

# HB5318



## 96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB5318

Introduced 2/5/2010, by Rep. Kevin Joyce

### SYNOPSIS AS INTRODUCED:

40 ILCS 5/5-168

from Ch. 108 1/2, par. 5-168

Amends the Chicago Police Article of the Illinois Pension Code to increase the multiplier used to calculate the maximum allowable pension tax, from 2.00 to 3.00. Effective immediately.

LRB096 18699 AMC 34083 b

PENSION IMPACT  
NOTE ACT MAY  
APPLY

A BILL FOR

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 changing  
5 Section 5-168 as follows:

6 (40 ILCS 5/5-168) (from Ch. 108 1/2, par. 5-168)  
7 Sec. 5-168. Financing.

8 (a) Except as expressly provided in this Section, the city  
9 shall levy a tax annually upon all taxable property therein for  
10 the purpose of providing revenue for the fund.

11 The tax shall be at a rate that will produce a sum which,  
12 when added to the amounts deducted from the policemen's  
13 salaries and the amounts deposited in accordance with  
14 subsection (g), is sufficient for the purposes of the fund.

15 For the years 1968 and 1969, the city council shall levy a  
16 tax annually at a rate on the dollar of the assessed valuation  
17 of all taxable property that will produce, when extended, not  
18 to exceed \$9,700,000. Beginning with the year 1970 and each  
19 year thereafter the city council shall levy a tax annually at a  
20 rate on the dollar of the assessed valuation of all taxable  
21 property that will produce when extended an amount not to  
22 exceed the total amount of contributions by the policemen to  
23 the Fund made in the calendar year 2 years before the year for

1 which the applicable annual tax is levied, multiplied by 1.40  
2 for the tax levy year 1970; by 1.50 for the year 1971; by 1.65  
3 for 1972; by 1.85 for 1973; by 1.90 for 1974; by 1.97 for 1975  
4 through 1981; by 2.00 for 1982 through 2010; and by 3.00 for  
5 2011 and each year thereafter. For the purposes of this  
6 subsection (a), contributions by the policeman to the Fund  
7 shall not include payments made by a policeman to establish  
8 credit under Section 5-214.2 of this Code.

9 (b) The tax shall be levied and collected in like manner  
10 with the general taxes of the city, and is in addition to all  
11 other taxes which the city is now or may hereafter be  
12 authorized to levy upon all taxable property therein, and is  
13 exclusive of and in addition to the amount of tax the city is  
14 now or may hereafter be authorized to levy for general purposes  
15 under any law which may limit the amount of tax which the city  
16 may levy for general purposes. The county clerk of the county  
17 in which the city is located, in reducing tax levies under  
18 Section 8-3-1 of the Illinois Municipal Code, shall not  
19 consider the tax herein authorized as a part of the general tax  
20 levy for city purposes, and shall not include the tax in any  
21 limitation of the percent of the assessed valuation upon which  
22 taxes are required to be extended for the city.

23 (c) On or before January 10 of each year, the board shall  
24 notify the city council of the requirement that the tax herein  
25 authorized be levied by the city council for that current year.  
26 The board shall compute the amounts necessary for the purposes

1 of this fund to be credited to the reserves established and  
2 maintained within the fund; shall make an annual determination  
3 of the amount of the required city contributions; and shall  
4 certify the results thereof to the city council.

5 As soon as any revenue derived from the tax is collected it  
6 shall be paid to the city treasurer of the city and shall be  
7 held by him for the benefit of the fund in accordance with this  
8 Article.

9 (d) If the funds available are insufficient during any year  
10 to meet the requirements of this Article, the city may issue  
11 tax anticipation warrants against the tax levy for the current  
12 fiscal year.

13 (e) The various sums, including interest, to be contributed  
14 by the city, shall be taken from the revenue derived from such  
15 tax or otherwise as expressly provided in this Section. Any  
16 moneys of the city derived from any source other than the tax  
17 herein authorized shall not be used for any purpose of the fund  
18 nor the cost of administration thereof, unless applied to make  
19 the deposit expressly authorized in this Section or the  
20 additional city contributions required under subsection (h).

21 (f) If it is not possible or practicable for the city to  
22 make its contributions at the time that salary deductions are  
23 made, the city shall make such contributions as soon as  
24 possible thereafter, with interest thereon to the time it is  
25 made.

26 (g) In lieu of levying all or a portion of the tax required

1 under this Section in any year, the city may deposit with the  
2 city treasurer no later than March 1 of that year for the  
3 benefit of the fund, to be held in accordance with this  
4 Article, an amount that, together with the taxes levied under  
5 this Section for that year, is not less than the amount of the  
6 city contributions for that year as certified by the board to  
7 the city council. The deposit may be derived from any source  
8 legally available for that purpose, including, but not limited  
9 to, the proceeds of city borrowings. The making of a deposit  
10 shall satisfy fully the requirements of this Section for that  
11 year to the extent of the amounts so deposited. Amounts  
12 deposited under this subsection may be used by the fund for any  
13 of the purposes for which the proceeds of the tax levied under  
14 this Section may be used, including the payment of any amount  
15 that is otherwise required by this Article to be paid from the  
16 proceeds of that tax.

17 (h) In addition to the contributions required under the  
18 other provisions of this Article, by November 1 of the  
19 following specified years, the city shall deposit with the city  
20 treasurer for the benefit of the fund, to be held and used in  
21 accordance with this Article, the following specified amounts:  
22 \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000 in 2001;  
23 \$5,040,000 in 2002; and \$4,620,000 in 2003.

24 The additional city contributions required under this  
25 subsection are intended to decrease the unfunded liability of  
26 the fund and shall not decrease the amount of the city

1 contributions required under the other provisions of this  
2 Article. The additional city contributions made under this  
3 subsection may be used by the fund for any of its lawful  
4 purposes.

5 (Source: P.A. 95-1036, eff. 2-17-09.)

6 Section 99. Effective date. This Act takes effect upon  
7 becoming law.