

AN ACT concerning public employee benefits.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Pension Code is amended by changing Sections 3-101, 4-101, and 4-106.1 and adding Section 3-144.6 as follows:

(40 ILCS 5/3-101) (from Ch. 108 1/2, par. 3-101)

Sec. 3-101. Creation of fund. In each municipality, as defined in Section 3-103, the city council or the board of trustees, as the case may be, shall establish and administer a police pension fund, as prescribed in this Article, for the benefit of its police officers and of their surviving spouses, children, and certain other dependents. The duty of the corporate authorities of a municipality to establish and administer a police pension fund shall be suspended during any period during which the fund is dissolved under Section 3-144.6 of this Code.

(Source: P.A. 83-1440.)

(40 ILCS 5/3-144.6 new)

Sec. 3-144.6. Dissolution and reestablishment of inactive police pension funds. The corporate authorities of a municipality for which a pension fund has been established

under this Article may, by resolution or ordinance, dissolve the fund if an independent auditor has certified to the authorities that the fund has no liabilities, participants, or beneficiaries entitled to benefits, and the authorities shall reestablish the fund if a police officer of the municipality seeks to establish service credit in the fund or if reestablishment of the fund is required upon a former police officer's reinstatement of creditable service under subsection (b) of Section 3-110.7 of this Code.

The Public Pension Division of the Department of Insurance shall adopt rules regarding the process and procedures for (i) dissolving a pension fund under this Section and (ii) redistributing assets and reestablishing the fund if reestablishment of the fund is necessary.

(40 ILCS 5/4-101) (from Ch. 108 1/2, par. 4-101)

Sec. 4-101. Creation of fund. In each municipality as defined in Section 4-103, the city council or the board of trustees, as the case may be, shall establish and administer a firefighters' pension fund as prescribed in this Article, for the benefit of its firefighters and of their surviving spouses, children and certain other dependents. The duty of the corporate authorities of a municipality to establish and administer a firefighters' pension fund shall be suspended during any period during which the fund is dissolved under subsection (c) of Section 4-106.1 of this Code.

(Source: P.A. 83-1440.)

(40 ILCS 5/4-106.1) (from Ch. 108 1/2, par. 4-106.1)

Sec. 4-106.1. Discontinuation of fire protection district; annexation to fire protection district; dissolution and reestablishment of inactive firefighters' pension funds.

(a) Whenever a fire protection district which has established a pension fund under this Article is discontinued under "An Act in Relation to Fire Protection Districts", and the municipality assuming the obligations of the district is required to and has established a Firefighters' Pension Fund under this Article, the assets of the fund established by the district shall be transferred to the "Board of Trustees of the Firefighters Pension Fund" of the municipality. The Firefighter's Pension Fund of the municipality shall assume all accrued liabilities of the district's pension fund, and all accrued rights, benefits and future expectancies of the members, retired employees and beneficiaries of the district's fund shall remain unimpaired.

(b) If a municipal fire department for which a pension fund has been established under this Article is discontinued and the affected territory is annexed by a fire protection district, and the fire protection district is required to and has established a firefighters' pension fund under this Article, then the assets of the firefighters' pension fund established by the municipality shall be transferred to the board of

trustees of the pension fund of the fire protection district. The firefighters' pension fund of the fire protection district shall assume all liabilities of the municipality's firefighters' pension fund, and all of the accrued rights, benefits, and future expectancies of the members, retired employees, and beneficiaries of the municipality's firefighters' pension fund shall remain unimpaired.

(c) The corporate authorities of a municipality for which a pension fund has been established under this Article may, by resolution or ordinance, dissolve the fund if an independent auditor has certified to the authorities that the fund has no liabilities, participants, or beneficiaries entitled to benefits, and the authorities shall reestablish the fund if a firefighter of the municipality seeks to establish service credit in the fund or if reestablishment of the fund is required upon a former firefighter's reinstatement of creditable service under subsection (g) of Section 4-109.3 of this Code.

The Public Pension Division of the Department of Insurance shall adopt rules regarding the process and procedures for (i) dissolving a pension fund under this Section and (ii) redistributing assets and reestablishing the fund if reestablishment of the fund is necessary.

(Source: P.A. 93-123, eff. 7-10-03.)

Section 90. The State Mandates Act is amended by adding

Public Act 097-0099

HB0144 Enrolled

LRB097 05348 JDS 45403 b

Section 8.35 as follows:

(30 ILCS 805/8.35 new)

Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 97th General Assembly.