



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2802

Introduced 1/17/2024, by Sen. Win Stoller

SYNOPSIS AS INTRODUCED:

40 ILCS 5/14-104

from Ch. 108 1/2, par. 14-104

40 ILCS 5/14-152.1

Amends the State Employee Article of the Illinois Pension Code. Provides that by paying specified required contributions, an employee who was laid off but returned to any State employment may establish creditable service for the period of the layoff, provided that (1) the applicant applies for the creditable service within 6 months after the effective date of the amendatory Act, (2) the applicant does not receive credit for that period under any other provision of the Code, (3) at the time of the layoff, the applicant is not in an initial probationary status consistent with the rules of the Department of Central Management Services, and (4) the total amount of creditable service established by the applicant does not exceed 3 years. Provides that any benefit increase that results from the amendatory Act is excluded from the definition of "new benefit increase". Effective immediately.

LRB103 34838 RPS 64695 b

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
5 changing Sections 14-104 and 14-152.1 as follows:

6 (40 ILCS 5/14-104) (from Ch. 108 1/2, par. 14-104)

7 Sec. 14-104. Service for which contributions permitted.
8 Contributions provided for in this Section shall cover the
9 period of service granted. Except as otherwise provided in
10 this Section, the contributions shall be based upon the
11 employee's compensation and contribution rate in effect on the
12 date he last became a member of the System; provided that for
13 all employment prior to January 1, 1969 the contribution rate
14 shall be that in effect for a noncovered employee on the date
15 he last became a member of the System. Except as otherwise
16 provided in this Section, contributions permitted under this
17 Section shall include regular interest from the date an
18 employee last became a member of the System to the date of
19 payment.

20 These contributions must be paid in full before retirement
21 either in a lump sum or in installment payments in accordance
22 with such rules as may be adopted by the board.

23 (a) Any member may make contributions as required in this

1 Section for any period of service, subsequent to the date of
2 establishment, but prior to the date of membership.

3 (b) Any employee who had been previously excluded from
4 membership because of age at entry and subsequently became
5 eligible may elect to make contributions as required in this
6 Section for the period of service during which he was
7 ineligible.

8 (c) An employee of the Department of Insurance who, after
9 January 1, 1944 but prior to becoming eligible for membership,
10 received salary from funds of insurance companies in the
11 process of rehabilitation, liquidation, conservation or
12 dissolution, may elect to make contributions as required in
13 this Section for such service.

14 (d) Any employee who rendered service in a State office to
15 which he was elected, or rendered service in the elective
16 office of Clerk of the Appellate Court prior to the date he
17 became a member, may make contributions for such service as
18 required in this Section. Any member who served by appointment
19 of the Governor under the Civil Administrative Code of
20 Illinois and did not participate in this System may make
21 contributions as required in this Section for such service.

22 (e) Any person employed by the United States government or
23 any instrumentality or agency thereof from January 1, 1942
24 through November 15, 1946 as the result of a transfer from
25 State service by executive order of the President of the
26 United States shall be entitled to prior service credit

1 covering the period from January 1, 1942 through December 31,
2 1943 as provided for in this Article and to membership service
3 credit for the period from January 1, 1944 through November
4 15, 1946 by making the contributions required in this Section.
5 A person so employed on January 1, 1944 but whose employment
6 began after January 1, 1942 may qualify for prior service and
7 membership service credit under the same conditions.

8 (f) An employee of the Department of Labor of the State of
9 Illinois who performed services for and under the supervision
10 of that Department prior to January 1, 1944 but who was
11 compensated for those services directly by federal funds and
12 not by a warrant of the Auditor of Public Accounts paid by the
13 State Treasurer may establish credit for such employment by
14 making the contributions required in this Section. An employee
15 of the Department of Agriculture of the State of Illinois, who
16 performed services for and under the supervision of that
17 Department prior to June 1, 1963, but was compensated for
18 those services directly by federal funds and not paid by a
19 warrant of the Auditor of Public Accounts paid by the State
20 Treasurer, and who did not contribute to any other public
21 employee retirement system for such service, may establish
22 credit for such employment by making the contributions
23 required in this Section.

24 (g) Any employee who executed a waiver of membership
25 within 60 days prior to January 1, 1944 may, at any time while
26 in the service of a department, file with the board a

1 rescission of such waiver. Upon making the contributions
2 required by this Section, the member shall be granted the
3 creditable service that would have been received if the waiver
4 had not been executed.

5 (h) Until May 1, 1990, an employee who was employed on a
6 full-time basis by a regional planning commission for at least
7 5 continuous years may establish creditable service for such
8 employment by making the contributions required under this
9 Section, provided that any credits earned by the employee in
10 the commission's retirement plan have been terminated.

11 (i) Any person who rendered full time contractual services
12 to the General Assembly as a member of a legislative staff may
13 establish service credit for up to 8 years of such services by
14 making the contributions required under this Section, provided
15 that application therefor is made not later than July 1, 1991.

16 (j) By paying the contributions otherwise required under
17 this Section, plus an amount determined by the Board to be
18 equal to the employer's normal cost of the benefit plus
19 interest, but with all of the interest calculated from the
20 date the employee last became a member of the System or
21 November 19, 1991, whichever is later, to the date of payment,
22 an employee may establish service credit for a period of up to
23 4 years spent in active military service for which he does not
24 qualify for credit under Section 14-105, provided that (1) he
25 was not dishonorably discharged from such military service,
26 and (2) the amount of service credit established by a member

1 under this subsection (j), when added to the amount of
2 military service credit granted to the member under subsection
3 (b) of Section 14-105, shall not exceed 5 years. The change in
4 the manner of calculating interest under this subsection (j)
5 made by this amendatory Act of the 92nd General Assembly
6 applies to credit purchased by an employee on or after its
7 effective date and does not entitle any person to a refund of
8 contributions or interest already paid. In compliance with
9 Section 14-152.1 of this Act concerning new benefit increases,
10 any new benefit increase as a result of the changes to this
11 subsection (j) made by Public Act 95-483 is funded through the
12 employee contributions provided for in this subsection (j).
13 Any new benefit increase as a result of the changes made to
14 this subsection (j) by Public Act 95-483 is exempt from the
15 provisions of subsection (d) of Section 14-152.1.

16 (k) An employee who was employed on a full-time basis by
17 the Illinois State's Attorneys Association Statewide Appellate
18 Assistance Service LEAA-ILEC grant project prior to the time
19 that project became the State's Attorneys Appellate Service
20 Commission, now the Office of the State's Attorneys Appellate
21 Prosecutor, an agency of State government, may establish
22 creditable service for not more than 60 months service for
23 such employment by making contributions required under this
24 Section.

25 (l) By paying the contributions otherwise required under
26 this Section, plus an amount determined by the Board to be

1 equal to the employer's normal cost of the benefit plus
2 interest, a member may establish service credit for periods of
3 less than one year spent on authorized leave of absence from
4 service, provided that (1) the period of leave began on or
5 after January 1, 1982 and (2) any credit established by the
6 member for the period of leave in any other public employee
7 retirement system has been terminated. A member may establish
8 service credit under this subsection for more than one period
9 of authorized leave, and in that case the total period of
10 service credit established by the member under this subsection
11 may exceed one year. In determining the contributions required
12 for establishing service credit under this subsection, the
13 interest shall be calculated from the beginning of the leave
14 of absence to the date of payment.

15 (1-5) By paying the contributions otherwise required under
16 this Section, plus an amount determined by the Board to be
17 equal to the employer's normal cost of the benefit plus
18 interest, a member may establish service credit for periods of
19 up to 2 years spent on authorized leave of absence from
20 service, provided that during that leave the member
21 represented or was employed as an officer or employee of a
22 statewide labor organization that represents members of this
23 System. In determining the contributions required for
24 establishing service credit under this subsection, the
25 interest shall be calculated from the beginning of the leave
26 of absence to the date of payment.

1 (m) Any person who rendered contractual services to a
2 member of the General Assembly as a worker in the member's
3 district office may establish creditable service for up to 3
4 years of those contractual services by making the
5 contributions required under this Section. The System shall
6 determine a full-time salary equivalent for the purpose of
7 calculating the required contribution. To establish credit
8 under this subsection, the applicant must apply to the System
9 by March 1, 1998.

10 (n) Any person who rendered contractual services to a
11 member of the General Assembly as a worker providing
12 constituent services to persons in the member's district may
13 establish creditable service for up to 8 years of those
14 contractual services by making the contributions required
15 under this Section. The System shall determine a full-time
16 salary equivalent for the purpose of calculating the required
17 contribution. To establish credit under this subsection, the
18 applicant must apply to the System by March 1, 1998.

19 (o) A member who participated in the Illinois Legislative
20 Staff Internship Program may establish creditable service for
21 up to one year of that participation by making the
22 contribution required under this Section. The System shall
23 determine a full-time salary equivalent for the purpose of
24 calculating the required contribution. Credit may not be
25 established under this subsection for any period for which
26 service credit is established under any other provision of

1 this Code.

2 (p) By paying the contributions otherwise required under
3 this Section, plus an amount determined by the Board to be
4 equal to the employer's normal cost of the benefit plus
5 interest, a member may establish service credit for a period
6 of up to 8 years during which he or she was employed by the
7 Visually Handicapped Managers of Illinois in a vending program
8 operated under a contractual agreement with the Department of
9 Rehabilitation Services or its successor agency.

10 This subsection (p) applies without regard to whether the
11 person was in service on or after the effective date of this
12 amendatory Act of the 94th General Assembly. In the case of a
13 person who is receiving a retirement annuity on that effective
14 date, the increase, if any, shall begin to accrue on the first
15 annuity payment date following receipt by the System of the
16 contributions required under this subsection (p).

17 (q) By paying the required contributions under this
18 Section, plus an amount determined by the Board to be equal to
19 the employer's normal cost of the benefit plus interest, an
20 employee who was laid off but returned to any State employment
21 may establish creditable service for the period of the layoff,
22 provided that (1) the applicant applies for the creditable
23 service under this subsection (q) within 6 months after the
24 effective date of this amendatory Act of the 103rd General
25 Assembly July 27, 2010 (the effective date of Public Act
26 96-1320), (2) the applicant does not receive credit for that

1 period under any other provision of this Code, (3) at the time
2 of the layoff, the applicant is not in an initial probationary
3 status consistent with the rules of the Department of Central
4 Management Services, and (4) the total amount of creditable
5 service established by the applicant under this subsection (q)
6 does not exceed 3 years. For service established under this
7 subsection (q), the required employee contribution shall be
8 based on the rate of compensation earned by the employee on the
9 date of returning to employment after the layoff and the
10 contribution rate then in effect, and the required interest
11 shall be calculated at the actuarially assumed rate from the
12 date of returning to employment after the layoff to the date of
13 payment. Funding for any new benefit increase, as defined in
14 Section 14-152.1 of this Act, that is created under this
15 subsection (q) will be provided by the employee contributions
16 required under this subsection (q).

17 (r) A member who participated in the University of
18 Illinois Government Public Service Internship Program (GPSI)
19 may establish creditable service for up to 2 years of that
20 participation by making the contribution required under this
21 Section, plus an amount determined by the Board to be equal to
22 the employer's normal cost of the benefit plus interest. The
23 System shall determine a full-time salary equivalent for the
24 purpose of calculating the required contribution. Credit may
25 not be established under this subsection for any period for
26 which service credit is established under any other provision

1 of this Code.

2 (s) A member who worked as a nurse under a contractual
3 agreement for the Department of Public Aid, or its successor
4 agency, the Department of Human Services, in the Client
5 Assessment Unit and was subsequently determined to be a State
6 employee by the United States Internal Revenue Service and the
7 Illinois Labor Relations Board may establish creditable
8 service for those contractual services by making the
9 contributions required under this Section. To establish credit
10 under this subsection, the applicant must apply to the System
11 by July 1, 2008.

12 The Department of Human Services shall pay an employer
13 contribution based upon an amount determined by the Board to
14 be equal to the employer's normal cost of the benefit, plus
15 interest.

16 In compliance with Section 14-152.1 added by Public Act
17 94-4, the cost of the benefits provided by Public Act 95-583
18 are offset by the required employee and employer
19 contributions.

20 (t) Any person who rendered contractual services on a
21 full-time basis to the Illinois Institute of Natural Resources
22 and the Illinois Department of Energy and Natural Resources
23 may establish creditable service for up to 4 years of those
24 contractual services by making the contributions required
25 under this Section, plus an amount determined by the Board to
26 be equal to the employer's normal cost of the benefit plus

1 interest at the actuarially assumed rate from the first day of
2 the service for which credit is being established to the date
3 of payment. To establish credit under this subsection (t), the
4 applicant must apply to the System within 6 months after July
5 27, 2010 (the effective date of Public Act 96-1320).

6 (u) By paying the required contributions under this
7 Section, plus an amount determined by the Board to be equal to
8 the employer's normal cost of the benefit, plus interest, a
9 member may establish creditable service and earnings credit
10 for periods of furlough beginning on or after July 1, 2008. To
11 receive this credit, the participant must (i) apply in writing
12 to the System before December 31, 2011 and (ii) not receive
13 compensation for the furlough period. For service established
14 under this subsection, the required employee contribution
15 shall be based on the rate of compensation earned by the
16 employee immediately following the date of the first furlough
17 day in the time period specified in this subsection (u), and
18 the required interest shall be calculated at the actuarially
19 assumed rate from the date of the furlough to the date of
20 payment.

21 (v) Any member who rendered full-time contractual services
22 to an Illinois Veterans Home operated by the Department of
23 Veterans' Affairs may establish service credit for up to 8
24 years of such services by making the contributions required
25 under this Section, plus an amount determined by the Board to
26 be equal to the employer's normal cost of the benefit, plus

1 interest at the actuarially assumed rate. To establish credit
2 under this subsection, the applicant must apply to the System
3 no later than 6 months after July 27, 2010 (the effective date
4 of Public Act 96-1320).

5 (Source: P.A. 96-97, eff. 7-27-09; 96-718, eff. 8-25-09;
6 96-775, eff. 8-28-09; 96-961, eff. 7-2-10; 96-1000, eff.
7 7-2-10; 96-1320, eff. 7-27-10; 96-1535, eff. 3-4-11; 97-333,
8 8-12-11.)

9 (40 ILCS 5/14-152.1)

10 Sec. 14-152.1. Application and expiration of new benefit
11 increases.

12 (a) As used in this Section, "new benefit increase" means
13 an increase in the amount of any benefit provided under this
14 Article, or an expansion of the conditions of eligibility for
15 any benefit under this Article, that results from an amendment
16 to this Code that takes effect after June 1, 2005 (the
17 effective date of Public Act 94-4). "New benefit increase",
18 however, does not include any benefit increase resulting from
19 the changes made to Article 1 or this Article by Public Act
20 96-37, Public Act 100-23, Public Act 100-587, Public Act
21 100-611, Public Act 101-10, Public Act 101-610, Public Act
22 102-210, Public Act 102-856, Public Act 102-956, or this
23 amendatory Act of the 103rd General Assembly ~~or this~~
24 ~~amendatory Act of the 102nd General Assembly.~~

25 (b) Notwithstanding any other provision of this Code or

1 any subsequent amendment to this Code, every new benefit
2 increase is subject to this Section and shall be deemed to be
3 granted only in conformance with and contingent upon
4 compliance with the provisions of this Section.

5 (c) The Public Act enacting a new benefit increase must
6 identify and provide for payment to the System of additional
7 funding at least sufficient to fund the resulting annual
8 increase in cost to the System as it accrues.

9 Every new benefit increase is contingent upon the General
10 Assembly providing the additional funding required under this
11 subsection. The Commission on Government Forecasting and
12 Accountability shall analyze whether adequate additional
13 funding has been provided for the new benefit increase and
14 shall report its analysis to the Public Pension Division of
15 the Department of Insurance. A new benefit increase created by
16 a Public Act that does not include the additional funding
17 required under this subsection is null and void. If the Public
18 Pension Division determines that the additional funding
19 provided for a new benefit increase under this subsection is
20 or has become inadequate, it may so certify to the Governor and
21 the State Comptroller and, in the absence of corrective action
22 by the General Assembly, the new benefit increase shall expire
23 at the end of the fiscal year in which the certification is
24 made.

25 (d) Every new benefit increase shall expire 5 years after
26 its effective date or on such earlier date as may be specified

1 in the language enacting the new benefit increase or provided
2 under subsection (c). This does not prevent the General
3 Assembly from extending or re-creating a new benefit increase
4 by law.

5 (e) Except as otherwise provided in the language creating
6 the new benefit increase, a new benefit increase that expires
7 under this Section continues to apply to persons who applied
8 and qualified for the affected benefit while the new benefit
9 increase was in effect and to the affected beneficiaries and
10 alternate payees of such persons, but does not apply to any
11 other person, including, without limitation, a person who
12 continues in service after the expiration date and did not
13 apply and qualify for the affected benefit while the new
14 benefit increase was in effect.

15 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
16 101-610, eff. 1-1-20; 102-210, eff. 7-30-21; 102-856, eff.
17 1-1-23; 102-956, eff. 5-27-22.)

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.