



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

HB4534

Introduced 2/3/2004, by Patricia Bailey

SYNOPSIS AS INTRODUCED:

40 ILCS 5/9-121.16
40 ILCS 5/9-121.17 new
40 ILCS 5/9-121.18 new
40 ILCS 5/9-134.2 from Ch. 108 1/2, par. 9-134.2
40 ILCS 5/9-134.3
40 ILCS 5/9-134.4
30 ILCS 805/8.28 new

Amends the Cook County Article of the Illinois Pension Code. Creates an alternative retirement annuity and survivor's benefit for correctional officers with the county department of corrections and for persons employed by Cook County as jail sergeants. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB093 20131 LRD 45876 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 Sections 9-121.16, 9-134.2, 9-134.3, and 9-134.4 and adding
6 Sections 9-121.17 and 9-121.18 as follows:

7 (40 ILCS 5/9-121.16)

8 Sec. 9-121.16. Contractual service to the Retirement
9 Board. A person who has rendered continuous contractual
10 services (other than legal or actuarial services) to the
11 Retirement Board for a period of at least 5 years may establish
12 creditable service in the Fund for up to 10 years of those
13 services by making written application to the Board before July
14 1, 2003 and paying to the Fund an amount to be determined by
15 the Board, equal to the employee contributions that would have
16 been required if those services had been performed as an
17 employee.

18 For the purposes of calculating the required payment, the
19 Board may determine the applicable salary equivalent based on
20 the compensation received by the person for performing those
21 contractual services. The salary equivalent calculated under
22 this Section shall not be used for determining final average
23 salary under Section 9-134 or any other provisions of this
24 Code.

25 A person may not make optional contributions under Section
26 9-121.6, 9-121.17, or 9-179.3 for periods of credit established
27 under this Section.

28 (Source: P.A. 92-599, eff. 6-28-02.)

29 (40 ILCS 5/9-121.17 new)

30 Sec. 9-121.17. Alternative annuity for correctional
31 officers and jail sergeants.

1 (a) Any person employed as a correctional officer with the
2 county department of corrections or by the county as a jail
3 sergeant may elect to establish alternative credits for an
4 alternative annuity by electing in writing to make additional
5 optional contributions in accordance with this Section and
6 procedures established by the board. Such correctional officer
7 or jail sergeant may discontinue making the additional optional
8 contributions by notifying the Fund in writing in accordance
9 with this Section and procedures established by the board.

10 Additional optional contributions for the alternative
11 annuity shall be as follows:

12 (1) For service after the option is elected, an
13 additional contribution of 3% of salary shall be
14 contributed to the Fund on the same basis and under the
15 same conditions as contributions required under Sections
16 9-170 and 9-176.

17 (2) For service before the option is elected, an
18 additional contribution of 3% of the salary for the
19 applicable period of service, plus interest at the
20 effective rate from the date of service to the date of
21 payment. All payments for past service must be paid in full
22 before credit is given. No additional optional
23 contributions may be made for any period of service for
24 which credit has been previously forfeited by acceptance of
25 a refund, unless the refund is repaid in full with interest
26 at the effective rate from the date of refund to the date
27 of repayment.

28 (b) In lieu of the retirement annuity otherwise payable
29 under this Article, any correctional officer with the county
30 department of corrections or jail sergeant who (1) has elected
31 to make additional optional contributions in accordance with
32 this Section, and (2) has attained age 60 with at least 10
33 years of service credit, or has attained age 65 with at least 8
34 years of service credit, may elect to have his retirement
35 annuity computed as follows: 3% of the participant's salary at
36 the time of termination of service for each of the first 8

1 years of service credit, plus 4% of such salary for each of the
2 next 4 years of service credit, plus 5% of such salary for each
3 year of service credit in excess of 12 years, subject to a
4 maximum of 80% of such salary. To the extent such correctional
5 officer or jail sergeant has made additional optional
6 contributions with respect to only a portion of his years of
7 service credit, his retirement annuity will first be determined
8 in accordance with this Section to the extent such additional
9 optional contributions were made, and then in accordance with
10 the remaining Sections of this Article to the extent of years
11 of service credit with respect to which additional optional
12 contributions were not made.

13 (c) In lieu of the disability benefits otherwise payable
14 under this Article, any correctional officer with the county
15 department of corrections or jail sergeant who (1) has become
16 permanently disabled and as a consequence is unable to perform
17 the duties of his employment and (2) was making optional
18 contributions in accordance with this Section at the time the
19 disability was incurred, may elect to receive a disability
20 annuity calculated in accordance with the formula in subsection
21 (b). For the purposes of this subsection, such correctional
22 officer or jail sergeant shall be considered permanently
23 disabled only if: (i) disability occurs while in service as a
24 correctional officer with the county department of corrections
25 or jail sergeant and is of such a nature as to prevent him from
26 reasonably performing the duties of his employment at the time;
27 and (ii) the board has received a written certification by at
28 least 2 licensed physicians appointed by it stating that such
29 correctional officer or jail sergeant is disabled and that the
30 disability is likely to be permanent.

31 (d) Refunds of additional optional contributions shall be
32 made on the same basis and under the same conditions as
33 provided under Section 9-164, 9-166 and 9-167. Interest shall
34 be credited at the effective rate on the same basis and under
35 the same conditions as for other contributions. Optional
36 contributions made by jail sergeants shall be accounted for in

1 a separate Cook County Jail Sergeant Optional Contribution
2 Reserve. Optional contributions made by correctional officers
3 shall be accounted for in a separate Cook County Correctional
4 Officer Optional Contribution Reserve. Optional contributions
5 under this Section shall be included in the amount of employee
6 contributions used to compute the tax levy under Section 9-169.

7 (e) The effective date of this plan of optional alternative
8 benefits and contributions shall be January 1, 2005, or the
9 date upon which approval is received from the U.S. Internal
10 Revenue Service, whichever is later. The plan of optional
11 alternative benefits and contributions shall not be available
12 to any former correctional officer or jail sergeant receiving
13 an annuity from the Fund on the effective date of the plan,
14 unless he re-enters service as a correctional officer with the
15 county department of corrections or jail sergeant and renders
16 at least 3 years of additional service after the date of
17 re-entry.

18 (40 ILCS 5/9-121.18 new)

19 Sec. 9-121.18. Alternative survivor's benefits for
20 survivors of correctional officers or jail sergeants. In lieu
21 of the survivor's benefits otherwise payable under this
22 Article, the spouse or eligible child of any deceased
23 correctional officer with the county department of corrections
24 or jail sergeant who was either making additional optional
25 contributions in accordance with Section 9-121.17 on the date
26 of death, or was receiving an annuity calculated under that
27 Section at the time of death, may elect to receive an annuity
28 beginning on the date of the correctional officer's or jail
29 sergeant's death, provided that the spouse and correctional
30 officer or jail sergeant must have been married on the date of
31 the last termination of his or her service as a correctional
32 officer or jail sergeant and for a continuous period of at
33 least one year immediately preceding his or her death.

34 The annuity shall be payable beginning on the date of the
35 correctional officer's or jail sergeant's death if the spouse

1 is then age 50 or over, or beginning at age 50 if the age of the
2 spouse is less than 50 years. If a minor unmarried child or
3 children of the correctional officer or jail sergeant, under
4 age 18, also survive, and the child or children are under the
5 care of the eligible spouse, the annuity shall begin as of the
6 date of death of the correctional officer or jail sergeant
7 without regard to the spouse's age.

8 The annuity to a spouse shall be 66 2/3% of the amount of
9 retirement annuity earned by the correctional officer or jail
10 sergeant on the date of death, subject to a minimum payment of
11 10% of salary, provided that if an eligible spouse, regardless
12 of age, has in his or her care at the date of death of the
13 correctional officer or jail sergeant any unmarried child or
14 children of the correctional officer or jail sergeant, under
15 age 18, the minimum annuity shall be 30% of the correctional
16 officer's or jail sergeant's salary, plus 10% of salary on
17 account of each minor child of the correctional officer or jail
18 sergeant, subject to a combined total payment on account of a
19 spouse and minor children not to exceed 50% of the deceased
20 correctional officer's or jail sergeant's salary. In the event
21 there is no spouse of the correctional officer or jail sergeant
22 surviving, or should a spouse remarry or die while eligible
23 minor children still survive the correctional officer or jail
24 sergeant, each such child shall be entitled to an annuity equal
25 to 20% of salary of the correctional officer or jail sergeant
26 subject to a combined total payment on account of all such
27 children not to exceed 50% of salary of the correctional
28 officer or jail sergeant. The salary to be used in the
29 calculation of these benefits shall be the same as that
30 prescribed for determining a retirement annuity as provided in
31 Section 9-121.17.

32 Upon the death of a correctional officer or jail sergeant
33 occurring after termination of service or while in receipt of a
34 retirement annuity, the combined total payment to a spouse and
35 minor children, or to minor children alone if no eligible
36 spouse survives, shall be limited to 75% of the amount of

1 retirement annuity earned by the correctional officer or jail
2 sergeant.

3 Adopted children shall have status as children of the
4 correctional officer or jail sergeant only if the proceedings
5 for adoption were commenced at least one year prior to the date
6 of the correctional officer's or jail sergeant's death.

7 Marriage of a child or attainment of age 18, whichever
8 first occurs, shall render the child ineligible for further
9 consideration in the payment of an annuity to a spouse or in
10 the increase in the amount thereof. Upon attainment of
11 ineligibility of the youngest minor child of the correctional
12 officer or jail sergeant, the annuity shall immediately revert
13 to the amount payable upon death of a correctional officer or
14 jail sergeant leaving no minor children surviving him or her.
15 If the spouse is under age 50 at such time, the annuity as
16 revised shall be deferred until such age is attained.
17 Remarriage of a widow or widower prior to attainment of age 55
18 shall disqualify the spouse from the receipt of an annuity.

19 (40 ILCS 5/9-134.2) (from Ch. 108 1/2, par. 9-134.2)

20 Sec. 9-134.2. Early retirement incentives.

21 (a) To be eligible for the benefits provided in this
22 Section, a person must:

23 (1) be a current contributing member of this Fund who,
24 on May 1, 1992 and within 30 days prior to the date of
25 retirement, is (i) in active payroll status in a position
26 of employment under this Article, or (ii) receiving
27 disability benefits under Section 9-156 or 9-157;

28 (2) have not previously retired under this Article;

29 (3) file with the Board before May 1, 1993, a written
30 application requesting the benefits provided in this
31 Section;

32 (4) elect to retire under this Section on or after
33 December 1, 1992 and on or before May 29, 1993 (or the date
34 established under subsection (c), if applicable);

35 (5) have attained age 55 on or before the date of

1 retirement; and

2 (6) have at least 10 years of creditable service under
3 this Fund or any of the participating systems under the
4 Retirement Systems Reciprocal Act by the effective date of
5 the retirement annuity.

6 (b) An employee who qualifies for the benefits provided
7 under this Section shall be entitled to the following:

8 (1) The employee's retirement annuity, as calculated
9 under the other provisions of this Article, shall be
10 increased at the time of retirement by an amount equal to
11 1% of the employee's average annual salary for the highest
12 4 consecutive years within the last 10 years of service,
13 multiplied by the employee's number of years of service
14 credit in this Fund up to a maximum of 10 years; except
15 that the total retirement annuity, including any
16 additional benefits elected under Section 9-121.6,
17 9-121.17, or 9-179.3, shall not exceed 80% of that highest
18 average annual salary.

19 (2) If the employee's retirement annuity is calculated
20 under Section 9-134, the employee shall not be subject to
21 the reduction in retirement annuity because of retirement
22 below age 60 that is otherwise required under that Section.

23 (c) In the case of an employee whose immediate retirement
24 could jeopardize public safety or create hardship for the
25 employer, the deadline for retirement provided in subdivision
26 (a) (4) of this Section may be extended to a specified date, no
27 later than November 30, 1993, by the employee's department
28 head, with the approval of the President of the County Board.
29 In the case of an employee who is not employed by a department
30 of the County, the employee's "department head", for the
31 purposes of this Section, shall be a person designated by the
32 President of the County Board.

33 (d) Notwithstanding Section 9-161, an annuitant who
34 reenters service under this Article after receiving a
35 retirement annuity based on benefits provided under this
36 Section thereby forfeits the right to continue to receive those

1 benefits, and shall have his or her retirement annuity
2 recalculated without the benefits provided in this Section.

3 (Source: P.A. 87-1130.)

4 (40 ILCS 5/9-134.3)

5 Sec. 9-134.3. Early retirement incentives.

6 (a) To be eligible for the benefits provided in this
7 Section, a person must:

8 (1) be a current contributing member of the Fund
9 established under this Article who, on May 1, 1997 and
10 within 30 days prior to the date of retirement, is (i) in
11 active payroll status in a position of employment under
12 this Article or (ii) receiving disability benefits under
13 Section 9-156 or 9-157; or else be eligible under
14 subsection (g);

15 (2) have not previously retired from the Fund, except
16 as provided under subsection (g);

17 (3) file with the Board before October 1, 1997 (or the
18 date specified in subsection (g), if applicable) a written
19 application requesting the benefits provided in this
20 Section;

21 (4) elect to retire under this Section on or after
22 September 1, 1997 and on or before February 28, 1998 (or
23 the date established under subsection (d) or (g), if
24 applicable);

25 (5) have attained age 55 on or before the date of
26 retirement and before February 28, 1998; and

27 (6) have at least 10 years of creditable service in the
28 Fund, excluding service in any of the other participating
29 systems under the Retirement Systems Reciprocal Act, by the
30 effective date of the retirement annuity or February 28,
31 1998, whichever occurs first.

32 (b) An employee who qualifies for the benefits provided
33 under this Section shall be entitled to the following:

34 (1) The employee's retirement annuity, as calculated
35 under the other provisions of this Article, shall be

1 increased at the time of retirement by an amount equal to
2 1% of the employee's average annual salary for the highest
3 4 consecutive years within the last 10 years of service,
4 multiplied by the employee's number of years of service
5 credit in this Fund up to a maximum of 10 years; except
6 that the total retirement annuity, including any
7 additional benefits elected under Section 9-121.6,
8 9-121.17, or 9-179.3, shall not exceed 80% of that highest
9 average annual salary.

10 (2) If the employee's retirement annuity is calculated
11 under Section 9-134, the employee shall not be subject to
12 the reduction in retirement annuity because of retirement
13 below age 60 that is otherwise required under that Section.

14 (c) A person who elects to retire under the provisions of
15 this Section thereby relinquishes his or her right, if any, to
16 have the retirement annuity calculated under the alternative
17 formula formerly set forth in Section 20-122 of the Retirement
18 Systems Reciprocal Act.

19 (d) In the case of an employee whose immediate retirement
20 could jeopardize public safety or create hardship for the
21 employer, the deadline for retirement provided in subdivision
22 (a) (4) of this Section may be extended to a specified date, no
23 later than August 31, 1998, by the employee's department head,
24 with the approval of the President of the County Board. In the
25 case of an employee who is not employed by a department of the
26 County, the employee's "department head", for the purposes of
27 this Section, shall be a person designated by the President of
28 the County Board.

29 (e) Notwithstanding Section 9-161, an annuitant who
30 reenters service under this Article after receiving a
31 retirement annuity based on benefits provided under this
32 Section thereby forfeits the right to continue to receive those
33 benefits and shall have his or her retirement annuity
34 recalculated without the benefits provided in this Section.

35 (f) This Section also applies to the Fund established under
36 Article 10 of this Code.

1 (g) A person who (1) was a participating employee on
2 November 30, 1996, (2) was laid off on or after December 1,
3 1996 and before May 1, 1997 due to the elimination of the
4 employee's job or position, (3) meets the requirements of items
5 (3) through (6) of subsection (a), and (4) has not been
6 reinstated as a Cook County employee since being laid off is
7 eligible for the benefits provided under this Section. For such
8 a person, the application required under subdivision (a)(3) of
9 this Section must be filed within 60 days after the effective
10 date of this amendatory Act of the 92nd General Assembly, and
11 the date of retirement must be within 60 days after the
12 effective date of this amendatory Act.

13 In the case of a person eligible under this subsection (g)
14 who began to receive a retirement annuity before the effective
15 date of this amendatory Act, the annuity shall be recalculated
16 to include the increase under this Section, and that increase
17 shall take effect on the first annuity payment date following
18 the date of application.

19 (Source: P.A. 92-599, eff. 6-28-02.)

20 (40 ILCS 5/9-134.4)

21 Sec. 9-134.4. Early retirement incentives.

22 (a) To be eligible for the benefits provided in this
23 Section, a person must:

24 (1) be a current contributing member of the Fund
25 established under this Article who, on January 1, 2001 and
26 within 30 days prior to the date of retirement, is (i) in
27 active payroll status in a position of employment under
28 this Article or (ii) receiving disability benefits under
29 Section 9-156 or 9-157;

30 (2) have not previously retired from the Fund;

31 (3) file with the Board before March 1, 2003 a written
32 application requesting the benefits provided in this
33 Section;

34 (4) elect to retire under this Section on or after
35 November 30, 2002 and on or before March 31, 2003 (or the

1 date established under subsection (d), if applicable);

2 (5) have attained age 50 on or before the date of
3 retirement and on or before March 31, 2003; and

4 (6) have at least 20 years of creditable service in the
5 Fund, excluding service in any of the other participating
6 systems under the Retirement Systems Reciprocal Act, by the
7 effective date of the retirement annuity or March 31, 2003,
8 whichever occurs first.

9 (b) An employee who qualifies for the benefits provided
10 under this Section shall be entitled to the following:

11 (1) The employee's retirement annuity, as calculated
12 under the other provisions of this Article, shall be
13 increased at the time of retirement by an amount equal to
14 1% of the employee's average annual salary for the highest
15 4 consecutive years within the last 10 years of service,
16 multiplied by the employee's number of years of service
17 credit in this Fund up to a maximum of 10 years; except
18 that the total retirement annuity, including any
19 additional benefits elected under Section 9-121.6,
20 9-121.17, or 9-179.3, shall not exceed 80% of that highest
21 average annual salary.

22 (2) If the employee's retirement annuity is calculated
23 under Section 9-134, the employee shall not be subject to
24 the reduction in retirement annuity because of retirement
25 below age 60 that is otherwise required under that Section.

26 (c) A person who elects to retire under the provisions of
27 this Section thereby relinquishes his or her right, if any, to
28 have the retirement annuity calculated under the alternative
29 formula formerly set forth in Section 20-122 of the Retirement
30 Systems Reciprocal Act.

31 (d) In the case of an employee whose immediate retirement
32 could jeopardize public safety or create hardship for the
33 employer, the deadline for retirement provided in subdivision
34 (a) (4) of this Section may be extended to a specified date, no
35 later than September 30, 2003, by the employee's department
36 head, with the approval of the President of the County Board.

1 In the case of an employee who is not employed by a department
2 of the County, the employee's "department head", for the
3 purposes of this Section, shall be a person designated by the
4 President of the County Board.

5 (e) Notwithstanding Section 9-161, an annuitant who
6 reenters service under this Article after receiving a
7 retirement annuity based on benefits provided under this
8 Section thereby forfeits the right to continue to receive those
9 benefits and shall have his or her retirement annuity
10 recalculated without the benefits provided in this Section.

11 (f) This Section also applies to the Fund established under
12 Article 10 of this Code.

13 (Source: P.A. 92-599, eff. 6-28-02.)

14 Section 90. The State Mandates Act is amended by adding
15 Section 8.28 as follows:

16 (30 ILCS 805/8.28 new)

17 Sec. 8.28. Exempt mandate. Notwithstanding Sections 6 and 8
18 of this Act, no reimbursement by the State is required for the
19 implementation of any mandate created by this amendatory Act of
20 the 93rd General Assembly.

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.