

SB3630



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB3630

Introduced 2/10/2012, by Sen. Kwame Raoul

SYNOPSIS AS INTRODUCED:

40 ILCS 5/9-134
40 ILCS 5/9-160

from Ch. 108 1/2, par. 9-134
from Ch. 108 1/2, par. 9-160

Amends the Cook County Article of the Illinois Pension Code. Provides that a county employee with 20 or more years of service, who first became a participant on or after January 1, 2011 and whose entire disability benefit credit period expires before attainment of age 62, may qualify for certain annuities. Effective immediately.

LRB097 19617 EFG 64871 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

A BILL FOR

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 9-134 and 9-160 as follows:

6 (40 ILCS 5/9-134) (from Ch. 108 1/2, par. 9-134)

7 Sec. 9-134. Minimum annuity - Additional provisions.

8 (a) An employee who withdraws after July 1, 1957 at age 60
9 or more with 20 or more years of service, for whom the amount
10 of age and service and prior service annuity combined is less
11 than the amount stated in this Section from the date of
12 withdrawal, instead of all annuities otherwise provided in this
13 Article, is entitled to receive an annuity for life of an
14 amount equal to 1 2/3% for each year of service, of his highest
15 average annual salary for any 5 consecutive years within the
16 last 10 years of service immediately preceding the date of
17 withdrawal; provided that in the case of any employee who
18 withdraws on or after July 1, 1971, such employee age 60 or
19 over with 20 or more years of service, or who withdraws on or
20 after January 1, 1982 and on or after attainment of age 65 with
21 10 or more years of service, shall instead receive an annuity
22 for life equal to 1.67% for each of the first 10 years of
23 service; 1.90% for each of the next 10 years of service; 2.10%

1 for each year of service in excess of 20 but not exceeding 30;
2 and 2.30% for each year of service in excess of 30, based on
3 the highest average annual salary for any 4 consecutive years
4 within the last 10 years of service immediately preceding the
5 date of withdrawal.

6 An employee who withdraws after July 1, 1957, but prior to
7 January 1, 1988, with 20 or more years of service, before age
8 60 is entitled to annuity, to begin not earlier than age 55, if
9 under such age at withdrawal, as computed in the last preceding
10 paragraph, reduced 1/2 of 1% for each full month or fractional
11 part thereof that his attained age when annuity is to begin is
12 less than 60 to the end that the total reduction at age 55
13 shall be 30%, except that an employee retiring at age 55 or
14 over but less than age 60, having at least 35 years of service,
15 shall not be subject to the reduction in his retirement annuity
16 because of retirement below age 60.

17 An employee who withdraws on or after January 1, 1988, with
18 20 or more years of service and before age 60, is entitled to
19 annuity as computed above, to begin not earlier than age 50 if
20 under such age at withdrawal, reduced 1/2 of 1% for each full
21 month or fractional part thereof that his attained age when
22 annuity is to begin is less than 60, to the end that the total
23 reduction at age 50 shall be 60%, except that an employee
24 retiring at age 50 or over but less than age 60, having at
25 least 30 years of service, shall not be subject to the
26 reduction in retirement annuity because of retirement below age

1 60.

2 An employee who withdraws on or after January 1, 1992 but
3 before January 1, 1993, at age 60 or over with 5 or more years
4 of service, may elect, in lieu of any other employee annuity
5 provided in this Section, to receive an annuity for life equal
6 to 2.20% for each of the first 20 years of service, and 2.40%
7 for each year of service in excess of 20, based on the highest
8 average annual salary for any 4 consecutive years within the
9 last 10 years of service immediately preceding the date of
10 withdrawal. An employee who withdraws on or after January 1,
11 1992, but before January 1, 1993, on or after attainment of age
12 55 but before attainment of age 60 with 5 or more years of
13 service, is entitled to elect such annuity, but the annuity
14 shall be reduced 0.25% for each full month or fractional part
15 thereof that his attained age when the annuity is to begin is
16 less than age 60, to the end that the total reduction at age 55
17 shall be 15%, except that an employee retiring at age 55 or
18 over but less than age 60, having at least 30 years of service,
19 shall not be subject to the reduction in retirement annuity
20 because of retirement below age 60. This annuity benefit
21 formula shall only apply to those employees who are age 55 or
22 over prior to January 1, 1993, and who elect to withdraw at age
23 55 or over on or after January 1, 1992 but before January 1,
24 1993.

25 An employee who withdraws on or after July 1, 1996 but
26 before August 1, 1996, at age 55 or over with 8 or more years of

1 service, may elect, in lieu of any other employee annuity
2 provided in this Section, to receive an annuity for life equal
3 to 2.20% for each of the first 20 years of service, and 2.40%
4 for each year of service in excess of 20, based on the highest
5 average annual salary for any 4 consecutive years within the
6 last 10 years of service immediately preceding the date of
7 withdrawal, but the annuity shall be reduced by 0.25% for each
8 full month or fractional part thereof that the annuitant's
9 attained age when the annuity is to begin is less than age 60,
10 unless the annuitant has at least 30 years of service.

11 The maximum annuity under this paragraph (a) shall not
12 exceed 70% of highest average annual salary for any 5
13 consecutive years within the last 10 years of service in the
14 case of an employee who withdraws prior to July 1, 1971, and
15 75% of the highest average annual salary for any 4 consecutive
16 years within the last 10 years of service immediately preceding
17 the date of withdrawal if withdrawal takes place on or after
18 July 1, 1971 and prior to January 1, 1988, and 80% of the
19 highest average annual salary for any 4 consecutive years
20 within the last 10 years of service immediately preceding the
21 date of withdrawal if withdrawal takes place on or after
22 January 1, 1988. Fifteen hundred dollars shall be considered
23 the minimum amount of annual salary for any year, and the
24 maximum shall be his salary as defined in this Article, except
25 that for the years before 1957 and subsequent to 1952 the
26 maximum annual salary to be considered shall be \$6,000, and for

1 any year before the year 1953, \$4,800.

2 (b) Any employee who withdraws on or after July 1, 1985 but
3 prior to January 1, 1988, at age 60 or over with 10 or more
4 years of service, may elect in lieu of the benefit in paragraph
5 (a) to receive an annuity for life equal to 2.00% for each year
6 of service, based on the highest average annual salary for any
7 4 consecutive years within the last 10 years of service
8 immediately preceding the date of withdrawal. An employee who
9 withdraws on or after July 1, 1985, but prior to January 1,
10 1988, with 10 or more years of service, but before age 60, is
11 entitled to elect such annuity, to begin not earlier than age
12 55, but the annuity shall be reduced 0.5% for each full month
13 or fractional part thereof that his attained age when the
14 annuity is to begin is less than 60, to the end that the total
15 reduction at age 55 shall be 30%; except that an employee
16 retiring at age 55 or over but less than age 60, having at
17 least 30 years of service, shall not be subject to the
18 reduction in retirement annuity because of retirement below age
19 60.

20 An employee who withdraws on or after January 1, 1988, at
21 age 60 or over with 10 or more years of service, may elect, in
22 lieu of the benefit in paragraph (a), to receive an annuity for
23 life equal to 2.20% for each of the first 20 years of service,
24 and 2.4% for each year of service in excess of 20, based on the
25 highest average annual salary for any 4 consecutive years
26 within the last 10 years of service immediately preceding the

1 date of withdrawal. An employee who withdraws on or after
2 January 1, 1988, with 10 or more years of service, but before
3 age 60, is entitled to elect such annuity, to begin not earlier
4 than age 50, but the annuity shall be reduced 0.5% for each
5 full month or fractional part thereof that his attained age
6 when the annuity is to begin is less than 60, to the end that
7 the total reduction at age 50 shall be 60%, except that an
8 employee retiring at age 50 or over but less than age 60,
9 having at least 30 years of service, shall not be subject to
10 the reduction in retirement annuity because of retirement below
11 age 60.

12 An employee who withdraws on or after June 30, 2002 with 10
13 or more years of service may elect, in lieu of any other
14 retirement annuity provided under this Article, to receive an
15 annuity for life, beginning no earlier than upon attainment of
16 age 50, equal to 2.40% of his or her highest average annual
17 salary for any 4 consecutive years within the last 10 years of
18 service immediately preceding withdrawal, for each year of
19 service. If the employee has less than 30 years of service, the
20 annuity shall be reduced by 0.5% for each full month or
21 remaining fraction thereof that the employee's attained age
22 when the annuity is to begin is less than 60.

23 The maximum annuity under this paragraph (b) shall not
24 exceed 75% of the highest average annual salary for any 4
25 consecutive years within the last 10 years of service
26 immediately preceding the date of withdrawal if withdrawal

1 occurs prior to January 1, 1988, or 80% of the highest average
2 annual salary for any 4 consecutive years within the last 10
3 years of service immediately preceding the date of withdrawal
4 if withdrawal takes place on or after January 1, 1988.

5 The provisions of this paragraph (b) do not apply to any
6 former County employee receiving an annuity from the fund, who
7 re-enters service as a County employee, unless he renders at
8 least 3 years of additional service after the date of re-entry.

9 (c) For an employee receiving disability benefit, the
10 salary for annuity purposes under paragraph (a) or (b) of this
11 Section shall, for all periods of disability benefit subsequent
12 to the year 1956, be the amount on which his disability benefit
13 was based.

14 (d) A county employee with 20 or more years of service,
15 whose entire disability benefit credit period expires before
16 attainment of age 50 (age 55 if expiration occurs before
17 January 1, 1988, or age 62 if the member first became a
18 participant on or after January 1, 2011), while still disabled
19 for service is entitled upon withdrawal to the larger of:

20 (1) The minimum annuity provided above, assuming that
21 he is then age 50 (age 55 if expiration occurs before
22 January 1, 1988, or age 62 if the member first became a
23 participant on or after January 1, 2011), and reducing such
24 annuity to its actuarial equivalent at his attained age on
25 such date, or

26 (2) the annuity provided from his age and service and

1 prior service annuity credits.

2 (e) The minimum annuity provisions above do not apply to
3 any former county employee receiving an annuity from the fund,
4 who re-enters service as a county employee, unless he renders
5 at least 3 years of additional service after the date of
6 re-entry.

7 (f) Any employee in service on July 1, 1947, or who enters
8 service thereafter before attaining age 65 and withdraws after
9 age 65 with less than 10 years of service for whom the annuity
10 has been fixed under the foregoing Sections of this Article,
11 shall, instead of the annuity so fixed, receive an annuity as
12 follows:

13 Such amount as he could have received had the accumulated
14 amounts for annuity been improved with interest at the
15 effective rate to the date of withdrawal, or to attainment of
16 age 70, whichever is earlier, and had the county contributed to
17 such earlier date for age and service annuity the amount that
18 it would have contributed had he been under age 65, after the
19 date his annuity was fixed in accordance with this Article, and
20 assuming his annuity were computed from such accumulations as
21 of his age on such earlier date. However those employees who
22 before July 1, 1953, made additional contributions in
23 accordance with this Article, the annuity so computed under
24 this paragraph shall not exceed the annuity which would be
25 payable under the other provisions of this Section if the
26 employee concerned was credited with 20 years of service and

1 would qualify for annuity thereunder.

2 (g) Instead of the annuity provided in this or any other
3 Section of this Article, an employee having attained age 65
4 with at least 15 years of service may elect to receive a
5 minimum annual annuity for life equal to 1% of the highest
6 average annual salary for any 4 consecutive years within the
7 last 10 years of service immediately preceding retirement for
8 each year of service, plus the sum of \$25 for each year of
9 service provided that no such minimum annual annuity may be
10 greater than 60% of such highest average annual salary.

11 (h) The annuity is payable in equal monthly installments.

12 (i) If, by operation of law, a function of a governmental
13 unit, as defined by Section 20-107 of this Code, is transferred
14 in whole or in part to the county in which this Article 9 is
15 created as set forth in Section 9-101, and employees of the
16 governmental unit are transferred as a class to such county,
17 the earnings credits in the retirement system covering the
18 governmental unit which have been validated under Section
19 20-109 of this Code shall be considered in determining the
20 highest average annual salary for purposes of this Section
21 9-134.

22 (j) The annuity being paid to an employee annuitant on July
23 1, 1988, shall be increased on that date by 1% for each full
24 year that has elapsed from the date the annuity began.

25 (k) Notwithstanding anything to the contrary in this
26 Article 9, Section 20-131 shall not apply to an employee who

1 withdraws on or after January 1, 1988, but prior to attaining
2 age 55. Therefore, no employee shall be entitled to elect to
3 have the alternative formula previously set forth in Section
4 20-122 prior to the amendatory Act of 1975 apply to any
5 annuity, the payment of which commenced after January 1, 1988,
6 but prior to such employee's attainment of age 55.

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

8 (40 ILCS 5/9-160) (from Ch. 108 1/2, par. 9-160)

9 Sec. 9-160. Annuity after withdrawal while disabled. An
10 employee whose disability continues after he has received
11 ~~ordinary~~ disability benefit for the maximum period of time
12 prescribed by this Article, ~~and who withdraws before age 60~~
13 while still so disabled, is entitled to receive the annuity
14 provided from the total sum accumulated to his credit from
15 employee contributions and county contributions to be computed
16 as of his age on the date of withdrawal.

17 The annuity to which his wife shall be entitled upon his
18 death, shall be fixed on the date of his withdrawal. It shall
19 be provided on a reversionary annuity basis from the total sum
20 accumulated to his credit for widow's annuity on the date of
21 such withdrawal.

22 Upon the death of any such employee while on annuity, if
23 his service was at least 4 years after the date of his original
24 entry, and at least 2 years after the date of his latest
25 re-entry, his unmarried child or children under age 18 shall be

1 entitled to annuity specified in this Article for children of
2 an employee who retires after age 50 (age 55 for withdrawal
3 before January 1, 1988), subject to prescribed limitations on
4 total payments to a family of an employee.

5 (Source: P.A. 85-964.)

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.