



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB4566

Introduced 2/5/2020, by Rep. John M. Cabello

SYNOPSIS AS INTRODUCED:

40 ILCS 5/4-108.7
40 ILCS 5/6-227.1
30 ILCS 805/8.44 new

Amends the Downstate Firefighter and Chicago Firefighter Articles of the Illinois Pension Code. Provides that until January 1, 2021 (instead of 6 months after August 23, 2019 (the effective date of Public Act 101-474)), creditable service may be transferred from a municipal firefighters' pension fund to the Firemen's Annuity and Benefit Fund of Chicago and may be transferred from the Firemen's Annuity and Benefit Fund of Chicago to a municipal firefighters' pension fund. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB101 17588 RPS 67007 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing
5 Sections 4-108.7 and 6-227.1 as follows:

6 (40 ILCS 5/4-108.7)

7 Sec. 4-108.7. Transfer of creditable service from the
8 Firemen's Annuity and Benefit Fund of Chicago. Until January 1,
9 2021 ~~6 months after the effective date of this amendatory Act~~
10 ~~of the 101st General Assembly~~, any active participant in a fund
11 established under this Article may transfer to that fund
12 creditable service accumulated under Article 6 of this Code
13 upon payment to the Article 4 fund, within 5 years after the
14 date of application, of an amount equal to the difference
15 between the amount of employee and employer contributions
16 transferred to the Article 4 fund under Section 6-227.1 and the
17 amounts determined by the Article 4 fund in accordance with
18 this Section, plus interest on that difference at the
19 actuarially assumed rate, compounded annually, from the date of
20 service to the date of payment.

21 The Article 4 fund must determine the firefighter's payment
22 required to establish creditable service under this Section by
23 taking into account the appropriate actuarial assumptions,

1 including without limitation the firefighter's service, age,
2 and salary history; the level of funding of the Article 4 fund;
3 and any other factors that the Article 4 fund determines to be
4 relevant. For this purpose, the firefighter's required payment
5 should result in no significant increase to the Article 4
6 fund's unfunded actuarial accrued liability determined as of
7 the most recent actuarial valuation, based on the same
8 assumptions and methods used to develop and report the Article
9 4 fund's actuarial accrued liability and actuarial value of
10 assets under Statement No. 25 of Governmental Accounting
11 Standards Board or any subsequent applicable Statement.

12 (Source: P.A. 101-474, eff. 8-23-19.)

13 (40 ILCS 5/6-227.1)

14 Sec. 6-227.1. Transfer of creditable service to Article 4.

15 (a) Until January 1, 2021 ~~6 months after the effective date~~
16 ~~of this amendatory Act of the 101st General Assembly~~, any
17 active participant in an Article 4 pension fund may apply for
18 transfer of creditable service accumulated in the Firemen's
19 Annuity and Benefit Fund of Chicago to any Article 4 pension
20 fund. Such creditable service shall be transferred only upon
21 payment by the Firemen's Annuity and Benefit Fund of Chicago to
22 the Article 4 fund of an amount equal to:

23 (1) the amounts accumulated to the credit of the
24 applicant on the books of the fund on the date of transfer;

25 (2) employer contributions in an amount equal to the

1 amount determined under subparagraph (1); and

2 (3) any interest paid by the applicant in order to
3 reinstate service.

4 Participation in the Firemen's Annuity and Benefit Fund of
5 Chicago as to any credits transferred under this Section shall
6 terminate on the date of transfer.

7 (b) An active participant in an Article 4 pension fund
8 applying for a transfer of creditable service under subsection
9 (a) may reinstate credits and creditable service terminated
10 upon receipt of a refund by payment to the Article 4 pension
11 fund of the amount of the refund with interest thereon at the
12 actuarially assumed rate, compounded annually, from the date of
13 the refund to the date of payment.

14 (Source: P.A. 101-474, eff. 8-23-19.)

15 Section 90. The State Mandates Act is amended by adding
16 Section 8.44 as follows:

17 (30 ILCS 805/8.44 new)

18 Sec. 8.44. Exempt mandate. Notwithstanding Sections 6 and 8
19 of this Act, no reimbursement by the State is required for the
20 implementation of any mandate created by this amendatory Act of
21 the 101st General Assembly.

22 Section 99. Effective date. This Act takes effect upon
23 becoming law.