



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB1831

Introduced 2/14/2005, by Rep. Michael J. Madigan - Barbara Flynn Currie - Richard T. Bradley

#### 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. Makes a technical change in a Section relating to the alternative (State Police) formula.

LRB094 03164 LRD 33165 b

PENSION IMPACT  
NOTE ACT MAY  
APPLY

1 AN ACT concerning pensions.

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8 (a) Any member who has withdrawn from service with not less  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 ~~and~~ has  
10 attained age 55, and any member who has withdrawn from service  
11 with not less than 25 years of eligible creditable service and  
12 has attained age 50, regardless of whether the attainment of  
13 either of the specified ages occurs while the member is still  
14 in service, shall be entitled to receive at the option of the  
15 member, in lieu of the regular or minimum retirement annuity, a  
16 retirement annuity computed as follows:

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

25 (ii) for periods of eligible creditable service as a  
26 covered employee: if retirement occurs on or after January  
27 1, 2001, 2.5% of final average compensation for each year  
28 of creditable service; if retirement occurs before January  
29 1, 2001, 1.67% of final average compensation for each of  
30 the first 10 years of such service, 1.90% for each of the  
31 next 10 years of such service, 2.10% for each year of such  
32 service in excess of 20 but not exceeding 30, and 2.30% for

1 each year in excess of 30.

2 Such annuity shall be subject to a maximum of 75% of final  
3 average compensation if retirement occurs before January 1,  
4 2001 or to a maximum of 80% of final average compensation if  
5 retirement occurs on or after January 1, 2001.

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

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

14 (1) State policeman;

15 (2) fire fighter in the fire protection service of a  
16 department;

17 (3) air pilot;

18 (4) special agent;

19 (5) investigator for the Secretary of State;

20 (6) conservation police officer;

21 (7) investigator for the Department of Revenue;

22 (8) security employee of the Department of Human  
23 Services;

24 (9) Central Management Services security police  
25 officer;

26 (10) security employee of the Department of  
27 Corrections;

28 (11) dangerous drugs investigator;

29 (12) investigator for the Department of State Police;

30 (13) investigator for the Office of the Attorney  
31 General;

32 (14) controlled substance inspector;

33 (15) investigator for the Office of the State's  
34 Attorneys Appellate Prosecutor;

35 (16) Commerce Commission police officer;

36 (17) arson investigator;

1 (18) State highway maintenance worker.

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

12 (c) For the purposes of this Section:

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

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

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

30 (4) The term "special agent" means any person who by  
31 reason of employment by the Division of Narcotic Control,  
32 the Bureau of Investigation or, after July 1, 1977, the  
33 Division of Criminal Investigation, the Division of  
34 Internal Investigation, the Division of Operations, or any  
35 other Division or organizational entity in the Department  
36 of State Police is vested by law with duties to maintain

1 public order, investigate violations of the criminal law of  
2 this State, enforce the laws of this State, make arrests  
3 and recover property. The term "special agent" includes any  
4 title or position in the Department of State Police that is  
5 held by an individual employed under the State Police Act.

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

12 A person who became employed as an investigator for the  
13 Secretary of State between January 1, 1967 and December 31,  
14 1975, and who has served as such until attainment of age  
15 60, either continuously or with a single break in service  
16 of not more than 3 years duration, which break terminated  
17 before January 1, 1976, shall be entitled to have his  
18 retirement annuity calculated in accordance with  
19 subsection (a), notwithstanding that he has less than 20  
20 years of credit for such service.

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

30 (7) The term "investigator for the Department of  
31 Revenue" means any person employed by the Department of  
32 Revenue and vested with such investigative duties as render  
33 him ineligible for coverage under the Social Security Act  
34 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and  
35 218(1)(1) of that Act.

36 (8) The term "security employee of the Department of

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

26 The changes made to this subdivision (c)(8) by Public  
27 Act 92-14 apply to persons who retire on or after January  
28 1, 2001, notwithstanding Section 1-103.1.

29 (9) "Central Management Services security police  
30 officer" means any person employed by the Department of  
31 Central Management Services who is vested with such law  
32 enforcement duties as render him ineligible for coverage  
33 under the Social Security Act by reason of Sections  
34 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

35 (10) The term "security employee of the Department of  
36 Corrections" means any employee of the Department of

1 Corrections or the former Department of Personnel, and any  
2 member or employee of the Prisoner Review Board, who has  
3 daily contact with inmates by working within a correctional  
4 facility or who is a parole officer or an employee who has  
5 direct contact with committed persons in the performance of  
6 his or her job duties.

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

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

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

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

36 (15) The term "investigator for the Office of the

1 State's Attorneys Appellate Prosecutor" means a person  
2 employed in that capacity on a full time basis under the  
3 authority of Section 7.06 of the State's Attorneys  
4 Appellate Prosecutor's Act.

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

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

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

29 (i) A person employed on a full-time basis by the  
30 Illinois Department of Transportation in the position  
31 of highway maintainer, highway maintenance lead  
32 worker, highway maintenance lead/lead worker, heavy  
33 construction equipment operator, power shovel  
34 operator, or bridge mechanic; and whose principal  
35 responsibility is to perform, on the roadway, the  
36 actual maintenance necessary to keep the highways that



1 form a part of the State highway system in serviceable  
2 condition for vehicular traffic.

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

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

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

23 or

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

27 (iii) beginning January 1, 1988, 25 years of eligible  
28 creditable service and age 53, or 23 years of eligible  
29 creditable service and age 55; or

30 (iv) beginning January 1, 1989, 25 years of eligible  
31 creditable service and age 52, or 22 years of eligible  
32 creditable service and age 55; or

33 (v) beginning January 1, 1990, 25 years of eligible  
34 creditable service and age 51, or 21 years of eligible  
35 creditable service and age 55; or

36 (vi) beginning January 1, 1991, 25 years of eligible

1           creditable service and age 50, or 20 years of eligible  
2           creditable service and age 55.

3           Persons who have service credit under Article 16 of this  
4 Code for service as a security employee of the Department of  
5 Corrections or the Department of Human Services in a position  
6 requiring certification as a teacher may count such service  
7 toward establishing their eligibility under the service  
8 requirements of this Section; but such service may be used only  
9 for establishing such eligibility, and not for the purpose of  
10 increasing or calculating any benefit.

11           (e) If a member enters military service while working in a  
12 position in which eligible creditable service may be earned,  
13 and returns to State service in the same or another such  
14 position, and fulfills in all other respects the conditions  
15 prescribed in this Article for credit for military service,  
16 such military service shall be credited as eligible creditable  
17 service for the purposes of the retirement annuity prescribed  
18 in this Section.

19           (f) For purposes of calculating retirement annuities under  
20 this Section, periods of service rendered after December 31,  
21 1968 and before October 1, 1975 as a covered employee in the  
22 position of special agent, conservation police officer, mental  
23 health police officer, or investigator for the Secretary of  
24 State, shall be deemed to have been service as a noncovered  
25 employee, provided that the employee pays to the System prior  
26 to retirement an amount equal to (1) the difference between the  
27 employee contributions that would have been required for such  
28 service as a noncovered employee, and the amount of employee  
29 contributions actually paid, plus (2) if payment is made after  
30 July 31, 1987, regular interest on the amount specified in item  
31 (1) from the date of service to the date of payment.

32           For purposes of calculating retirement annuities under  
33 this Section, periods of service rendered after December 31,  
34 1968 and before January 1, 1982 as a covered employee in the  
35 position of investigator for the Department of Revenue shall be  
36 deemed to have been service as a noncovered employee, provided

1 that the employee pays to the System prior to retirement an  
2 amount equal to (1) the difference between the employee  
3 contributions that would have been required for such service as  
4 a noncovered employee, and the amount of employee contributions  
5 actually paid, plus (2) if payment is made after January 1,  
6 1990, regular interest on the amount specified in item (1) from  
7 the date of service to the date of payment.

8 (g) A State policeman may elect, not later than January 1,  
9 1990, to establish eligible creditable service for up to 10  
10 years of his service as a policeman under Article 3, by filing  
11 a written election with the Board, accompanied by payment of an  
12 amount to be determined by the Board, equal to (i) the  
13 difference between the amount of employee and employer  
14 contributions transferred to the System under Section 3-110.5,  
15 and the amounts that would have been contributed had such  
16 contributions been made at the rates applicable to State  
17 policemen, plus (ii) interest thereon at the effective rate for  
18 each year, compounded annually, from the date of service to the  
19 date of payment.

20 Subject to the limitation in subsection (i), a State  
21 policeman may elect, not later than July 1, 1993, to establish  
22 eligible creditable service for up to 10 years of his service  
23 as a member of the County Police Department under Article 9, by  
24 filing a written election with the Board, accompanied by  
25 payment of an amount to be determined by the Board, equal to  
26 (i) the difference between the amount of employee and employer  
27 contributions transferred to the System under Section 9-121.10  
28 and the amounts that would have been contributed had those  
29 contributions been made at the rates applicable to State  
30 policemen, plus (ii) interest thereon at the effective rate for  
31 each year, compounded annually, from the date of service to the  
32 date of payment.

33 (h) Subject to the limitation in subsection (i), a State  
34 policeman or investigator for the Secretary of State may elect  
35 to establish eligible creditable service for up to 12 years of  
36 his service as a policeman under Article 5, by filing a written

1 election with the Board on or before January 31, 1992, and  
2 paying to the System by January 31, 1994 an amount to be  
3 determined by the Board, equal to (i) the difference between  
4 the amount of employee and employer contributions transferred  
5 to the System under Section 5-236, and the amounts that would  
6 have been contributed had such contributions been made at the  
7 rates applicable to State policemen, plus (ii) interest thereon  
8 at the effective rate for each year, compounded annually, from  
9 the date of service to the date of payment.

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

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

27 (j) Subject to the limitation in subsection (i), an  
28 investigator for the Office of the State's Attorneys Appellate  
29 Prosecutor or a controlled substance inspector may elect to  
30 establish eligible creditable service for up to 10 years of his  
31 service as a policeman under Article 3 or a sheriff's law  
32 enforcement employee under Article 7, by filing a written  
33 election with the Board, accompanied by payment of an amount to  
34 be determined by the Board, equal to (1) the difference between  
35 the amount of employee and employer contributions transferred  
36 to the System under Section 3-110.6 or 7-139.8, and the amounts

1 that would have been contributed had such contributions been  
2 made at the rates applicable to State policemen, plus (2)  
3 interest thereon at the effective rate for each year,  
4 compounded annually, from the date of service to the date of  
5 payment.

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

27 (l) Subject to the limitation in subsection (i), a security  
28 employee of the Department of Corrections may elect, not later  
29 than July 1, 1998, to establish eligible creditable service for  
30 up to 10 years of his or her service as a policeman under  
31 Article 3, by filing a written election with the Board,  
32 accompanied by payment of an amount to be determined by the  
33 Board, equal to (i) the difference between the amount of  
34 employee and employer contributions transferred to the System  
35 under Section 3-110.5, and the amounts that would have been  
36 contributed had such contributions been made at the rates

1 applicable to security employees of the Department of  
2 Corrections, plus (ii) interest thereon at the effective rate  
3 for each year, compounded annually, from the date of service to  
4 the date of payment.

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