



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB0820

Introduced 02/02/05, by Rep. John D'Amico

SYNOPSIS AS INTRODUCED:

40 ILCS 5/6-127.5 new
40 ILCS 5/6-209.2 new
40 ILCS 5/14-105.8 new
30 ILCS 805/8.29 new

Amends the Chicago Firefighter Article of the Illinois Pension Code. Provides an alternative payment option, under which a qualifying member may convert up to 3 years of service credit into a lump sum payment at the time of retirement. Authorizes transfer of service credits earned for employment in the Office of the State Fire Marshal from the State Employee Retirement System to the Fund. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB094 05965 EFG 36021 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT in relation to 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 adding
5 Sections 6-127.5, 6-209.2, and 14-105.8 as follows:

6 (40 ILCS 5/6-127.5 new)

7 Sec. 6-127.5. Alternative payment option.

8 (a) This Section applies only to a fireman who (i) has at
9 least 23 years of creditable service, (ii) has attained age 50,
10 and (iii) withdraws from service on or after the effective date
11 of this Section.

12 (b) A qualifying fireman may elect, at the time of applying
13 for an age and service annuity under this Article, to receive a
14 lump sum payment at the time of retirement, in exchange for
15 which he or she agrees to forfeit one, 2, or 3 years of service
16 credit. The lump sum payment shall be an amount equal to 30% of
17 the average salary used in the calculation of the fireman's age
18 and service annuity, multiplied by the number of years of
19 service credit that the fireman has elected to forfeit.

20 (c) Service credit forfeited under this Section shall not
21 be included in the calculation of the fireman's age and service
22 annuity, nor used for any other purpose. Contributions relating
23 to the forfeited service credit are not refundable.

24 (d) Election of the alternative payment option under this
25 Section becomes irrevocable upon receipt of the lump sum
26 payment.

27 (40 ILCS 5/6-209.2 new)

28 Sec. 6-209.2. Credit for certain State Fire Marshal
29 Service. Service credits transferred to this Fund under Section
30 14-105.8 of this Code shall be included in the computation of
31 service for annuity purposes under this Article, provided that

1 the sums to be transferred to the Fund under that Section have
2 been received by the Fund.

3 (40 ILCS 5/14-105.8 new)

4 Sec. 14-105.8. Transfer to Article 6 fund. A member of
5 this System who has at least 20 years of service credit in the
6 Article 6 fund may apply for transfer to the Article 6 fund of
7 his or her creditable service in this System for service as an
8 employee of the Office of the State Fire Marshal. Such
9 creditable service shall be transferred forthwith. Payment by
10 this System to the Article 6 fund shall be made at the same
11 time and shall consist of:

12 (1) the amounts accumulated to the credit of the
13 applicant for that service, including regular interest, on
14 the books of the System on the date of transfer; and

15 (2) an amount representing employer contributions,
16 equal to the amount determined under item (1).

17 Participation in this System as to the credits transferred
18 under this Section shall terminate on the date of transfer.

19 Section 90. The State Mandates Act is amended by adding
20 Section 8.29 as follows:

21 (30 ILCS 805/8.29 new)

22 Sec. 8.29. Exempt mandate. Notwithstanding Sections 6 and 8
23 of this Act, no reimbursement by the State is required for the
24 implementation of any mandate created by this amendatory Act of
25 the 94th General Assembly.

26 Section 99. Effective date. This Act takes effect upon
27 becoming law.