



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

Introduced 02/09/04, by George Scully Jr.

SYNOPSIS AS INTRODUCED:

40 ILCS 5/3-110.6

from Ch. 108 1/2, par. 3-110.6

40 ILCS 5/14-110

from Ch. 108 1/2, par. 14-110

Amends the Illinois Pension Code to allow certain current and former Department of Revenue investigators to transfer service credits from downstate police pension funds to the State Employees' Retirement System. Effective immediately.

LRB093 19754 LRD 45495 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

1 AN ACT in relation to 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 3-110.6 and 14-110 as follows:

6 (40 ILCS 5/3-110.6) (from Ch. 108 1/2, par. 3-110.6)

7 Sec. 3-110.6. Transfer to Article 14 System.

8 (a) Any active member of the State Employees' Retirement
9 System who is an investigator for the Office of the State's
10 Attorneys Appellate Prosecutor, ~~or~~ a controlled substance
11 inspector, or a current or former investigator for the
12 Department of Revenue may apply for transfer of his or her
13 creditable service accumulated in any police pension fund under
14 this Article to the State Employees' Retirement System in
15 accordance with Section 14-110. The creditable service shall be
16 transferred only upon payment by the police pension fund to the
17 State Employees' Retirement System of an amount equal to:

18 (1) the amounts accumulated to the credit of the
19 applicant on the books of the fund on the date of transfer;
20 and

21 (2) employer contributions in an amount equal to the
22 amount determined under subparagraph (1); and

23 (3) any interest paid by the applicant in order to
24 reinstate service.

25 Participation in the police pension fund shall terminate on the
26 date of transfer.

27 (b) Any such investigator or inspector may reinstate
28 service which was terminated by receipt of a refund, by paying
29 to the police pension fund the amount of the refund with
30 interest thereon at the rate of 6% per year, compounded
31 annually, from the date of refund to the date of payment.

32 (Source: P.A. 90-32, eff. 6-27-97.)

1 (40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

2 Sec. 14-110. Alternative retirement annuity.

3 (a) Any member who has withdrawn from service with not less
4 than 20 years of eligible creditable service and has attained
5 age 55, and any member who has withdrawn from service with not
6 less than 25 years of eligible creditable service and has
7 attained age 50, regardless of whether the attainment of either
8 of the specified ages occurs while the member is still in
9 service, shall be entitled to receive at the option of the
10 member, in lieu of the regular or minimum retirement annuity, a
11 retirement annuity computed as follows:

12 (i) for periods of service as a noncovered employee: if
13 retirement occurs on or after January 1, 2001, 3% of final
14 average compensation for each year of creditable service;
15 if retirement occurs before January 1, 2001, 2 1/4% of
16 final average compensation for each of the first 10 years
17 of creditable service, 2 1/2% for each year above 10 years
18 to and including 20 years of creditable service, and 2 3/4%
19 for each year of creditable service above 20 years; and

20 (ii) for periods of eligible creditable service as a
21 covered employee: if retirement occurs on or after January
22 1, 2001, 2.5% of final average compensation for each year
23 of creditable service; if retirement occurs before January
24 1, 2001, 1.67% of final average compensation for each of
25 the first 10 years of such service, 1.90% for each of the
26 next 10 years of such service, 2.10% for each year of such
27 service in excess of 20 but not exceeding 30, and 2.30% for
28 each year in excess of 30.

29 Such annuity shall be subject to a maximum of 75% of final
30 average compensation if retirement occurs before January 1,
31 2001 or to a maximum of 80% of final average compensation if
32 retirement occurs on or after January 1, 2001.

33 These rates shall not be applicable to any service
34 performed by a member as a covered employee which is not
35 eligible creditable service. Service as a covered employee

1 which is not eligible creditable service shall be subject to
2 the rates and provisions of Section 14-108.

3 (b) For the purpose of this Section, "eligible creditable
4 service" means creditable service resulting from service in one
5 or more of the following positions:

6 (1) State policeman;

7 (2) fire fighter in the fire protection service of a
8 department;

9 (3) air pilot;

10 (4) special agent;

11 (5) investigator for the Secretary of State;

12 (6) conservation police officer;

13 (7) investigator for the Department of Revenue;

14 (8) security employee of the Department of Human
15 Services;

16 (9) Central Management Services security police
17 officer;

18 (10) security employee of the Department of
19 Corrections;

20 (11) dangerous drugs investigator;

21 (12) investigator for the Department of State Police;

22 (13) investigator for the Office of the Attorney
23 General;

24 (14) controlled substance inspector;

25 (15) investigator for the Office of the State's
26 Attorneys Appellate Prosecutor;

27 (16) Commerce Commission police officer;

28 (17) arson investigator;

29 (18) State highway maintenance worker.

30 A person employed in one of the positions specified in this
31 subsection is entitled to eligible creditable service for
32 service credit earned under this Article while undergoing the
33 basic police training course approved by the Illinois Law
34 Enforcement Training Standards Board, if completion of that
35 training is required of persons serving in that position. For
36 the purposes of this Code, service during the required basic

1 police training course shall be deemed performance of the
2 duties of the specified position, even though the person is not
3 a sworn peace officer at the time of the training.

4 (c) For the purposes of this Section:

5 (1) The term "state policeman" includes any title or
6 position in the Department of State Police that is held by
7 an individual employed under the State Police Act.

8 (2) The term "fire fighter in the fire protection
9 service of a department" includes all officers in such fire
10 protection service including fire chiefs and assistant
11 fire chiefs.

12 (3) The term "air pilot" includes any employee whose
13 official job description on file in the Department of
14 Central Management Services, or in the department by which
15 he is employed if that department is not covered by the
16 Personnel Code, states that his principal duty is the
17 operation of aircraft, and who possesses a pilot's license;
18 however, the change in this definition made by this
19 amendatory Act of 1983 shall not operate to exclude any
20 noncovered employee who was an "air pilot" for the purposes
21 of this Section on January 1, 1984.

22 (4) The term "special agent" means any person who by
23 reason of employment by the Division of Narcotic Control,
24 the Bureau of Investigation or, after July 1, 1977, the
25 Division of Criminal Investigation, the Division of
26 Internal Investigation, the Division of Operations, or any
27 other Division or organizational entity in the Department
28 of State Police is vested by law with duties to maintain
29 public order, investigate violations of the criminal law of
30 this State, enforce the laws of this State, make arrests
31 and recover property. The term "special agent" includes any
32 title or position in the Department of State Police that is
33 held by an individual employed under the State Police Act.

34 (5) The term "investigator for the Secretary of State"
35 means any person employed by the Office of the Secretary of
36 State and vested with such investigative duties as render

1 him ineligible for coverage under the Social Security Act
2 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
3 218(1)(1) of that Act.

4 A person who became employed as an investigator for the
5 Secretary of State between January 1, 1967 and December 31,
6 1975, and who has served as such until attainment of age
7 60, either continuously or with a single break in service
8 of not more than 3 years duration, which break terminated
9 before January 1, 1976, shall be entitled to have his
10 retirement annuity calculated in accordance with
11 subsection (a), notwithstanding that he has less than 20
12 years of credit for such service.

13 (6) The term "Conservation Police Officer" means any
14 person employed by the Division of Law Enforcement of the
15 Department of Natural Resources and vested with such law
16 enforcement duties as render him ineligible for coverage
17 under the Social Security Act by reason of Sections
18 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The
19 term "Conservation Police Officer" includes the positions
20 of Chief Conservation Police Administrator and Assistant
21 Conservation Police Administrator.

22 (7) The term "investigator for the Department of
23 Revenue" means any person employed by the Department of
24 Revenue and vested with such investigative duties as render
25 him ineligible for coverage under the Social Security Act
26 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
27 218(1)(1) of that Act.

28 (8) The term "security employee of the Department of
29 Human Services" means any person employed by the Department
30 of Human Services who (i) is employed at the Chester Mental
31 Health Center and has daily contact with the residents
32 thereof, (ii) is employed within a security unit at a
33 facility operated by the Department and has daily contact
34 with the residents of the security unit, (iii) is employed
35 at a facility operated by the Department that includes a
36 security unit and is regularly scheduled to work at least

1 50% of his or her working hours within that security unit,
2 or (iv) is a mental health police officer. "Mental health
3 police officer" means any person employed by the Department
4 of Human Services in a position pertaining to the
5 Department's mental health and developmental disabilities
6 functions who is vested with such law enforcement duties as
7 render the person ineligible for coverage under the Social
8 Security Act by reason of Sections 218(d)(5)(A),
9 218(d)(8)(D) and 218(1)(1) of that Act. "Security unit"
10 means that portion of a facility that is devoted to the
11 care, containment, and treatment of persons committed to
12 the Department of Human Services as sexually violent
13 persons, persons unfit to stand trial, or persons not
14 guilty by reason of insanity. With respect to past
15 employment, references to the Department of Human Services
16 include its predecessor, the Department of Mental Health
17 and Developmental Disabilities.

18 The changes made to this subdivision (c)(8) by Public
19 Act 92-14 apply to persons who retire on or after January
20 1, 2001, notwithstanding Section 1-103.1.

21 (9) "Central Management Services security police
22 officer" means any person employed by the Department of
23 Central Management Services who is vested with such law
24 enforcement duties as render him ineligible for coverage
25 under the Social Security Act by reason of Sections
26 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

27 (10) The term "security employee of the Department of
28 Corrections" means any employee of the Department of
29 Corrections or the former Department of Personnel, and any
30 member or employee of the Prisoner Review Board, who has
31 daily contact with inmates by working within a correctional
32 facility or who is a parole officer or an employee who has
33 direct contact with committed persons in the performance of
34 his or her job duties.

35 (11) The term "dangerous drugs investigator" means any
36 person who is employed as such by the Department of Human

1 Services.

2 (12) The term "investigator for the Department of State
3 Police" means a person employed by the Department of State
4 Police who is vested under Section 4 of the Narcotic
5 Control Division Abolition Act with such law enforcement
6 powers as render him ineligible for coverage under the
7 Social Security Act by reason of Sections 218(d)(5)(A),
8 218(d)(8)(D) and 218(1)(1) of that Act.

9 (13) "Investigator for the Office of the Attorney
10 General" means any person who is employed as such by the
11 Office of the Attorney General and is vested with such
12 investigative duties as render him ineligible for coverage
13 under the Social Security Act by reason of Sections
14 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For
15 the period before January 1, 1989, the term includes all
16 persons who were employed as investigators by the Office of
17 the Attorney General, without regard to social security
18 status.

19 (14) "Controlled substance inspector" means any person
20 who is employed as such by the Department of Professional
21 Regulation and is vested with such law enforcement duties
22 as render him ineligible for coverage under the Social
23 Security Act by reason of Sections 218(d)(5)(A),
24 218(d)(8)(D) and 218(1)(1) of that Act. The term
25 "controlled substance inspector" includes the Program
26 Executive of Enforcement and the Assistant Program
27 Executive of Enforcement.

28 (15) The term "investigator for the Office of the
29 State's Attorneys Appellate Prosecutor" means a person
30 employed in that capacity on a full time basis under the
31 authority of Section 7.06 of the State's Attorneys
32 Appellate Prosecutor's Act.

33 (16) "Commerce Commission police officer" means any
34 person employed by the Illinois Commerce Commission who is
35 vested with such law enforcement duties as render him
36 ineligible for coverage under the Social Security Act by

1 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and
2 218(1)(1) of that Act.

3 (17) "Arson investigator" means any person who is
4 employed as such by the Office of the State Fire Marshal
5 and is vested with such law enforcement duties as render
6 the person ineligible for coverage under the Social
7 Security Act by reason of Sections 218(d)(5)(A),
8 218(d)(8)(D), and 218(1)(1) of that Act. A person who was
9 employed as an arson investigator on January 1, 1995 and is
10 no longer in service but not yet receiving a retirement
11 annuity may convert his or her creditable service for
12 employment as an arson investigator into eligible
13 creditable service by paying to the System the difference
14 between the employee contributions actually paid for that
15 service and the amounts that would have been contributed if
16 the applicant were contributing at the rate applicable to
17 persons with the same social security status earning
18 eligible creditable service on the date of application.

19 (18) The term "State highway maintenance worker" means
20 a person who is either of the following:

21 (i) A person employed on a full-time basis by the
22 Illinois Department of Transportation in the position
23 of highway maintainer, highway maintenance lead
24 worker, highway maintenance lead/lead worker, heavy
25 construction equipment operator, power shovel
26 operator, or bridge mechanic; and whose principal
27 responsibility is to perform, on the roadway, the
28 actual maintenance necessary to keep the highways that
29 form a part of the State highway system in serviceable
30 condition for vehicular traffic.

31 (ii) A person employed on a full-time basis by the
32 Illinois State Toll Highway Authority in the position
33 of equipment operator/laborer H-4, equipment
34 operator/laborer H-6, welder H-4, welder H-6,
35 mechanical/electrical H-4, mechanical/electrical H-6,
36 water/sewer H-4, water/sewer H-6, sign maker/hanger

1 H-4, sign maker/hanger H-6, roadway lighting H-4,
2 roadway lighting H-6, structural H-4, structural H-6,
3 painter H-4, or painter H-6; and whose principal
4 responsibility is to perform, on the roadway, the
5 actual maintenance necessary to keep the Authority's
6 tollways in serviceable condition for vehicular
7 traffic.

8 (d) A security employee of the Department of Corrections,
9 and a security employee of the Department of Human Services who
10 is not a mental health police officer, shall not be eligible
11 for the alternative retirement annuity provided by this Section
12 unless he or she meets the following minimum age and service
13 requirements at the time of retirement:

14 (i) 25 years of eligible creditable service and age 55;

15 or

16 (ii) beginning January 1, 1987, 25 years of eligible
17 creditable service and age 54, or 24 years of eligible
18 creditable service and age 55; or

19 (iii) beginning January 1, 1988, 25 years of eligible
20 creditable service and age 53, or 23 years of eligible
21 creditable service and age 55; or

22 (iv) beginning January 1, 1989, 25 years of eligible
23 creditable service and age 52, or 22 years of eligible
24 creditable service and age 55; or

25 (v) beginning January 1, 1990, 25 years of eligible
26 creditable service and age 51, or 21 years of eligible
27 creditable service and age 55; or

28 (vi) beginning January 1, 1991, 25 years of eligible
29 creditable service and age 50, or 20 years of eligible
30 creditable service and age 55.

31 Persons who have service credit under Article 16 of this
32 Code for service as a security employee of the Department of
33 Corrections or the Department of Human Services in a position
34 requiring certification as a teacher may count such service
35 toward establishing their eligibility under the service
36 requirements of this Section; but such service may be used only

1 for establishing such eligibility, and not for the purpose of
2 increasing or calculating any benefit.

3 (e) If a member enters military service while working in a
4 position in which eligible creditable service may be earned,
5 and returns to State service in the same or another such
6 position, and fulfills in all other respects the conditions
7 prescribed in this Article for credit for military service,
8 such military service shall be credited as eligible creditable
9 service for the purposes of the retirement annuity prescribed
10 in this Section.

11 (f) For purposes of calculating retirement annuities under
12 this Section, periods of service rendered after December 31,
13 1968 and before October 1, 1975 as a covered employee in the
14 position of special agent, conservation police officer, mental
15 health police officer, or investigator for the Secretary of
16 State, shall be deemed to have been service as a noncovered
17 employee, provided that the employee pays to the System prior
18 to retirement an amount equal to (1) the difference between the
19 employee contributions that would have been required for such
20 service as a noncovered employee, and the amount of employee
21 contributions actually paid, plus (2) if payment is made after
22 July 31, 1987, regular interest on the amount specified in item
23 (1) from the date of service to the date of payment.

24 For purposes of calculating retirement annuities under
25 this Section, periods of service rendered after December 31,
26 1968 and before January 1, 1982 as a covered employee in the
27 position of investigator for the Department of Revenue shall be
28 deemed to have been service as a noncovered employee, provided
29 that the employee pays to the System prior to retirement an
30 amount equal to (1) the difference between the employee
31 contributions that would have been required for such service as
32 a noncovered employee, and the amount of employee contributions
33 actually paid, plus (2) if payment is made after January 1,
34 1990, regular interest on the amount specified in item (1) from
35 the date of service to the date of payment.

36 (g) A State policeman may elect, not later than January 1,

1 1990, to establish eligible creditable service for up to 10
2 years of his service as a policeman under Article 3, by filing
3 a written election with the Board, accompanied by payment of an
4 amount to be determined by the Board, equal to (i) the
5 difference between the amount of employee and employer
6 contributions transferred to the System under Section 3-110.5,
7 and the amounts that would have been contributed had such
8 contributions been made at the rates applicable to State
9 policemen, plus (ii) interest thereon at the effective rate for
10 each year, compounded annually, from the date of service to the
11 date of payment.

12 Subject to the limitation in subsection (i), a State
13 policeman may elect, not later than July 1, 1993, to establish
14 eligible creditable service for up to 10 years of his service
15 as a member of the County Police Department under Article 9, by
16 filing a written election with the Board, accompanied by
17 payment of an amount to be determined by the Board, equal to
18 (i) the difference between the amount of employee and employer
19 contributions transferred to the System under Section 9-121.10
20 and the amounts that would have been contributed had those
21 contributions been made at the rates applicable to State
22 policemen, plus (ii) interest thereon at the effective rate for
23 each year, compounded annually, from the date of service to the
24 date of payment.

25 (h) Subject to the limitation in subsection (i), a State
26 policeman or investigator for the Secretary of State may elect
27 to establish eligible creditable service for up to 12 years of
28 his service as a policeman under Article 5, by filing a written
29 election with the Board on or before January 31, 1992, and
30 paying to the System by January 31, 1994 an amount to be
31 determined by the Board, equal to (i) the difference between
32 the amount of employee and employer contributions transferred
33 to the System under Section 5-236, and the amounts that would
34 have been contributed had such contributions been made at the
35 rates applicable to State policemen, plus (ii) interest thereon
36 at the effective rate for each year, compounded annually, from

1 the date of service to the date of payment.

2 Subject to the limitation in subsection (i), a State
3 policeman, conservation police officer, or investigator for
4 the Secretary of State may elect to establish eligible
5 creditable service for up to 10 years of service as a sheriff's
6 law enforcement employee under Article 7, by filing a written
7 election with the Board on or before January 31, 1993, and
8 paying to the System by January 31, 1994 an amount to be
9 determined by the Board, equal to (i) the difference between
10 the amount of employee and employer contributions transferred
11 to the System under Section 7-139.7, and the amounts that would
12 have been contributed had such contributions been made at the
13 rates applicable to State policemen, plus (ii) interest thereon
14 at the effective rate for each year, compounded annually, from
15 the date of service to the date of payment.

16 (i) The total amount of eligible creditable service
17 established by any person under subsections (g), (h), (j), (k),
18 ~~and~~ (l), and (m) of this Section shall not exceed 12 years.

19 (j) Subject to the limitation in subsection (i), an
20 investigator for the Office of the State's Attorneys Appellate
21 Prosecutor or a controlled substance inspector may elect to
22 establish eligible creditable service for up to 10 years of his
23 service as a policeman under Article 3 or a sheriff's law
24 enforcement employee under Article 7, by filing a written
25 election with the Board, accompanied by payment of an amount to
26 be determined by the Board, equal to (1) the difference between
27 the amount of employee and employer contributions transferred
28 to the System under Section 3-110.6 or 7-139.8, and the amounts
29 that would have been contributed had such contributions been
30 made at the rates applicable to State policemen, plus (2)
31 interest thereon at the effective rate for each year,
32 compounded annually, from the date of service to the date of
33 payment.

34 (k) Subject to the limitation in subsection (i) of this
35 Section, an alternative formula employee may elect to establish
36 eligible creditable service for periods spent as a full-time

1 law enforcement officer or full-time corrections officer
2 employed by the federal government or by a state or local
3 government located outside of Illinois, for which credit is not
4 held in any other public employee pension fund or retirement
5 system. To obtain this credit, the applicant must file a
6 written application with the Board by March 31, 1998,
7 accompanied by evidence of eligibility acceptable to the Board
8 and payment of an amount to be determined by the Board, equal
9 to (1) employee contributions for the credit being established,
10 based upon the applicant's salary on the first day as an
11 alternative formula employee after the employment for which
12 credit is being established and the rates then applicable to
13 alternative formula employees, plus (2) an amount determined by
14 the Board to be the employer's normal cost of the benefits
15 accrued for the credit being established, plus (3) regular
16 interest on the amounts in items (1) and (2) from the first day
17 as an alternative formula employee after the employment for
18 which credit is being established to the date of payment.

19 (1) Subject to the limitation in subsection (i), a security
20 employee of the Department of Corrections may elect, not later
21 than July 1, 1998, to establish eligible creditable service for
22 up to 10 years of his or her service as a policeman under
23 Article 3, by filing a written election with the Board,
24 accompanied by payment of an amount to be determined by the
25 Board, equal to (i) the difference between the amount of
26 employee and employer contributions transferred to the System
27 under Section 3-110.5, and the amounts that would have been
28 contributed had such contributions been made at the rates
29 applicable to security employees of the Department of
30 Corrections, plus (ii) interest thereon at the effective rate
31 for each year, compounded annually, from the date of service to
32 the date of payment.

33 (m) Subject to the limitation in subsection (i), an active
34 contributor to the System who is a current or former
35 investigator for the Department of Revenue may elect to
36 establish eligible creditable service for up to 12 years of

1 service as a police officer under Article 3 by filing a written
2 election with the Board before January 1, 2005, accompanied by
3 payment of an amount to be determined by the Board, equal to
4 (1) the difference between the amount of employee and employer
5 contributions transferred to the System under Section 3-110.6
6 and the amounts that would have been contributed for that
7 service had those contributions been made at the rates then
8 applicable to Department of Revenue investigators, plus (2)
9 interest thereon at the effective rate for each year,
10 compounded annually, from the date of service to the date of
11 payment.

12 (Source: P.A. 91-357, eff. 7-29-99; 91-760, eff. 1-1-01; 92-14,
13 eff. 6-28-01; 92-257, eff. 8-6-01; 92-651, eff. 7-11-02.)

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.