



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB1503

Introduced 02/10/05, by Rep. Kevin Joyce

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/9-121.16  
40 ILCS 5/9-121.17 new  
40 ILCS 5/9-121.18 new  
40 ILCS 5/9-134.2 from Ch. 108 1/2, par. 9-134.2  
40 ILCS 5/9-134.3  
40 ILCS 5/9-134.4  
30 ILCS 805/8.29 new

Amends the Cook County Article of the Illinois Pension Code. Creates an alternative retirement annuity and survivor's benefit for correctional officers with the county department of corrections and for persons employed by Cook County as jail sergeants. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB094 07580 EFG 37749 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

1 AN ACT concerning 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 9-121.16, 9-134.2, 9-134.3, and 9-134.4 and adding  
6 Sections 9-121.17 and 9-121.18 as follows:

7 (40 ILCS 5/9-121.16)

8 Sec. 9-121.16. Contractual service to the Retirement  
9 Board. A person who has rendered continuous contractual  
10 services (other than legal or actuarial services) to the  
11 Retirement Board for a period of at least 5 years may establish  
12 creditable service in the Fund for up to 10 years of those  
13 services by making written application to the Board before July  
14 1, 2003 and paying to the Fund an amount to be determined by  
15 the Board, equal to the employee contributions that would have  
16 been required if those services had been performed as an  
17 employee.

18 For the purposes of calculating the required payment, the  
19 Board may determine the applicable salary equivalent based on  
20 the compensation received by the person for performing those  
21 contractual services. The salary equivalent calculated under  
22 this Section shall not be used for determining final average  
23 salary under Section 9-134 or any other provisions of this  
24 Code.

25 A person may not make optional contributions under Section  
26 9-121.6, 9-121.17, or 9-179.3 for periods of credit established  
27 under this Section.

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

29 (40 ILCS 5/9-121.17 new)

30 Sec. 9-121.17. Alternative annuity for correctional  
31 officers and jail sergeants.

1       (a) Any person employed as a correctional officer with the  
2 county department of corrections or by the county as a jail  
3 sergeant may elect to establish alternative credits for an  
4 alternative annuity by electing in writing to make additional  
5 optional contributions in accordance with this Section and  
6 procedures established by the board. Such correctional officer  
7 or jail sergeant may discontinue making the additional optional  
8 contributions by notifying the Fund in writing in accordance  
9 with this Section and procedures established by the board.

10       Additional optional contributions for the alternative  
11 annuity shall be as follows:

12           (1) For service after the option is elected, an  
13 additional contribution of 3% of salary shall be  
14 contributed to the Fund on the same basis and under the  
15 same conditions as contributions required under Sections  
16 9-170 and 9-176.

17           (2) For service before the option is elected, an  
18 additional contribution of 3% of the salary for the  
19 applicable period of service, plus interest at the  
20 effective rate from the date of service to the date of  
21 payment. All payments for past service must be paid in full  
22 before credit is given. No additional optional  
23 contributions may be made for any period of service for  
24 which credit has been previously forfeited by acceptance of  
25 a refund, unless the refund is repaid in full with interest  
26 at the effective rate from the date of refund to the date  
27 of repayment.

28       (b) In lieu of the retirement annuity otherwise payable  
29 under this Article, any correctional officer with the county  
30 department of corrections or jail sergeant who (1) has elected  
31 to make additional optional contributions in accordance with  
32 this Section, and (2) has attained age 60 with at least 10  
33 years of service credit, or has attained age 65 with at least 8  
34 years of service credit, may elect to have his retirement  
35 annuity computed as follows: 3% of the participant's salary at  
36 the time of termination of service for each of the first 8

1 years of service credit, plus 4% of such salary for each of the  
2 next 4 years of service credit, plus 5% of such salary for each  
3 year of service credit in excess of 12 years, subject to a  
4 maximum of 80% of such salary. To the extent such correctional  
5 officer or jail sergeant has made additional optional  
6 contributions with respect to only a portion of his years of  
7 service credit, his retirement annuity will first be determined  
8 in accordance with this Section to the extent such additional  
9 optional contributions were made, and then in accordance with  
10 the remaining Sections of this Article to the extent of years  
11 of service credit with respect to which additional optional  
12 contributions were not made.

13 (c) In lieu of the disability benefits otherwise payable  
14 under this Article, any correctional officer with the county  
15 department of corrections or jail sergeant who (1) has become  
16 permanently disabled and as a consequence is unable to perform  
17 the duties of his employment and (2) was making optional  
18 contributions in accordance with this Section at the time the  
19 disability was incurred, may elect to receive a disability  
20 annuity calculated in accordance with the formula in subsection  
21 (b). For the purposes of this subsection, such correctional  
22 officer or jail sergeant shall be considered permanently  
23 disabled only if: (i) disability occurs while in service as a  
24 correctional officer with the county department of corrections  
25 or jail sergeant and is of such a nature as to prevent him from  
26 reasonably performing the duties of his employment at the time;  
27 and (ii) the board has received a written certification by at  
28 least 2 licensed physicians appointed by it stating that such  
29 correctional officer or jail sergeant is disabled and that the  
30 disability is likely to be permanent.

31 (d) Refunds of additional optional contributions shall be  
32 made on the same basis and under the same conditions as  
33 provided under Section 9-164, 9-166 and 9-167. Interest shall  
34 be credited at the effective rate on the same basis and under  
35 the same conditions as for other contributions. Optional  
36 contributions made by jail sergeants shall be accounted for in

1 a separate Cook County Jail Sergeant Optional Contribution  
2 Reserve. Optional contributions made by correctional officers  
3 shall be accounted for in a separate Cook County Correctional  
4 Officer Optional Contribution Reserve. Optional contributions  
5 under this Section shall be included in the amount of employee  
6 contributions used to compute the tax levy under Section 9-169.

7 (e) The effective date of this plan of optional alternative  
8 benefits and contributions shall be January 1, 2006, or the  
9 date upon which approval is received from the U.S. Internal  
10 Revenue Service, whichever is later. The plan of optional  
11 alternative benefits and contributions shall not be available  
12 to any former correctional officer or jail sergeant receiving  
13 an annuity from the Fund on the effective date of the plan,  
14 unless he re-enters service as a correctional officer with the  
15 county department of corrections or jail sergeant and renders  
16 at least 3 years of additional service after the date of  
17 re-entry.

18 (40 ILCS 5/9-121.18 new)

19 Sec. 9-121.18. Alternative survivor's benefits for  
20 survivors of correctional officers or jail sergeants. In lieu  
21 of the survivor's benefits otherwise payable under this  
22 Article, the spouse or eligible child of any deceased  
23 correctional officer with the county department of corrections  
24 or jail sergeant who was either making additional optional  
25 contributions in accordance with Section 9-121.17 on the date  
26 of death, or was receiving an annuity calculated under that  
27 Section at the time of death, may elect to receive an annuity  
28 beginning on the date of the correctional officer's or jail  
29 sergeant's death, provided that the spouse and correctional  
30 officer or jail sergeant must have been married on the date of  
31 the last termination of his or her service as a correctional  
32 officer or jail sergeant and for a continuous period of at  
33 least one year immediately preceding his or her death.

34 The annuity shall be payable beginning on the date of the  
35 correctional officer's or jail sergeant's death if the spouse

1 is then age 50 or over, or beginning at age 50 if the age of the  
2 spouse is less than 50 years. If a minor unmarried child or  
3 children of the correctional officer or jail sergeant, under  
4 age 18, also survive, and the child or children are under the  
5 care of the eligible spouse, the annuity shall begin as of the  
6 date of death of the correctional officer or jail sergeant  
7 without regard to the spouse's age.

8 The annuity to a spouse shall be 66 2/3% of the amount of  
9 retirement annuity earned by the correctional officer or jail  
10 sergeant on the date of death, subject to a minimum payment of  
11 10% of salary, provided that if an eligible spouse, regardless  
12 of age, has in his or her care at the date of death of the  
13 correctional officer or jail sergeant any unmarried child or  
14 children of the correctional officer or jail sergeant, under  
15 age 18, the minimum annuity shall be 30% of the correctional  
16 officer's or jail sergeant's salary, plus 10% of salary on  
17 account of each minor child of the correctional officer or jail  
18 sergeant, subject to a combined total payment on account of a  
19 spouse and minor children not to exceed 50% of the deceased  
20 correctional officer's or jail sergeant's salary. In the event  
21 there is no spouse of the correctional officer or jail sergeant  
22 surviving, or should a spouse remarry or die while eligible  
23 minor children still survive the correctional officer or jail  
24 sergeant, each such child shall be entitled to an annuity equal  
25 to 20% of salary of the correctional officer or jail sergeant  
26 subject to a combined total payment on account of all such  
27 children not to exceed 50% of salary of the correctional  
28 officer or jail sergeant. The salary to be used in the  
29 calculation of these benefits shall be the same as that  
30 prescribed for determining a retirement annuity as provided in  
31 Section 9-121.17.

32 Upon the death of a correctional officer or jail sergeant  
33 occurring after termination of service or while in receipt of a  
34 retirement annuity, the combined total payment to a spouse and  
35 minor children, or to minor children alone if no eligible  
36 spouse survives, shall be limited to 75% of the amount of

1 retirement annuity earned by the correctional officer or jail  
2 sergeant.

3 Adopted children shall have status as children of the  
4 correctional officer or jail sergeant only if the proceedings  
5 for adoption were commenced at least one year prior to the date  
6 of the correctional officer's or jail sergeant's death.

7 Marriage of a child or attainment of age 18, whichever  
8 first occurs, shall render the child ineligible for further  
9 consideration in the payment of an annuity to a spouse or in  
10 the increase in the amount thereof. Upon attainment of  
11 ineligibility of the youngest minor child of the correctional  
12 officer or jail sergeant, the annuity shall immediately revert  
13 to the amount payable upon death of a correctional officer or  
14 jail sergeant leaving no minor children surviving him or her.  
15 If the spouse is under age 50 at such time, the annuity as  
16 revised shall be deferred until such age is attained.  
17 Remarriage of a widow or widower prior to attainment of age 55  
18 shall disqualify the spouse from the receipt of an annuity.

19 (40 ILCS 5/9-134.2) (from Ch. 108 1/2, par. 9-134.2)

20 Sec. 9-134.2. Early retirement incentives.

21 (a) To be eligible for the benefits provided in this  
22 Section, a person must:

23 (1) be a current contributing member of this Fund who,  
24 on May 1, 1992 and within 30 days prior to the date of  
25 retirement, is (i) in active payroll status in a position  
26 of employment under this Article, or (ii) receiving  
27 disability benefits under Section 9-156 or 9-157;

28 (2) have not previously retired under this Article;

29 (3) file with the Board before May 1, 1993, a written  
30 application requesting the benefits provided in this  
31 Section;

32 (4) elect to retire under this Section on or after  
33 December 1, 1992 and on or before May 29, 1993 (or the date  
34 established under subsection (c), if applicable);

35 (5) have attained age 55 on or before the date of

1 retirement; and

2 (6) have at least 10 years of creditable service under  
3 this Fund or any of the participating systems under the  
4 Retirement Systems Reciprocal Act by the effective date of  
5 the retirement annuity.

6 (b) An employee who qualifies for the benefits provided  
7 under this Section shall be entitled to the following:

8 (1) The employee's retirement annuity, as calculated  
9 under the other provisions of this Article, shall be  
10 increased at the time of retirement by an amount equal to  
11 1% of the employee's average annual salary for the highest  
12 4 consecutive years within the last 10 years of service,  
13 multiplied by the employee's number of years of service  
14 credit in this Fund up to a maximum of 10 years; except  
15 that the total retirement annuity, including any  
16 additional benefits elected under Section 9-121.6,  
17 9-121.17, or 9-179.3, shall not exceed 80% of that highest  
18 average annual salary.

19 (2) If the employee's retirement annuity is calculated  
20 under Section 9-134, the employee shall not be subject to  
21 the reduction in retirement annuity because of retirement  
22 below age 60 that is otherwise required under that Section.

23 (c) In the case of an employee whose immediate retirement  
24 could jeopardize public safety or create hardship for the  
25 employer, the deadline for retirement provided in subdivision  
26 (a) (4) of this Section may be extended to a specified date, no  
27 later than November 30, 1993, by the employee's department  
28 head, with the approval of the President of the County Board.  
29 In the case of an employee who is not employed by a department  
30 of the County, the employee's "department head", for the  
31 purposes of this Section, shall be a person designated by the  
32 President of the County Board.

33 (d) Notwithstanding Section 9-161, an annuitant who  
34 reenters service under this Article after receiving a  
35 retirement annuity based on benefits provided under this  
36 Section thereby forfeits the right to continue to receive those



1 benefits, and shall have his or her retirement annuity  
2 recalculated without the benefits provided in this Section.

3 (Source: P.A. 87-1130.)

4 (40 ILCS 5/9-134.3)

5 Sec. 9-134.3. Early retirement incentives.

6 (a) To be eligible for the benefits provided in this  
7 Section, a person must:

8 (1) be a current contributing member of the Fund  
9 established under this Article who, on May 1, 1997 and  
10 within 30 days prior to the date of retirement, is (i) in  
11 active payroll status in a position of employment under  
12 this Article or (ii) receiving disability benefits under  
13 Section 9-156 or 9-157; or else be eligible under  
14 subsection (g);

15 (2) have not previously retired from the Fund, except  
16 as provided under subsection (g);

17 (3) file with the Board before October 1, 1997 (or the  
18 date specified in subsection (g), if applicable) a written  
19 application requesting the benefits provided in this  
20 Section;

21 (4) elect to retire under this Section on or after  
22 September 1, 1997 and on or before February 28, 1998 (or  
23 the date established under subsection (d) or (g), if  
24 applicable);

25 (5) have attained age 55 on or before the date of  
26 retirement and before February 28, 1998; and

27 (6) have at least 10 years of creditable service in the  
28 Fund, excluding service in any of the other participating  
29 systems under the Retirement Systems Reciprocal Act, by the  
30 effective date of the retirement annuity or February 28,  
31 1998, whichever occurs first.

32 (b) An employee who qualifies for the benefits provided  
33 under this Section shall be entitled to the following:

34 (1) The employee's retirement annuity, as calculated  
35 under the other provisions of this Article, shall be

1 increased at the time of retirement by an amount equal to  
2 1% of the employee's average annual salary for the highest  
3 4 consecutive years within the last 10 years of service,  
4 multiplied by the employee's number of years of service  
5 credit in this Fund up to a maximum of 10 years; except  
6 that the total retirement annuity, including any  
7 additional benefits elected under Section 9-121.6,  
8 9-121.17, or 9-179.3, shall not exceed 80% of that highest  
9 average annual salary.

10 (2) If the employee's retirement annuity is calculated  
11 under Section 9-134, the employee shall not be subject to  
12 the reduction in retirement annuity because of retirement  
13 below age 60 that is otherwise required under that Section.

14 (c) A person who elects to retire under the provisions of  
15 this Section thereby relinquishes his or her right, if any, to  
16 have the retirement annuity calculated under the alternative  
17 formula formerly set forth in Section 20-122 of the Retirement  
18 Systems Reciprocal Act.

19 (d) In the case of an employee whose immediate retirement  
20 could jeopardize public safety or create hardship for the  
21 employer, the deadline for retirement provided in subdivision  
22 (a) (4) of this Section may be extended to a specified date, no  
23 later than August 31, 1998, by the employee's department head,  
24 with the approval of the President of the County Board. In the  
25 case of an employee who is not employed by a department of the  
26 County, the employee's "department head", for the purposes of  
27 this Section, shall be a person designated by the President of  
28 the County Board.

29 (e) Notwithstanding Section 9-161, an annuitant who  
30 reenters service under this Article after receiving a  
31 retirement annuity based on benefits provided under this  
32 Section thereby forfeits the right to continue to receive those  
33 benefits and shall have his or her retirement annuity  
34 recalculated without the benefits provided in this Section.

35 (f) This Section also applies to the Fund established under  
36 Article 10 of this Code.

1 (g) A person who (1) was a participating employee on  
2 November 30, 1996, (2) was laid off on or after December 1,  
3 1996 and before May 1, 1997 due to the elimination of the  
4 employee's job or position, (3) meets the requirements of items  
5 (3) through (6) of subsection (a), and (4) has not been  
6 reinstated as a Cook County employee since being laid off is  
7 eligible for the benefits provided under this Section. For such  
8 a person, the application required under subdivision (a)(3) of  
9 this Section must be filed within 60 days after the effective  
10 date of this amendatory Act of the 92nd General Assembly, and  
11 the date of retirement must be within 60 days after the  
12 effective date of this amendatory Act.

13 In the case of a person eligible under this subsection (g)  
14 who began to receive a retirement annuity before the effective  
15 date of this amendatory Act, the annuity shall be recalculated  
16 to include the increase under this Section, and that increase  
17 shall take effect on the first annuity payment date following  
18 the date of application.

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

20 (40 ILCS 5/9-134.4)

21 Sec. 9-134.4. Early retirement incentives.

22 (a) To be eligible for the benefits provided in this  
23 Section, a person must:

24 (1) be a current contributing member of the Fund  
25 established under this Article who, on January 1, 2001 and  
26 within 30 days prior to the date of retirement, is (i) in  
27 active payroll status in a position of employment under  
28 this Article or (ii) receiving disability benefits under  
29 Section 9-156 or 9-157;

30 (2) have not previously retired from the Fund;

31 (3) file with the Board before March 1, 2003 a written  
32 application requesting the benefits provided in this  
33 Section;

34 (4) elect to retire under this Section on or after  
35 November 30, 2002 and on or before March 31, 2003 (or the

1 date established under subsection (d), if applicable);

2 (5) have attained age 50 on or before the date of  
3 retirement and on or before March 31, 2003; and

4 (6) have at least 20 years of creditable service in the  
5 Fund, excluding service in any of the other participating  
6 systems under the Retirement Systems Reciprocal Act, by the  
7 effective date of the retirement annuity or March 31, 2003,  
8 whichever occurs first.

9 (b) An employee who qualifies for the benefits provided  
10 under this Section shall be entitled to the following:

11 (1) The employee's retirement annuity, as calculated  
12 under the other provisions of this Article, shall be  
13 increased at the time of retirement by an amount equal to  
14 1% of the employee's average annual salary for the highest  
15 4 consecutive years within the last 10 years of service,  
16 multiplied by the employee's number of years of service  
17 credit in this Fund up to a maximum of 10 years; except  
18 that the total retirement annuity, including any  
19 additional benefits elected under Section 9-121.6,  
20 9-121.17, or 9-179.3, shall not exceed 80% of that highest  
21 average annual salary.

22 (2) If the employee's retirement annuity is calculated  
23 under Section 9-134, the employee shall not be subject to  
24 the reduction in retirement annuity because of retirement  
25 below age 60 that is otherwise required under that Section.

26 (c) A person who elects to retire under the provisions of  
27 this Section thereby relinquishes his or her right, if any, to  
28 have the retirement annuity calculated under the alternative  
29 formula formerly set forth in Section 20-122 of the Retirement  
30 Systems Reciprocal Act.

31 (d) In the case of an employee whose immediate retirement  
32 could jeopardize public safety or create hardship for the  
33 employer, the deadline for retirement provided in subdivision  
34 (a) (4) of this Section may be extended to a specified date, no  
35 later than September 30, 2003, by the employee's department  
36 head, with the approval of the President of the County Board.

1 In the case of an employee who is not employed by a department  
2 of the County, the employee's "department head", for the  
3 purposes of this Section, shall be a person designated by the  
4 President of the County Board.

5 (e) Notwithstanding Section 9-161, an annuitant who  
6 reenters service under this Article after receiving a  
7 retirement annuity based on benefits provided under this  
8 Section thereby forfeits the right to continue to receive those  
9 benefits and shall have his or her retirement annuity  
10 recalculated without the benefits provided in this Section.

11 (f) This Section also applies to the Fund established under  
12 Article 10 of this Code.

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

14 Section 90. The State Mandates Act is amended by adding  
15 Section 8.29 as follows:

16 (30 ILCS 805/8.29 new)

17 Sec. 8.29. Exempt mandate. Notwithstanding Sections 6 and 8  
18 of this Act, no reimbursement by the State is required for the  
19 implementation of any mandate created by this amendatory Act of  
20 the 94th General Assembly.

21 Section 99. Effective date. This Act takes effect upon  
22 becoming law.