



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB0790

Introduced 2/2/2005, by Rep. Michael K. Smith

SYNOPSIS AS INTRODUCED:

40 ILCS 5/16-133.2
30 ILCS 805/8.29 new

from Ch. 108 1/2, par. 16-133.2

Amends the Downstate Teachers Article of the Illinois Pension Code. Extends the deadline for application for early retirement without discount from June 30, 2005 to June 30, 2010; also reduces the required contribution for some members. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB094 07541 AMC 37709 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 16-133.2 as follows:

6 (40 ILCS 5/16-133.2) (from Ch. 108 1/2, par. 16-133.2)

7 Sec. 16-133.2. Early retirement without discount. A member
8 retiring after June 1, 1980 and on or before June 30, 2010
9 ~~2005~~, and applying for a retirement annuity within 6 months of
10 the last day of teaching for which retirement contributions
11 were required, may elect at the time of application for a
12 retirement annuity, to make a one time member contribution to
13 the System and thereby avoid the reduction in the retirement
14 annuity for retirement before age 60 specified in paragraph (B)
15 of Section 16-133. The exercise of the election shall also
16 obligate the last employer to make a one time non-refundable
17 contribution to the System. Substitute teachers wishing to
18 exercise this election must teach 85 or more days in one school
19 term with one employer, who shall be deemed the last employer
20 for purposes of this Section. The last day of teaching with
21 that employer must be within 6 months of the date of
22 application for retirement. All substitute teaching credit
23 applied toward the required 85 days must be earned after June
24 30, 1990.

25 The one time member and employer contributions shall be a
26 percentage of the retiring member's highest annual salary rate
27 used in the determination of the average salary for retirement
28 annuity purposes. However, when determining the one-time
29 member and employer contributions, that part of a member's
30 salary with the same employer which exceeds the annual salary
31 rate for the preceding year by more than 20% shall be excluded.
32 The member contribution shall be at the rate of 7% for the

1 lesser of the following 2 periods: (1) for each year that the
2 member is less than age 60; or (2) for each year that the
3 member's creditable service is less than 34 ~~35~~ years. If a
4 member is at least age 55 and has at least 34 years of
5 creditable service, no member or employer contribution for the
6 early retirement option shall be required. The employer
7 contribution shall be at the rate of 20% for each year the
8 member is under age 60.

9 Upon receipt of the application and election, the System
10 shall determine the one time employee and employer
11 contributions required. The member contribution shall be
12 credited to the individual account of the member and the
13 employer contribution shall be credited to the Benefit Trust
14 Reserve. The provisions of this Section shall not be applicable
15 until the member's contribution, if any, has been received by
16 the System; however, the date such contributions are received
17 shall not be considered in determining the effective date of
18 retirement.

19 The number of members working for a single employer who may
20 retire under this Section in any year may be limited at the
21 option of the employer to a specified percentage of those
22 eligible, not less than 30%, with the right to participate to
23 be allocated among those applying on the basis of seniority in
24 the service of the employer.

25 (Source: P.A. 93-469, eff. 8-8-03.)

26 Section 90. The State Mandates Act is amended by adding
27 Section 8.29 as follows:

28 (30 ILCS 805/8.29 new)

29 Sec. 8.29. Exempt mandate. Notwithstanding Sections 6 and 8
30 of this Act, no reimbursement by the State is required for the
31 implementation of any mandate created by this amendatory Act of
32 the 94th General Assembly.

33 Section 99. Effective date. This Act takes effect upon

1 becoming law.