



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB4196

Introduced 10/27/2021, by Rep. Michael J. Zalewski

SYNOPSIS AS INTRODUCED:

See Index

Amends the Chicago Laborer Article of the Illinois Pension Code. For Tier 1 participants: provides that if the minimum annuity applies and is greater than the annuity provided under the annuity after withdrawal while disabled provisions, then the minimum annuity shall apply; provides that the annuity for withdrawal while disabled shall be subject to automatic annual increases; provides that if the minimum widow's annuity applies and is greater than the spouse's annuity under the annuity after withdrawal while disabled provisions, then the minimum widow's annuity shall apply; and provides that any widow's annuity shall not be subject to any automatic annual increases. For Tier 2 participants: provides that an employee whose disability continues after the employee has received ordinary disability benefits for the maximum period of time and who withdraws before becoming eligible for a retirement annuity while still so disabled is entitled to receive an annuity in such amount as can be provided from the total sum accumulated to the employee's credit from employee and employer contributions, to be computed as of the employee's age on the date of withdrawal; provides that the annuity shall not be subject to any automatic annual increases and that the minimum annuity shall not apply; provides that the annuity to which the employee's spouse shall be entitled upon the employee's death shall be fixed on the date of the employee's withdrawal and shall be provided on a reversionary annuity basis; and provides that the annuity shall not be subject to any automatic annual increases and that the minimum widow's annuity shall not apply. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB102 19596 RPS 28364 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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
5 changing Section 11-159 and by adding Section 11-159.1 as
6 follows:

7 (40 ILCS 5/11-159) (from Ch. 108 1/2, par. 11-159)

8 Sec. 11-159. Annuity after withdrawal while disabled for
9 employees who first became participants prior to January 1,
10 2011.

11 (a) This Section applies to employees who first became
12 participants prior to January 1, 2011.

13 (b) An employee whose disability continues after the
14 employee ~~he~~ has received ordinary disability benefits ~~benefit~~
15 for the maximum period of time prescribed by this Article~~7~~ and
16 ~~who~~ withdraws before age 60 while still so disabled~~7~~ is
17 entitled to receive an annuity in ~~of~~ such amount as can be
18 provided from the total sum accumulated to the employee's ~~his~~
19 credit from employee contributions and employer ~~city~~
20 contributions, to be computed as of the employee's ~~his~~ age on
21 the date of withdrawal. If the minimum annuity under Section
22 11-134 applies and is greater than the annuity under this
23 subsection (b), then the Section 11-134 annuity shall apply.

1 Any annuity under this subsection (b) shall be subject to
2 automatic annual increases under Section 11-134.1.

3 (c) The annuity to which the employee's spouse ~~his wife~~
4 shall be entitled upon the employee's ~~his~~ death, shall be
5 fixed on the date of the employee's ~~his~~ withdrawal. It shall be
6 provided on a reversionary annuity basis from the total sum
7 accumulated to the employee's ~~his~~ credit for widow's annuity
8 on the date of such withdrawal. If the minimum annuity under
9 Section 11-145.1 applies and is greater than the annuity under
10 this subsection (c), then the Section 11-145.1 annuity shall
11 apply. Any widow's annuity shall not be subject to any
12 automatic annual increases.

13 (d) Upon the death of any such employee while on annuity,
14 if the employee's ~~his~~ service was at least 4 years after the
15 date of the employee's ~~his~~ original entry, and at least 2 years
16 after the date of the employee's ~~his~~ latest re-entry, the
17 employee's ~~his~~ unmarried ~~child or~~ children under age 18 shall
18 be entitled to an annuity as specified in this Article for
19 children of an employee who retires after age 55, subject to
20 prescribed limitations on total payments to a family of an
21 employee.

22 (Source: P.A. 81-1536.)

23 (40 ILCS 5/11-159.1 new)

24 Sec. 11-159.1. Annuity after withdrawal while disabled for
25 employees who first became participants on or after January 1,

1 2011.

2 (a) This Section applies to employees who first became
3 participants on or after January 1, 2011.

4 (b) An employee whose disability continues after the
5 employee has received ordinary disability benefits for the
6 maximum period of time prescribed by this Article and who
7 withdraws before becoming eligible for a retirement annuity
8 under subsection (c), (c-5), (d), or (d-5) of Section 1-160
9 while still so disabled is entitled to receive an annuity in
10 such amount as can be provided from the total sum accumulated
11 to the employee's credit from employee contributions and
12 employer contributions, to be computed as of the employee's
13 age on the date of withdrawal. The minimum annuity under
14 Section 11-134 shall not apply, and any annuity under this
15 subsection (b) shall not be subject to any automatic annual
16 increases.

17 (c) The annuity to which the employee's spouse shall be
18 entitled upon the employee's death shall be fixed on the date
19 of the employee's withdrawal. It shall be provided on a
20 reversionary annuity basis from the total sum accumulated to
21 the employee's credit for widow's annuity on the date of such
22 withdrawal. The minimum annuity under Section 11-145.1 shall
23 not apply and any widow's annuity under this subsection (c)
24 shall not be subject to any automatic annual increases.

25 (d) Upon the death of any such employee while on annuity,
26 if the employee's service was at least 4 years after the date

1 of the employee's original entry, and at least 2 years after
2 the date of the employee's latest re-entry, the employee's
3 unmarried children under age 18 shall be entitled to an
4 annuity as specified in this Article for children of an
5 employee who retires after age 55, subject to prescribed
6 limitations on total payments to a family of an employee.

7 Section 90. The State Mandates Act is amended by adding
8 Section 8.45 as follows:

9 (30 ILCS 805/8.45 new)

10 Sec. 8.45. Exempt mandate. Notwithstanding Sections 6 and
11 8 of this Act, no reimbursement by the State is required for
12 the implementation of any mandate created by this amendatory
13 Act of the 102nd General Assembly.

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 40 ILCS 5/11-159 from Ch. 108 1/2, par. 11-159

4 40 ILCS 5/11-159.1 new

5 30 ILCS 805/8.45 new