



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB4588

Introduced 2/5/2020, by Rep. Margo McDermed

SYNOPSIS AS INTRODUCED:

40 ILCS 5/16-121.5 new

Amends the Downstate Teacher Article of the Illinois Pension Code. Provides that "gainful employment" means employment from which a member realizes earned income, as that term is defined in a provision of the Internal Revenue Code, in excess of \$20,000 in any calendar year, unreduced by contributions to a tax-deferred retirement plan account authorized by the Internal Revenue Code, or the pro rata share of \$20,000 if less than a calendar year, while in receipt of a disability or occupational disability benefit. Provides that the \$20,000 referred to in the definition of "gainful employment" shall be increased on each January 1 by the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u. Effective immediately.

LRB101 18379 RPS 67826 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

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 adding
5 Section 16-121.5 as follows:

6 (40 ILCS 5/16-121.5 new)

7 Sec. 16-121.5. Gainful employment. "Gainful employment":
8 Employment from which a member realizes earned income, as that
9 term is defined in Section 32(c)(2) of the Internal Revenue
10 Code, in excess of \$20,000 in any calendar year, unreduced by
11 contributions to a tax-deferred retirement plan account
12 authorized by the Internal Revenue Code, or the pro rata share
13 of \$20,000 if less than a calendar year, while in receipt of a
14 disability or occupational disability benefit. However, the
15 \$20,000 referred to in this definition shall be increased on
16 each January 1 by the annual unadjusted percentage increase
17 (but not less than zero) in the consumer price index-u for the
18 12 months ending with the preceding September; these
19 adjustments shall be cumulative and compounded.

20 For the purposes of this definition, "consumer price
21 index-u" means the index published by the Bureau of Labor
22 Statistics of the United States Department of Labor that
23 measures the average change in prices of goods and services

1 purchased by all urban consumers, United States city average,
2 all items, 1982-84 = 100. The new dollar amount resulting from
3 each annual adjustment shall be determined by the Public
4 Pension Division of the Department of Insurance and made
5 available to the System by November 1 of each year.

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