



## 93RD GENERAL ASSEMBLY

### State of Illinois

2003 and 2004

HB4407

Introduced 2/3/2004, by Angelo Saviano

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-134  
30 ILCS 805/8.28 new

from Ch. 108 1/2, par. 17-134

Amends the Chicago Teacher Article of the Illinois Pension Code. Increases the amount of unused sick time that may be included in calculating the retirement pension, from 244 to 315 days. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB093 14983 LRD 40552 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

1 AN ACT in relation to 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 changing  
5 Section 17-134 as follows:

6 (40 ILCS 5/17-134) (from Ch. 108 1/2, par. 17-134)

7 Sec. 17-134. Contributions for leaves of absence; military  
8 service; computing service. In computing service for pension  
9 purposes the following periods of service shall stand in lieu  
10 of a like number of years of teaching service upon payment  
11 therefor in the manner hereinafter provided: (a) time spent on  
12 a leave of absence granted by the employer; (b) service with  
13 teacher or labor organizations based upon special leaves of  
14 absence therefor granted by an Employer; (c) a maximum of 5  
15 years spent in the military service of the United States, of  
16 which up to 2 years may have been served outside the pension  
17 period; (d) unused sick days at termination of service to a  
18 maximum of 315 ~~244~~ days; (e) time lost due to layoff and  
19 curtailment of the school term from June 6 through June 21,  
20 1976; and (f) time spent after June 30, 1982 as a member of the  
21 Board of Education, if required to resign from an  
22 administrative or teaching position in order to qualify as a  
23 member of the Board of Education.

24 (1) For time spent on or after September 6, 1948 on  
25 sabbatical leaves of absence or sick leaves, for which  
26 salaries are paid, an Employer shall make payroll  
27 deductions at the applicable rates in effect during such  
28 periods.

29 (2) For time spent on a leave of absence granted by  
30 the employer for which no salaries are paid, teachers  
31 desiring credit therefor shall pay the required  
32 contributions at the rates in effect during such periods as

1           though they were in teaching service. If an Employer pays  
2           salary for vacations which occur during a teacher's sick  
3           leave or maternity or paternity leave without salary,  
4           vacation pay for which the teacher would have qualified  
5           while in active service shall be considered part of the  
6           teacher's total salary for pension purposes. No more than  
7           36 months of leave credit may be allowed any person during  
8           the entire term of service. Sabbatical leave credit shall  
9           be limited to the time the person on leave without salary  
10          under an Employer's rules is allowed to engage in an  
11          activity for which he receives salary or compensation.

12           (3) For time spent prior to September 6, 1948, on  
13          sabbatical leaves of absence or sick leaves for which  
14          salaries were paid, teachers desiring service credit  
15          therefor shall pay the required contributions at the  
16          maximum applicable rates in effect during such periods.

17           (4) For service with teacher or labor organizations  
18          authorized by special leaves of absence, for which no  
19          payroll deductions are made by an Employer, teachers  
20          desiring service credit therefor shall contribute to the  
21          Fund upon the basis of the actual salary received from such  
22          organizations at the percentage rates in effect during such  
23          periods for certified positions with such Employer. To the  
24          extent the actual salary exceeds the regular salary, which  
25          shall be defined as the salary rate, as calculated by the  
26          Board, in effect for the teacher's regular position in  
27          teaching service on September 1, 1983 or on the effective  
28          date of the leave with the organization, whichever is  
29          later, the organization shall pay to the Fund the  
30          employer's normal cost as set by the Board on the  
31          increment.

32           (5) For time spent in the military service, teachers  
33          entitled to and desiring credit therefor shall contribute  
34          the amount required for each year of service or fraction  
35          thereof at the rates in force (a) at the date of  
36          appointment, or (b) on return to teaching service as a

1 regularly certified teacher, as the case may be; provided  
2 such rates shall not be less than \$450 per year of service.  
3 These conditions shall apply unless an Employer elects to  
4 and does pay into the Fund the amount which would have been  
5 due from such person had he been employed as a teacher  
6 during such time. In the case of credit for military  
7 service not during the pension period, the teacher must  
8 also pay to the Fund an amount determined by the Board to  
9 be equal to the employer's normal cost of the benefits  
10 accrued from such service, plus interest thereon at 5% per  
11 year, compounded annually, from the date of appointment to  
12 the date of payment.

13 The changes to this Section made by Public Act 87-795  
14 shall apply not only to persons who on or after its  
15 effective date are in service under the Fund, but also to  
16 persons whose status as a teacher terminated prior to that  
17 date, whether or not the person is an annuitant on that  
18 date. In the case of an annuitant who applies for credit  
19 allowable under this Section for a period of military  
20 service that did not immediately follow employment, and who  
21 has made the required contributions for such credit, the  
22 annuity shall be recalculated to include the additional  
23 service credit, with the increase taking effect on the date  
24 the Fund received written notification of the annuitant's  
25 intent to purchase the credit, if payment of all the  
26 required contributions is made within 60 days of such  
27 notice, or else on the first annuity payment date following  
28 the date of payment of the required contributions. In  
29 calculating the automatic annual increase for an annuity  
30 that has been recalculated under this Section, the increase  
31 attributable to the additional service allowable under  
32 this amendatory Act of 1991 shall be included in the  
33 calculation of automatic annual increases accruing after  
34 the effective date of the recalculation.

35 The total credit for military service shall not exceed  
36 5 years, except that any teacher who on July 1, 1963, had

1 validated credit for more than 5 years of military service  
2 shall be entitled to the total amount of such credit.

3 (6) A maximum of 315 ~~244~~ unused sick days credited to  
4 his account by an Employer on the date of termination of  
5 employment. Members, upon verification of unused sick  
6 days, may add this service time to total creditable  
7 service.

8 (7) In all cases where time spent on leave is  
9 creditable and no payroll deductions therefor are made by  
10 an Employer, persons desiring service credit shall make the  
11 required contributions directly to the Fund.

12 (8) For time lost without pay due to layoff and  
13 curtailment of the school term from June 6 through June 21,  
14 1976, as provided in item (e) of the first paragraph of  
15 this Section, persons who were contributors on the days  
16 immediately preceding such layoff shall receive credit  
17 upon paying to the Fund a contribution based on the rates  
18 of compensation and employee contributions in effect at the  
19 time of such layoff, together with an additional amount  
20 equal to 12.2% of the compensation computed for such period  
21 of layoff, plus interest on the entire amount at 5% per  
22 annum from January 1, 1978 to the date of payment. If such  
23 contribution is paid, salary for pension purposes for any  
24 year in which such a layoff occurred shall include the  
25 compensation recognized for purposes of computing that  
26 contribution.

27 (9) For time spent after June 30, 1982, as a  
28 nonsalaried member of the Board of Education, if required  
29 to resign from an administrative or teaching position in  
30 order to qualify as a member of the Board of Education, an  
31 administrator or teacher desiring credit therefor shall  
32 pay the required contributions at the rates and salaries in  
33 effect during such periods as though the member were in  
34 service.

35 Effective September 1, 1974, the interest charged for  
36 validation of service described in paragraphs (2) through (5)

1 of this Section shall be compounded annually at a rate of 5%  
2 commencing one year after the termination of the leave or  
3 return to service.

4 (Source: P.A. 92-599, eff. 6-28-02.)

5 Section 90. The State Mandates Act is amended by adding  
6 Section 8.28 as follows:

7 (30 ILCS 805/8.28 new)

8 Sec. 8.28. Exempt mandate. Notwithstanding Sections 6 and 8  
9 of this Act, no reimbursement by the State is required for the  
10 implementation of any mandate created by this amendatory Act of  
11 the 93rd General Assembly.

12 Section 99. Effective date. This Act takes effect upon  
13 becoming law.