



**94TH GENERAL ASSEMBLY**  
**State of Illinois**  
**2005 and 2006**  
**HB0946**

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

**SYNOPSIS AS INTRODUCED:**

40 ILCS 5/14-110

from Ch. 108 1/2, par. 14-110

Amends the State Employee Article of the Illinois Pension Code. Provides that persons under the alternative (State police) retirement formula may retire at any age after having established service sufficient to provide an alternative formula annuity equal to at least 80% of final average compensation. Effective immediately.

LRB094 04249 EFG 34273 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

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 14-110 as follows:

6 (40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

7 Sec. 14-110. Alternative retirement annuity.

8 (a) Any member who has withdrawn from service with not less  
9 than 20 years of eligible creditable service and has attained  
10 age 55, and any member who has withdrawn from service with not  
11 less than 25 years of eligible creditable service and has  
12 attained age 50, regardless of whether the attainment of either  
13 of the specified ages occurs while the member is still in  
14 service, and any member who has withdrawn from service having  
15 established service sufficient to provide an annuity under this  
16 Section equal to at least 80% of final average compensation,  
17 regardless of age, shall be entitled to receive at the option  
18 of the member, in lieu of the regular or minimum retirement  
19 annuity, a retirement annuity computed as follows:

20 (i) for periods of service as a noncovered employee: if  
21 retirement occurs on or after January 1, 2001, 3% of final  
22 average compensation for each year of creditable service;  
23 if retirement occurs before January 1, 2001, 2 1/4% of  
24 final average compensation for each of the first 10 years  
25 of creditable service, 2 1/2% for each year above 10 years  
26 to and including 20 years of creditable service, and 2 3/4%  
27 for each year of creditable service above 20 years; and

28 (ii) for periods of eligible creditable service as a  
29 covered employee: if retirement occurs on or after January  
30 1, 2001, 2.5% of final average compensation for each year  
31 of creditable service; if retirement occurs before January  
32 1, 2001, 1.67% of final average compensation for each of

1 the first 10 years of such service, 1.90% for each of the  
2 next 10 years of such service, 2.10% for each year of such  
3 service in excess of 20 but not exceeding 30, and 2.30% for  
4 each year in excess of 30.

5 Such annuity shall be subject to a maximum of 75% of final  
6 average compensation if retirement occurs before January 1,  
7 2001 or to a maximum of 80% of final average compensation if  
8 retirement occurs on or after January 1, 2001.

9 These rates shall not be applicable to any service  
10 performed by a member as a covered employee which is not  
11 eligible creditable service. Service as a covered employee  
12 which is not eligible creditable service shall be subject to  
13 the rates and provisions of Section 14-108.

14 (b) For the purpose of this Section, "eligible creditable  
15 service" means creditable service resulting from service in one  
16 or more of the following positions:

- 17 (1) State policeman;
- 18 (2) fire fighter in the fire protection service of a  
19 department;
- 20 (3) air pilot;
- 21 (4) special agent;
- 22 (5) investigator for the Secretary of State;
- 23 (6) conservation police officer;
- 24 (7) investigator for the Department of Revenue;
- 25 (8) security employee of the Department of Human  
26 Services;
- 27 (9) Central Management Services security police  
28 officer;
- 29 (10) security employee of the Department of  
30 Corrections;
- 31 (11) dangerous drugs investigator;
- 32 (12) investigator for the Department of State Police;
- 33 (13) investigator for the Office of the Attorney  
34 General;
- 35 (14) controlled substance inspector;
- 36 (15) investigator for the Office of the State's

- 1 Attorneys Appellate Prosecutor;
- 2 (16) Commerce Commission police officer;
- 3 (17) arson investigator;
- 4 (18) State highway maintenance worker.

5 A person employed in one of the positions specified in this  
6 subsection is entitled to eligible creditable service for  
7 service credit earned under this Article while undergoing the  
8 basic police training course approved by the Illinois Law  
9 Enforcement Training Standards Board, if completion of that  
10 training is required of persons serving in that position. For  
11 the purposes of this Code, service during the required basic  
12 police training course shall be deemed performance of the  
13 duties of the specified position, even though the person is not  
14 a sworn peace officer at the time of the training.

15 (c) For the purposes of this Section:

16 (1) The term "state policeman" includes any title or  
17 position in the Department of State Police that is held by  
18 an individual employed under the State Police Act.

19 (2) The term "fire fighter in the fire protection  
20 service of a department" includes all officers in such fire  
21 protection service including fire chiefs and assistant  
22 fire chiefs.

23 (3) The term "air pilot" includes any employee whose  
24 official job description on file in the Department of  
25 Central Management Services, or in the department by which  
26 he is employed if that department is not covered by the  
27 Personnel Code, states that his principal duty is the  
28 operation of aircraft, and who possesses a pilot's license;  
29 however, the change in this definition made by this  
30 amendatory Act of 1983 shall not operate to exclude any  
31 noncovered employee who was an "air pilot" for the purposes  
32 of this Section on January 1, 1984.

33 (4) The term "special agent" means any person who by  
34 reason of employment by the Division of Narcotic Control,  
35 the Bureau of Investigation or, after July 1, 1977, the  
36 Division of Criminal Investigation, the Division of

1 Internal Investigation, the Division of Operations, or any  
2 other Division or organizational entity in the Department  
3 of State Police is vested by law with duties to maintain  
4 public order, investigate violations of the criminal law of  
5 this State, enforce the laws of this State, make arrests  
6 and recover property. The term "special agent" includes any  
7 title or position in the Department of State Police that is  
8 held by an individual employed under the State Police Act.

9 (5) The term "investigator for the Secretary of State"  
10 means any person employed by the Office of the Secretary of  
11 State and vested with such investigative duties as render  
12 him ineligible for coverage under the Social Security Act  
13 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and  
14 218(1)(1) of that Act.

15 A person who became employed as an investigator for the  
16 Secretary of State between January 1, 1967 and December 31,  
17 1975, and who has served as such until attainment of age  
18 60, either continuously or with a single break in service  
19 of not more than 3 years duration, which break terminated  
20 before January 1, 1976, shall be entitled to have his  
21 retirement annuity calculated in accordance with  
22 subsection (a), notwithstanding that he has less than 20  
23 years of credit for such service.

24 (6) The term "Conservation Police Officer" means any  
25 person employed by the Division of Law Enforcement of the  
26 Department of Natural Resources and vested with such law  
27 enforcement duties as render him ineligible for coverage  
28 under the Social Security Act by reason of Sections  
29 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The  
30 term "Conservation Police Officer" includes the positions  
31 of Chief Conservation Police Administrator and Assistant  
32 Conservation Police Administrator.

33 (7) The term "investigator for the Department of  
34 Revenue" means any person employed by the Department of  
35 Revenue and vested with such investigative duties as render  
36 him ineligible for coverage under the Social Security Act

1 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and  
2 218(1)(1) of that Act.

3 (8) The term "security employee of the Department of  
4 Human Services" means any person employed by the Department  
5 of Human Services who (i) is employed at the Chester Mental  
6 Health Center and has daily contact with the residents  
7 thereof, (ii) is employed within a security unit at a  
8 facility operated by the Department and has daily contact  
9 with the residents of the security unit, (iii) is employed  
10 at a facility operated by the Department that includes a  
11 security unit and is regularly scheduled to work at least  
12 50% of his or her working hours within that security unit,  
13 or (iv) is a mental health police officer. "Mental health  
14 police officer" means any person employed by the Department  
15 of Human Services in a position pertaining to the  
16 Department's mental health and developmental disabilities  
17 functions who is vested with such law enforcement duties as  
18 render the person ineligible for coverage under the Social  
19 Security Act by reason of Sections 218(d)(5)(A),  
20 218(d)(8)(D) and 218(1)(1) of that Act. "Security unit"  
21 means that portion of a facility that is devoted to the  
22 care, containment, and treatment of persons committed to  
23 the Department of Human Services as sexually violent  
24 persons, persons unfit to stand trial, or persons not  
25 guilty by reason of insanity. With respect to past  
26 employment, references to the Department of Human Services  
27 include its predecessor, the Department of Mental Health  
28 and Developmental Disabilities.

29 The changes made to this subdivision (c)(8) by Public  
30 Act 92-14 apply to persons who retire on or after January  
31 1, 2001, notwithstanding Section 1-103.1.

32 (9) "Central Management Services security police  
33 officer" means any person employed by the Department of  
34 Central Management Services who is vested with such law  
35 enforcement duties as render him ineligible for coverage  
36 under the Social Security Act by reason of Sections

1 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

2 (10) The term "security employee of the Department of  
3 Corrections" means any employee of the Department of  
4 Corrections or the former Department of Personnel, and any  
5 member or employee of the Prisoner Review Board, who has  
6 daily contact with inmates by working within a correctional  
7 facility or who is a parole officer or an employee who has  
8 direct contact with committed persons in the performance of  
9 his or her job duties.

10 (11) The term "dangerous drugs investigator" means any  
11 person who is employed as such by the Department of Human  
12 Services.

13 (12) The term "investigator for the Department of State  
14 Police" means a person employed by the Department of State  
15 Police who is vested under Section 4 of the Narcotic  
16 Control Division Abolition Act with such law enforcement  
17 powers as render him ineligible for coverage under the  
18 Social Security Act by reason of Sections 218(d)(5)(A),  
19 218(d)(8)(D) and 218(1)(1) of that Act.

20 (13) "Investigator for the Office of the Attorney  
21 General" means any person who is employed as such by the  
22 Office of the Attorney General and is vested with such  
23 investigative duties as render him ineligible for coverage  
24 under the Social Security Act by reason of Sections  
25 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For  
26 the period before January 1, 1989, the term includes all  
27 persons who were employed as investigators by the Office of  
28 the Attorney General, without regard to social security  
29 status.

30 (14) "Controlled substance inspector" means any person  
31 who is employed as such by the Department of Professional  
32 Regulation and is vested with such law enforcement duties  
33 as render him ineligible for coverage under the Social  
34 Security Act by reason of Sections 218(d)(5)(A),  
35 218(d)(8)(D) and 218(1)(1) of that Act. The term  
36 "controlled substance inspector" includes the Program

1 Executive of Enforcement and the Assistant Program  
2 Executive of Enforcement.

3 (15) The term "investigator for the Office of the  
4 State's Attorneys Appellate Prosecutor" means a person  
5 employed in that capacity on a full time basis under the  
6 authority of Section 7.06 of the State's Attorneys  
7 Appellate Prosecutor's Act.

8 (16) "Commerce Commission police officer" means any  
9 person employed by the Illinois Commerce Commission who is  
10 vested with such law enforcement duties as render him  
11 ineligible for coverage under the Social Security Act by  
12 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and  
13 218(1)(1) of that Act.

14 (17) "Arson investigator" means any person who is  
15 employed as such by the Office of the State Fire Marshal  
16 and is vested with such law enforcement duties as render  
17 the person ineligible for coverage under the Social  
18 Security Act by reason of Sections 218(d)(5)(A),  
19 218(d)(8)(D), and 218(1)(1) of that Act. A person who was  
20 employed as an arson investigator on January 1, 1995 and is  
21 no longer in service but not yet receiving a retirement  
22 annuity may convert his or her creditable service for  
23 employment as an arson investigator into eligible  
24 creditable service by paying to the System the difference  
25 between the employee contributions actually paid for that  
26 service and the amounts that would have been contributed if  
27 the applicant were contributing at the rate applicable to  
28 persons with the same social security status earning  
29 eligible creditable service on the date of application.

30 (18) The term "State highway maintenance worker" means  
31 a person who is either of the following:

32 (i) A person employed on a full-time basis by the  
33 Illinois Department of Transportation in the position  
34 of highway maintainer, highway maintenance lead  
35 worker, highway maintenance lead/lead worker, heavy  
36 construction equipment operator, power shovel



1 operator, or bridge mechanic; and whose principal  
2 responsibility is to perform, on the roadway, the  
3 actual maintenance necessary to keep the highways that  
4 form a part of the State highway system in serviceable  
5 condition for vehicular traffic.

6 (ii) A person employed on a full-time basis by the  
7 Illinois State Toll Highway Authority in the position  
8 of equipment operator/laborer H-4, equipment  
9 operator/laborer H-6, welder H-4, welder H-6,  
10 mechanical/electrical H-4, mechanical/electrical H-6,  
11 water/sewer H-4, water/sewer H-6, sign maker/hanger  
12 H-4, sign maker/hanger H-6, roadway lighting H-4,  
13 roadway lighting H-6, structural H-4, structural H-6,  
14 painter H-4, or painter H-6; and whose principal  
15 responsibility is to perform, on the roadway, the  
16 actual maintenance necessary to keep the Authority's  
17 tollways in serviceable condition for vehicular  
18 traffic.

19 (d) A security employee of the Department of Corrections,  
20 and a security employee of the Department of Human Services who  
21 is not a mental health police officer, shall not be eligible  
22 for the alternative retirement annuity provided by this Section  
23 unless he or she meets the following minimum age and service  
24 requirements at the time of retirement:

25 (i) 25 years of eligible creditable service and age 55;

26 or

27 (ii) beginning January 1, 1987, 25 years of eligible  
28 creditable service and age 54, or 24 years of eligible  
29 creditable service and age 55; or

30 (iii) beginning January 1, 1988, 25 years of eligible  
31 creditable service and age 53, or 23 years of eligible  
32 creditable service and age 55; or

33 (iv) beginning January 1, 1989, 25 years of eligible  
34 creditable service and age 52, or 22 years of eligible  
35 creditable service and age 55; or

36 (v) beginning January 1, 1990, 25 years of eligible

1           creditable service and age 51, or 21 years of eligible  
2           creditable service and age 55; or

3           (vi) beginning January 1, 1991, 25 years of eligible  
4           creditable service and age 50, or 20 years of eligible  
5           creditable service and age 55; or

6           (vii) beginning on the effective date of this  
7           amendatory Act of the 94th General Assembly, (A) 25 years  
8           of eligible creditable service and age 50, (B) 20 years of  
9           eligible creditable service and age 55, or (C) service  
10           sufficient to provide an annuity under this Section equal  
11           to at least 80% of final average compensation, regardless  
12           of age.

13           Persons who have service credit under Article 16 of this  
14           Code for service as a security employee of the Department of  
15           Corrections or the Department of Human Services in a position  
16           requiring certification as a teacher may count such service  
17           toward establishing their eligibility under the service  
18           requirements of this Section; but such service may be used only  
19           for establishing such eligibility, and not for the purpose of  
20           increasing or calculating any benefit.

21           (e) If a member enters military service while working in a  
22           position in which eligible creditable service may be earned,  
23           and returns to State service in the same or another such  
24           position, and fulfills in all other respects the conditions  
25           prescribed in this Article for credit for military service,  
26           such military service shall be credited as eligible creditable  
27           service for the purposes of the retirement annuity prescribed  
28           in this Section.

29           (f) For purposes of calculating retirement annuities under  
30           this Section, periods of service rendered after December 31,  
31           1968 and before October 1, 1975 as a covered employee in the  
32           position of special agent, conservation police officer, mental  
33           health police officer, or investigator for the Secretary of  
34           State, shall be deemed to have been service as a noncovered  
35           employee, provided that the employee pays to the System prior  
36           to retirement an amount equal to (1) the difference between the

1 employee contributions that would have been required for such  
2 service as a noncovered employee, and the amount of employee  
3 contributions actually paid, plus (2) if payment is made after  
4 July 31, 1987, regular interest on the amount specified in item  
5 (1) from the date of service to the date of payment.

6 For purposes of calculating retirement annuities under  
7 this Section, periods of service rendered after December 31,  
8 1968 and before January 1, 1982 as a covered employee in the  
9 position of investigator for the Department of Revenue shall be  
10 deemed to have been service as a noncovered employee, provided  
11 that the employee pays to the System prior to retirement an  
12 amount equal to (1) the difference between the employee  
13 contributions that would have been required for such service as  
14 a noncovered employee, and the amount of employee contributions  
15 actually paid, plus (2) if payment is made after January 1,  
16 1990, regular interest on the amount specified in item (1) from  
17 the date of service to the date of payment.

18 (g) A State policeman may elect, not later than January 1,  
19 1990, to establish eligible creditable service for up to 10  
20 years of his service as a policeman under Article 3, by filing  
21 a written election with the Board, accompanied by payment of an  
22 amount to be determined by the Board, equal to (i) the  
23 difference between the amount of employee and employer  
24 contributions transferred to the System under Section 3-110.5,  
25 and the amounts that would have been contributed had such  
26 contributions been made at the rates applicable to State  
27 policemen, plus (ii) interest thereon at the effective rate for  
28 each year, compounded annually, from the date of service to the  
29 date of payment.

30 Subject to the limitation in subsection (i), a State  
31 policeman may elect, not later than July 1, 1993, to establish  
32 eligible creditable service for up to 10 years of his service  
33 as a member of the County Police Department under Article 9, by  
34 filing a written election with the Board, accompanied by  
35 payment of an amount to be determined by the Board, equal to  
36 (i) the difference between the amount of employee and employer

1 contributions transferred to the System under Section 9-121.10  
2 and the amounts that would have been contributed had those  
3 contributions been made at the rates applicable to State  
4 policemen, plus (ii) interest thereon at the effective rate for  
5 each year, compounded annually, from the date of service to the  
6 date of payment.

7 (h) Subject to the limitation in subsection (i), a State  
8 policeman or investigator for the Secretary of State may elect  
9 to establish eligible creditable service for up to 12 years of  
10 his service as a policeman under Article 5, by filing a written  
11 election with the Board on or before January 31, 1992, and  
12 paying to the System by January 31, 1994 an amount to be  
13 determined by the Board, equal to (i) the difference between  
14 the amount of employee and employer contributions transferred  
15 to the System under Section 5-236, and the amounts that would  
16 have been contributed had such contributions been made at the  
17 rates applicable to State policemen, plus (ii) interest thereon  
18 at the effective rate for each year, compounded annually, from  
19 the date of service to the date of payment.

20 Subject to the limitation in subsection (i), a State  
21 policeman, conservation police officer, or investigator for  
22 the Secretary of State may elect to establish eligible  
23 creditable service for up to 10 years of service as a sheriff's  
24 law enforcement employee under Article 7, by filing a written  
25 election with the Board on or before January 31, 1993, and  
26 paying to the System by January 31, 1994 an amount to be  
27 determined by the Board, equal to (i) the difference between  
28 the amount of employee and employer contributions transferred  
29 to the System under Section 7-139.7, and the amounts that would  
30 have been contributed had such contributions been made at the  
31 rates applicable to State policemen, plus (ii) interest thereon  
32 at the effective rate for each year, compounded annually, from  
33 the date of service to the date of payment.

34 (i) The total amount of eligible creditable service  
35 established by any person under subsections (g), (h), (j), (k),  
36 and (l) of this Section shall not exceed 12 years.

1 (j) Subject to the limitation in subsection (i), an  
2 investigator for the Office of the State's Attorneys Appellate  
3 Prosecutor or a controlled substance inspector may elect to  
4 establish eligible creditable service for up to 10 years of his  
5 service as a policeman under Article 3 or a sheriff's law  
6 enforcement employee under Article 7, by filing a written  
7 election with the Board, accompanied by payment of an amount to  
8 be determined by the Board, equal to (1) the difference between  
9 the amount of employee and employer contributions transferred  
10 to the System under Section 3-110.6 or 7-139.8, and the amounts  
11 that would have been contributed had such contributions been  
12 made at the rates applicable to State policemen, plus (2)  
13 interest thereon at the effective rate for each year,  
14 compounded annually, from the date of service to the date of  
15 payment.

16 (k) Subject to the limitation in subsection (i) of this  
17 Section, an alternative formula employee may elect to establish  
18 eligible creditable service for periods spent as a full-time  
19 law enforcement officer or full-time corrections officer  
20 employed by the federal government or by a state or local  
21 government located outside of Illinois, for which credit is not  
22 held in any other public employee pension fund or retirement  
23 system. To obtain this credit, the applicant must file a  
24 written application with the Board by March 31, 1998,  
25 accompanied by evidence of eligibility acceptable to the Board  
26 and payment of an amount to be determined by the Board, equal  
27 to (1) employee contributions for the credit being established,  
28 based upon the applicant's salary on the first day as an  
29 alternative formula employee after the employment for which  
30 credit is being established and the rates then applicable to  
31 alternative formula employees, plus (2) an amount determined by  
32 the Board to be the employer's normal cost of the benefits  
33 accrued for the credit being established, plus (3) regular  
34 interest on the amounts in items (1) and (2) from the first day  
35 as an alternative formula employee after the employment for  
36 which credit is being established to the date of payment.

1           (1) Subject to the limitation in subsection (i), a security  
2 employee of the Department of Corrections may elect, not later  
3 than July 1, 1998, to establish eligible creditable service for  
4 up to 10 years of his or her service as a policeman under  
5 Article 3, by filing a written election with the Board,  
6 accompanied by payment of an amount to be determined by the  
7 Board, equal to (i) the difference between the amount of  
8 employee and employer contributions transferred to the System  
9 under Section 3-110.5, and the amounts that would have been  
10 contributed had such contributions been made at the rates  
11 applicable to security employees of the Department of  
12 Corrections, plus (ii) interest thereon at the effective rate  
13 for each year, compounded annually, from the date of service to  
14 the date of payment.

15           (Source: P.A. 91-357, eff. 7-29-99; 91-760, eff. 1-1-01; 92-14,  
16 eff. 6-28-01; 92-257, eff. 8-6-01; 92-651, eff. 7-11-02.)

17           Section 99. Effective date. This Act takes effect upon  
18 becoming law.