



Rep. Norine K. Hammond

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LRB103 27924 RPS 57925 a

1 AMENDMENT TO HOUSE BILL 1712

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1712 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by  
5 changing Sections 15-103.1, 15-103.2, 15-103.3, 15-107,  
6 15-135, 15-153.3, and 15-198 and by adding Sections 3-110.15,  
7 15-113.13, and 15-153.4 as follows:

8 (40 ILCS 5/3-110.15 new)

9 Sec. 3-110.15. Transfer to Article 15. A participant who  
10 is actively employed as a police officer under Article 15 may  
11 make a written election to transfer up to 10 years of  
12 creditable service from a fund established under this Article  
13 to the State Universities Retirement System established under  
14 Article 15. Upon receiving a written election by a participant  
15 under this Section, the creditable service shall be  
16 transferred to the State Universities Retirement System as

1 soon as practicable upon payment by the police pension fund to  
2 the State Universities Retirement System of an amount equal  
3 to:

4 (1) the amounts accumulated to the credit of the  
5 applicant on the books of the fund on the date of the  
6 transfer; and

7 (2) employer contributions in an amount equal to the  
8 amount determined under paragraph (1).

9 Participation in the police pension fund with respect to  
10 the service to be transferred shall terminate on the date of  
11 transfer. This Section does not allow reinstatement of credits  
12 in this Article that were previously forfeited.

13 (40 ILCS 5/15-103.1)

14 Sec. 15-103.1. Traditional Benefit Package. "Traditional  
15 benefit package": The defined benefit retirement program  
16 maintained under the System which includes retirement  
17 annuities payable directly from the System as provided in  
18 Sections 15-135 through 15-140 (but disregarding Section  
19 15-136.4), disability retirement annuities payable under  
20 Section 15-153.2, line of duty disability annuities under  
21 Section 15-153.4, death benefits payable directly from the  
22 System as provided in Sections 15-141 through 15-144,  
23 survivors insurance benefits payable directly from the System  
24 as provided in Sections 15-145 through 15-149, and  
25 contribution refunds as provided in Section 15-154. The

1 traditional benefit package also includes disability benefits  
2 as provided in Sections 15-150 through 15-153.3.

3 (Source: P.A. 90-766, eff. 8-14-98.)

4 (40 ILCS 5/15-103.2)

5 Sec. 15-103.2. Portable Benefit Package. "Portable benefit  
6 package": The defined benefit retirement program maintained  
7 under the System which includes retirement annuities payable  
8 directly from the System as provided in Sections 15-135  
9 through 15-139 (specifically including Section 15-136.4),  
10 disability retirement annuities payable under Section  
11 15-153.2, line of duty disability annuities under Section  
12 15-153.4, death benefits payable directly from the System as  
13 provided in Sections 15-141 through 15-144, and contribution  
14 refunds as provided in Section 15-154. The portable benefit  
15 package also includes disability benefits as provided in  
16 Sections 15-150 through 15-153.3. The portable benefit package  
17 does not include the survivors insurance benefits payable  
18 directly from the System as provided in Sections 15-145  
19 through 15-149.

20 (Source: P.A. 90-766, eff. 8-14-98.)

21 (40 ILCS 5/15-103.3)

22 Sec. 15-103.3. Self-Managed Plan. "Self-managed plan": The  
23 defined contribution retirement program maintained under the  
24 System as described in Section 15-158.2. The self-managed plan

1 also includes disability benefits as provided in Sections  
2 15-150 through 15-153.4 ~~15-153.3~~ (but disregarding disability  
3 retirement annuities under Section 15-153.2). The self-managed  
4 plan does not include retirement annuities, death benefits, or  
5 survivors insurance benefits payable directly from the System  
6 as provided in Sections 15-135 through 15-149 and Section  
7 15-153.2, or refunds determined under Section 15-154.

8 (Source: P.A. 90-766, eff. 8-14-98.)

9 (40 ILCS 5/15-107) (from Ch. 108 1/2, par. 15-107)

10 Sec. 15-107. Employee.

11 (a) "Employee" means any member of the educational,  
12 administrative, secretarial, clerical, mechanical, labor or  
13 other staff of an employer whose employment is permanent and  
14 continuous or who is employed in a position in which services  
15 are expected to be rendered on a continuous basis for at least  
16 4 months or one academic term, whichever is less, who (A)  
17 receives payment for personal services on a warrant issued  
18 pursuant to a payroll voucher certified by an employer and  
19 drawn by the State Comptroller upon the State Treasurer or by  
20 an employer upon trust, federal or other funds, or (B) is on a  
21 leave of absence without pay. Employment which is irregular,  
22 intermittent or temporary shall not be considered continuous  
23 for purposes of this paragraph.

24 However, a person is not an "employee" if he or she:

25 (1) is a student enrolled in and regularly attending

1 classes in a college or university which is an employer,  
2 and is employed on a temporary basis at less than full  
3 time;

4 (2) is currently receiving a retirement annuity or a  
5 disability retirement annuity under Section 15-153.2 from  
6 this System;

7 (3) is on a military leave of absence;

8 (4) is eligible to participate in the Federal Civil  
9 Service Retirement System and is currently making  
10 contributions to that system based upon earnings paid by  
11 an employer;

12 (5) is on leave of absence without pay for more than 60  
13 days immediately following termination of disability  
14 benefits under this Article;

15 (6) is hired after June 30, 1979 as a public service  
16 employment program participant under the Federal  
17 Comprehensive Employment and Training Act and receives  
18 earnings in whole or in part from funds provided under  
19 that Act; ~~or~~

20 (7) is employed on or after July 1, 1991 to perform  
21 services that are excluded by subdivision (a)(7)(f) or  
22 (a)(19) of Section 210 of the federal Social Security Act  
23 from the definition of employment given in that Section  
24 (42 U.S.C. 410); or

25 (8) receives a line of duty disability annuity under  
26 Section 15-153.4.

1           (b) Any employer may, by filing a written notice with the  
2 board, exclude from the definition of "employee" all persons  
3 employed pursuant to a federally funded contract entered into  
4 after July 1, 1982 with a federal military department in a  
5 program providing training in military courses to federal  
6 military personnel on a military site owned by the United  
7 States Government, if this exclusion is not prohibited by the  
8 federally funded contract or federal laws or rules governing  
9 the administration of the contract.

10           (c) Any person appointed by the Governor under the Civil  
11 Administrative Code of Illinois is an employee, if he or she is  
12 a participant in this system on the effective date of the  
13 appointment.

14           (d) A participant on lay-off status under civil service  
15 rules is considered an employee for not more than 120 days from  
16 the date of the lay-off.

17           (e) A participant is considered an employee during (1) the  
18 first 60 days of disability leave, (2) the period, not to  
19 exceed one year, in which his or her eligibility for  
20 disability benefits is being considered by the board or  
21 reviewed by the courts, and (3) the period he or she receives  
22 disability benefits under the provisions of Section 15-152,  
23 workers' compensation or occupational disease benefits, or  
24 disability income under an insurance contract financed wholly  
25 or partially by the employer.

26           (f) Absences without pay, other than formal leaves of

1 absence, of less than 30 calendar days, are not considered as  
2 an interruption of a person's status as an employee. If such  
3 absences during any period of 12 months exceed 30 work days,  
4 the employee status of the person is considered as interrupted  
5 as of the 31st work day.

6 (g) A staff member whose employment contract requires  
7 services during an academic term is to be considered an  
8 employee during the summer and other vacation periods, unless  
9 he or she declines an employment contract for the succeeding  
10 academic term or his or her employment status is otherwise  
11 terminated, and he or she receives no earnings during these  
12 periods.

13 (h) An individual who was a participating employee  
14 employed in the fire department of the University of  
15 Illinois's Champaign-Urbana campus immediately prior to the  
16 elimination of that fire department and who immediately after  
17 the elimination of that fire department became employed by the  
18 fire department of the City of Urbana or the City of Champaign  
19 shall continue to be considered as an employee for purposes of  
20 this Article for so long as the individual remains employed as  
21 a firefighter by the City of Urbana or the City of Champaign.  
22 The individual shall cease to be considered an employee under  
23 this subsection (h) upon the first termination of the  
24 individual's employment as a firefighter by the City of Urbana  
25 or the City of Champaign.

26 (i) An individual who is employed on a full-time basis as

1 an officer or employee of a statewide teacher organization  
2 that serves System participants or an officer of a national  
3 teacher organization that serves System participants may  
4 participate in the System and shall be deemed an employee,  
5 provided that (1) the individual has previously earned  
6 creditable service under this Article, (2) the individual  
7 files with the System an irrevocable election to become a  
8 participant before January 5, 2012 (the effective date of  
9 Public Act 97-651), (3) the individual does not receive credit  
10 for that employment under any other Article of this Code, and  
11 (4) the individual first became a full-time employee of the  
12 teacher organization and becomes a participant before January  
13 5, 2012 (the effective date of Public Act 97-651). An employee  
14 under this subsection (i) is responsible for paying to the  
15 System both (A) employee contributions based on the actual  
16 compensation received for service with the teacher  
17 organization and (B) employer contributions equal to the  
18 normal costs (as defined in Section 15-155) resulting from  
19 that service; all or any part of these contributions may be  
20 paid on the employee's behalf or picked up for tax purposes (if  
21 authorized under federal law) by the teacher organization.

22 A person who is an employee as defined in this subsection  
23 (i) may establish service credit for similar employment prior  
24 to becoming an employee under this subsection by paying to the  
25 System for that employment the contributions specified in this  
26 subsection, plus interest at the effective rate from the date



1 of service to the date of payment. However, credit shall not be  
2 granted under this subsection for any such prior employment  
3 for which the applicant received credit under any other  
4 provision of this Code, or during which the applicant was on a  
5 leave of absence under Section 15-113.2.

6 (j) A person employed by the State Board of Higher  
7 Education in a position with the Illinois Century Network as  
8 of June 30, 2004 shall be considered to be an employee for so  
9 long as he or she remains continuously employed after that  
10 date by the Department of Central Management Services in a  
11 position with the Illinois Century Network, the Bureau of  
12 Communication and Computer Services, or, if applicable, any  
13 successor bureau or the Department of Innovation and  
14 Technology and meets the requirements of subsection (a).

15 (k) The Board shall promulgate rules with respect to  
16 determining whether any person is an employee within the  
17 meaning of this Section. In the case of doubt as to whether any  
18 person is an employee within the meaning of this Section or any  
19 rule adopted by the Board, the decision of the Board shall be  
20 final.

21 (Source: P.A. 101-81, eff. 7-12-19; 101-321, eff. 8-9-19.)

22 (40 ILCS 5/15-113.13 new)

23 Sec. 15-113.13. Transfer from Article 3. A police officer  
24 may elect to transfer up to 10 years of service credit to the  
25 System as set forth in Section 3-110.15. To establish

1 creditable service under this Section, the police officer may  
2 elect to do either of the following:

3 (1) pay to the System an amount to be determined by the  
4 Board, equal to (i) the difference between the amount of  
5 employee and employer contributions transferred to the  
6 System under Section 3-110.15 and the amounts that would  
7 have been contributed had such contributions been made at  
8 the rates applicable to a police officer under this  
9 Article, plus (ii) interest thereon at the actuarially  
10 assumed rate, compounded annually, from the date of  
11 service to the date of payment; or

12 (2) have the amount of his or her creditable service  
13 established under this Section reduced by an amount  
14 corresponding to the amount by which (i) the employer and  
15 employee contributions that would have been required if he  
16 or she had participated in the System as a police officer  
17 during the period for which credit is being transferred,  
18 plus interest thereon at the actuarially assumed rate,  
19 compounded annually, from the date of termination of the  
20 service for which credit is being transferred to the date  
21 of payment, exceeds (ii) the amount actually transferred  
22 to the System.

23 Notwithstanding the amount transferred by the Article 3  
24 fund pursuant to Section 3-110.15, in no event shall the  
25 service credit established under this Section exceed the  
26 lesser of 10 years or the actual amount of service credit that

1 had been earned in the Article 3 fund.

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

3 Sec. 15-135. Retirement annuities; conditions.

4 (a) This subsection (a) applies only to a Tier 1 member. A  
5 participant who retires in one of the following specified  
6 years with the specified amount of service is entitled to a  
7 retirement annuity at any age under the retirement program  
8 applicable to the participant:

9 35 years if retirement is in 1997 or before;

10 34 years if retirement is in 1998;

11 33 years if retirement is in 1999;

12 32 years if retirement is in 2000;

13 31 years if retirement is in 2001;

14 30 years if retirement is in 2002 or later.

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

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

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

25 (a-5) A Tier 2 member is entitled to a retirement annuity

1 upon written application if he or she has attained age 67 and  
2 has at least 10 years of service credit and is otherwise  
3 eligible under the requirements of this Article. A Tier 2  
4 member who has attained age 62 and has at least 10 years of  
5 service credit and is otherwise eligible under the  
6 requirements of this Article may elect to receive the lower  
7 retirement annuity provided in subsection (b-5) of Section  
8 15-136 of this Article.

9 (a-10) A Tier 2 member who has at least 20 years of service  
10 in this system as a ~~police officer or~~ firefighter is entitled  
11 to a retirement annuity upon written application on or after  
12 the attainment of age 60 if Rule 4 of Section 15-136 is  
13 applicable to the participant. A Tier 2 member who has at least  
14 20 years of service in this system as a police officer is  
15 entitled to a retirement annuity upon written application on  
16 or after the attainment of age 55 if Rule 4 of Section 15-136  
17 is applicable to the participant. The changes made to this  
18 subsection by this amendatory Act of the 103rd General  
19 Assembly and Public Act 101-610 ~~this amendatory Act of the~~  
20 ~~101st General Assembly~~ apply retroactively to January 1, 2011.

21 (b) The annuity payment period shall begin on the date  
22 specified by the participant or the recipient of a disability  
23 retirement annuity submitting a written application. For a  
24 participant, the date on which the annuity payment period  
25 begins shall not be prior to termination of employment or more  
26 than one year before the application is received by the board;

1 however, if the participant is not an employee of an employer  
2 participating in this System or in a participating system as  
3 defined in Article 20 of this Code on April 1 of the calendar  
4 year next following the calendar year in which the participant  
5 attains the age specified under Section 401(a)(9) of the  
6 Internal Revenue Code of 1986, as amended, the annuity payment  
7 period shall begin on that date regardless of whether an  
8 application has been filed. For a recipient of a disability  
9 retirement annuity, the date on which the annuity payment  
10 period begins shall not be prior to the discontinuation of the  
11 disability retirement annuity under Section 15-153.2.

12 (c) An annuity is not payable if the amount provided under  
13 Section 15-136 is less than \$10 per month.

14 (Source: P.A. 101-610, eff. 1-1-20; 102-210, eff. 7-30-21.)

15 (40 ILCS 5/15-153.3) (from Ch. 108 1/2, par. 15-153.3)

16 Sec. 15-153.3. Automatic increase in disability benefit.  
17 Each disability benefit payable under Section 15-150 and  
18 calculated under Section 15-153 or 15-153.2 and each line of  
19 duty disability annuity under Section 15-153.4 that has not  
20 yet received an initial increase under this Section shall be  
21 increased by 0.25% of the monthly disability benefit  
22 multiplied by the number of full months that have elapsed  
23 since the benefit began on January 1, 2002 or the January 1  
24 next following the granting of the benefit, whichever occurs  
25 later.

1           On each January 1 following the initial increase under  
2 this Section, the disability benefit shall be increased by 3%  
3 of the current amount of the benefit, including prior  
4 increases under this Article.

5           The changes made to this Section by this amendatory Act of  
6 the 92nd General Assembly apply without regard to whether the  
7 benefit recipient was in service on or after the effective  
8 date of this amendatory Act.

9           (Source: P.A. 92-749, eff. 8-2-02.)

10           (40 ILCS 5/15-153.4 new)

11           Sec. 15-153.4. Line of duty disability annuity.

12           (a) This Section applies only to police officers, and the  
13 annuities provided under this Section are in lieu of the  
14 benefits under Section 15-150, disability retirement  
15 annuities, and retirement annuities. If a police officer, as  
16 the result of sickness, accident, or injury incurred in or  
17 resulting from the performance of an act of duty, is found to  
18 be physically or mentally disabled for service as a police  
19 officer so as to render necessary his or her suspension or  
20 retirement from the police service or is found to be unable to  
21 perform his or her duties as a police officer by reason of  
22 heart disease, stroke, tuberculosis, or any disease of the  
23 lungs or respiratory tract, resulting from service as a police  
24 officer, then the police officer shall be entitled to a line of  
25 duty disability annuity under this Section equal to the

1 greater of: (1) 65% of the salary attached to the rank on the  
2 police force held by the officer at the date of suspension of  
3 duty or retirement; or (2) the retirement annuity that the  
4 police officer would be eligible to receive if he or she  
5 retired (but not including any automatic annual increase in  
6 that retirement annuity). The amount of the benefit shall be  
7 subject to the reductions specified in Section 15-153.1.

8 Any police officer who suffers a heart attack or stroke as  
9 a result of the performance and discharge of police duty shall  
10 be considered to have been injured in the performance of an act  
11 of duty and shall be eligible for the benefits provided under  
12 this Section.

13 A police officer shall be considered to be in the  
14 performance of an act of duty while on any assignment approved  
15 by the police officer's chief, whether the assignment is on or  
16 off the employer's property.

17 (b) A line of duty disability annuity shall not be paid  
18 unless there is filed with the Board certificates of the  
19 police officer's disability, subscribed and sworn to by the  
20 police officer if he or she is not under legal disability, or  
21 by a representative if the police officer is under legal  
22 disability, and by the police surgeon (if there is one) and 3  
23 practicing physicians selected by the Board. The Board may  
24 require other evidence of disability. Medical examination of a  
25 police officer receiving a line of duty disability annuity  
26 shall be made at least once each year prior to attainment of

1 age 50, as verification of the continuance of disability for  
2 service as a police officer. No examination shall be required  
3 after age 50.

4 (c) The System may take appropriate steps to verify the  
5 applicant's disability and earnings status and, for this  
6 purpose, may request from the Department of Revenue a  
7 certified copy of the applicant's Illinois income tax return  
8 for any year for which an annuity under this Section is payable  
9 or has been paid.

10 (d) A disabled police officer who (1) is receiving a line  
11 of duty disability annuity, (2) annually files with the  
12 System, while the line of duty disability annuity remains  
13 payable, a written application for the benefits of this  
14 subsection, including an affidavit stating that the applicant  
15 has not earned any income from gainful employment during the  
16 most recently concluded tax year and a copy of his or her most  
17 recent Illinois income tax return, (3) has service credit  
18 under this Article for at least 7 years of active duty, and (4)  
19 has been receiving the annuity under this Section for a period  
20 that, when added to the officer's total service credit under  
21 this Article, equals at least 20 years, shall be eligible to  
22 receive an annual noncompounded increase in his or her annuity  
23 under this Section, equal to 3% of the original annuity. The  
24 annual increase shall accrue on each anniversary of the  
25 initial payment date of the line of duty disability annuity  
26 under this Section for so long as the annuity remains payable



1 to the disabled police officer and the required annual  
2 application is made, except that the annual increases under  
3 this Section shall cease if the disabled police officer earns  
4 income from gainful employment. Within 60 days after accepting  
5 an initial application under this Section, the System shall  
6 pay to the disabled police officer, in a lump sum without  
7 interest, the amounts resulting from the annual increases that  
8 have accrued retroactively.

9 (e) This Section is not limited to persons in active  
10 service on or after the effective date of this amendatory Act  
11 of the 103rd General Assembly, but it applies only to an  
12 annuity that is payable under this Section to a disabled  
13 police officer (rather than a survivor). Upon the death of the  
14 disabled police officer, the line of duty disability annuity  
15 payable under this Section to his or her survivors shall  
16 include any annual increases previously received, but no  
17 additional increases shall accrue under this subsection.

18 (f) If a police officer who receives a line of duty  
19 disability annuity under this Section dies while still  
20 disabled, the line of duty disability annuity under this  
21 Section shall continue to be paid to his or her survivors in  
22 the sequence provided in Section 15-145 in lieu of the  
23 survivors insurance benefits provided in Section 15-145,  
24 unless the survivors insurance benefits are greater.

25 (g) The Board shall adopt rules governing the filing,  
26 investigation, control, and supervision of line of duty

1 disability annuity claims.

2 (40 ILCS 5/15-198)

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

5 (a) As used in this Section, "new benefit increase" means  
6 an increase in the amount of any benefit provided under this  
7 Article, or an expansion of the conditions of eligibility for  
8 any benefit under this Article, that results from an amendment  
9 to this Code that takes effect after June 1, 2005 (the  
10 effective date of Public Act 94-4). "New benefit increase",  
11 however, does not include any benefit increase resulting from  
12 the changes made to Article 1 or this Article by Public Act  
13 100-23, Public Act 100-587, Public Act 100-769, Public Act  
14 101-10, Public Act 101-610, Public Act 102-16, or this  
15 amendatory Act of the 103rd General Assembly ~~this amendatory~~  
16 ~~Act of the 102nd General Assembly.~~

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

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

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

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

23           (e) Except as otherwise provided in the language creating  
24 the new benefit increase, a new benefit increase that expires  
25 under this Section continues to apply to persons who applied  
26 and qualified for the affected benefit while the new benefit

1 increase was in effect and to the affected beneficiaries and  
2 alternate payees of such persons, but does not apply to any  
3 other person, including, without limitation, a person who  
4 continues in service after the expiration date and did not  
5 apply and qualify for the affected benefit while the new  
6 benefit increase was in effect.

7 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
8 101-610, eff. 1-1-20; 102-16, eff. 6-17-21.)

9 Section 90. The State Mandates Act is amended by adding  
10 Section 8.47 as follows:

11 (30 ILCS 805/8.47 new)

12 Sec. 8.47. Exempt mandate. Notwithstanding Sections 6 and  
13 8 of this Act, no reimbursement by the State is required for  
14 the implementation of any mandate created by this amendatory  
15 Act of the 103rd General Assembly."