



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB2106

Introduced 2/26/2021, by Sen. Robert F. Martwick

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Pension Code. In the General Assembly, State Employee, and Judges Articles, provides that certain survivors' and widows' annuities shall become payable on a specified date or December 1 of the calendar year in which the deceased spouse would have attained age 72 (instead of 70 1/2), whichever occurs last. In the Illinois Municipal Retirement Fund (IMRF) Article, provides that retirement annuities shall be payable upon attainment of the required age of distribution under a specified provision of the Internal Revenue Code of 1986 (instead of age 70 1/2). In the State Universities Article, provides that if a participant is not an employee of an employer participating in the System or in a reciprocal system on April 1 of the calendar year next following the calendar year in which the participant attains the age specified under a provision of the Internal Revenue Code of 1986 (instead of the age of 70 1/2), the annuity payment period shall begin on that date. In a provision of the Downstate Teacher Article concerning the required distribution of monthly survivor benefits for certain persons, provides that the distribution shall become payable on certain dates or December 1 of the calendar year in which the deceased member or annuitant would have attained age 72 (instead of 70 1/2), whichever occurs latest. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB102 12565 RPS 17903 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 Sections 2-121.3, 7-141, 14-121.1, 15-135, 16-142.3,
6 and 18-128.3 as follows:

7 (40 ILCS 5/2-121.3) (from Ch. 108 1/2, par. 2-121.3)

8 Sec. 2-121.3. Required distributions. (a) A person who
9 would be eligible to receive a survivor's annuity under this
10 Article but for the fact that the person has not yet attained
11 age 50, shall be eligible for a monthly distribution under
12 this subsection (a), provided that the payment of such
13 distribution is required by federal law.

14 The distribution shall become payable on (i) July 1, 1987,
15 (ii) December 1 of the calendar year immediately following the
16 calendar year in which the deceased spouse died, or (iii)
17 December 1 of the calendar year in which the deceased spouse
18 would have attained age 72 ~~70-1/2~~, whichever occurs last, and
19 shall remain payable until the first of the following to
20 occur: (1) the person becomes eligible to receive a survivor's
21 annuity under this Article; (2) the end of the month in which
22 the person ceases to be eligible to receive a survivor's
23 annuity upon attainment of age 50, due to remarriage or death;

1 or (3) the end of the month in which such distribution ceases
2 to be required by federal law.

3 The amount of the distribution shall be fixed at the time
4 the distribution first becomes payable, and shall be
5 calculated in the same manner as a survivor's annuity under
6 Sections 2-121, 2-121.1 and 2-121.2, but excluding: (A) any
7 requirement for an application for the distribution; (B) any
8 automatic annual increases, supplemental increases, or
9 one-time increases that may be provided by law for survivor's
10 annuities; and (C) any lump-sum or death benefit.

11 (b) For the purpose of this Section, a distribution shall
12 be deemed to be required by federal law if: (1) directly
13 mandated by federal statute, rule, or administrative or court
14 decision; or (2) indirectly mandated through imposition of
15 substantial tax or other penalties for noncompliance.

16 (c) Notwithstanding Section 1-103.1 of this Code, a member
17 need not be in service on or after the effective date of this
18 amendatory Act of 1989 for the member's surviving spouse to be
19 eligible for a distribution under this Section.

20 (Source: P.A. 86-273.)

21 (40 ILCS 5/7-141) (from Ch. 108 1/2, par. 7-141)

22 Sec. 7-141. Retirement annuities - Conditions. Retirement
23 annuities shall be payable as hereinafter set forth:

24 (a) A participating employee who, regardless of cause, is
25 separated from the service of all participating municipalities

1 and instrumentalities thereof and participating
2 instrumentalities shall be entitled to a retirement annuity
3 provided:

4 1. He is at least age 55, or in the case of a person
5 who is eligible to have his annuity calculated under
6 Section 7-142.1, he is at least age 50;

7 2. He is not entitled to receive earnings for
8 employment in a position requiring him, or entitling him
9 to elect, to be a participating employee;

10 3. The amount of his annuity, before the application
11 of paragraph (b) of Section 7-142 is at least \$10 per
12 month;

13 4. If he first became a participating employee after
14 December 31, 1961, he has at least 8 years of service. This
15 service requirement shall not apply to any participating
16 employee, regardless of participation date, if the General
17 Assembly terminates the Fund.

18 (b) Retirement annuities shall be payable:

19 1. As provided in Section 7-119;

20 2. Except as provided in item 3, upon receipt by the
21 fund of a written application. The effective date may be
22 not more than one year prior to the date of the receipt by
23 the fund of the application;

24 3. Upon attainment of the required age of distribution
25 under Section 401(a)(9) of the Internal Revenue Code of
26 1986, as amended, age 70 1/2 if the member (i) is no longer

1 in service, and (ii) is otherwise entitled to an annuity
2 under this Article;

3 4. To the beneficiary of the deceased annuitant for
4 the unpaid amount accrued to date of death, if any.

5 (Source: P.A. 97-328, eff. 8-12-11; 97-609, eff. 1-1-12.)

6 (40 ILCS 5/14-121.1) (from Ch. 108 1/2, par. 14-121.1)

7 Sec. 14-121.1. Required distributions. (a) A person who
8 would be eligible to receive a widow's or survivor's annuity
9 under this Article but for the fact that the person has not yet
10 attained age 50, shall be eligible for a monthly distribution
11 under this subsection (a), provided that the payment of such
12 distribution is required by federal law.

13 The distribution shall become payable on (i) July 1, 1987,
14 (ii) December 1 of the calendar year immediately following the
15 calendar year in which the deceased spouse died, or (iii)
16 December 1 of the calendar year in which the deceased spouse
17 would have attained age 72 ~~70 1/2~~, whichever occurs last, and
18 shall remain payable until the first of the following to
19 occur: (1) the person becomes eligible to receive a widow's or
20 survivor's annuity under this Article; (2) the end of the
21 month in which the person ceases to be eligible to receive a
22 widow's or survivor's annuity upon attainment of age 50, due
23 to remarriage or death; or (3) the end of the month in which
24 such distribution ceases to be required by federal law.

25 The amount of the distribution shall be fixed at the time

1 the distribution first becomes payable, and shall be
2 calculated in the same manner as a survivor's annuity under
3 Sections 14-120, 14-121 and 14-122 (or, in the case of a person
4 who has elected to receive a widow's annuity instead of a
5 survivor's annuity, in the same manner as the widow's annuity
6 under Sections 14-118 and 14-119), but excluding: (A) any
7 requirement for an application for the distribution; (B) any
8 automatic annual increases, supplemental increases, or
9 one-time increases that may be provided by law for survivor's
10 or widow's annuities; and (C) any lump-sum or death benefit.

11 (b) For the purpose of this Section, a distribution shall
12 be deemed to be required by federal law if: (1) directly
13 mandated by federal statute, rule, or administrative or court
14 decision; or (2) indirectly mandated through imposition of
15 substantial tax or other penalties for noncompliance.

16 (c) Notwithstanding Section 1-103.1 of this Code, a member
17 need not be in service on or after the effective date of this
18 amendatory Act of 1989 for the member's surviving spouse to be
19 eligible for a distribution under this Section.

20 (Source: P.A. 86-273.)

21 (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)

22 Sec. 15-135. Retirement annuities - Conditions.

23 (a) This subsection (a) applies only to a Tier 1 member. A
24 participant who retires in one of the following specified
25 years with the specified amount of service is entitled to a

1 retirement annuity at any age under the retirement program
2 applicable to the participant:

3 35 years if retirement is in 1997 or before;

4 34 years if retirement is in 1998;

5 33 years if retirement is in 1999;

6 32 years if retirement is in 2000;

7 31 years if retirement is in 2001;

8 30 years if retirement is in 2002 or later.

9 A participant with 8 or more years of service after
10 September 1, 1941, is entitled to a retirement annuity on or
11 after attainment of age 55.

12 A participant with at least 5 but less than 8 years of
13 service after September 1, 1941, is entitled to a retirement
14 annuity on or after attainment of age 62.

15 A participant who has at least 25 years of service in this
16 system as a police officer or firefighter is entitled to a
17 retirement annuity on or after the attainment of age 50, if
18 Rule 4 of Section 15-136 is applicable to the participant.

19 (a-5) A Tier 2 member is entitled to a retirement annuity
20 upon written application if he or she has attained age 67 and
21 has at least 10 years of service credit and is otherwise
22 eligible under the requirements of this Article. A Tier 2
23 member who has attained age 62 and has at least 10 years of
24 service credit and is otherwise eligible under the
25 requirements of this Article may elect to receive the lower
26 retirement annuity provided in subsection (b-5) of Section

1 15-136 of this Article.

2 (a-10) A Tier 2 member who has at least 20 years of service
3 in this system as a police officer or firefighter is entitled
4 to a retirement annuity upon written application on or after
5 the attainment of age 60 if Rule 4 of Section 15-136 is
6 applicable to the participant. The changes made to this
7 subsection by this amendatory Act of the 101st General
8 Assembly apply retroactively to January 1, 2011.

9 (b) The annuity payment period shall begin on the date
10 specified by the participant or the recipient of a disability
11 retirement annuity submitting a written application. For a
12 participant, the date on which the annuity payment period
13 begins shall not be prior to termination of employment or more
14 than one year before the application is received by the board;
15 however, if the participant is not an employee of an employer
16 participating in this System or in a participating system as
17 defined in Article 20 of this Code on April 1 of the calendar
18 year next following the calendar year in which the participant
19 attains the age specified under Section 401(a)(9) of the
20 Internal Revenue Code of 1986, as amended ~~70-1/2~~, the annuity
21 payment period shall begin on that date regardless of whether
22 an application has been filed. For a recipient of a disability
23 retirement annuity, the date on which the annuity payment
24 period begins shall not be prior to the discontinuation of the
25 disability retirement annuity under Section 15-153.2.

26 (c) An annuity is not payable if the amount provided under

1 Section 15-136 is less than \$10 per month.

2 (Source: P.A. 100-556, eff. 12-8-17; 101-610, eff. 1-1-20.)

3 (40 ILCS 5/16-142.3) (from Ch. 108 1/2, par. 16-142.3)

4 Sec. 16-142.3. Required distributions.

5 (a) A person who would be eligible to receive a monthly
6 survivor benefit under this Article but for the fact that the
7 person has not yet attained age 50, and who has not elected to
8 receive a lump sum distribution under subsection (a) of
9 Section 16-141, shall be eligible for a monthly distribution
10 under this subsection (a), provided that the payment of such
11 distribution is required by federal law.

12 The distribution shall become payable on (i) July 1, 1987,
13 (ii) December 1 of the calendar year immediately following the
14 calendar year in which the member or annuitant died, or (iii)
15 December 1 of the calendar year in which the deceased member or
16 annuitant would have attained age 72 ~~70-1/2~~, whichever occurs
17 latest, and shall remain payable until the first of the
18 following to occur: (1) the person becomes eligible to receive
19 a monthly survivor benefit under this Article; (2) the day
20 following the date on which the member ceases to be eligible to
21 receive a monthly survivor benefit upon attainment of age 50,
22 due to remarriage or death; or (3) the day on which such
23 distribution ceases to be required by federal law.

24 The amount of the distribution shall be fixed at the time
25 the distribution first becomes payable, and shall be

1 calculated in the same manner as the monthly survivor benefit
2 under Sections 16-141, 16-142, 16-142.1 and 16-142.2, but
3 excluding any automatic annual increases, supplemental
4 increases, or one-time increases that may be provided by law
5 for monthly survivor benefits.

6 (b) For the purpose of this Section, a distribution shall
7 be deemed to be required by federal law if: (1) directly
8 mandated by federal statute, rule, or administrative or court
9 decision; or (2) indirectly mandated through imposition of
10 substantial tax or other penalties for noncompliance.

11 (c) Notwithstanding Section 1-103.1 of this Code, a member
12 need not be in service on or after the effective date of this
13 amendatory Act of 1989 for the member's surviving spouse to be
14 eligible for a distribution under this Section.

15 (Source: P.A. 86-273.)

16 (40 ILCS 5/18-128.3) (from Ch. 108 1/2, par. 18-128.3)

17 Sec. 18-128.3. Required distributions. (a) A person who
18 would be eligible to receive a survivor's annuity under this
19 Article but for the fact that the person has not yet attained
20 age 50, shall be eligible for a monthly distribution under
21 this subsection (a), provided that the payment of such
22 distribution is required by federal law.

23 The distribution shall become payable on (i) July 1, 1987,
24 (ii) December 1 of the calendar year immediately following the
25 calendar year in which the deceased spouse died, or (iii)

1 December 1 of the calendar year in which the deceased spouse
2 would have attained age 72 ~~70-1/2~~, whichever occurs last, and
3 shall remain payable until the first of the following to
4 occur: (1) the person becomes eligible to receive a survivor's
5 annuity under this Article; (2) the end of the month in which
6 the person ceases to be eligible to receive a survivor's
7 annuity upon attainment of age 50, due to remarriage or death;
8 or (3) the end of the month in which such distribution ceases
9 to be required by federal law.

10 The amount of the distribution shall be fixed at the time
11 the distribution first becomes payable, and shall be
12 calculated in the same manner as a survivor's annuity under
13 Sections 18-128 through 18-128.2, but excluding: (A) any
14 requirement for an application for the distribution; (B) any
15 automatic annual increases, supplemental increases, or
16 one-time increases that may be provided by law for survivor's
17 annuities; and (C) any lump-sum or death benefit.

18 (b) For the purpose of this Section, a distribution shall
19 be deemed to be required by federal law if: (1) directly
20 mandated by federal statute, rule, or administrative or court
21 decision; or (2) indirectly mandated through imposition of
22 substantial tax or other penalties for noncompliance.

23 (c) Notwithstanding Section 1-103.1 of this Code, a member
24 need not be in service on or after the effective date of this
25 amendatory Act of 1989 for the member's surviving spouse to be
26 eligible for a distribution under this Section.

1 (Source: P.A. 86-273.)

2 Section 90. The State Mandates Act is amended by adding
3 Section 8.45 as follows:

4 (30 ILCS 805/8.45 new)

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

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.

1 INDEX

2 Statutes amended in order of appearance

3	40 ILCS 5/2-121.3	from Ch. 108 1/2, par. 2-121.3
4	40 ILCS 5/7-141	from Ch. 108 1/2, par. 7-141
5	40 ILCS 5/14-121.1	from Ch. 108 1/2, par. 14-121.1
6	40 ILCS 5/15-135	from Ch. 108 1/2, par. 15-135
7	40 ILCS 5/16-142.3	from Ch. 108 1/2, par. 16-142.3
8	40 ILCS 5/18-128.3	from Ch. 108 1/2, par. 18-128.3
9	30 ILCS 805/8.45 new	