



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB1310

Introduced 2/9/2017, by Sen. William R. Haine

SYNOPSIS AS INTRODUCED:

40 ILCS 5/7-137

from Ch. 108 1/2, par. 7-137

30 ILCS 805/8.41 new

Amends the Illinois Municipal Retirement Fund (IMRF) Article of the Illinois Pension Code. Provides that any current Tier 2 employee who first became an employee after attaining the age of 57 may, until December 31, 2017, make a one-time, irrevocable election to terminate his or her participation in the Fund. Provides that if an employee elects to terminate his or her participation, he or she shall receive a refund of his or her employee contributions, plus interest at the effective rate from the date of the service to the date of payment. Provides that the option not to participate in the Fund shall be offered to every person who (i) first enters employment for which creditable service may be granted on or after the effective date of the amendatory Act, (ii) is 57 years of age or more when he or she first enters that employment, and (iii) would be subject to the Tier 2 provisions. Provides that the election not to participate must be made prior to making any employee contributions and prior to any employer contributions being made on that person's behalf. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB100 07209 RPS 17269 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning 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 7-137 as follows:

6 (40 ILCS 5/7-137) (from Ch. 108 1/2, par. 7-137)

7 Sec. 7-137. Participating and covered employees.

8 (a) The persons described in this paragraph (a) shall be
9 included within and be subject to this Article and eligible to
10 benefits from this fund, beginning upon the dates hereinafter
11 specified:

12 1. Except as to the employees specifically excluded
13 under the provisions of this Article, all persons who are
14 employees of any municipality (or instrumentality thereof)
15 or participating instrumentality on the effective date of
16 participation of the municipality or participating
17 instrumentality beginning upon such effective date.

18 2. Except as to the employees specifically excluded
19 under the provisions of this Article, all persons, who
20 became employees of any participating municipality (or
21 instrumentality thereof) or participating instrumentality
22 after the effective date of participation of such
23 municipality or participating instrumentality, beginning

1 upon the date such person becomes an employee.

2 3. All persons who file notice with the board as
3 provided in paragraph (b) 2 and 3 of this Section,
4 beginning upon the date of filing such notice.

5 (b) The following described persons shall not be considered
6 participating employees eligible for benefits from this fund,
7 but shall be included within and be subject to this Article
8 (each of the descriptions is not exclusive but is cumulative):

9 1. Any person who occupies an office or is employed in
10 a position normally requiring performance of duty during
11 less than 600 hours a year for a municipality (including
12 all instrumentalities thereof) or a participating
13 instrumentality. If a school treasurer performs services
14 for more than one school district, the total number of
15 hours of service normally required for the several school
16 districts shall be considered to determine whether he
17 qualifies under this paragraph;

18 2. Except as provided in items 2.5 and 2.6, any person
19 who holds elective office unless he has elected while in
20 that office in a written notice on file with the board to
21 become a participating employee;

22 2.5. Except as provided in item 2.6, any person who
23 holds elective office as a member of a county board,
24 unless:

25 (i) the person was first elected as a member of a
26 county board before the effective date of this

1 amendatory Act of the 99th General Assembly;

2 (ii) the person has elected while in that office,
3 in a written notice on file with the board, to become a
4 participating employee;

5 (iii) the county board has filed the resolution
6 required by subsection (a) of Section 7-137.2 of this
7 Article; and

8 (iv) the person has submitted the required time
9 sheets evidencing that the person has met the hourly
10 standard as required by subsection (b) of Section
11 7-137.2 of this Article;

12 2.6. Any person who is an elected member of a county
13 board and is first so elected on or after the effective
14 date of this amendatory Act of the 99th General Assembly;

15 3. Any person working for a city hospital unless any
16 such person, while in active employment, has elected in a
17 written notice on file with the board to become a
18 participating employee and notification thereof is
19 received by the board;

20 4. Any person who becomes an employee after June 30,
21 1979 as a public service employment program participant
22 under the federal Comprehensive Employment and Training
23 Act and whose wages or fringe benefits are paid in whole or
24 in part by funds provided under such Act;

25 5. Any person who is actively employed by a
26 municipality on its effective date of participation in the

1 Fund if that municipality (i) has at least 35 employees on
2 its effective date of participation; (ii) is located in a
3 county with at least 2,000,000 inhabitants; and (iii)
4 maintains an independent defined benefit pension plan for
5 the benefit of its eligible employees, unless the person
6 files with the board within 90 days after the
7 municipality's effective date of participation an
8 irrevocable election to participate.

9 6. Any person who is 57 years of age or more when he or
10 she first enters employment for which creditable service
11 may be granted and who has made the election specified
12 under subsection (b-5) or (b-10).

13 (b-5) Beginning 90 days after the effective date of this
14 amendatory Act of the 100th General Assembly, any current
15 employee to whom Section 1-160 applies and who first became an
16 employee after attaining the age of 57 may make a one-time,
17 irrevocable election to terminate participation in the program
18 of retirement benefits under this Article. In lieu of any
19 separation benefit, an employee who elects to terminate
20 participation shall receive a refund of his or her employee
21 contributions, plus interest at the effective rate from the
22 date of the service to the date of payment. No election under
23 this subsection (b-5) shall take place after December 31, 2017.

24 (b-10) The option not to participate in the program of
25 retirement benefits under this Article shall be offered to
26 every person who (i) first enters employment for which

1 creditable service may be granted on or after the effective
2 date of this amendatory Act of the 100th General Assembly, (ii)
3 is 57 years of age or more when he or she first enters that
4 employment, and (iii) would be subject to Section 1-160. The
5 election not to participate must be made prior to making any
6 employee contribution and prior to any employer contributions
7 being made on that person's behalf.

8 (c) Any person electing to be a participating employee,
9 pursuant to paragraph (b) of this Section may not change such
10 election, except as provided in Section 7-137.1.

11 (d) Any employee who occupied the position of school nurse
12 in any participating municipality on August 8, 1961 and
13 continuously thereafter until the effective date of the
14 exercise of the option authorized by this subparagraph, who on
15 August 7, 1961 was a member of the Teachers' Retirement System
16 of Illinois, by virtue of certification by the Department of
17 Registration and Education as a public health nurse, may elect
18 to terminate participation in this Fund in order to
19 re-establish membership in such System. The election may be
20 exercised by filing written notice thereof with the Board or
21 with the Board of Trustees of said Teachers' Retirement System,
22 not later than September 30, 1963, and shall be effective on
23 the first day of the calendar month next following the month in
24 which the notice was filed. If the written notice is filed with
25 such Teachers' Retirement System, that System shall
26 immediately notify this Fund, but neither failure nor delay in

1 notification shall affect the validity of the employee's
2 election. If the option is exercised, the Fund shall notify
3 such Teachers' Retirement System of such fact and transfer to
4 that system the amounts contributed by the employee to this
5 Fund, including interest at 3% per annum, but excluding
6 contributions applicable to social security coverage during
7 the period beginning August 8, 1961 to the effective date of
8 the employee's election. Participation in this Fund as to any
9 credits on or after August 8, 1961 and up to the effective date
10 of the employee's election shall terminate on such effective
11 date.

12 (e) Any participating municipality or participating
13 instrumentality, other than a school district or special
14 education joint agreement created under Section 10-22.31 of the
15 School Code, may, by a resolution or ordinance duly adopted by
16 its governing body, elect to exclude from participation and
17 eligibility for benefits all persons who are employed after the
18 effective date of such resolution or ordinance and who occupy
19 an office or are employed in a position normally requiring
20 performance of duty for less than 1000 hours per year for the
21 participating municipality (including all instrumentalities
22 thereof) or participating instrumentality except for persons
23 employed in a position normally requiring performance of duty
24 for 600 hours or more per year (i) by such participating
25 municipality or participating instrumentality prior to the
26 effective date of the resolution or ordinance and (ii) by a

1 participating municipality or participating instrumentality,
2 which had not adopted such a resolution when the person was
3 employed, and the function served by the employee's position is
4 assumed by another participating municipality or participating
5 instrumentality. Notwithstanding the foregoing, a
6 participating municipality or participating instrumentality
7 which is formed solely to succeed to the functions of a
8 participating municipality or participating instrumentality
9 shall be considered to have adopted any such resolution or
10 ordinance which may have been applicable to the employees
11 performing such functions. The election made by the resolution
12 or ordinance shall take effect at the time specified in the
13 resolution or ordinance, and once effective shall be
14 irrevocable.

15 (Source: P.A. 99-900, eff. 8-26-16.)

16 Section 90. The State Mandates Act is amended by adding
17 Section 8.41 as follows:

18 (30 ILCS 805/8.41 new)

19 Sec. 8.41. Exempt mandate. Notwithstanding Sections 6 and 8
20 of this Act, no reimbursement by the State is required for the
21 implementation of any mandate created by this amendatory Act of
22 the 100th General Assembly.

23 Section 99. Effective date. This Act takes effect upon
24 becoming law.