



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

**HB4594**

Introduced 2/5/2020, by Rep. Deanne M. Mazzochi

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/14-103.05	from Ch. 108 1/2, par. 14-103.05
40 ILCS 5/15-134	from Ch. 108 1/2, par. 15-134
40 ILCS 5/16-123	from Ch. 108 1/2, par. 16-123

Amends the State Employees, State Universities, and Downstate Teachers Articles of the Illinois Pension Code. Provides that a person who first becomes an employee after the effective date of the amendatory Act is not required to participate in the System as a condition of employment. Provides that an employee may elect not to participate in the System by notifying the System in writing no later than 30 days after first becoming an employee. Effective immediately.

LRB101 13341 RPS 62184 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 changing  
5 Sections 14-103.05, 15-134, and 16-123 as follows:

6 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)  
7 Sec. 14-103.05. Employee.

8 (a) Except as provided in subsection (e), any ~~Any~~ person  
9 employed by a Department who receives salary for personal  
10 services rendered to the Department on a warrant issued  
11 pursuant to a payroll voucher certified by a Department and  
12 drawn by the State Comptroller upon the State Treasurer,  
13 including an elected official described in subparagraph (d) of  
14 Section 14-104, shall become an employee for purpose of  
15 membership in the Retirement System on the first day of such  
16 employment.

17 A person entering service on or after January 1, 1972 and  
18 prior to January 1, 1984 shall become a member as a condition  
19 of employment and shall begin making contributions as of the  
20 first day of employment.

21 A person entering service on or after January 1, 1984  
22 shall, upon completion of 6 months of continuous service which  
23 is not interrupted by a break of more than 2 months, become a

1 member as a condition of employment. Contributions shall begin  
2 the first of the month after completion of the qualifying  
3 period.

4 A person employed by the Chicago Metropolitan Agency for  
5 Planning on the effective date of this amendatory Act of the  
6 95th General Assembly who was a member of this System as an  
7 employee of the Chicago Area Transportation Study and makes an  
8 election under Section 14-104.13 to participate in this System  
9 for his or her employment with the Chicago Metropolitan Agency  
10 for Planning.

11 The qualifying period of 6 months of service is not  
12 applicable to: (1) a person who has been granted credit for  
13 service in a position covered by the State Universities  
14 Retirement System, the Teachers' Retirement System of the State  
15 of Illinois, the General Assembly Retirement System, or the  
16 Judges Retirement System of Illinois unless that service has  
17 been forfeited under the laws of those systems; (2) a person  
18 entering service on or after July 1, 1991 in a noncovered  
19 position; (3) a person to whom Section 14-108.2a or 14-108.2b  
20 applies; or (4) a person to whom subsection (a-5) of this  
21 Section applies.

22 (a-5) Except as provided in subsection (e), a ~~A~~ person  
23 entering service on or after December 1, 2010 and before the  
24 effective date of this amendatory Act of the 101st General  
25 Assembly shall become a member as a condition of employment and  
26 shall begin making contributions as of the first day of

1 employment. A person serving in the qualifying period on  
2 December 1, 2010 will become a member on December 1, 2010 and  
3 shall begin making contributions as of December 1, 2010.

4 (b) The term "employee" does not include the following:

5 (1) members of the State Legislature, and persons  
6 electing to become members of the General Assembly  
7 Retirement System pursuant to Section 2-105;

8 (2) incumbents of offices normally filled by vote of  
9 the people;

10 (3) except as otherwise provided in this Section, any  
11 person appointed by the Governor with the advice and  
12 consent of the Senate unless that person elects to  
13 participate in this system;

14 (3.1) any person serving as a commissioner of an ethics  
15 commission created under the State Officials and Employees  
16 Ethics Act unless that person elects to participate in this  
17 system with respect to that service as a commissioner;

18 (3.2) any person serving as a part-time employee in any  
19 of the following positions: Legislative Inspector General,  
20 Special Legislative Inspector General, employee of the  
21 Office of the Legislative Inspector General, Executive  
22 Director of the Legislative Ethics Commission, or staff of  
23 the Legislative Ethics Commission, regardless of whether  
24 he or she is in active service on or after July 8, 2004  
25 (the effective date of Public Act 93-685), unless that  
26 person elects to participate in this System with respect to

1 that service; in this item (3.2), a "part-time employee" is  
2 a person who is not required to work at least 35 hours per  
3 week;

4 (3.3) any person who has made an election under Section  
5 1-123 and who is serving either as legal counsel in the  
6 Office of the Governor or as Chief Deputy Attorney General;

7 (4) except as provided in Section 14-108.2 or  
8 14-108.2c, any person who is covered or eligible to be  
9 covered by the Teachers' Retirement System of the State of  
10 Illinois, the State Universities Retirement System, or the  
11 Judges Retirement System of Illinois;

12 (5) an employee of a municipality or any other  
13 political subdivision of the State;

14 (6) any person who becomes an employee after June 30,  
15 1979 as a public service employment program participant  
16 under the Federal Comprehensive Employment and Training  
17 Act and whose wages or fringe benefits are paid in whole or  
18 in part by funds provided under such Act;

19 (7) enrollees of the Illinois Young Adult Conservation  
20 Corps program, administered by the Department of Natural  
21 Resources, authorized grantee pursuant to Title VIII of the  
22 "Comprehensive Employment and Training Act of 1973", 29 USC  
23 993, as now or hereafter amended;

24 (8) enrollees and temporary staff of programs  
25 administered by the Department of Natural Resources under  
26 the Youth Conservation Corps Act of 1970;

1           (9) any person who is a member of any professional  
2           licensing or disciplinary board created under an Act  
3           administered by the Department of Professional Regulation  
4           or a successor agency or created or re-created after the  
5           effective date of this amendatory Act of 1997, and who  
6           receives per diem compensation rather than a salary,  
7           notwithstanding that such per diem compensation is paid by  
8           warrant issued pursuant to a payroll voucher; such persons  
9           have never been included in the membership of this System,  
10          and this amendatory Act of 1987 (P.A. 84-1472) is not  
11          intended to effect any change in the status of such  
12          persons;

13          (10) any person who is a member of the Illinois Health  
14          Care Cost Containment Council, and receives per diem  
15          compensation rather than a salary, notwithstanding that  
16          such per diem compensation is paid by warrant issued  
17          pursuant to a payroll voucher; such persons have never been  
18          included in the membership of this System, and this  
19          amendatory Act of 1987 is not intended to effect any change  
20          in the status of such persons;

21          (11) any person who is a member of the Oil and Gas  
22          Board created by Section 1.2 of the Illinois Oil and Gas  
23          Act, and receives per diem compensation rather than a  
24          salary, notwithstanding that such per diem compensation is  
25          paid by warrant issued pursuant to a payroll voucher;

26          (12) a person employed by the State Board of Higher

1 Education in a position with the Illinois Century Network  
2 as of June 30, 2004, who remains continuously employed  
3 after that date by the Department of Central Management  
4 Services in a position with the Illinois Century Network  
5 and participates in the Article 15 system with respect to  
6 that employment;

7 (13) any person who first becomes a member of the Civil  
8 Service Commission on or after January 1, 2012;

9 (14) any person, other than the Director of Employment  
10 Security, who first becomes a member of the Board of Review  
11 of the Department of Employment Security on or after  
12 January 1, 2012;

13 (15) any person who first becomes a member of the Civil  
14 Service Commission on or after January 1, 2012;

15 (16) any person who first becomes a member of the  
16 Illinois Liquor Control Commission on or after January 1,  
17 2012;

18 (17) any person who first becomes a member of the  
19 Secretary of State Merit Commission on or after January 1,  
20 2012;

21 (18) any person who first becomes a member of the Human  
22 Rights Commission on or after January 1, 2012 unless he or  
23 she is eligible to participate in accordance with  
24 subsection (d) of this Section;

25 (19) any person who first becomes a member of the State  
26 Mining Board on or after January 1, 2012;

1           (20) any person who first becomes a member of the  
2           Property Tax Appeal Board on or after January 1, 2012;

3           (21) any person who first becomes a member of the  
4           Illinois Racing Board on or after January 1, 2012;

5           (22) any person who first becomes a member of the  
6           Department of State Police Merit Board on or after January  
7           1, 2012;

8           (23) any person who first becomes a member of the  
9           Illinois State Toll Highway Authority on or after January  
10          1, 2012; or

11          (24) any person who first becomes a member of the  
12          Illinois State Board of Elections on or after January 1,  
13          2012.

14          (c) An individual who represents or is employed as an  
15          officer or employee of a statewide labor organization that  
16          represents members of this System may participate in the System  
17          and shall be deemed an employee, provided that (1) the  
18          individual has previously earned creditable service under this  
19          Article, (2) the individual files with the System an  
20          irrevocable election to become a participant within 6 months  
21          after the effective date of this amendatory Act of the 94th  
22          General Assembly, and (3) the individual does not receive  
23          credit for that employment under any other provisions of this  
24          Code. An employee under this subsection (c) is responsible for  
25          paying to the System both (i) employee contributions based on  
26          the actual compensation received for service with the labor



1 organization and (ii) employer contributions based on the  
2 percentage of payroll certified by the board; all or any part  
3 of these contributions may be paid on the employee's behalf or  
4 picked up for tax purposes (if authorized under federal law) by  
5 the labor organization.

6 A person who is an employee as defined in this subsection  
7 (c) may establish service credit for similar employment prior  
8 to becoming an employee under this subsection by paying to the  
9 System for that employment the contributions specified in this  
10 subsection, plus interest at the effective rate from the date  
11 of service to the date of payment. However, credit shall not be  
12 granted under this subsection (c) for any such prior employment  
13 for which the applicant received credit under any other  
14 provision of this Code or during which the applicant was on a  
15 leave of absence.

16 (d) A person appointed as a member of the Human Rights  
17 Commission on or after June 1, 2019 may elect to participate in  
18 the System and shall be deemed an employee. Service and  
19 contributions shall begin on the first payroll period  
20 immediately following the employee's election to participate  
21 in the System.

22 A person who is an employee as described in this subsection  
23 (d) may establish service credit for employment as a Human  
24 Rights Commissioner that occurred on or after June 1, 2019 and  
25 before establishing service under this subsection by paying to  
26 the System for that employment the contributions specified in

1 paragraph (1) of subsection (a) of Section 14-133, plus regular  
2 interest from the date of service to the date of payment.

3 (e) Notwithstanding any other provision of this Article, a  
4 person who first becomes an employee after the effective date  
5 of this amendatory Act of the 101st General Assembly is not  
6 required, as a condition of employment or otherwise, to  
7 participate in this System. An employee may elect not to  
8 participate in this System by notifying the System in writing  
9 no later than 30 days after first becoming an employee.

10 (Source: P.A. 101-10, eff. 6-5-19.)

11 (40 ILCS 5/15-134) (from Ch. 108 1/2, par. 15-134)

12 Sec. 15-134. Participant.

13 (a) Except as provided in subsection (a-5), each ~~Each~~  
14 person shall, as a condition of employment, become a  
15 participant and be subject to this Article on the date that he  
16 or she becomes an employee, makes an election to participate  
17 in, or otherwise becomes a participant in one of the retirement  
18 programs offered under this Article, whichever date is later.

19 An employee who becomes a participant shall continue to be  
20 a participant until he or she becomes an annuitant, dies or  
21 accepts a refund of contributions.

22 (a-5) Notwithstanding any other provision of this Article,  
23 a person who first becomes an employee after the effective date  
24 of this amendatory Act of the 101st General Assembly is not  
25 required, as a condition of employment or otherwise, to

1 participate in this System. An employee may elect not to  
2 participate in this System by notifying the System in writing  
3 no later than 30 days after first becoming an employee.

4 (b) A person employed concurrently by 2 or more employers  
5 is eligible to participate in the system on compensation  
6 received from all employers.

7 (Source: P.A. 98-92, eff. 7-16-13.)

8 (40 ILCS 5/16-123) (from Ch. 108 1/2, par. 16-123)

9 Sec. 16-123. Membership of System.

10 (a) Except as provided in subsection (c), the ~~The~~  
11 membership of this System shall be composed of all teachers  
12 employed after June 30, 1939 who become members as a condition  
13 of employment on the date they become teachers. Membership  
14 shall continue until the date a member becomes an annuitant,  
15 dies, accepts a single-sum retirement benefit, accepts a  
16 refund, or forfeits the rights to a refund.

17 (b) This Article does not apply to any person first  
18 employed after June 30, 1979 as a public service employment  
19 program participant under the Federal Comprehensive Employment  
20 and Training Act and whose wages or fringe benefits are paid in  
21 whole or in part by funds provided under such Act.

22 (c) Notwithstanding any other provision of this Article, a  
23 person who first becomes a teacher after the effective date of  
24 this amendatory Act of the 101st General Assembly is not  
25 required, as a condition of employment or otherwise, to

1 participate in this System. A teacher may elect not to  
2 participate in this System by notifying the System in writing  
3 no later than 30 days after first becoming a teacher.

4 (Source: P.A. 87-11.)

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