



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB4249

Introduced 1/5/2022, by Rep. David Friess

SYNOPSIS AS INTRODUCED:

See Index

Amends the Downstate Police and Illinois Municipal Retirement Fund (IMRF) Articles of the Illinois Pension Code. Provides that an active IMRF member who is a sheriff's law enforcement employee may transfer up to 15 years of creditable service under the Downstate Police Article to IMRF. Authorizes the reinstatement of creditable service terminated upon receipt of a refund by paying to the police pension fund the amount of the refund plus interest. Provides that, to establish the credit, a person may elect to either pay to IMRF an amount equal to the difference between the amount of employee and employer contributions transferred to IMRF and the amounts that would have been contributed had such contributions been made at the rates applicable to an employee under IMRF, plus interest; or to have the amount of his or her creditable service reduced by an amount corresponding to the amount by which the contributions that would have been required if he or she had participated in IMRF during the period for which credit is being transferred, plus interest, exceeds the amount actually transferred to IMRF. Provides that a sheriff's law enforcement employee shall be deemed to be a person who first became a sheriff's law enforcement employee before January 1, 2011 if the transferred creditable service was for service as a police officer who first became a police officer before January 1, 2011; at the time the sheriff's law enforcement employee applied to transfer the creditable service, the amount of creditable service under Article 3 was greater than the amount of creditable service the sheriff's law enforcement employee had under IMRF; and other requirements are met. Makes other changes. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB102 21317 RPS 30429 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 Illinois Pension Code is amended by
5 changing Sections 3-110.8 and 7-142.1 and by adding Section
6 7-139.15 as follows:

7 (40 ILCS 5/3-110.8)

8 Sec. 3-110.8. Transfer to IMRF.

9 (a) ~~Any~~ ~~Until 60 days after the effective date of this~~
10 ~~amendatory Act of the 97th General Assembly,~~ any active member
11 of the Illinois Municipal Retirement Fund who is a sheriff's
12 law enforcement employee under Article 7 may apply to transfer
13 up to 15 ~~40~~ years of creditable service in a police pension
14 fund under this Article to the Illinois Municipal Retirement
15 Fund. The creditable service shall be transferred upon payment
16 by the police pension fund to the Illinois Municipal
17 Retirement Fund of an amount equal to:

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

21 (2) employer contributions in an amount equal to the
22 amount determined under subparagraph (1); and

23 (3) any interest paid by the applicant in order to

1 reinstate service.

2 Creditable service transferred to the Illinois Municipal
3 Retirement Fund under this Section shall terminate on the date
4 of the transfer.

5 (b) ~~Any~~ ~~Until 60 days after the effective date of this~~
6 ~~amendatory Act of the 97th General Assembly,~~ any active member
7 of the Illinois Municipal Retirement Fund may reinstate all or
8 any portion of his or her service that was terminated by
9 receipt of a refund, by payment to the police pension fund of
10 the amount of the refund with interest thereon at the
11 actuarially assumed rate, compounded annually, from the date
12 of refund to the date of payment.

13 (Source: P.A. 97-273, eff. 8-8-11.)

14 (40 ILCS 5/7-139.15 new)

15 Sec. 7-139.15. Transfer from Article 3. A sheriff's law
16 enforcement employee may transfer to the Illinois Municipal
17 Retirement Fund up to 15 years of creditable service
18 accumulated under Article 3 of this Code. To establish
19 creditable service under this Section, the sheriff's law
20 enforcement employee may elect to do either of the following:

21 (1) pay to the Fund an amount to be determined by the
22 board, equal to (i) the difference between the amount of
23 employee and employer contributions transferred to the
24 Fund under Section 3-110.8 and the amounts that would have
25 been contributed had such contributions been made at the

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

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

15 (40 ILCS 5/7-142.1) (from Ch. 108 1/2, par. 7-142.1)

16 Sec. 7-142.1. Sheriff's law enforcement employees.

17 (a) In lieu of the retirement annuity provided by
18 subparagraph 1 of paragraph (a) of Section 7-142:

19 Any sheriff's law enforcement employee who has 20 or more
20 years of service in that capacity and who terminates service
21 prior to January 1, 1988 shall be entitled at his option to
22 receive a monthly retirement annuity for his service as a
23 sheriff's law enforcement employee computed by multiplying 2%
24 for each year of such service up to 10 years, 2 1/4% for each
25 year of such service above 10 years and up to 20 years, and 2

1 1/2% for each year of such service above 20 years, by his
2 annual final rate of earnings and dividing by 12.

3 Any sheriff's law enforcement employee who has 20 or more
4 years of service in that capacity and who terminates service
5 on or after January 1, 1988 and before July 1, 2004 shall be
6 entitled at his option to receive a monthly retirement annuity
7 for his service as a sheriff's law enforcement employee
8 computed by multiplying 2.5% for each year of such service up
9 to 20 years, 2% for each year of such service above 20 years
10 and up to 30 years, and 1% for each year of such service above
11 30 years, by his annual final rate of earnings and dividing by
12 12.

13 Any sheriff's law enforcement employee who has 20 or more
14 years of service in that capacity and who terminates service
15 on or after July 1, 2004 shall be entitled at his or her option
16 to receive a monthly retirement annuity for service as a
17 sheriff's law enforcement employee computed by multiplying
18 2.5% for each year of such service by his annual final rate of
19 earnings and dividing by 12.

20 If a sheriff's law enforcement employee has service in any
21 other capacity, his retirement annuity for service as a
22 sheriff's law enforcement employee may be computed under this
23 Section and the retirement annuity for his other service under
24 Section 7-142.

25 In no case shall the total monthly retirement annuity for
26 persons who retire before July 1, 2004 exceed 75% of the

1 monthly final rate of earnings. In no case shall the total
2 monthly retirement annuity for persons who retire on or after
3 July 1, 2004 exceed 80% of the monthly final rate of earnings.

4 (b) Whenever continued group insurance coverage is elected
5 in accordance with the provisions of Section 367h of the
6 Illinois Insurance Code, as now or hereafter amended, the
7 total monthly premium for such continued group insurance
8 coverage or such portion thereof as is not paid by the
9 municipality shall, upon request of the person electing such
10 continued group insurance coverage, be deducted from any
11 monthly pension benefit otherwise payable to such person
12 pursuant to this Section, to be remitted by the Fund to the
13 insurance company or other entity providing the group
14 insurance coverage.

15 (c) A sheriff's law enforcement employee who began service
16 in that capacity prior to the effective date of this
17 amendatory Act of the 97th General Assembly and who has
18 service in any other capacity may convert up to 10 years of
19 that service into service as a sheriff's law enforcement
20 employee by paying to the Fund an amount equal to (1) the
21 additional employee contribution required under Section
22 7-173.1, plus (2) the additional employer contribution
23 required under Section 7-172, plus (3) interest on items (1)
24 and (2) at the prescribed rate from the date of the service to
25 the date of payment. Application must be received by the Board
26 while the employee is an active participant in the Fund.

1 Payment must be received while the member is an active
2 participant, except that one payment will be permitted after
3 termination of participation.

4 (d) The changes to subsections (a) and (b) of this Section
5 made by this amendatory Act of the 94th General Assembly apply
6 only to persons in service on or after July 1, 2004. In the
7 case of such a person who begins to receive a retirement
8 annuity before the effective date of this amendatory Act of
9 the 94th General Assembly, the annuity shall be recalculated
10 prospectively to reflect those changes, with the resulting
11 increase beginning to accrue on the first annuity payment date
12 following the effective date of this amendatory Act.

13 (e) Any elected county officer who was entitled to receive
14 a stipend from the State on or after July 1, 2009 and on or
15 before June 30, 2010 may establish earnings credit for the
16 amount of stipend not received, if the elected county official
17 applies in writing to the fund within 6 months after the
18 effective date of this amendatory Act of the 96th General
19 Assembly and pays to the fund an amount equal to (i) employee
20 contributions on the amount of stipend not received, (ii)
21 employer contributions determined by the Board equal to the
22 employer's normal cost of the benefit on the amount of stipend
23 not received, plus (iii) interest on items (i) and (ii) at the
24 actuarially assumed rate.

25 (f) Notwithstanding any other provision of this Article,
26 the provisions of this subsection (f) apply to a person who

1 first becomes a sheriff's law enforcement employee under this
2 Article on or after January 1, 2011. However, a person shall be
3 deemed to be a person who first became a sheriff's law
4 enforcement employee under this Article before January 1, 2011
5 if: (1) that person transferred creditable service under
6 Section 7-139.15; (2) the transferred creditable service was
7 for service as a police officer who first became a police
8 officer before January 1, 2011; and (3) at the time the
9 sheriff's law enforcement employee applied to transfer the
10 creditable service under Section 3-110.8, the amount of
11 creditable service under Article 3 was greater than the amount
12 of creditable service the sheriff's law enforcement employee
13 had under this Article.

14 A sheriff's law enforcement employee age 55 or more who
15 has 10 or more years of service in that capacity shall be
16 entitled at his option to receive a monthly retirement annuity
17 for his or her service as a sheriff's law enforcement employee
18 computed by multiplying 2.5% for each year of such service by
19 his or her final rate of earnings.

20 The retirement annuity of a sheriff's law enforcement
21 employee who is retiring after attaining age 50 with 10 or more
22 years of creditable service shall be reduced by one-half of 1%
23 for each month that the sheriff's law enforcement employee's
24 age is under age 55.

25 The maximum retirement annuity under this subsection (f)
26 shall be 75% of final rate of earnings.

1 For the purposes of this subsection (f), "final rate of
2 earnings" means the average monthly earnings obtained by
3 dividing the total salary of the sheriff's law enforcement
4 employee during the 96 consecutive months of service within
5 the last 120 months of service in which the total earnings was
6 the highest by the number of months of service in that period.

7 Notwithstanding any other provision of this Article,
8 beginning on January 1, 2011, for all purposes under this Code
9 (including without limitation the calculation of benefits and
10 employee contributions), the annual earnings of a sheriff's
11 law enforcement employee to whom this Section applies shall
12 not include overtime and shall not exceed \$106,800; however,
13 that amount shall annually thereafter be increased by the
14 lesser of (i) 3% of that amount, including all previous
15 adjustments, or (ii) one-half the annual unadjusted percentage
16 increase (but not less than zero) in the consumer price
17 index-u for the 12 months ending with the September preceding
18 each November 1, including all previous adjustments.

19 (g) Notwithstanding any other provision of this Article,
20 the monthly annuity of a person who first becomes a sheriff's
21 law enforcement employee under this Article on or after
22 January 1, 2011 shall be increased on the January 1 occurring
23 either on or after the attainment of age 60 or the first
24 anniversary of the annuity start date, whichever is later.
25 Each annual increase shall be calculated at 3% or one-half the
26 annual unadjusted percentage increase (but not less than zero)

1 in the consumer price index-u for the 12 months ending with the
2 September preceding each November 1, whichever is less, of the
3 originally granted retirement annuity. If the annual
4 unadjusted percentage change in the consumer price index-u for
5 a 12-month period ending in September is zero or, when
6 compared with the preceding period, decreases, then the
7 annuity shall not be increased.

8 (h) Notwithstanding any other provision of this Article,
9 for a person who first becomes a sheriff's law enforcement
10 employee under this Article on or after January 1, 2011, the
11 annuity to which the surviving spouse, children, or parents
12 are entitled under this subsection (h) shall be in the amount
13 of 66 2/3% of the sheriff's law enforcement employee's earned
14 annuity at the date of death.

15 (i) Notwithstanding any other provision of this Article,
16 the monthly annuity of a survivor of a person who first becomes
17 a sheriff's law enforcement employee under this Article on or
18 after January 1, 2011 shall be increased on the January 1 after
19 attainment of age 60 by the recipient of the survivor's
20 annuity and each January 1 thereafter by 3% or one-half the
21 annual unadjusted percentage increase in the consumer price
22 index-u for the 12 months ending with the September preceding
23 each November 1, whichever is less, of the originally granted
24 pension. If the annual unadjusted percentage change in the
25 consumer price index-u for a 12-month period ending in
26 September is zero or, when compared with the preceding period,

1 decreases, then the annuity shall not be increased.

2 (j) For the purposes of this Section, "consumer price
3 index-u" means the index published by the Bureau of Labor
4 Statistics of the United States Department of Labor that
5 measures the average change in prices of goods and services
6 purchased by all urban consumers, United States city average,
7 all items, 1982-84 = 100. The new amount resulting from each
8 annual adjustment shall be determined by the Public Pension
9 Division of the Department of Insurance and made available to
10 the boards of the pension funds.

11 (Source: P.A. 100-148, eff. 8-18-17.)

12 Section 90. The State Mandates Act is amended by adding
13 Section 8.46 as follows:

14 (30 ILCS 805/8.46 new)

15 Sec. 8.46. Exempt mandate. Notwithstanding Sections 6 and
16 8 of this Act, no reimbursement by the State is required for
17 the implementation of any mandate created by this amendatory
18 Act of the 102nd General Assembly.

19 Section 99. Effective date. This Act takes effect upon
20 becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 40 ILCS 5/3-110.8

4 40 ILCS 5/7-139.15 new

5 40 ILCS 5/7-142.1 from Ch. 108 1/2, par. 7-142.1

6 30 ILCS 805/8.46 new