



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB1542

Introduced 2/18/2009, by Sen. David Koehler

SYNOPSIS AS INTRODUCED:

40 ILCS 5/3-110.8
40 ILCS 5/3-110.10
40 ILCS 5/7-139.11
40 ILCS 5/7-139.13
30 ILCS 805/8.33 new

Amends the Downstate Police and Illinois Municipal Retirement Fund (IMRF) Articles of the Illinois Pension Code. Allows participants of a downstate police pension fund to transfer up to 10 years of creditable service to the IMRF and allows participants of IMRF to transfer up to 10 years of creditable service to the a downstate police pension fund. Requires the participant to either pay the difference in contributions or have the creditable service reduced accordingly. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB096 10953 AMC 21209 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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 Sections 3-110.8, 3-110.10, 7-139.11, and 7-139.13 as follows:

6 (40 ILCS 5/3-110.8)

7 Sec. 3-110.8. Transfer to IMRF.

8 (a) Until January 1, 2011 ~~2008~~, any active member of the
9 Illinois Municipal Retirement Fund may apply to transfer up to
10 10 years of creditable service earned in a police pension fund
11 under this Article ~~who has less than 8 years of creditable~~
12 ~~service in a police pension fund under this Article, may apply~~
13 ~~for transfer of his or her creditable service accumulated in~~
14 ~~that fund~~ to the Illinois Municipal Retirement Fund. The
15 creditable service shall be transferred upon payment by the
16 police pension fund to the Illinois Municipal Retirement Fund
17 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. Participation in this Fund shall terminate on
5 ~~the date of transfer.~~

6 (b) Until January 1, 2011 ~~2008~~, any member under subsection
7 (a) may reinstate service which was terminated by receipt of a
8 refund, by payment to the police pension fund of the amount of
9 the refund with interest thereon at the rate of 6% per year,
10 compounded annually, from the date of refund to the date of
11 payment.

12 (Source: P.A. 94-356, eff. 7-29-05; 95-530, eff. 8-28-07.)

13 (40 ILCS 5/3-110.10)

14 Sec. 3-110.10. Transfer from Article 7. Until January 1,
15 2011, any active member of a police pension fund established
16 under this Article may either (A) 2008, a person may transfer
17 to a fund established under this Article up to 10 ~~8~~ years of
18 creditable service accumulated under Article 7 of this Code
19 upon payment to the fund of an amount to be determined by the
20 board, equal to (i) the difference between the amount of
21 employee and employer contributions transferred to the fund
22 under Section 7-139.11 and the amounts that would have been
23 contributed had such contributions been made at the rates
24 applicable to an employee under this Article, plus (ii)
25 interest thereon at the effective rate for each year,

1 compounded annually, from the date of service to the date of
2 payment or (B) establish creditable service in the police
3 pension fund for service transferred from the Illinois
4 Municipal Retirement Fund under Section 7-139.11, with the
5 amount of service to be determined under subsection (e) of
6 Section 3-110.

7 (Source: P.A. 95-530, eff. 8-28-07; 95-876, eff. 8-21-08.)

8 (40 ILCS 5/7-139.11)

9 Sec. 7-139.11. Transfer to Article 3 pension fund.

10 (a) Until January 1, 2011 ~~2008~~, a person ~~who has less than~~
11 ~~8 years of creditable service under this Article and~~ who has
12 become an active participant in a police pension fund
13 established under Article 3 of this Code may apply for transfer
14 to that Article 3 fund up to 10 years of his or her creditable
15 service accumulated under this Article. At the time of the
16 transfer the Fund shall pay to the police pension fund an
17 amount equal to:

18 (1) the amounts accumulated to the credit of the
19 applicant under this Article, including interest; and

20 (2) the municipality credits based on that service,
21 including interest; and

22 (3) any interest paid by the applicant in order to
23 reinstate that service.

24 Participation in this Fund with respect to the transferred
25 credits shall terminate on the date of transfer.

1 (b) An active member of a pension fund established under
2 Article 3 of this Code may reinstate creditable service under
3 this Article that was terminated by receipt of a refund, by
4 paying to the Fund the amount of the refund plus interest
5 thereon at the effective rate ~~of 6% per year~~, compounded
6 annually, from the date of refund to the date of payment.

7 (Source: P.A. 94-356, eff. 7-29-05; 95-530, eff. 8-28-07.)

8 (40 ILCS 5/7-139.13)

9 Sec. 7-139.13. Transfer from Article 3. Until January 1,
10 ~~2011 2008~~, a participating employee may either (A) ~~person may~~
11 transfer to the Illinois Municipal Retirement Systems up to 8
12 years of creditable service accumulated under Article 3 of this
13 Code upon payment to the Fund of an amount to be determined by
14 the board, equal to (i) the difference between the amount of
15 employee and employer contributions transferred to the Fund
16 under Section 3-110.8 and the amounts that would have been
17 contributed had such contributions been made at the rates
18 applicable to an employee under this Article, plus (ii)
19 interest thereon at the effective rate for each year,
20 compounded annually, from the date of service to the date of
21 payment or (B) establish creditable service in this Fund for
22 service transferred under Section 3-110.8, with the amount of
23 service to be determined under item 10 of subsection (a) of
24 Section 7-139.

25 (Source: P.A. 95-530, eff. 8-28-07; 95-876, eff. 8-21-08.)

1 Section 90. The State Mandates Act is amended by adding
2 Section 8.33 as follows:

3 (30 ILCS 805/8.33 new)

4 Sec. 8.33. Exempt mandate. Notwithstanding Sections 6 and 8
5 of this Act, no reimbursement by the State is required for the
6 implementation of any mandate created by this amendatory Act of
7 the 96th General Assembly.

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.