



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

HB4866

Introduced 2/4/2004, by Angelo Saviano

SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-124	from Ch. 108 1/2, par. 17-124
40 ILCS 5/17-133	from Ch. 108 1/2, par. 17-133
30 ILCS 805/8.28 new	

Amends the Chicago Teacher Article of the Illinois Pension Code. Changes the manner of computing the refund payable upon the death of a retired teacher. Also allows certain teachers who are certified but not appointed to establish certain optional service credits. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB093 14994 LRD 40563 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 Sections 17-124 and 17-133 as follows:

6 (40 ILCS 5/17-124) (from Ch. 108 1/2, par. 17-124)

7 Sec. 17-124. Death Benefits - Death on pension. On written
8 application to the Board, there shall be paid to the estate of
9 a deceased teacher-pensioner a refund of the amounts he or she
10 contributed to the Fund, less (1) any former refund that has
11 not been repaid, (2) the amount contributed for a survivor's
12 pension if such a pension is payable under Sections 17-121 and
13 17-122, and (3) pension payments received; ~~pension payments,~~
14 ~~accrued, temporarily withheld or represented by checks~~
15 ~~uncashed at the date of his death and the excess, if any, of an~~
16 ~~amount equal to his refundable contributions for service or~~
17 ~~disability retirement pension over pension to the date of~~
18 ~~death,~~ provided, that if there be filed with the Board prior to
19 the death of the pensioner his written direction, signed and
20 acknowledged before an officer authorized to take
21 acknowledgments, that such payments be paid to designated
22 beneficiaries, they shall be so paid on written application
23 therefor to the Board. If none of several named beneficiaries
24 survives the pensioner and no directive was furnished by the
25 member to cover this contingency, the deceased beneficiary's
26 share shall be paid to the estate of the pensioner.

27 If a reversionary pension is payable upon death of a
28 pensioner, the determination and payment of any refund of
29 contributions payable under this Section shall be made upon
30 death of the reversionary pensioner. At such time a refund of
31 contributions less (1) the amount contributed for annual
32 increases in pension and (2) total pension payments to the

1 teacher-pensioner and survivor shall be paid in the manner
2 provided in this Section to the designated beneficiaries, or
3 estate of the deceased survivor.

4 If a pension is payable to a surviving spouse and/or minor
5 children upon death of a pensioner, the determination of any
6 refund of contributions payable under this Section shall be
7 made upon death of the survivor and marriage or attainment of
8 age 18 of minor children. At that time a refund of
9 contributions for retirement and survivors' and children's
10 pensions less total pension payments to teacher-pensioner,
11 survivor and minor children shall be paid in the manner
12 provided in this Section to the designated beneficiaries, or
13 estate of the deceased survivor.

14 If eligible beneficiaries for survivors' or children's
15 benefits existed at the time of a pensioner's retirement but
16 not on the date of his death thereafter, the excess of total
17 contributions for retirement and survivors' and children's
18 pensions over pensions paid shall be determined upon death of
19 the pensioner and paid in the manner provided in this Section
20 to the designated beneficiaries, or estate of the deceased
21 teacher-pensioner.

22 Reversionary or survivor's pension payments accrued,
23 temporarily withheld, or represented by uncashed checks to the
24 date of death shall be paid to the reversionary pensioner's or
25 survivor's designated beneficiaries, or estate in the manner
26 provided in this Section.

27 On death of a retired teacher whose death occurs on or
28 after the effective date of this amendatory Act of 1991, there
29 shall be payable a lump sum death benefit equal to 6 times the
30 teacher's salary rate for his last month of service or \$10,000,
31 whichever is less, upon death during the first year on pension
32 minus 1/5 of the death benefit, as defined herein, for each
33 year or fraction thereof on pension after the first full year,
34 to a minimum of \$5,000.

35 Notwithstanding Section 17-157, the changes made in this
36 Section and Section 17-123 by this amendatory Act of 1991 shall

1 apply to teachers dying on or after the effective date of this
2 amendatory Act of 1991 without regard to whether service
3 terminated prior to that date.

4 (Source: P.A. 90-566, eff. 1-2-98.)

5 (40 ILCS 5/17-133) (from Ch. 108 1/2, par. 17-133)

6 Sec. 17-133. Contributions for periods of outside and other
7 service. Regularly certified ~~and appointed~~ teachers who desire
8 to have the following described services credited for pension
9 purposes shall submit to the Board evidence thereof and pay
10 into the Fund the amounts prescribed herein:

11 1. For teaching service by a certified teacher in the
12 public schools of the several states or in schools operated
13 by or under the auspices of the United States, a teacher
14 shall pay the contributions at the rates in force (a) on
15 the date of appointment as a regularly certified teacher
16 after salary adjustments are completed, or (b) at the time
17 of reappointment after salary adjustments are completed,
18 whichever is later, but not less than \$450 per year of
19 service. Upon the Board's approval of such service and the
20 payment of the required contributions, service credit of
21 not more than 10 years shall be granted.

22 2. For service as a playground instructor in public
23 school playgrounds, teachers shall pay the contributions
24 prescribed in this Article (a) at the time of appointment,
25 as a regularly certified teacher after salary adjustments
26 are completed, or (b) on return to service as a full time
27 regularly certified teacher, as the case may be, provided
28 such rates or amounts shall not be less than \$450 per year.

29 3. For service prior to September 1, 1955, in the
30 public schools of the City as a substitute, evening school
31 or temporary teacher, or for service as an Americanization
32 teacher prior to December 31, 1955, teachers shall pay the
33 contributions prescribed in this Article (a) at the time of
34 appointment, as a regularly certified teacher after salary
35 adjustments are completed, (b) on return to service as a

1 full time regularly certified teacher, as the case may be,
2 provided such rates or amounts shall not be less than \$450
3 per year; and provided further that for teachers employed
4 on or after September 1, 1953, rates shall not include
5 contributions for widows' pensions if the service
6 described in this sub-paragraph 3 was rendered before that
7 date. Any teacher entitled to repay a refund of
8 contributions under Section 17-126 may validate service
9 described in this paragraph by payment of the amounts
10 prescribed herein, together with the repayment of the
11 refund, provided that if such creditable service was the
12 last service rendered in the public schools of the City and
13 is not automatically reinstated by repayment of the refund,
14 the rates or amounts shall not be less than \$450 per year.

15 4. For service after June 30, 1982 as a member of the
16 Board of Education, if required to resign from an
17 administrative or teaching position in order to qualify as
18 a member of the Board of Education.

19 5. For service during the 1986-87 school year as a
20 teacher on a special leave of absence with full loss of
21 salary, teaching for an agency under contract to the Board
22 of Education, if the teacher returned to employment in
23 September, 1987. For service under this item 5, the teacher
24 must pay the contributions at the rates in force at the
25 completion of the leave period.

26 For service described in sub-paragraphs 1, 2 and 3 of this
27 Section, interest shall be charged beginning one year after the
28 effective date of appointment or reappointment.

29 Effective September 1, 1974, the interest rate to be
30 charged by the Fund on contributions provided in sub-paragraphs
31 1, 2, 3 and 4 shall be 5% per annum compounded annually.

32 (Source: P.A. 90-566, eff. 1-2-98; 91-887, eff. 7-6-00.)

33 Section 90. The State Mandates Act is amended by adding
34 Section 8.28 as follows:

1 (30 ILCS 805/8.28 new)

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

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.