



Rep. Robert Martwick

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1 AMENDMENT TO SENATE BILL 1345

2 AMENDMENT NO. _____. Amend Senate Bill 1345 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 1-160 and 15-108.2 as follows:

6 (40 ILCS 5/1-160)

7 Sec. 1-160. Provisions applicable to new hires.

8 (a) The provisions of this Section apply to a person who,
9 on or after January 1, 2011, first becomes a member or a
10 participant under any reciprocal retirement system or pension
11 fund established under this Code, other than a retirement
12 system or pension fund established under Article 2, 3, 4, 5, 6,
13 15 or 18 of this Code, notwithstanding any other provision of
14 this Code to the contrary, but do not apply to any self-managed
15 plan established under this Code, to any person with respect to
16 service as a sheriff's law enforcement employee under Article

1 7, or to any participant of the retirement plan established
2 under Section 22-101. Notwithstanding anything to the contrary
3 in this Section, for purposes of this Section, a person who
4 participated in a retirement system under Article 15 prior to
5 January 1, 2011 shall be deemed a person who first became a
6 member or participant prior to January 1, 2011 under any
7 retirement system or pension fund subject to this Section. The
8 changes made to this Section by Public Act 98-596 are a
9 clarification of existing law and are intended to be
10 retroactive to January 1, 2011 (the effective date of Public
11 Act 96-889), notwithstanding the provisions of Section 1-103.1
12 of this Code.

13 This Section does not apply to a person who first becomes a
14 noncovered employee ~~member or participant~~ under Article 14 on
15 or after the implementation date of the plan created under
16 Section 1-161 for that Article, unless that person elects under
17 subsection (b) of Section 1-161 to instead receive the benefits
18 provided under this Section and the applicable provisions of
19 that Article.

20 This Section does not apply to a person who first becomes a
21 member or participant under Article 16 on or after the
22 implementation date of the plan created under Section 1-161 for
23 that Article, unless that person elects under subsection (b) of
24 Section 1-161 to instead receive the benefits provided under
25 this Section and the applicable provisions of that Article.

26 This Section does not apply to a person who elects under

1 subsection (c-5) of Section 1-161 to receive the benefits under
2 Section 1-161.

3 This Section does not apply to a person who first becomes a
4 member or participant of an affected pension fund on or after 6
5 months after the resolution or ordinance date, as defined in
6 Section 1-162, unless that person elects under subsection (c)
7 of Section 1-162 to receive the benefits provided under this
8 Section and the applicable provisions of the Article under
9 which he or she is a member or participant.

10 (b) "Final average salary" means the average monthly (or
11 annual) salary obtained by dividing the total salary or
12 earnings calculated under the Article applicable to the member
13 or participant during the 96 consecutive months (or 8
14 consecutive years) of service within the last 120 months (or 10
15 years) of service in which the total salary or earnings
16 calculated under the applicable Article was the highest by the
17 number of months (or years) of service in that period. For the
18 purposes of a person who first becomes a member or participant
19 of any retirement system or pension fund to which this Section
20 applies on or after January 1, 2011, in this Code, "final
21 average salary" shall be substituted for the following:

22 (1) In Article 7 (except for service as sheriff's law
23 enforcement employees), "final rate of earnings".

24 (2) In Articles 8, 9, 10, 11, and 12, "highest average
25 annual salary for any 4 consecutive years within the last
26 10 years of service immediately preceding the date of

1 withdrawal".

2 (3) In Article 13, "average final salary".

3 (4) In Article 14, "final average compensation".

4 (5) In Article 17, "average salary".

5 (6) In Section 22-207, "wages or salary received by him
6 at the date of retirement or discharge".

7 (b-5) Beginning on January 1, 2011, for all purposes under
8 this Code (including without limitation the calculation of
9 benefits and employee contributions), the annual earnings,
10 salary, or wages (based on the plan year) of a member or
11 participant to whom this Section applies shall not exceed
12 \$106,800; however, that amount shall annually thereafter be
13 increased by the lesser of (i) 3% of that amount, including all
14 previous adjustments, or (ii) one-half the annual unadjusted
15 percentage increase (but not less than zero) in the consumer
16 price index-u for the 12 months ending with the September
17 preceding each November 1, including all previous adjustments.

18 For the purposes of this Section, "consumer price index-u"
19 means the index published by the Bureau of Labor Statistics of
20 the United States Department of Labor that measures the average
21 change in prices of goods and services purchased by all urban
22 consumers, United States city average, all items, 1982-84 =
23 100. The new amount resulting from each annual adjustment shall
24 be determined by the Public Pension Division of the Department
25 of Insurance and made available to the boards of the retirement
26 systems and pension funds by November 1 of each year.

1 (c) A member or participant is entitled to a retirement
2 annuity upon written application if he or she has attained age
3 67 (beginning January 1, 2015, age 65 with respect to service
4 under Article 12 of this Code that is subject to this Section)
5 and has at least 10 years of service credit and is otherwise
6 eligible under the requirements of the applicable Article.

7 A member or participant who has attained age 62 (beginning
8 January 1, 2015, age 60 with respect to service under Article
9 12 of this Code that is subject to this Section) and has at
10 least 10 years of service credit and is otherwise eligible
11 under the requirements of the applicable Article may elect to
12 receive the lower retirement annuity provided in subsection (d)
13 of this Section.

14 (c-5) A person who first becomes a member or a participant
15 under Article 8 or Article 11 of this Code on or after the
16 effective date of this amendatory Act of the 100th General
17 Assembly, notwithstanding any other provision of this Code to
18 the contrary, is entitled to a retirement annuity upon written
19 application if he or she has attained age 65 and has at least
20 10 years of service credit under Article 8 or Article 11 of
21 this Code and is otherwise eligible under the requirements of
22 Article 8 or Article 11 of this Code, whichever is applicable.

23 (d) The retirement annuity of a member or participant who
24 is retiring after attaining age 62 (beginning January 1, 2015,
25 age 60 with respect to service under Article 12 of this Code
26 that is subject to this Section) with at least 10 years of

1 service credit shall be reduced by one-half of 1% for each full
2 month that the member's age is under age 67 (beginning January
3 1, 2015, age 65 with respect to service under Article 12 of
4 this Code that is subject to this Section).

5 (d-5) The retirement annuity of a person who first becomes
6 a member or a participant under Article 8 or Article 11 of this
7 Code on or after the effective date of this amendatory Act of
8 the 100th General Assembly who is retiring at age 60 with at
9 least 10 years of service credit under Article 8 or Article 11
10 shall be reduced by one-half of 1% for each full month that the
11 member's age is under age 65.

12 (d-10) Each person who first became a member or participant
13 under Article 8 or Article 11 of this Code on or after January
14 1, 2011 and prior to the effective date of this amendatory Act
15 of the 100th General Assembly shall make an irrevocable
16 election either:

17 (i) to be eligible for the reduced retirement age
18 provided in subsections (c-5) and (d-5) of this Section,
19 the eligibility for which is conditioned upon the member or
20 participant agreeing to the increases in employee
21 contributions for age and service annuities provided in
22 subsection (a-5) of Section 8-174 of this Code (for service
23 under Article 8) or subsection (a-5) of Section 11-170 of
24 this Code (for service under Article 11); or

25 (ii) to not agree to item (i) of this subsection
26 (d-10), in which case the member or participant shall

1 continue to be subject to the retirement age provisions in
2 subsections (c) and (d) of this Section and the employee
3 contributions for age and service annuity as provided in
4 subsection (a) of Section 8-174 of this Code (for service
5 under Article 8) or subsection (a) of Section 11-170 of
6 this Code (for service under Article 11).

7 The election provided for in this subsection shall be made
8 between October 1, 2017 and November 15, 2017. A person subject
9 to this subsection who makes the required election shall remain
10 bound by that election. A person subject to this subsection who
11 fails for any reason to make the required election within the
12 time specified in this subsection shall be deemed to have made
13 the election under item (ii).

14 (e) Any retirement annuity or supplemental annuity shall be
15 subject to annual increases on the January 1 occurring either
16 on or after the attainment of age 67 (beginning January 1,
17 2015, age 65 with respect to service under Article 12 of this
18 Code that is subject to this Section and beginning on the
19 effective date of this amendatory Act of the 100th General
20 Assembly, age 65 with respect to persons who: (i) first became
21 members or participants under Article 8 or Article 11 of this
22 Code on or after the effective date of this amendatory Act of
23 the 100th General Assembly; or (ii) first became members or
24 participants under Article 8 or Article 11 of this Code on or
25 after January 1, 2011 and before the effective date of this
26 amendatory Act of the 100th General Assembly and made the

1 election under item (i) of subsection (d-10) of this Section)
2 or the first anniversary of the annuity start date, whichever
3 is later. Each annual increase shall be calculated at 3% or
4 one-half the annual unadjusted percentage increase (but not
5 less than zero) in the consumer price index-u for the 12 months
6 ending with the September preceding each November 1, whichever
7 is less, of the originally granted retirement annuity. If the
8 annual unadjusted percentage change in the consumer price
9 index-u for the 12 months ending with the September preceding
10 each November 1 is zero or there is a decrease, then the
11 annuity shall not be increased.

12 For the purposes of Section 1-103.1 of this Code, the
13 changes made to this Section by this amendatory Act of the
14 100th General Assembly are applicable without regard to whether
15 the employee was in active service on or after the effective
16 date of this amendatory Act of the 100th General Assembly.

17 (f) The initial survivor's or widow's annuity of an
18 otherwise eligible survivor or widow of a retired member or
19 participant who first became a member or participant on or
20 after January 1, 2011 shall be in the amount of 66 2/3% of the
21 retired member's or participant's retirement annuity at the
22 date of death. In the case of the death of a member or
23 participant who has not retired and who first became a member
24 or participant on or after January 1, 2011, eligibility for a
25 survivor's or widow's annuity shall be determined by the
26 applicable Article of this Code. The initial benefit shall be

1 66 2/3% of the earned annuity without a reduction due to age. A
2 child's annuity of an otherwise eligible child shall be in the
3 amount prescribed under each Article if applicable. Any
4 survivor's or widow's annuity shall be increased (1) on each
5 January 1 occurring on or after the commencement of the annuity
6 if the deceased member died while receiving a retirement
7 annuity or (2) in other cases, on each January 1 occurring
8 after the first anniversary of the commencement of the annuity.
9 Each annual increase shall be calculated at 3% or one-half the
10 annual unadjusted percentage increase (but not less than zero)
11 in the consumer price index-u for the 12 months ending with the
12 September preceding each November 1, whichever is less, of the
13 originally granted survivor's annuity. If the annual
14 unadjusted percentage change in the consumer price index-u for
15 the 12 months ending with the September preceding each November
16 1 is zero or there is a decrease, then the annuity shall not be
17 increased.

18 (g) The benefits in Section 14-110 apply only if the person
19 is a State policeman, a fire fighter in the fire protection
20 service of a department, or a security employee of the
21 Department of Corrections or the Department of Juvenile
22 Justice, as those terms are defined in subsection (b) of
23 Section 14-110. A person who meets the requirements of this
24 Section is entitled to an annuity calculated under the
25 provisions of Section 14-110, in lieu of the regular or minimum
26 retirement annuity, only if the person has withdrawn from

1 service with not less than 20 years of eligible creditable
2 service and has attained age 60, regardless of whether the
3 attainment of age 60 occurs while the person is still in
4 service.

5 (h) If a person who first becomes a member or a participant
6 of a retirement system or pension fund subject to this Section
7 on or after January 1, 2011 is receiving a retirement annuity
8 or retirement pension under that system or fund and becomes a
9 member or participant under any other system or fund created by
10 this Code and is employed on a full-time basis, except for
11 those members or participants exempted from the provisions of
12 this Section under subsection (a) of this Section, then the
13 person's retirement annuity or retirement pension under that
14 system or fund shall be suspended during that employment. Upon
15 termination of that employment, the person's retirement
16 annuity or retirement pension payments shall resume and be
17 recalculated if recalculation is provided for under the
18 applicable Article of this Code.

19 If a person who first becomes a member of a retirement
20 system or pension fund subject to this Section on or after
21 January 1, 2012 and is receiving a retirement annuity or
22 retirement pension under that system or fund and accepts on a
23 contractual basis a position to provide services to a
24 governmental entity from which he or she has retired, then that
25 person's annuity or retirement pension earned as an active
26 employee of the employer shall be suspended during that

1 contractual service. A person receiving an annuity or
2 retirement pension under this Code shall notify the pension
3 fund or retirement system from which he or she is receiving an
4 annuity or retirement pension, as well as his or her
5 contractual employer, of his or her retirement status before
6 accepting contractual employment. A person who fails to submit
7 such notification shall be guilty of a Class A misdemeanor and
8 required to pay a fine of \$1,000. Upon termination of that
9 contractual employment, the person's retirement annuity or
10 retirement pension payments shall resume and, if appropriate,
11 be recalculated under the applicable provisions of this Code.

12 (i) (Blank).

13 (j) In the case of a conflict between the provisions of
14 this Section and any other provision of this Code, the
15 provisions of this Section shall control.

16 (Source: P.A. 100-23, eff. 7-6-17; 100-201, eff. 8-18-17.)

17 (40 ILCS 5/15-108.2)

18 Sec. 15-108.2. Tier 2 member. "Tier 2 member": A person who
19 first becomes a participant under this Article on or after
20 January 1, 2011 and before the implementation date, as defined
21 under subsection (a) of Section 1-161, determined by the Board
22 ~~6 months after the effective date of this amendatory Act of the~~
23 ~~100th General Assembly~~, other than a person in the self-managed
24 plan established under Section 15-158.2 or a person who makes
25 the election under subsection (c) of Section 1-161, unless the

1 person is otherwise a Tier 1 member. The changes made to this
2 Section by this amendatory Act of the 98th General Assembly are
3 a correction of existing law and are intended to be retroactive
4 to the effective date of Public Act 96-889, notwithstanding the
5 provisions of Section 1-103.1 of this Code.

6 (Source: P.A. 100-23, eff. 7-6-17.)

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