LRB101 20716 RPS 70389 b

101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB3810

Introduced 2/14/2020, by Sen. Robert F. Martwick

SYNOPSIS AS INTRODUCED:

40 ILCS 5/15-134.1 from Ch. 108 1/2, par. 15-134.1
40 ILCS 5/15-198

Amends the State Universities Article of the Illinois Pension Code. Provides that in computing service, one month of service means a calendar month during which a participant qualifies as an employee for at least 12 (instead of 15) or more days and receives any earnings as an employee. Provides that any benefit increase that results from the amendatory Act is excluded from the definition of "new benefit increase".

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FISCAL NOTE ACT MAY APPLY

PENSION IMPACT NOTE ACT MAY APPLY

A BILL FOR

AN ACT concerning public employee benefits.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The Illinois Pension Code is amended by changing Sections 15-134.1 and 15-198 as follows:

(40 ILCS 5/15-134.1) (from Ch. 108 1/2, par. 15-134.1)

Sec. 15-134.1. Service calculation and adjustment.

(a) In computing service, the following schedule shall govern: one month of service means a calendar month during which a participant (i) qualifies as an employee under Section 15-107 for at least <u>12</u> ~~15~~ or more days, and (ii) receives any earnings as an employee; 8 or more months of service during an academic year shall constitute a year of service; 6 or more but less than 8 months of service during an academic year shall constitute 3/4 of a year of service; 3 or more but less than 6 months of service during an academic year shall constitute 1/2 of a year of service; and one or more but less than 3 months of service during an academic year shall constitute 1/4 of a year of service. No more than one year of service may be granted per academic year, regardless of the number of hours or percentage of time worked.

(b) In calculating a retirement annuity, if a participant has been employed at 1/2 time or less for 3 or more years after

September 1, 1959, service shall be granted for such employment in excess of 3 years, in the proportion that the percentage of time employed for each such year of employment bears to the average annual percentage of time employed during the period on which the final rate of earnings is based. This adjustment shall not be made, however, in determining the eligibility for a retirement annuity, disability benefits, additional death benefits, or survivors' insurance. The percentage of time employed shall be as reported by the employer.

(Source: P.A. 87-8.)

(40 ILCS 5/15-198)

Sec. 15-198. Application and expiration of new benefit increases.

(a) As used in this Section, "new benefit increase" means an increase in the amount of any benefit provided under this Article, or an expansion of the conditions of eligibility for any benefit under this Article, that results from an amendment to this Code that takes effect after June 1, 2005 (the effective date of Public Act 94-4). "New benefit increase", however, does not include any benefit increase resulting from the changes made to Article 1 or this Article by Public Act 100-23, Public Act 100-587, Public Act 100-769, Public Act 101-10, Public Act 101-610, or this amendatory Act of the 101st General Assembly ~~or this amendatory Act of the 101st General Assembly~~.

(b) Notwithstanding any other provision of this Code or any subsequent amendment to this Code, every new benefit increase is subject to this Section and shall be deemed to be granted only in conformance with and contingent upon compliance with the provisions of this Section.

(c) The Public Act enacting a new benefit increase must identify and provide for payment to the System of additional funding at least sufficient to fund the resulting annual increase in cost to the System as it accrues.

Every new benefit increase is contingent upon the General Assembly providing the additional funding required under this subsection. The Commission on Government Forecasting and Accountability shall analyze whether adequate additional funding has been provided for the new benefit increase and shall report its analysis to the Public Pension Division of the Department of Insurance. A new benefit increase created by a Public Act that does not include the additional funding required under this subsection is null and void. If the Public Pension Division determines that the additional funding provided for a new benefit increase under this subsection is or has become inadequate, it may so certify to the Governor and the State Comptroller and, in the absence of corrective action by the General Assembly, the new benefit increase shall expire at the end of the fiscal year in which the certification is made.

(d) Every new benefit increase shall expire 5 years after its effective date or on such earlier date as may be specified in the language enacting the new benefit increase or provided under subsection (c). This does not prevent the General Assembly from extending or re-creating a new benefit increase by law.

(e) Except as otherwise provided in the language creating the new benefit increase, a new benefit increase that expires under this Section continues to apply to persons who applied and qualified for the affected benefit while the new benefit increase was in effect and to the affected beneficiaries and alternate payees of such persons, but does not apply to any other person, including, without limitation, a person who continues in service after the expiration date and did not apply and qualify for the affected benefit while the new benefit increase was in effect.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-769, eff. 8-10-18; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; 101-610, eff. 1-1-20.)