



Sen. Donald P. DeWitte

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10200SB1430sam001

LRB102 11208 RPS 24493 a

1 AMENDMENT TO SENATE BILL 1430

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1430 by replacing  
3 everything after the enacting clause with the following:

4 "Section 1. This Act may be referred to as the Local  
5 Pension Modernization Act.

6 Section 5. The Illinois Pension Code is amended by adding  
7 Section 7-101.5 as follows:

8 (40 ILCS 5/7-101.5 new)

9 Sec. 7-101.5. Alternative retirement plan; local control  
10 of benefits.

11 (a) The governing body of a municipality or  
12 instrumentality may, at any time on or after the effective  
13 date of this amendatory Act of the 102nd General Assembly,  
14 provide by ordinance or resolution, whichever is applicable,  
15 for an alternative retirement plan, either in addition to or

1 in lieu of the existing plan under this Article, for its  
2 eligible new employees. The alternative retirement plan shall  
3 apply only to persons who have not participated in the  
4 existing plan under this Article.

5 (b) The alternative retirement plan may include a  
6 defined-benefit component, a defined-contribution component,  
7 or both, and may, but is not required to, include disability or  
8 survivor benefits and any other provisions or benefits that  
9 are permitted under federal law. The alternative retirement  
10 plan is not required to provide any minimum level of benefits  
11 and need not provide any benefits at all, other than mandatory  
12 Social Security coverage if applicable.

13 (c) Service credit received under an alternative  
14 retirement plan may not be transferred to any other pension  
15 fund or retirement system and may not be used under the  
16 Retirement Systems Reciprocal Act.

17 (d) Providing an alternative retirement plan does not  
18 release the municipality or instrumentality from the  
19 obligation of continuing to participate under this Article  
20 with regard to participants in the existing retirement plan.  
21 In no event may the municipality or instrumentality in any way  
22 diminish or impair the rights or benefits of participants in  
23 the existing retirement plan.

24 (e) Persons participating in an alternative retirement  
25 plan under this Section shall be deemed to be members of the  
26 Fund who participate in an alternative retirement plan and

1 shall remain subject to the provisions of the Agreement with  
2 the State Agency, as provided in Section 7-170, for Social  
3 Security purposes to the extent permitted under federal law.  
4 Notwithstanding any provision of this Article to the contrary,  
5 the alternative retirement plan need not comply with any other  
6 mandatory provision of the existing retirement plan."