal accounts and reserves.

2 (d) "Salary" means the annual salary, including longevity,
3 attached to the firefighter's rank, as established by the
4 municipality appropriation ordinance, including any
5 compensation for overtime which is included in the salary so
6 established, but excluding any "overtime pay", "holiday pay",
7 "bonus pay", "merit pay", or any other cash benefit not
8 included in the salary so established.

9 (e) The contributions shall be deducted and withheld from
10 the salary of firefighters.

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

12 (40 ILCS 5/4-121) (from Ch. 108 1/2, par. 4-121)

13 Sec. 4-121. Board created.

14 (a) This subsection (a) applies until January 1, 2020.

15 There is created in each municipality or fire protection
16 district a board of trustees to be known as the "Board of
17 Trustees of the Firefighters' Pension Fund". The membership of
18 the board for each municipality shall be, respectively, as
19 follows: in cities, the treasurer, clerk, marshal, or chief
20 officer of the fire department, and the comptroller if there is
21 one, or if not, the mayor; in each township, village or
22 incorporated town, the president of the municipality's board of
23 trustees, the village or town clerk, village or town attorney,
24 village or town treasurer, and the chief officer of the fire
25 department; and in each fire protection district, the president

1 and other 2 members of its board of trustees and the marshal or
2 chief of its fire department or service, as the case may be;
3 and in all the municipalities above designated 3 additional
4 persons chosen from their active firefighters and one other
5 person who has retired under the Firemen's Pension Fund Act of
6 1919⁷ or this Article. ~~The Notwithstanding any provision of~~
7 ~~this Section to the contrary, the~~ term of office of each member
8 of a board established on or before the 3rd Monday in April,
9 2006 shall terminate on the 3rd Monday in April, 2006, but all
10 incumbent members shall continue to exercise all of the powers
11 and be subject to all of the duties of a member of the board
12 until all the new members of the board take office.

13 Beginning on the 3rd Monday in April, 2006 and until
14 January 1, 2020, the board of trustees for each municipality or
15 fire protection district shall consist of 5 members. Two
16 members of the board shall be appointed by the mayor or
17 president of the board of trustees of the municipality or fire
18 protection district involved. Two members of the board shall be
19 active participants of the pension fund who are elected from
20 the active participants of the fund. One member of the board
21 shall be a person who is retired under the Firemen's Pension
22 Fund Act of 1919 or this Article who is elected from persons
23 retired under the Firemen's Pension Fund Act of 1919 or this
24 Article.

25 For the purposes of this Section, a firefighter receiving a
26 disability pension shall be considered a retired firefighter.

1 In the event that there are no retired firefighters under the
2 Fund or if none is willing to serve on the board, then an
3 additional active firefighter shall be elected to the board in
4 lieu of the retired firefighter that would otherwise be
5 elected.

6 If the regularly constituted fire department of a
7 municipality is dissolved and Section 4-106.1 is not
8 applicable, the board shall continue to exist and administer
9 the Fund so long as there continues to be any annuitant or
10 deferred pensioner in the Fund. In such cases, elections shall
11 continue to be held as specified in this Section, except that:
12 (1) deferred pensioners shall be deemed to be active members
13 for the purposes of such elections; (2) any otherwise
14 unfillable positions on the board, including ex officio
15 positions, shall be filled by election from the remaining
16 firefighters and deferred pensioners of the Fund, to the extent
17 possible; and (3) if the membership of the board falls below 3
18 persons, the Illinois Director of Insurance or his designee
19 shall be deemed a member of the board, ex officio.

20 (b) The members of the boards of trustees serving on
21 December 31, 2019 may continue to exercise the powers of that
22 office until March 1, 2020 for the sole purpose of assisting in
23 the consolidation of their respective pension funds, but
24 subject to the supervision and requirements of the Transition
25 Board.

26 (c) Beginning January 1, 2020, and until the board

1 established under subsection (d) has been elected and assumes
2 its duties, the Transition Board established under Section
3 4-101.1 shall operate as the Board of Trustees of the Fund.

4 (d) Beginning January 1, 2021, or as soon thereafter as it
5 is able to assume its duties, the Board of Trustees of the
6 Downstate Firefighters Pension Fund shall consist of 11
7 members. The Board shall consist of representatives of various
8 groups as follows:

9 (1) One trustee, appointed by the Governor, who shall
10 serve as the chairman and may vote only in the event of a
11 tie.

12 (2) Five trustees shall each be a mayor, chief elected
13 officer, chief executive officer, chief finance officer,
14 or other officer, executive, or department head of a
15 participating municipality, and each such trustee shall be
16 designated as an executive trustee.

17 (3) Three trustees shall each be a firefighter
18 participating in the Fund, and each such trustee shall be
19 designated as a firefighter trustee. No person shall be
20 eligible to become a firefighter trustee who does not have
21 at least 8 years of creditable service in the Fund.

22 (4) Two trustees shall be retired firefighters of the
23 Fund, who shall be designated the annuitant trustees. No
24 person shall be eligible to become an annuitant trustee who
25 does not have at least 8 years of creditable service in the
26 Fund. For the purposes of this Section and Section 4-121.2,

1 a firefighter receiving a disability pension shall be
2 considered a retired firefighter.

3 Beginning January 1, 2020, elections for executive
4 trustees shall be conducted in accordance with Section 4-121.1
5 and elections for firefighter and annuitant trustees shall be
6 conducted in accordance with Section 4-121.2.

7 (e) The executive trustees shall elect one executive
8 trustee to serve as vice-chairman. The firefighter trustees and
9 annuitant trustees shall elect one firefighter trustee or
10 annuitant trustee to serve as vice-chairman.

11 (f) An executive or firefighter trustee shall be
12 disqualified immediately upon any change in status which
13 removes the trustee from the required employment or office
14 within the group he or she represents. The annuitant trustee
15 shall be disqualified upon termination or suspension of his or
16 her retirement or disability pension.

17 The Board shall fill any vacancy by appointment of a person
18 with the appropriate employment status for the period until the
19 next election of trustees, or, if the remaining term is less
20 than 2 years, for the remainder of the term, and until a
21 successor has been elected and has qualified.

22 ~~The members chosen from the active and retired firefighters~~
23 ~~shall be elected by ballot at elections to be held on the 3rd~~
24 ~~Monday in April of the applicable years under the Australian~~
25 ~~ballot system, at such place or places, in the municipality,~~
26 ~~and under such regulations as shall be prescribed by the board.~~

1 ~~No person shall cast more than one vote for each candidate~~
2 ~~for whom he or she is eligible to vote. In the elections for~~
3 ~~board members to be chosen from the active firefighters, all~~
4 ~~active firefighters and no others may vote. In the elections~~
5 ~~for board members to be chosen from retired firefighters, the~~
6 ~~retired firefighters and no others may vote.~~

7 ~~Each member of the board so elected shall hold office for a~~
8 ~~term of 3 years and until his or her successor has been duly~~
9 ~~elected and qualified.~~

10 ~~The board shall canvass the ballots and declare which~~
11 ~~persons have been elected and for what term or terms~~
12 ~~respectively. In case of a tie vote between 2 or more~~
13 ~~candidates, the board shall determine by lot which candidate or~~
14 ~~candidates have been elected and for what term or terms~~
15 ~~respectively. In the event of the failure, resignation, or~~
16 ~~inability to act of any board member, a successor shall be~~
17 ~~elected for the unexpired term at a special election called by~~
18 ~~the board and conducted in the same manner as a regular~~
19 ~~election.~~

20 (g) The Board ~~board~~ shall elect annually from its members a
21 president and secretary.

22 (h) Board members shall not receive or have any right to
23 receive any salary from the Fund ~~a pension fund~~ for services
24 performed as Board ~~board~~ members, but shall be reimbursed for
25 any reasonable expenses incurred in attending meetings of the
26 Board and in performing duties on behalf of the Fund and for

1 the amount of any earnings withheld by any employing
2 municipality because of attendance at any Board meeting.

3 (i) Except for the chairman, who may vote only in the event
4 of a tie, each trustee shall be entitled to one vote on any and
5 all actions before the Board. At least 6 concurring votes shall
6 be necessary for every decision or action by the Board at any
7 of its meetings. No decision or action shall become effective
8 unless presented and so approved at a regular or duly called
9 special meeting of the Board.

10 (Source: P.A. 100-201, eff. 8-18-17.)

11 (40 ILCS 5/4-121.1 new)

12 Sec. 4-121.1. Election of executive trustees.

13 (a) Beginning January 1, 2020, the election of executive
14 trustees shall be conducted in accordance with this Section.

15 (b) During the period beginning on August 1 and ending on
16 September 15 of each year, the Board shall accept nominations
17 of candidates for election as executive trustees for terms
18 beginning on the next January 1, and for vacancies to be filled
19 by election.

20 All nominations for the position of executive trustee shall
21 be by petition, signed by a representative of the governing
22 body of at least 5 participating municipalities.

23 (c) The election shall be by ballot and may be conducted in
24 person, by mail, or electronically, pursuant to the rules and
25 procedures established by the Board.

1 All candidates properly nominated in petitions received by
2 the Board shall be placed in alphabetical order upon the proper
3 ballot. In the initial election, there shall be one election
4 for the 5 executive trusteeships, and the 5 candidates getting
5 the highest number of votes shall be declared elected.

6 (d) The governing body of each participating municipality
7 participating in the Fund shall have one vote at any election
8 in which an executive trustee is to be elected, and may cast
9 that vote for any candidate on the executive trustee ballot.

10 A vote may be cast for a person not on the ballot by
11 writing in his or her name.

12 In case of a tie vote, the candidate employed by the
13 municipality having the greatest number of participating
14 firefighters at the time of the election shall be declared
15 elected.

16 (e) The election shall be completed by December 1 of the
17 year. The results shall be entered in the minutes of the
18 meeting of the Board following the tally of votes.

19 (f) Each executive trustee so elected shall hold office for
20 a term of 4 years and until his or her successor has been duly
21 elected and qualified. However, for the initial executive
22 trustees, 2 of the initial executive trustees shall serve for a
23 term of one year, one initial executive trustee shall serve for
24 a term of 2 years, one initial executive trustee shall serve
25 for a term of 3 years, and one initial executive trustee shall
26 serve for a term of 4 years. The terms of the initial executive

1 trustees shall be determined by lot at the first meeting of the
2 Board.

3 (40 ILCS 5/4-121.2 new)

4 Sec. 4-121.2. Election of firefighter and annuitant
5 trustees.

6 (a) Beginning January 1, 2020, the election of firefighter
7 and annuitant trustees shall be conducted in accordance with
8 this Section. The annuitant trustees shall be elected in an
9 election separate from the election for firefighter trustees.

10 (b) During the period beginning on August 1 and ending on
11 September 15 of each applicable year, the Board shall accept
12 nominations of candidates for election as firefighter or
13 annuitant trustees for terms beginning on the next January 1,
14 and for vacancies to be filled by election.

15 All nominations for the position of firefighter trustee
16 shall be by petition, signed by at least 50 active firefighters
17 participating in the Fund. All nominations for the position of
18 annuitant trustee shall be by petition, signed by at least 25
19 annuitants of the Fund.

20 (c) The election shall be by ballot and may be conducted in
21 person, by mail, or electronically, pursuant to the rules and
22 procedures established by the Board.

23 All candidates properly nominated in petitions received by
24 the Board shall be placed in alphabetical order on the proper
25 ballot. In the initial election, there shall be one election

1 for the 3 firefighter trusteeships, and the 3 candidates
2 getting the highest number of votes shall be declared elected.
3 In the initial election there shall be one election for the 2
4 annuitant trusteeships, and the 2 candidates receiving the
5 highest number of votes shall be declared elected.

6 (d) No person shall cast more than one vote for each
7 candidate for whom he or she is eligible to vote. In elections
8 for board members to be chosen from the active firefighters,
9 all active firefighters and no others may vote. In elections
10 for board members to be chosen from retired firefighters, all
11 retired firefighters and no others may vote.

12 In case of a tie vote, the candidate currently (or in the
13 case of an annuitant trustee, formerly) employed by the
14 municipality having the greatest number of participating
15 firefighters at the time of the election shall be declared
16 elected.

17 (e) The election shall be completed by December 1 of the
18 year. The result shall be entered in the minutes of the meeting
19 of the Board following the tally of votes.

20 (f) Each trustee so elected shall hold office for a term of
21 4 years and until his or her successor has been duly elected
22 and qualified, except that the initial firefighter trustees
23 shall serve for terms of one, 2, or 3 years, as determined by
24 lot at the first meeting of the Board. The initial annuitant
25 trustees shall serve terms of 3 or 4 years, as determined by
26 lot at the first meeting of the Board.

1 (40 ILCS 5/4-124) (from Ch. 108 1/2, par. 4-124)

2 Sec. 4-124. To enforce contributions. To assess each
3 firefighter the contributions required under Section 4-118.1.
4 The contributions deducted from salaries, together with all
5 interest accruing thereon, shall be paid promptly ~~placed~~ by the
6 treasurer of the municipality ~~as ex officio treasurer of the~~
7 ~~board,~~ to the Treasurer ~~credit~~ of the Fund ~~pension fund,~~
8 subject to the order of the Board ~~board~~.

9 (Source: P.A. 83-1440.)

10 (40 ILCS 5/4-128) (from Ch. 108 1/2, par. 4-128)

11 Sec. 4-128. To invest funds. To determine the limitations
12 on the amounts of cash to be invested in order to maintain such
13 cash balances as may be deemed advisable to meet current
14 annuity, benefit, and expense requirements, and to invest the
15 remaining available cash in securities, in accordance with the
16 prudent person investment rule and the other provisions of this
17 Article. Beginning on the consolidation date, the Article 1 and
18 1A restrictions on the investment of Article 4 Funds no longer
19 apply, to the extent that they do not also apply to Article 7
20 of this Code. Beginning January 1, 1998, the board shall invest
21 funds in accordance with Sections 1-113.1 through 1-113.10 of
22 this Code.

23 (Source: P.A. 90-507, eff. 8-22-97.)

1 (40 ILCS 5/4-129.5 new)

2 Sec. 4-129.5. Custodian. The Board shall appoint one or
3 more custodians to receive and hold the assets of the Fund on
4 such terms as the Board may agree.

5 (40 ILCS 5/4-130.1 new)

6 Sec. 4-130.1. Deposit and disposition of funds; custodian.
7 (a) All money received by the Board shall immediately be
8 deposited with the custodian for the account of the Fund. All
9 payments from the accounts of the Fund shall be made by the
10 custodian only, and only by a check or draft signed by the
11 president of the board or the executive director, as the board
12 may direct. Such checks and drafts shall be drawn only upon
13 proper authorization by the board as properly recorded in the
14 official minute books of the meetings of the Board.

15 (b) The assets of the Pension Fund shall be invested as one
16 fund, and no particular person or municipality shall have any
17 right in any specific security or in any item of cash other
18 than an undivided interest in the whole.

19 (c) If a participating municipality terminates
20 participation because it fails to meet the requirements of
21 Section 4-103, it shall pay to the Fund the amount equal to any
22 net debit balance in its municipality account and any account
23 receivable. Its successors, assigns, and transferees of its
24 assets shall be obligated to make this payment to the extent of
25 the value of assets transferred to them. The Fund shall pay an

1 amount equal to any net credit balance to the participating
2 municipality, its successors or assigns. Any remaining net
3 debit or credit balance not collectible or payable shall be
4 transferred to a terminated municipality reserve account. The
5 Fund shall pay to each firefighter of the participating
6 municipality an amount equal to his or her credits in the
7 employee reserves. The employees shall have no further rights
8 to any benefits from the Fund, except that annuities awarded
9 prior to the date of termination shall continue to be paid.

10 (40 ILCS 5/4-130.3 new)

11 Sec. 4-130.3. Authorizations.

12 (a) Each participating municipality shall:

13 (1) Deduct all normal and additional contributions
14 from each payment of earnings payable to each participating
15 employee who is entitled to any earnings from the
16 municipality, and remit all normal and additional
17 contributions immediately to the Board; and

18 (2) Pay to the Board contributions required by this
19 Article.

20 (b) Each participating employee shall, by virtue of the
21 payment of contributions to this Fund, receive a vested
22 interest in the annuities and benefits provided in this Article
23 and in consideration of such vested interest shall be deemed to
24 have agreed and authorized the deduction from earnings of all
25 contributions payable to this Fund in accordance with this

1 Article.

2 (c) Payment of earnings less the amounts of contributions
3 provided in this Article shall be a full and complete discharge
4 of all claims for payment for services rendered by any employee
5 during the period covered by any such payment.

6 (40 ILCS 5/4-130.4 new)

7 Sec. 4-130.4. Executive director. The executive director
8 shall be in charge of the general administration of the Fund
9 and shall have such special powers and duties as may be
10 properly delegated or assigned by the Board from time to time.
11 Such general administrative duties shall include: the
12 computation of the amounts of annuities, benefits, prior
13 service credits, and contributions required for reinstatement
14 of credits for Board consideration; the processing of approved
15 benefit claims and expenses of administration for payment; the
16 placing of any and all matters before the Board which require
17 action or are in the interest of the Board or the Fund; the
18 preparation and maintenance of necessary and proper records for
19 administrative and actuarial purposes; the conduct of any
20 necessary or desirable communications in the course of
21 operations of the Fund; and the carrying out of any actions of
22 the Board which are so delegated.

23 (40 ILCS 5/4-130.5 new)

24 Sec. 4-130.5. Actuary.

1 (a) The actuary shall be the technical advisor of the
2 Board. In addition to general advice, the actuary shall
3 specifically be responsible for and shall make a general
4 investigation, at least once every 3 years, of the experience
5 of the participating municipalities as to mortality,
6 disability, retirement, separation, marital status of
7 employees, marriage of surviving spouses, interest, and
8 employee earnings rates, and to make recommendations as a
9 result of any such investigation as to:

10 (1) the actuarial tables to be used for computing
11 annuities and benefits and for determining the premiums for
12 disability and death benefit purposes;

13 (2) the tables to be used in any regular actuarial
14 valuations; and

15 (3) the prescribed rate of interest.

16 (b) The actuary shall make the computations of municipality
17 obligations, contribution rates including annual valuations of
18 the liabilities and reserves for present and prospective
19 annuities and benefits, and certify to the correctness thereof.

20 (c) The actuary shall advise the Board on any matters of an
21 actuarial nature affecting the Fund.

22 (40 ILCS 5/4-134) (from Ch. 108 1/2, par. 4-134)

23 Sec. 4-134. Report for tax levy.

24 (a) The Board ~~board~~ shall report to the governing body of
25 each participating city council or board of trustees of the

1 municipality on the condition of the Fund ~~pension fund~~ at the
2 end of its most recently completed fiscal year. The report
3 shall be made prior to the ~~council or board~~ meeting held for
4 appropriating and levying taxes for the year for which the
5 report is made.

6 The ~~pension board in the~~ report shall certify and provide
7 the following information ~~to the city council or board of~~
8 ~~trustees of the municipality:~~

9 (1) the total assets of the fund and the ~~their~~ current
10 market value of those assets;

11 (2) the estimated receipts during the next succeeding
12 fiscal year from deductions from the salaries or wages of
13 firefighters, and from all other sources;

14 (3) the estimated amount necessary during the fiscal
15 year to meet the annual actuarial requirements of the
16 pension fund ~~as provided in Sections 4-118 and 4-120;~~

17 (4) the total net income received from investment of
18 assets along with the assumed investment return and actual
19 investment return received by the Fund ~~fund~~ during its most
20 recently completed fiscal year compared to the total net
21 income, assumed investment return, and actual investment
22 return received during the preceding fiscal year;

23 (5) the increase in employer pension contributions
24 that results from the implementation of the provisions of
25 Public Act 93-689 ~~this amendatory Act of the 93rd General~~
26 ~~Assembly;~~

1 (6) the total number of active employees who are
2 financially contributing to the fund;

3 (7) the total amount that was disbursed in benefits
4 during the fiscal year, including the number of and total
5 amount disbursed to (i) annuitants in receipt of a regular
6 retirement pension, (ii) recipients being paid a
7 disability pension, and (iii) survivors and children in
8 receipt of benefits;

9 (8) the funded ratio of the Fund fund; and

10 (9) the unfunded liability carried by the Fund fund,
11 along with an actuarial explanation of the unfunded
12 liability. ~~and~~

13 ~~(10) the investment policy of the pension board under~~
14 ~~the statutory investment restrictions imposed on the fund.~~

15 Before the Board pension board makes its report, the Fund
16 ~~municipality~~ shall have the assets of the Fund fund and their
17 current market value verified by an independent certified
18 public accountant of its choice.

19 (b) A participating ~~The~~ municipality is authorized to
20 publish the report submitted under this Section. This
21 publication may be made, without limitation, by publication in
22 a local newspaper of general circulation in the municipality or
23 by publication on the municipality's Internet website. If the
24 municipality publishes the report, then that publication must
25 include all of the information relating to that municipality
26 submitted by the Board pension board under subsection (a).

1 (Source: P.A. 95-950, eff. 8-29-08.)

2 Section 90. The State Mandates Act is amended by adding
3 Section 8.42 as follows:

4 (30 ILCS 805/8.42 new)

5 Sec. 8.42. Exempt mandate. Notwithstanding Sections 6 and 8
6 of this Act, no reimbursement by the State is required for the
7 implementation of any mandate created by this amendatory Act of
8 the 100th General Assembly.

9 Section 99. Effective date. This Act takes effect upon
10 becoming law, except that Sections 5 and 15 take effect January
11 1, 2020.

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Statutes amended in order of appearance

3

35 ILCS 200/18-185

4

40 ILCS 5/4-101

from Ch. 108 1/2, par. 4-101

5

40 ILCS 5/4-101.1 new

6

40 ILCS 5/4-101.2 new

7

40 ILCS 5/7-199.5 new

8

40 ILCS 5/4-102.1 new

9

40 ILCS 5/4-103

from Ch. 108 1/2, par. 4-103

10

40 ILCS 5/4-104.5 new

11

40 ILCS 5/4-105

from Ch. 108 1/2, par. 4-105

12

40 ILCS 5/4-105c

13

40 ILCS 5/4-105d

14

40 ILCS 5/4-106.5 new

15

40 ILCS 5/4-108

from Ch. 108 1/2, par. 4-108

16

40 ILCS 5/4-118

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40 ILCS 5/4-118.1

from Ch. 108 1/2, par. 4-118.1

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40 ILCS 5/4-121

from Ch. 108 1/2, par. 4-121

19

40 ILCS 5/4-121.1 new

20

40 ILCS 5/4-121.2 new

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40 ILCS 5/4-124

from Ch. 108 1/2, par. 4-124

22

40 ILCS 5/4-128

from Ch. 108 1/2, par. 4-128

23

40 ILCS 5/4-129.5 new

24

40 ILCS 5/4-130.1 new

25

40 ILCS 5/4-130.3 new

1 40 ILCS 5/4-130.4 new

2 40 ILCS 5/4-130.5 new

3 40 ILCS 5/4-134 from Ch. 108 1/2, par. 4-134

4 30 ILCS 805/8.42 new