



Rep. Kevin A. McCarthy

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1 AMENDMENT TO SENATE BILL 1672

2 AMENDMENT NO. _____. Amend Senate Bill 1672, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Illinois Pension Code is amended by
6 changing Section 1-118, 3-125, 4-118, 5-168, 5-238, 6-165,
7 6-211, and 6-229 as follows:

8 (40 ILCS 5/1-118)

9 Sec. 1-118. Veterans' rights.

10 (a) All pension funds and retirement systems subject to
11 this Code shall comply with the requirements imposed on them by
12 the federal Uniformed Services Employment and Reemployment
13 Rights Act (P.L. 103-353).

14 (b) All pension funds and retirement systems subject to
15 this Code shall comply with the federal Heroes Earnings
16 Assistance and Relief Tax Act of 2008 (P.L. 110-245).

1 (Source: P.A. 90-19, eff. 6-20-97.)

2 (40 ILCS 5/3-125) (from Ch. 108 1/2, par. 3-125)

3 Sec. 3-125. Financing.

4 (a) The city council or the board of trustees of the
5 municipality shall annually levy a tax upon all the taxable
6 property of the municipality at the rate on the dollar which
7 will produce an amount which, when added to the deductions from
8 the salaries or wages of police officers, and revenues
9 available from other sources, will equal a sum sufficient to
10 meet the annual requirements of the police pension fund. The
11 annual requirements to be provided by such tax levy are equal
12 to (1) the normal cost of the pension fund for the year
13 involved, plus (2) an amount sufficient to bring the total
14 assets of the pension fund up to 90% of the total actuarial
15 liabilities of the pension fund by the end of municipal fiscal
16 year 2040, as annually updated and determined by an enrolled
17 actuary employed by the Illinois Department of Insurance or by
18 an enrolled actuary retained by the pension fund or the
19 municipality. In making these determinations, the required
20 minimum employer contribution shall be calculated each year as
21 a level percentage of payroll over the years remaining up to
22 and including fiscal year 2040 ~~and shall be determined under~~
23 ~~the projected unit credit actuarial cost method.~~ The tax shall
24 be levied and collected in the same manner as the general taxes
25 of the municipality, and in addition to all other taxes now or

1 hereafter authorized to be levied upon all property within the
2 municipality, and shall be in addition to the amount authorized
3 to be levied for general purposes as provided by Section 8-3-1
4 of the Illinois Municipal Code, approved May 29, 1961, as
5 amended. The tax shall be forwarded directly to the treasurer
6 of the board within 30 business days after receipt by the
7 county.

8 (b) For purposes of determining the required employer
9 contribution to a pension fund, the value of the pension fund's
10 assets shall be equal to the actuarial value of the pension
11 fund's assets, which shall be calculated as follows:

12 (1) On March 30, 2011, the actuarial value of a pension
13 fund's assets shall be equal to the market value of the
14 assets as of that date.

15 (2) In determining the actuarial value of the System's
16 assets for fiscal years after March 30, 2011, any actuarial
17 gains or losses from investment return incurred in a fiscal
18 year shall be recognized in equal annual amounts over the
19 5-year period following that fiscal year.

20 (c) If a participating municipality fails to transmit to
21 the fund contributions required of it under this Article for
22 more than 90 days after the payment of those contributions is
23 due, the fund may, after giving notice to the municipality,
24 certify to the State Comptroller the amounts of the delinquent
25 payments, and the Comptroller must, beginning in fiscal year
26 2016, deduct and deposit into the fund the certified amounts or

1 a portion of those amounts from the following proportions of
2 grants of State funds to the municipality:

3 (1) in fiscal year 2016, one-third of the total amount
4 of any grants of State funds to the municipality;

5 (2) in fiscal year 2017, two-thirds of the total amount
6 of any grants of State funds to the municipality; and

7 (3) in fiscal year 2018 and each fiscal year
8 thereafter, the total amount of any grants of State funds
9 to the municipality.

10 The State Comptroller may not deduct from any grants of
11 State funds to the municipality more than the amount of
12 delinquent payments certified to the State Comptroller by the
13 fund.

14 (d) The police pension fund shall consist of the following
15 moneys which shall be set apart by the treasurer of the
16 municipality:

17 (1) All moneys derived from the taxes levied hereunder;

18 (2) Contributions by police officers under Section
19 3-125.1;

20 (3) All moneys accumulated by the municipality under
21 any previous legislation establishing a fund for the
22 benefit of disabled or retired police officers;

23 (4) Donations, gifts or other transfers authorized by
24 this Article.

25 (e) The Commission on Government Forecasting and
26 Accountability shall conduct a study of all funds established

1 under this Article and shall report its findings to the General
2 Assembly on or before January 1, 2013. To the fullest extent
3 possible, the study shall include, but not be limited to, the
4 following:

5 (1) fund balances;

6 (2) historical employer contribution rates for each
7 fund;

8 (3) the actuarial formulas used as a basis for employer
9 contributions, including the actual assumed rate of return
10 for each year, for each fund;

11 (4) available contribution funding sources;

12 (5) the impact of any revenue limitations caused by
13 PTELL and employer home rule or non-home rule status; and

14 (6) existing statutory funding compliance procedures
15 and funding enforcement mechanisms for all municipal
16 pension funds.

17 (Source: P.A. 95-530, eff. 8-28-07; 96-1495, eff. 1-1-11.)

18 (40 ILCS 5/4-118) (from Ch. 108 1/2, par. 4-118)

19 Sec. 4-118. Financing.

20 (a) The city council or the board of trustees of the
21 municipality shall annually levy a tax upon all the taxable
22 property of the municipality at the rate on the dollar which
23 will produce an amount which, when added to the deductions from
24 the salaries or wages of firefighters and revenues available
25 from other sources, will equal a sum sufficient to meet the

1 annual actuarial requirements of the pension fund, as
2 determined by an enrolled actuary employed by the Illinois
3 Department of Insurance or by an enrolled actuary retained by
4 the pension fund or municipality. For the purposes of this
5 Section, the annual actuarial requirements of the pension fund
6 are equal to (1) the normal cost of the pension fund, or 17.5%
7 of the salaries and wages to be paid to firefighters for the
8 year involved, whichever is greater, plus (2) an annual amount
9 sufficient to bring the total assets of the pension fund up to
10 90% of the total actuarial liabilities of the pension fund by
11 the end of municipal fiscal year 2040, as annually updated and
12 determined by an enrolled actuary employed by the Illinois
13 Department of Insurance or by an enrolled actuary retained by
14 the pension fund or the municipality. In making these
15 determinations, the required minimum employer contribution
16 shall be calculated each year as a level percentage of payroll
17 over the years remaining up to and including fiscal year 2040
18 ~~and shall be determined under the projected unit credit~~
19 ~~actuarial cost method.~~ The amount to be applied towards the
20 amortization of the unfunded accrued liability in any year
21 shall not be less than the annual amount required to amortize
22 the unfunded accrued liability, including interest, as a level
23 percentage of payroll over the number of years remaining in the
24 40 year amortization period.

25 (a-5) For purposes of determining the required employer
26 contribution to a pension fund, the value of the pension fund's

1 assets shall be equal to the actuarial value of the pension
2 fund's assets, which shall be calculated as follows:

3 (1) On March 30, 2011, the actuarial value of a pension
4 fund's assets shall be equal to the market value of the
5 assets as of that date.

6 (2) In determining the actuarial value of the pension
7 fund's assets for fiscal years after March 30, 2011, any
8 actuarial gains or losses from investment return incurred
9 in a fiscal year shall be recognized in equal annual
10 amounts over the 5-year period following that fiscal year.

11 (b) The tax shall be levied and collected in the same
12 manner as the general taxes of the municipality, and shall be
13 in addition to all other taxes now or hereafter authorized to
14 be levied upon all property within the municipality, and in
15 addition to the amount authorized to be levied for general
16 purposes, under Section 8-3-1 of the Illinois Municipal Code or
17 under Section 14 of the Fire Protection District Act. The tax
18 shall be forwarded directly to the treasurer of the board
19 within 30 business days of receipt by the county (or, in the
20 case of amounts added to the tax levy under subsection (f),
21 used by the municipality to pay the employer contributions
22 required under subsection (b-1) of Section 15-155 of this
23 Code).

24 (b-5) If a participating municipality fails to transmit to
25 the fund contributions required of it under this Article for
26 more than 90 days after the payment of those contributions is

1 due, the fund may, after giving notice to the municipality,
2 certify to the State Comptroller the amounts of the delinquent
3 payments, and the Comptroller must, beginning in fiscal year
4 2016, deduct and deposit into the fund the certified amounts or
5 a portion of those amounts from the following proportions of
6 grants of State funds to the municipality:

7 (1) in fiscal year 2016, one-third of the total amount
8 of any grants of State funds to the municipality;

9 (2) in fiscal year 2017, two-thirds of the total amount
10 of any grants of State funds to the municipality; and

11 (3) in fiscal year 2018 and each fiscal year
12 thereafter, the total amount of any grants of State funds
13 to the municipality.

14 The State Comptroller may not deduct from any grants of
15 State funds to the municipality more than the amount of
16 delinquent payments certified to the State Comptroller by the
17 fund.

18 (c) The board shall make available to the membership and
19 the general public for inspection and copying at reasonable
20 times the most recent Actuarial Valuation Balance Sheet and Tax
21 Levy Requirement issued to the fund by the Department of
22 Insurance.

23 (d) The firefighters' pension fund shall consist of the
24 following moneys which shall be set apart by the treasurer of
25 the municipality: (1) all moneys derived from the taxes levied
26 hereunder; (2) contributions by firefighters as provided under

1 Section 4-118.1; (3) all rewards in money, fees, gifts, and
2 emoluments that may be paid or given for or on account of
3 extraordinary service by the fire department or any member
4 thereof, except when allowed to be retained by competitive
5 awards; and (4) any money, real estate or personal property
6 received by the board.

7 (e) For the purposes of this Section, "enrolled actuary"
8 means an actuary: (1) who is a member of the Society of
9 Actuaries or the American Academy of Actuaries; and (2) who is
10 enrolled under Subtitle C of Title III of the Employee
11 Retirement Income Security Act of 1974, or who has been engaged
12 in providing actuarial services to one or more public
13 retirement systems for a period of at least 3 years as of July
14 1, 1983.

15 (f) The corporate authorities of a municipality that
16 employs a person who is described in subdivision (d) of Section
17 4-106 may add to the tax levy otherwise provided for in this
18 Section an amount equal to the projected cost of the employer
19 contributions required to be paid by the municipality to the
20 State Universities Retirement System under subsection (b-1) of
21 Section 15-155 of this Code.

22 (g) The Commission on Government Forecasting and
23 Accountability shall conduct a study of all funds established
24 under this Article and shall report its findings to the General
25 Assembly on or before January 1, 2013. To the fullest extent
26 possible, the study shall include, but not be limited to, the

1 following:

2 (1) fund balances;

3 (2) historical employer contribution rates for each
4 fund;

5 (3) the actuarial formulas used as a basis for employer
6 contributions, including the actual assumed rate of return
7 for each year, for each fund;

8 (4) available contribution funding sources;

9 (5) the impact of any revenue limitations caused by
10 PTELL and employer home rule or non-home rule status; and

11 (6) existing statutory funding compliance procedures
12 and funding enforcement mechanisms for all municipal
13 pension funds.

14 (Source: P.A. 96-1495, eff. 1-1-11.)

15 (40 ILCS 5/5-168) (from Ch. 108 1/2, par. 5-168)

16 Sec. 5-168. Financing.

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

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

24 For the years 1968 and 1969, the city council shall levy a
25 tax annually at a rate on the dollar of the assessed valuation

1 of all taxable property that will produce, when extended, not
2 to exceed \$9,700,000. Beginning with the year 1970 and through
3 2014, the city council shall levy a tax annually at a rate on
4 the dollar of the assessed valuation of all taxable property
5 that will produce when extended an amount not to exceed the
6 total amount of contributions by the policemen to the Fund made
7 in the calendar year 2 years before the year for which the
8 applicable annual tax is levied, multiplied by 1.40 for the tax
9 levy year 1970; by 1.50 for the year 1971; by 1.65 for 1972; by
10 1.85 for 1973; by 1.90 for 1974; by 1.97 for 1975 through 1981;
11 by 2.00 for 1982 and for each year through 2014. Beginning in
12 2015, the city council shall levy a tax annually at a rate on
13 the dollar of the assessed valuation of all taxable property
14 that will produce when extended an annual amount that is equal
15 to (1) the net employer normal cost to the Fund, plus (2) an
16 annual amount sufficient to bring the total assets of the Fund
17 up to 90% of the total actuarial liabilities of the Fund by the
18 end of fiscal year 2040, as annually updated and determined by
19 an enrolled actuary employed by the Illinois Department of
20 Insurance or by an enrolled actuary retained by the Fund or the
21 city. In making these determinations, the required minimum
22 employer contribution shall be calculated each year as a level
23 percentage of payroll over the years remaining up to and
24 including fiscal year 2040 and in no event should be less than
25 the net employer normal cost ~~shall be determined under the~~
26 ~~projected unit credit actuarial cost method~~. For the purposes

1 of this subsection (a), contributions by the policeman to the
2 Fund shall not include payments made by a policeman to
3 establish credit under Section 5-214.2 of this Code.

4 (a-5) For purposes of determining the required employer
5 contribution to the Fund, the value of the Fund's assets shall
6 be equal to the actuarial value of the Fund's assets, which
7 shall be calculated as follows:

8 (1) On December 31, 2013 ~~March 30, 2011~~, the actuarial
9 value of the Fund's assets shall be equal to the market
10 value of the assets as of December 31, 2013 ~~that date~~.

11 (2) In determining the actuarial value of the Fund's
12 assets for fiscal years after December 31, 2013 ~~March 30,~~
13 ~~2011~~, any actuarial gains or losses from investment return
14 incurred in a fiscal year shall be recognized in equal
15 annual amounts over the 5-year period following that fiscal
16 year.

17 (a-7) If the city fails to transmit to the Fund
18 contributions required of it under this Article for more than
19 90 days after the last day of the Fund's fiscal year in which
20 those contributions are ~~payment of those contributions is due~~,
21 the Fund shall ~~may~~, after giving notice to the city, certify to
22 the State Comptroller the amounts of the delinquent payments,
23 and the Comptroller must, beginning in fiscal year 2017 ~~2016~~,
24 deduct and deposit into the Fund by the end of each respective
25 fiscal year the certified amounts ~~or a portion of those amounts~~
26 from the following proportions of grants of State funds to the

1 city:

2 (1) in fiscal year 2017 ~~2016~~, one-third of the total
3 amount of any grants of State funds to the city;

4 (2) in fiscal year 2018 ~~2017~~, two-thirds of the total
5 amount of any grants of State funds to the city; and

6 (3) in fiscal year 2019 ~~2018~~ and each fiscal year
7 thereafter, the total amount of any grants of State funds
8 to the city.

9 The State Comptroller may not deduct from any grants of
10 State funds to the city more than the amount of delinquent
11 payments certified to the State Comptroller by the Fund.

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

26 (c) On or before January 10 of each year, the board shall

1 notify the city council of the requirement that the tax herein
2 authorized be levied by the city council for that current year.
3 The board shall compute the amounts necessary for the purposes
4 of this fund to be credited to the reserves established and
5 maintained within the fund; shall make an annual determination
6 of the amount of the required city contributions; and shall
7 certify the results thereof to the city council.

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

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

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

24 (f) If it is not possible or practicable for the city to
25 make its contributions at the time that salary deductions are
26 made, the city shall make such contributions as soon as

1 possible thereafter, with interest thereon to the time it is
2 made.

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

20 (h) In addition to the contributions required under the
21 other provisions of this Article, by November 1 of the
22 following specified years, the city shall deposit with the city
23 treasurer for the benefit of the fund, to be held and used in
24 accordance with this Article, the following specified amounts:
25 \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000 in 2001;
26 \$5,040,000 in 2002; and \$4,620,000 in 2003.

1 The additional city contributions required under this
2 subsection are intended to decrease the unfunded liability of
3 the fund and shall not decrease the amount of the city
4 contributions required under the other provisions of this
5 Article. The additional city contributions made under this
6 subsection may be used by the fund for any of its lawful
7 purposes.

8 (Source: P.A. 95-1036, eff. 2-17-09; 96-1495, eff. 1-1-11.)

9 (40 ILCS 5/5-238)

10 Sec. 5-238. Provisions applicable to new hires.

11 (a) Notwithstanding any other provision of this Article,
12 the provisions of this Section apply to a person who first
13 becomes a policeman under this Article on or after January 1,
14 2011.

15 (b) A policeman age 55 or more who has 10 or more years of
16 service in that capacity shall be entitled at his option to
17 receive a monthly retirement annuity for his service as a
18 police officer computed by multiplying 2.5% for each year of
19 such service by his or her final average salary.

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

24 The maximum retirement annuity under this subsection (b)
25 shall be 75% of final average salary.

1 For the purposes of this subsection (b), "final average
2 salary" means the average monthly salary obtained by dividing
3 the total salary of the policeman during the 96 consecutive
4 months of service within the last 120 months of service in
5 which the total salary was the highest by the number of months
6 of service in that period.

7 Beginning on January 1, 2011, for all purposes under this
8 Code (including without limitation the calculation of benefits
9 and employee contributions), the annual salary based on the
10 plan year of a member or participant to whom this Section
11 applies shall not exceed \$106,800; however, that amount shall
12 annually thereafter be increased by the lesser of (i) 3% of
13 that amount, including all previous adjustments, or (ii)
14 one-half the annual unadjusted percentage increase (but not
15 less than zero) in the consumer price index-u for the 12 months
16 ending with the September preceding each November 1, including
17 all previous adjustments.

18 (c) Notwithstanding any other provision of this Article,
19 for a person who first becomes a policeman under this Article
20 on or after January 1, 2011, the annuity to which the surviving
21 spouse ~~is, children, or parents are~~ entitled under this
22 subsection (c) shall be in the amount of 66 2/3% of the
23 policeman's earned annuity at the date of death.

24 Notwithstanding any other provision of this Article, the
25 monthly annuity of a survivor of a person who first becomes a
26 policeman under this Article on or after January 1, 2011 shall

1 be increased on the January 1 after attainment of age 60 by the
2 recipient of the survivor's annuity and each January 1
3 thereafter by 3% or one-half the annual unadjusted percentage
4 increase (but not less than zero) in the consumer price index-u
5 for the 12 months ending with the September preceding each
6 November 1, whichever is less, of the originally granted
7 survivor's annuity. If the unadjusted percentage change in the
8 consumer price index-u for a 12-month period ending in
9 September is zero or, when compared with the preceding period,
10 decreases, then the annuity shall not be increased.

11 For the purposes of this Section, "consumer price index-u"
12 means the index published by the Bureau of Labor Statistics of
13 the United States Department of Labor that measures the average
14 change in prices of goods and services purchased by all urban
15 consumers, United States city average, all items, 1982-84 =
16 100. The new amount resulting from each annual adjustment shall
17 be determined by the Public Pension Division of the Department
18 of Insurance and made available to the boards of the pension
19 funds.

20 (Source: P.A. 96-1495, eff. 1-1-11.)

21 (40 ILCS 5/6-165) (from Ch. 108 1/2, par. 6-165)

22 Sec. 6-165. Financing; tax.

23 (a) Except as expressly provided in this Section, each city
24 shall levy a tax annually upon all taxable property therein for
25 the purpose of providing revenue for the fund. For the years

1 prior to the year 1960, the tax rate shall be as provided for
2 in the "Firemen's Annuity and Benefit Fund of the Illinois
3 Municipal Code". The tax, from and after January 1, 1968 to and
4 including the year 1971, shall not exceed .0863% of the value,
5 as equalized or assessed by the Department of Revenue, of all
6 taxable property in the city. Beginning with the year 1972 and
7 through 2014, the city shall levy a tax annually at a rate on
8 the dollar of the value, as equalized or assessed by the
9 Department of Revenue of all taxable property within such city
10 that will produce, when extended, not to exceed an amount equal
11 to the total amount of contributions by the employees to the
12 fund made in the calendar year 2 years prior to the year for
13 which the annual applicable tax is levied, multiplied by 2.23
14 through the calendar year 1981, and by 2.26 for the year 1982
15 and for each year through 2014. Beginning in 2015, the city
16 council shall levy a tax annually at a rate on the dollar of
17 the assessed valuation of all taxable property that will
18 produce when extended an annual amount that is equal to (1) the
19 normal cost to the Fund, plus (2) an annual amount sufficient
20 to bring the total assets of the Fund up to 90% of the total
21 actuarial liabilities of the Fund by the end of fiscal year
22 2040, as annually updated and determined by an enrolled actuary
23 employed by the Illinois Department of Insurance or by an
24 enrolled actuary retained by the Fund or the city. In making
25 these determinations, the required minimum employer
26 contribution shall be calculated each year as a level

1 percentage of payroll over the years remaining up to and
2 including fiscal year 2040 ~~and shall be determined under the~~
3 ~~projected unit credit actuarial cost method.~~

4 To provide revenue for the ordinary death benefit
5 established by Section 6-150 of this Article, in addition to
6 the contributions by the firemen for this purpose, the city
7 council shall, for the year 1962 and each subsequent year
8 through 2014, year thereafter annually levy a tax, which shall
9 be in addition to and exclusive of the taxes authorized to be
10 levied under the foregoing provisions of this Section, upon all
11 taxable property in the city, as equalized or assessed by the
12 Department of Revenue, at such rate per cent of the value of
13 such property as shall be sufficient to produce for each year
14 the sum of \$142,000.

15 The amounts produced by the taxes levied annually, together
16 with the deposit expressly authorized in this Section, shall be
17 sufficient, when added to the amounts deducted from the
18 salaries of firemen and applied to the fund, to provide for the
19 purposes of the fund.

20 (a-5) For purposes of determining the required employer
21 contribution to the Fund, the value of the Fund's assets shall
22 be equal to the actuarial value of the Fund's assets, which
23 shall be calculated as follows:

24 (1) On December 31, 2013 ~~March 30, 2011~~, the actuarial
25 value of the Fund's assets shall be equal to the market
26 value of the assets as of that date.

1 (2) In determining the actuarial value of the Fund's
2 assets for fiscal years after December 31, 2013 ~~March 30,~~
3 ~~2011~~, any actuarial gains or losses from investment return
4 incurred in a fiscal year shall be recognized in equal
5 annual amounts over the 5-year period following that fiscal
6 year.

7 (a-7) If the city fails to transmit to the Fund
8 contributions required of it under this Article for more than
9 90 days after the last day of the Fund's fiscal year in which
10 those contributions are ~~payment of those contributions is~~ due,
11 the Fund shall ~~may~~, after giving notice to the city, certify to
12 the State Comptroller the amounts of the delinquent payments,
13 and the Comptroller must, beginning in fiscal year 2017 ~~2016~~,
14 deduct and deposit into the Fund the certified amounts ~~or a~~
15 ~~portion of those amounts~~ from the following proportions of
16 grants of State funds to the city:

17 (1) in fiscal year 2017 ~~2016~~, one-third of the total
18 amount of any grants of State funds to the city;

19 (2) in fiscal year 2018 ~~2017~~, two-thirds of the total
20 amount of any grants of State funds to the city; and

21 (3) in fiscal year 2019 ~~2018~~ and each fiscal year
22 thereafter, the total amount of any grants of State funds
23 to the city.

24 The State Comptroller may not deduct from any grants of
25 State funds to the city more than the amount of delinquent
26 payments certified to the State Comptroller by the Fund.

1 (b) The taxes shall be levied and collected in like manner
2 with the general taxes of the city, and shall be in addition to
3 all other taxes which the city may levy upon all taxable
4 property therein and shall be exclusive of and in addition to
5 the amount of tax the city may levy for general purposes under
6 Section 8-3-1 of the Illinois Municipal Code, approved May 29,
7 1961, as amended, or under any other law or laws which may
8 limit the amount of tax which the city may levy for general
9 purposes.

10 (c) The amounts of the taxes to be levied in each year
11 shall be certified to the city council by the board.

12 (d) As soon as any revenue derived from such taxes is
13 collected, it shall be paid to the city treasurer and held for
14 the benefit of the fund, and all such revenue shall be paid
15 into the fund in accordance with the provisions of this
16 Article.

17 (e) If the funds available are insufficient during any year
18 to meet the requirements of this Article, the city may issue
19 tax anticipation warrants, against the tax levies herein
20 authorized for the current fiscal year.

21 (f) The various sums, hereinafter stated, including
22 interest, to be contributed by the city, shall be taken from
23 the revenue derived from the taxes or otherwise as expressly
24 provided in this Section. Except for defraying the cost of
25 administration of the fund during the calendar year in which a
26 city first attains a population of 500,000 and comes under the

1 provisions of this Article and the first calendar year
2 thereafter, any money of the city derived from any source other
3 than these taxes or the sale of tax anticipation warrants shall
4 not be used to provide revenue for the fund, nor to pay any
5 part of the cost of administration thereof, unless applied to
6 make the deposit expressly authorized in this Section or the
7 additional city contributions required under subsection (h).

8 (g) In lieu of levying all or a portion of the tax required
9 under this Section in any year, the city may deposit with the
10 city treasurer no later than March 1 of that year for the
11 benefit of the fund, to be held in accordance with this
12 Article, an amount that, together with the taxes levied under
13 this Section for that year, is not less than the amount of the
14 city contributions for that year as certified by the board to
15 the city council. The deposit may be derived from any source
16 legally available for that purpose, including, but not limited
17 to, the proceeds of city borrowings. The making of a deposit
18 shall satisfy fully the requirements of this Section for that
19 year to the extent of the amounts so deposited. Amounts
20 deposited under this subsection may be used by the fund for any
21 of the purposes for which the proceeds of the taxes levied
22 under this Section may be used, including the payment of any
23 amount that is otherwise required by this Article to be paid
24 from the proceeds of those taxes.

25 (h) In addition to the contributions required under the
26 other provisions of this Article, by November 1 of the

1 following specified years, the city shall deposit with the city
2 treasurer for the benefit of the fund, to be held and used in
3 accordance with this Article, the following specified amounts:
4 \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000 in 2001;
5 \$5,040,000 in 2002; and \$4,620,000 in 2003.

6 The additional city contributions required under this
7 subsection are intended to decrease the unfunded liability of
8 the fund and shall not decrease the amount of the city
9 contributions required under the other provisions of this
10 Article. The additional city contributions made under this
11 subsection may be used by the fund for any of its lawful
12 purposes.

13 (Source: P.A. 96-1495, eff. 1-1-11.)

14 (40 ILCS 5/6-211) (from Ch. 108 1/2, par. 6-211)

15 Sec. 6-211. Permanent and temporary positions; exempt
16 positions above career service rank.

17 (a) Except as specified in subsection (b), no annuity,
18 pension or other benefit shall be paid to a fireman or widow,
19 under this Article, based upon any salary paid by virtue of a
20 temporary appointment, and all contributions, annuities and
21 benefits shall be related to the salary which attaches to the
22 permanent position of the fireman.

23 Any fireman temporarily serving in a position or rank other
24 than that to which he has received permanent appointment shall
25 be considered, while so serving, as though he were in his

1 permanent position or rank, except that no increase in any
2 pension, annuity or other benefit hereunder shall accrue to him
3 by virtue of any service performed by him subsequent to
4 attaining the compulsory retirement age provided by law or
5 ordinance.

6 This Section does not apply to any person certified to the
7 fire department by the civil service commission of the city,
8 during the period of probationary service.

9 A fireman who holds a position at the will of the Fire
10 Commissioner or other appointing authority, whether or not such
11 position is an "exempt" position, shall be deemed to hold a
12 temporary position.

13 (b) Beginning on the effective date of this amendatory Act
14 of the 93rd General Assembly, for service in an exempt position
15 above career service rank, employee contributions shall be
16 based on the actual full salary attached to the exempt rank
17 position held by the fireman.

18 For service in an exempt position above career service
19 rank, benefit computations under this Article shall be based on
20 the actual full salary attached to the exempt rank position
21 held by the fireman if and only if:

22 (1) employee contributions have been paid on the actual
23 full salary attached to the exempt rank position held by
24 the fireman for all service on or after January 1, 1994 in
25 an exempt position above career service rank;

26 (2) the fireman has held one or more exempt positions

1 for at least 5 consecutive years (or, in the case of a
2 fireman who retired due to attainment of compulsory
3 retirement age before December 1, 2003, held one or more
4 exempt positions for a consecutive period of at least 3
5 years and 9 months and made the payment required under
6 subsection (c) for a period of at least 5 years) and has
7 held the rank of battalion chief or paramedic field chief
8 ~~field officer~~ for at least 5 years (at least 3 years and 9
9 months in the case of a fireman who retired due to
10 attainment of compulsory retirement age before December 1,
11 2003) during the exempt period; and

12 (3) the fireman was born before 1955.

13 (c) For service prior to the effective date of this
14 amendatory Act of the 93rd General Assembly in an exempt
15 position above career service rank for which contributions have
16 been paid only on the salary attached to the fireman's
17 permanent career service rank, a fireman may make the
18 contributions required under subsection (b) by paying to the
19 Fund before the later of the date of retirement or 6 months
20 after the effective date of this amendatory Act, but in no
21 event later than July 1, 2005, an amount equal to the
22 difference between the employee contributions actually made
23 for that service and the employee contributions that would have
24 been made based on the actual full salary attached to the
25 exempt rank position held by the fireman on or after January 1,
26 1994, plus interest thereon at the rate of 4% per year,

1 compounded annually, from the date of the service to the date
2 of payment (or to the date of retirement if retirement is
3 before the effective date of this amendatory Act). In the case
4 of a fireman who retired in an exempt rank position after
5 January 1, 1994 and before January 1, 1999 and in the case of a
6 fireman who retired due to attaining compulsory retirement age
7 before December 1, 2003, the payment under this subsection (c)
8 shall be for a period of at least 5 years.

9 If a fireman dies while eligible to make the contributions
10 required under subsection (b) but before the contributions are
11 paid, the fireman's widow may elect to make the contributions.

12 (d) Subsection (e) of Section 6-111 and the changes made to
13 this Section by this amendatory Act of the 93rd General
14 Assembly apply to a fireman who retires (or becomes disabled)
15 on or after January 1, 1994. In the case of a benefit payable
16 on the effective date of this amendatory Act, the resulting
17 increase in benefit shall begin to accrue with the first
18 benefit payment period commencing after the required
19 contributions are paid.

20 (e) If a fireman or his survivors do not qualify to have
21 benefits computed on the full amount of salary received for
22 service in an exempt position as provided in subsection (b),
23 benefits shall be computed on the basis of the salary attached
24 to the permanent career service rank, and a refund of any
25 employee contributions paid on the difference between the
26 actual salary and the salary attached to the permanent career

1 service rank shall be payable to the fireman upon termination
2 of service, or to the fireman's widow or estate upon the
3 fireman's death.

4 (f) The tax levy computed under Section 6-165 shall be
5 based on employee contributions, including the payments of
6 employee contributions under subsections (a), (b), and (c) of
7 this Section 6-211.

8 (g) The city shall pay to the Fund on an annual basis
9 through 2015, in addition to the usual city contributions, an
10 amount at least equal to the sum of (1) the increase in normal
11 cost resulting from subsection (e) of Section 6-111 and the
12 changes made to this Section by this amendatory Act of the 93rd
13 General Assembly, plus (2) amortization (over a period of 30
14 years from the effective date of this amendatory Act) of the
15 initial unfunded liability resulting from subsection (e) of
16 Section 6-111 and the changes made to this Section by this
17 amendatory Act of the 93rd General Assembly. The payment
18 required under this subsection shall be no less than \$400,000
19 per year. Payment shall begin with the first calendar year
20 commencing after the effective date of this amendatory Act and
21 shall be in addition to the tax levy otherwise calculated under
22 Section 6-165. The city may increase that tax levy by the
23 amount of the payment required under this subsection, or it may
24 utilize any funds appropriated for this purpose.

25 (Source: P.A. 93-654, eff. 1-16-04.)

1 (40 ILCS 5/6-229)

2 Sec. 6-229. Provisions applicable to new hires.

3 (a) Notwithstanding any other provision of this Article,
4 the provisions of this Section apply to a person who first
5 becomes a fireman under this Article on or after January 1,
6 2011.

7 (b) A fireman age 55 or more who has 10 or more years of
8 service in that capacity shall be entitled at his option to
9 receive a monthly retirement annuity for his service as a
10 fireman computed by multiplying 2.5% for each year of such
11 service by his or her final average salary.

12 The retirement annuity of a fireman who is retiring after
13 attaining age 50 with 10 or more years of creditable service
14 shall be reduced by one-half of 1% for each month that the
15 fireman's age is under age 55.

16 The maximum retirement annuity under this subsection (b)
17 shall be 75% of final average salary.

18 For the purposes of this subsection (b), "final average
19 salary" means the average monthly salary obtained by dividing
20 the total salary of the fireman during the 96 consecutive
21 months of service within the last 120 months of service in
22 which the total salary was the highest by the number of months
23 of service in that period.

24 Beginning on January 1, 2011, for all purposes under this
25 Code (including without limitation the calculation of benefits
26 and employee contributions), the annual salary based on the

1 plan year of a member or participant to whom this Section
2 applies shall not exceed \$106,800; however, that amount shall
3 annually thereafter be increased by the lesser of (i) 3% of
4 that amount, including all previous adjustments, or (ii)
5 one-half the annual unadjusted percentage increase (but not
6 less than zero) in the consumer price index-u for the 12 months
7 ending with the September preceding each November 1, including
8 all previous adjustments.

9 (c) Notwithstanding any other provision of this Article,
10 for a person who first becomes a fireman under this Article on
11 or after January 1, 2011, the annuity to which the surviving
12 spouse, children, or parents are entitled under this subsection
13 (c) shall be in the amount of 66 2/3% of the fireman's earned
14 pension at the date of death, subject to the limitations set
15 forth in Sections 6-148 and 6-149, as applicable.

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

1 with the preceding period, decreases, then the annuity shall
2 not be increased.

3 (Source: P.A. 96-1495, eff. 1-1-11.)

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.".