



Illinois Department of Financial and Professional Regulation

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The Siren

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Legislative Update Firefighter's Pension Funds

U p d a t e U p d a t e U p d a t e **Public Act 093-0689** U p d a t e U p d a t e U p d a t e

Both Houses overrode Governor's veto July 1, 2004
Law becomes effective July 1, 2004

Changes to Illinois Law:

Tax cap exemption	35 ILCS 200/18-185
Transfer of creditable service from Article 7	40 ILCS 5/4 - 108.4 (new)
Transfer to Article 4 pension fund	40 ILCS 5/7 - 139.10 (new)
Increase in pension to minor or disabled child	40 ILCS 5/4 - 109.1 (c-2)
Minimum pension increases	40 ILCS 5/4 - 109.2 (e) (f) (g) (h) (i)
Employee creditable service	40 ILCS 5/4 - 109.3 (new)
Pension to survivors	40 ILCS 5/4 - 114
Contributions by firefighters	40 ILCS 5/4 - 118.1

Synopsis:

Creates the exemption of costs for the new benefits from the Property Tax Extension Law.

Allows transfer of firefighter service time credited under IMRF to an Article 4 pension fund.

Grants increases to, or on behalf of, minor or disabled surviving children in each of the next five years.

Incrementally increases the minimum disability, survivor, and retirement pensions in each of the next five years.

Incorporates the option for a firefighter to combine creditable service from multiple Article 4 funds for the purpose of meeting the 20-year service requirement for retirement pension.

Changes the surviving spouse pension of a firefighter, **who died while receiving a retirement pension**, to no less than 100% of the monthly retirement pension that the deceased firefighter was receiving at the time of death.

Moves the eligibility date to 100% of salary to the surviving spouse pension that results from a firefighters death due to sickness, accident, or injury, which was duty, related to January 1, 1988.

Effective July 1, 2004, firefighter payroll deduction goes to 9.455%.

Pension Division Advisory Services

DETAILS

Tax Cap Exemption

35 ILCS 200/18-185 and 40 ILCS 4-134, item (5)

Creates an exemption of costs for the new benefits included under item (5) of 40 ILCS 4-134, resulting from the implementation of the provisions of the amendatory Act of the 93rd General Assembly, from the Property Tax Extension Law.

Transfer of Creditable Service from Article 7

40 ILCS 5/4 - 108.4 (new)

Any active firefighter, as defined under Section 4-106, who earned credit for firefighter service under Article 7 (IMRF) and who is a participant in IMRF, may become a participant in the firefighter's current municipality's Article 4 pension fund, by making written application to the current municipality's Article 4 pension fund board.

Participation shall begin in the Article 4 firefighter pension fund on the first day of the month following the month in which the application was received by the Article 4 pension board.

A firefighter making application under this new section shall not be deemed ineligible for participation in the Article 4 firefighter pension fund due to having failed to apply within the 3-month period specified in subsection (b) of Section 4-107.

A firefighter who makes application to participate in the Article 4 firefighter pension fund as described above, **may also elect** to establish creditable service in the current municipality's Article 4 pension fund for all periods of municipal firefighter service, which the firefighter earned creditable service time for service as a firefighter under Article 7.

Creditable service may be established in the Article 4 pension fund, by paying into the firefighter's current Article 4 pension fund, the amount that the firefighter would have contributed had deductions from salary been made at the time the service was rendered, together with interest thereon at 6% per annum, compounded annually, from the time the service was rendered until the date of payment, less any amounts transferred from the IMRF under Section 7-139.10. The amount to be transferred from the IMRF will be detailed further under the description of Section 7-139.10.

Interest of 6% is to be credited on each payroll deduction, compounded per annum, from the date each payroll deduction should have been made (date of service) through the date of payment.

Example: Amount the firefighter would have contributed plus interest
= Sum of each Payroll Deduction + 6% compounded interest on each deduction from the date the deduction was made through the date of payment.

Firefighter worked 1½ years in Fund A.

Payroll Deductions of \$200 should have been taken during the first year of service.

Payroll Deductions of \$220 should have been taken during the last 6 months of service.

Payroll Deductions were made 24 times a year (every ½ month).

Date of Payment is 3½ years after the firefighter left the fund.

$$\begin{aligned} &= \text{Sum of } \{ \text{Deduction Amount} \times [(1 + \text{interest rate})^{\text{time}}] \\ &= \{200 \times [(1.06)^{(4\text{yrs} + 11.5 \text{ months} / 12)}]\}, \text{ OR } \{200 \times [(1.06)^{(59.5 \text{ months} / 12)}]\} \\ &+ \{200 \times [(1.06)^{(59 / 12)}]\} \end{aligned}$$

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$$\begin{aligned}
&+ \{200 \times [(1.06)^{(58.5/12)}]\} \\
&+ \dots \\
&+ \{200 \times [(1.06)^{(48/12)}]\} \\
&+ \{220 \times [(1.06)^{(47.5/12)}]\} \\
&+ \dots \\
&+ \{220 \times [(1.06)^{(42/12)}]\} \\
&= \$9,513.22
\end{aligned}$$

Exhibit 1, which is attached, is a table of the historical firefighter contribution rates that can be used to assist in computing what the contribution amounts, using the salary at a point in time, multiplied by the contribution rate in effect at that time.

The above calculation would also need to be made for firefighter service time earned under IMRF while serving in the firefighter’s current municipality’s fire department.

The cost to the firefighter would equal the \$9,513.22 less the amount transferred from IMRF. It is the Article 4 pension fund’s responsibility to compute this cost. In the event that creditable service time is being transferred from another municipality, payroll information will need to be obtained from one of the following sources: (1) the former employing municipality, (2) Article 4 pension fund, (3) the firefighter, or possibly (4) IMRF. Estimation methods may be necessary if the detailed information is not available.

A firefighter is prohibited from receiving creditable service time in both the Article 7 and Article 4 funds for the same service rendered as a firefighter.

Transfer to Article 4 Pension Fund

40 ILCS 5/7 - 139.10 (new)

A firefighter who has elected under Section 4-108.4 to become an active participant in a firefighter pension fund established under Article 4, and who has applied for transfer to the Article 4 pension fund the firefighter’s creditable service accumulated under Article 7 for municipal firefighter service, at the time of transfer will pay to the Article 4 firefighter pension fund the amount as described below, **Transfer to the Fire Pension Fund**.

“Municipal firefighter service” for the purpose of this section, means service with the fire department of a participating municipality for which the applicant established creditable service under this Article.

Transfer to the Fire Pension Fund

The following information was provided to the Public Pension Division by the Illinois Municipal Retirement Fund, IMRF.

Must be currently participating in IMRF in a firefighter capacity and must now elect to terminate IMRF participation and elect to participate in an Article 4 fire pension fund. The firefighter must reinstate any forfeited IMRF service rendered as a firefighter, PRIOR to IMRF termination in order for that service to be transferred to the fire pension fund.

All current service rendered as a firefighter under any IMRF employer will be transferred. Positions rendered in an administrative capacity for a municipal fire department that would not normally qualify under the Article 4 fund are ineligible for transfer. Service rendered in non-fire capacities and service purchased for non-fire positions, i.e. military service, are ineligible for transfer.

Pension Division Advisory Services

Transfer Amount: Member contributions and interest plus municipal credits and interest.

Member contributions currently on deposit (for the firefighter position) plus interest accumulated through the date of transfer. Since IMRF credits interest annually, for service transferred in 2004, interest posted through 12/31/2003, will be transferred.

Service previously reinstated: The amount paid (including contributions and interest) to reinstate the service, plus any interest accumulated since the payment was received, will be transferred.

Municipality credits are calculated as follows:

IMRF members contribute 4.5% of their earnings 3.75% of that total is considered 'normal' contributions, which funds the member's retirement (the remaining .75% funds a spouse benefit).

Normal contributions on deposit through the date of transfer
+ Normal interest accumulated through the date of transfer

Total Normal contributions & interest
X 1.4 (see Pension Code Section 7.139(a)(2)c.

Total municipal credit & interest

The Illinois Municipal Retirement Fund, IMRF, will provide this information and calculated amount to be transferred upon request. It is the Article 4 pension fund's responsibility to collect the information used in determining the firefighter's additional payment to be made to the Article 4 Fund.

Increase in Pension to Minor or Disabled Child **40 ILCS 5/4 - 109.1 (c-2)**

On July 1, 2004, every pension payable to, or on behalf of, a minor or disabled surviving child that is payable on July 1, 2004, under Section 4-114, shall be increased by an amount equal to 1/12 of 3% of the amount of the pension, multiplied by the number of months for which the benefit has been payable.

EXAMPLE 1: Firefighter deceased on May 15 1995, with salary of \$4,000 per month.

Surviving spouse does not qualify for 100% of pension under 4-114.

Surviving spouse pension with 2 dependent children equals:

= Surviving spouse amount + Child 1 amount + Child 2 amount

= (\$4,000 X 54%) + (\$4,000 X 12%) + (\$4,000 X 9%)

= (\$2,160 + \$480 + \$360)

= \$3,000

Increase paid to pension payable on behalf of minor on July 1, 2004.

(Amount payable on behalf of child) X (1/12 of 3%) X (# of months benefit payable)

Child 1 = (\$480) X (1/12 X .03) X (109) Child 2 = (\$360) X (1/12 X .03) X (109)

= \$130.80

= \$98.10

Surviving Spouse Pension on July 1, 2004, including increases.

= Surviving spouse amount + Child 1 amount + Child 2 amount

Pension Division Advisory Services

$$\begin{aligned}
&= (\$2,160 + (\$480 + \$130.80) + (\$360 + \$98.10)) \\
&= (\$2,160 + \$610.80 + \$458.10) \\
&= \$3,228.90
\end{aligned}$$

EXAMPLE 2: Child directly receiving a benefit of \$400 per month as of April 7, 1998. Increase to child pension on July 1, 2004.

$$\begin{aligned}
&= \text{Child pension amount} \times (1/12 \text{ of } 3\%) \times (\# \text{ of months benefit payable}) \\
&= \$400 \times (1/12 \times .03) \times 74 \\
&= \$74
\end{aligned}$$

Child pension on July 1, 2004, including increases:

$$\begin{aligned}
&= \$400 + \$74 \\
&= \$474
\end{aligned}$$

On July 1, 2005, July 1, 2006, July 1, 2007, and July 1, 2008, every pension payable to, or on behalf of, a minor or disabled surviving child that is payable under Section 4-114, shall be increased by 3% of the amount of the pension then being paid at that time, including any previous increases received under this Article 4.

Example 1: July 1, 2005 increase to surviving spouse pension from Example 1, above.

$$\begin{aligned}
&= \text{Surviving spouse amount} + (\text{Child \# amount} + 7/1/05 \text{ increase}) \\
&= (\$2,160 + (\$610.80 + 3\% \text{ increase}) + (\$458.10 + 3\% \text{ increase})) \\
&= (\$2,160 + (\$610.80 \times 1.03) + (\$458.10 \times 1.03)) \\
&= (\$2,160 + \$629.12 + \$499.65) \\
&= \$3,288.77
\end{aligned}$$

Example 2: July 1, 2005 increase to child pension from Example 2, above:

$$\begin{aligned}
&= \text{child amount} + 7/1/05 \text{ increase} \\
&= \$474 + 3\% \text{ increase} \\
&= (\$474 \times 1.03) \\
&= \$488.22
\end{aligned}$$

Minimum Pension Increases

40 ILCS 5/4 - 109.2 (e) (f) (g) (h) (i)

Minimum Retirement Pension payable to a firefighter with 20 or more years of service,

Minimum Disability Pension payable under Section 4-110 (line of duty), 4-110.1 (occupational disease disability pension), or 4-111 (disability pension option), and

Minimum Surviving Spouse's Pension

Effective July 1, 2004	\$1030.00 per month
Effective July 1, 2005	\$1060.90 per month
Effective July 1, 2006	\$1092.73 per month
Effective July 1, 2007	\$1125.51 per month
Effective July 1, 2008	\$1159.27 per month

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Employee Creditable Service

40 ILCS 5/4 - 109.3 (new)

Gives the firefighter an opportunity to elect to receive a retirement pension from each Article 4 pension fund in which the firefighter has at least one year of creditable service.

DEFINITIONS:

“Final monthly salary” is the monthly salary attached to the rank held by the firefighter at the time of the firefighter’s last withdrawal from service under a particular pension fund.

“Last pension fund” is the pension fund in which the firefighter was participating at the time of the firefighter’s last withdrawal from service.

- Requirements a firefighter must meet to qualify for benefits under Section 4-109.3.
 - (1) Must be an active firefighter at the time of withdrawal from the last pension fund with at least 3 years of service in the last pension fund at time of last withdrawal.
 - (2) Must have established creditable service with at least one other fund under Article 4, other than the last pension fund.
 - (3) Must have a total of at least 20 years of combined service established under this Section 4-109.3 under the various pension funds, and has attained age 50.
 - (4) Must be in service on or after July 1, 2004.

A firefighter is eligible for benefits under Section 4-109.3 from each pension fund in which the firefighter has at least one year of service credit, and has not received a refund under 4-116 (unless the refund was repaid under subsection (g) of this section), or subsection (c) of Section 4-118.1, by applying in writing and paying the contribution required under subsection (i).

Subsection (g). A refund received under Section 4-116 can be repaid by a firefighter in order to reinstate creditable service in an Article 4 pension fund by paying to that Article 4 pension fund the amount of the refund, plus interest on the amount of the refund at the rate of 6% per year, compounded annually, from the date of the refund to the date of payment. A repayment of a refund under Section 4-109.3 (g), may be made in equal installments over a period of 10 years, but must be paid in full prior to retirement.

The full refund plus interest must be paid to the Article 4 pension fund from which a refund was received. No partial refunds are allowed for the purpose of purchasing a portion of the creditable service time in a particular pension fund. All the creditable service time earned in a particular Article 4 fund must be repaid.

The interest to be paid on the amount of the refund is to accumulate on the unpaid balance during the 10 year, or agreed upon, payment period.

Subsection (d). Each pension fund, other than the last pension fund, from which the firefighter applies to, and elects to receive a monthly pension under Section 4-109.3, in lieu of any retirement pension otherwise payable under this Article, is to pay the firefighter a monthly pension of 1/12th of 2.5% of the firefighter’s final monthly salary under that fund for each full month of service in that fund, subject to a maximum of 75% of that final monthly salary.

Subsection (e). The last pension fund, in lieu of any retirement pension otherwise payable under this Article, is to pay the firefighter to whom this Section applies and elects to receive a monthly pension calculated as follows:

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The last pension fund shall calculate the retirement pension that would be payable to the firefighter under subsection (a) of Section 4-109 as if the firefighter had participated in that last pension fund during his or her entire period of service under all pension funds established under this Article (excluding any period of service for which the firefighter has received a refund under Section 4-116, unless the firefighter repays that refund under subsection (g), or for which the firefighter has received a refund under subsection (c) of Section 4-118.1).

From this hypothetical pension there shall be subtracted the original amounts of the retirement pensions payable to the firefighter by all other pension funds under subsection (d), as described above. The remainder is the retirement pension payable to the firefighter by the last pension fund under this subsection (e).

EXAMPLE:

Time in Fund A:	10 years	Salary when withdrew from Fund A:	\$ 30,000
Time in Fund B:	10 years	Salary when withdrew from Fund B:	\$ 50,000
Time in Fund C:	5 years	Salary when withdrew from Fund C:	\$ 65,000

Amount of pension from Fund A: = \$ 30,000 X (1/12) X (120 months) X 2.5%
= \$ 7,500

Amount of pension from Fund B: = \$ 50,000 X (1/12) X (120 months) X 2.5%
= \$ 12,500

Amount of pension from Fund C: = \$ 65,000 X 62.5% - (Amounts from Fund A and Fund B)
= \$ 40,625 - (\$ 7,500 + \$ 12,500)
= \$ 40,625 - (\$ 20,000)
= \$ 20,625

Pensions elected under Section 4-109.3 shall be subject to increases as provided in subsection (d) of Section 4-109.1. Each fund will grant increases on the amount of pension it is paying.

Subsection (h). As a condition of being hired to a position as a firefighter on or after July 1, 2004, a firefighter must notify the new employer, all of the firefighter's previous employers under this Article, and the Public Pension Division of the Division of Insurance, within one year of being hired, for all periods of service of at least one year, with a pension fund established under this Article.

Subsection (i). In order for a firefighter to receive a pension under this Section or an occupational disease disability pension for which he or she becomes eligible due to the application of subsection (m) of this Section, a firefighter must pay to each pension fund from which the firefighter has elected to receive a pension under this Section 4-109.3, a contribution equal to 1/12th of 1% of monthly salary for each month of service credit that the firefighter has in that fund (other than service credit for which the firefighter has already paid the additional contribution required under subsection (c) of Section 4-118.1), together with interest thereon at the rate of 6% per annum, compounded annually, from the time the service was rendered to the date of payment.

EXAMPLE: Firefighter elects to receive a pension under Section 4-109.3.
Firefighter makes written application to all of the Article 4 pension funds that firefighter elects to receive a pension from on October 1, 2004.

Pension Division Advisory Services

Firefighter's creditable service and bi-monthly salary have contributions deducted 24 times a year (every ½ month).

Fund A: 2 years service, salary: \$1,000 – first year, \$1,250 – second year.

Fund B: 3 years service, salary: \$1,500 – first, \$1,750 – second, \$2,000 – third year.

Fund C: 1 year service through October 1, 2004, Salary: \$2,500.

From the date of election to receive a pension under 4-109.3, the firefighter shall begin to contribute an additional 1% of salary to the Article 4 pension in the municipality in which the firefighter is currently in active service. The firefighter's contribution rate will be 10.455%. In the EXAMPLE, the 10.455% would begin to be deducted on salary earned October 1, 2004, and after.

For creditable service earned prior to the date of election, October 1, 2004, the firefighter is required to pay to each Article 4 pension fund that a pension has been elected to be received from, an additional 1/12 of 1% of the monthly salary for each month of service credit that the firefighter has in that fund, plus interest thereon at the rate of 6% per annum, compounded annually, from the time the service was rendered to the date of payment.

Date service was rendered is the date the contribution was deducted from pay.

Date of Payment is November 1, 2004.

Additional 1/12 of 1% plus interest equals:

= Sum of the {additional amount X [(1 + interest rate)^(time)]}

= Sum of the {[1/12 of 1% of salary] X [(1 + interest rate)^(time)]}

= Sum of the {[1/12 X .01 X bi-monthly salary] X [(1.06)^(time)]}

= Sum of the, i.e. first month, {[1/12 X .01 X \$1,000] X [(1.06)^(6 years + .5 months)/12]}

= Sum of the, i.e. first month, {[1/12 X .01 X 1,000] X [(1.06)^(72.5 months/12)]}

As similarly shown in the EXAMPLE for Section 4-108.4:

= {[1/12 X .01 X 1000] X [(1.06)^(72.5/12)]}

+ {[1/12 X .01 X 1000] X [(1.06)^(72/12)]}

+ {[1/12 X .01 X 1000] X [(1.06)^(71.5/12)]}

+ ...

+ {[1/12 X .01 X 1000] X [(1.06)^(61/12)]}

+ {[1/12 X .01 X 1250] X [(1.06)^(60.5/12)]}

+ ...

+ {[1/12 X .01 X 1250] X [(1.06)^(49/12)]}

+ {[1/12 X .01 X 1500] X [(1.06)^(48.5/12)]}

+ ...

+ {[1/12 X .01 X 1500] X [(1.06)^(37/12)]}

+ {[1/12 X .01 X 1750] X [(1.06)^(36.5/12)]}

+ ...

+ {[1/12 X .01 X 1750] X [(1.06)^(25/12)]}

+ {[1/12 X .01 X 2000] X [(1.06)^(24.5/12)]}

+ ...

+ {[1/12 X .01 X 2000] X [(1.06)^(13/12)]}

+ {[1/12 X .01 X 2500] X [(1.06)^(12.5/12)]}

+ ...

+ {[1/12 X .01 X 2500] X [(1.06)^(72/12)]}

= \$235.43

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Subsection (j). A retired firefighter who is receiving pension payments under Section 4-109 may reenter active service under this Article. Subject to the provisions of Section 4-117, the firefighter may receive credit for service performed after the reentry if the firefighter (1) applies to receive credit for that service, (2) suspends his or her pensions under this Section, and (3) makes the contributions required under subsection (i), as described above. The firefighter is not required to return any pension payments received from the Article 4 pension fund from which the firefighter has previously received pension payments.

This does not require a firefighter's pension from a previous fund to be suspended for 3 years in order to receive a retirement pension under 4-109.3.

A firefighter who is newly hired or promoted to a position as a firefighter shall not be denied participation in a fund under this Article based on his or her age.

If a firefighter who elects to make contributions under subsection (c) of Section 4-118.1, for the pension benefits provided under this Section, becomes entitled to a disability pension under Section 4-110 (Line of Duty), the last pension fund is responsible to pay that disability pension and the amount of that disability pension shall be based only on the firefighter's service with the last pension fund.

If a firefighter who elects to make contributions under subsection (c) of Section 4-118.1, for the pension benefits provided under this Section becomes, entitled to a disability pension under Section 4-111 (Not in duty), the last pension fund is responsible to pay that disability pension, provided that the firefighter has at least 7 years of creditable service with the last pension fund.

If a firefighter who elects to make contributions under subsection (c) of Section 4-118.1, for the pension benefits provided under this Section, becomes entitled to an occupational disease disability pension under Section 4-110.1, each pension fund which the firefighter has made contributions under subsection (c) of Section 4-118.1, must pay a portion of that occupational disease disability pension equal to the proportion that the firefighter's service credit with that pension fund for which the contributions under subsection (c) of Section 4-118.1 have been made, bears to the firefighter's total service credit with all of the pension funds for which the contributions, under subsection (c) of Section 4-118.1, have been made. A firefighter who has made contributions under subsection (c) of Section 4-118.1, for at least 5 years of creditable service, shall be deemed to have met the 5-year creditable service requirement under Section 4-110.1, regardless of whether the firefighter has 5 years of creditable service with the last pension fund.

EXAMPLE: Firefighter has creditable service in Fund A of 2 years under 4-109.3 and creditable service in Fund B of 3 years under 4-109.3
Total occupational disease disability pension equal \$30,000

Each pension fund pays
= Total pension amount X (time in that fund/total creditable service under 4-109.3)

Fund A pays = (\$30,000 X (2 years/5 years))
= \$12,000

Fund B pays = (\$30,000 X (3/5))
= \$18,000

Pension Division Advisory Services

Pension to Survivors

40 ILCS 5/4 – 114

Beginning July 1, 2004, a total monthly pension payable to the surviving spouse of a firefighter, **who died while receiving a retirement pension**, shall be no less than 100% of the monthly retirement pension that the deceased firefighter was receiving at the time death, including increases under Section 4-109.1. (Increase in pension.)

This new benefit only applies to the surviving spouse of a firefighter who died while receiving a retirement pension. It does not apply to the surviving spouse of a firefighter who died while receiving a disability pension, or who died while on deferred retirement, or while an active firefighter.

The new benefit amount applies to all surviving spouses who are eligible as described above, with pension payments made July 1, 2004, and after. A date of death prior to July 1, 2004, does not disqualify an eligible surviving spouse from qualifying for this new benefit amount.

The surviving spouse of a firefighter who dies on or after January 1, 1988, **as a result of sickness, accident, or injury incurred in, or resulting from, the performance of an act of duty, or from the cumulative effects of acts of duty**, shall not be less than 100% of the salary attached to the rank held by the deceased firefighter on the last day of service. The new benefit amount is to be paid beginning July 1, 2004.

Contributions by Firefighters

40 ILCS 5/4 - 118.1

Beginning July 1, 2004, the contribution rate (payroll deduction) as a percentage of salary that each firefighter is required to contribute to the pension fund increased from 8.455% to 9.455%.

This new rate of contribution is to be applied to salary earned on July 1, 2004, and after.

The NEW Subsection (c) requires that beginning on July 1, 2004, each firefighter who elects to receive a pension under the NEW Section 4-109.3 and who have participated in at least one other fund under Article 4 for a period of at least one year shall contribute an additional 1.0% of salary toward the cost of the increase in pensions provided in Section 4-109.3.

This additional 1.0% of salary will increase the firefighter's future contribution rate to 10.455% of salary upon the firefighter's election to receive a pension under Section 4-109.3.

In the event that a firefighter does not elect to receive a retirement pension provided under Section 4-109.3 from one or more of the pension funds in which the firefighter has credit, the firefighter shall, upon withdrawal from the last pension fund, be entitled to receive from each such fund, which the firefighter has paid additional contributions under this subsection (c) and from which the firefighter does not receive a refund under 4-116 (Refund), a refund of those contributions without interest.

The firefighter is only entitled to the amounts that the firefighter has paid into the fund, including interest the firefighter paid into the fund. The firefighter is not entitled to any interest earned by the fund on those amounts.

EXHIBIT 1.

Article 4 – Firefighter Contribution Rates **40 ILCS 5/4-118.1 Contributions by firefighters**

<u>Dates</u>	<u>Contribution Rate</u>
July 11, 1919 through June 30, 1931	1 %
July 1, 1931 through July 23, 1947	1 % (municipal population < 100,000) 2 % (municipal population >= 100,000)
July 24, 1947 through December 31, 1975	5 %
January 1, 1976 through August 5, 1999	6 ³ / ₄ %
August 6, 1999 to date	6.955 %

Additionally

January 1, 1976 through December 31, 1986	1 %
January 1, 1987 through June 30, 2004	1.5 % (replaces previous additional 1%)
July 1, 2004 to date	2.5 % (replaces previous add'l 1.5%)

The combination of the rates listed above translate into the following total rates.

TOTAL FIREFIGHTER CONTRIBUTIONS

<u>Dates</u>	<u>Contribution Rate</u>
January 1, 1976 through December 31, 1986	7 ³ / ₄ % (6 ³ / ₄ % + 1%)
January 1, 1987 through August 5, 1999	8.25 % (6 ³ / ₄ % + 1.5 %)
August 6, 1999 through June 30, 2004	8.455 % (6.955 % + 1.5 %)
July 1, 2004 to date	9.455 % (6.955 % + 2.5%)

As of July 1, 2004 there is the potential for a firefighter to contribute an additional 1 % of salary to a firefighter's pension fund if the firefighter elects to receive a pension under Section 4-109.3. The contribution rate for these firefighters would be 10.455% as of the date of this election.

(Public Pension Division, IDFPR, 9-21-2004)

Pension Division Advisory Services