



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB5581

Introduced 2/15/2006, by Rep. Mary E. Flowers

#### 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 805/8.30 new

Amends the Cook County Article of the Illinois Pension Code. Creates an alternative retirement annuity and survivor's benefit for sworn sheriff's personnel. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB094 19517 AMC 55420 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 sworn sheriff's  
31 personnel.

1       (a) Any person employed as sworn sheriff's personnel may  
2 elect to establish alternative credits for an alternative  
3 annuity by electing in writing to make additional optional  
4 contributions in accordance with this Section and procedures  
5 established by the board. Such sworn sheriff's personnel may  
6 discontinue making the additional optional contributions by  
7 notifying the Fund in writing in accordance with this Section  
8 and procedures established by the board.

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

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

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

27       (b) In lieu of the retirement annuity otherwise payable  
28 under this Article, any sworn sheriff's personnel who (1) has  
29 elected to make additional optional contributions in  
30 accordance with this Section, and (2) has attained age 50 with  
31 at least 10 years of service credit, or has attained age 55  
32 with at least 8 years of service credit, may elect to have his  
33 retirement annuity computed as follows: 3% of the participant's  
34 salary at the time of termination of service for each of the  
35 first 8 years of service credit, plus 4% of such salary for  
36 each of the next 4 years of service credit, plus 5% of such

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

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

27 (d) Refunds of additional optional contributions shall be  
28 made on the same basis and under the same conditions as  
29 provided under Section 9-164, 9-166, and 9-167. Interest shall  
30 be credited at the effective rate on the same basis and under  
31 the same conditions as for other contributions. Optional  
32 contributions made by sworn sheriff's personnel shall be  
33 accounted for in a separate Cook County Sworn Sheriff's  
34 Personnel Optional Contribution Reserve. Optional  
35 contributions under this Section shall be included in the  
36 amount of employee contributions used to compute the tax levy

1 under Section 9-169.

2 (e) The effective date of this plan of optional alternative  
3 benefits and contributions shall be January 1, 2007, or the  
4 date upon which approval is received from the U.S. Internal  
5 Revenue Service, whichever is later. The plan of optional  
6 alternative benefits and contributions shall not be available  
7 to any former sworn sheriff's personnel receiving an annuity  
8 from the Fund on the effective date of the plan, unless he or  
9 she re-enters service as sworn sheriff's personnel and renders  
10 at least 3 years of additional service after the date of  
11 re-entry.

12 (40 ILCS 5/9-121.18 new)

13 Sec. 9-121.18. Alternative survivor's benefits for  
14 survivors of sworn sheriff's personnel. In lieu of the  
15 survivor's benefits otherwise payable under this Article, the  
16 spouse or eligible child of any deceased sworn sheriff's  
17 personnel who was either making additional optional  
18 contributions in accordance with Section 9-121.17 on the date  
19 of death, or was receiving an annuity calculated under that  
20 Section at the time of death, may elect to receive an annuity  
21 beginning on the date of death of the sworn sheriff's  
22 personnel, provided that the spouse and sworn sheriff's  
23 personnel must have been married on the date of the last  
24 termination of his or her service as sworn sheriff's personnel  
25 and for a continuous period of at least one year immediately  
26 preceding his or her death.

27 The annuity shall be payable beginning on the date of death  
28 of the sworn sheriff's personnel if the spouse is then age 50  
29 or over, or beginning at age 50 if the age of the spouse is less  
30 than age 50. If an unmarried child or children of the sworn  
31 sheriff's personnel under age 18 also survive, and the child or  
32 children are under the care of the eligible spouse, the annuity  
33 shall begin as of the date of death of the sworn sheriff's  
34 personnel without regard to the spouse's age.

35 The annuity to a spouse shall be 66 2/3% of the amount of

1 retirement annuity earned by the sworn sheriff's personnel on  
2 the date of death, subject to a minimum payment of 10% of  
3 salary, provided that, if an eligible spouse, regardless of  
4 age, has in his or her care at the date of death of the sworn  
5 sheriff's personnel any unmarried child or children of the  
6 sworn sheriff's personnel under age 18, the minimum annuity  
7 shall be 30% of the salary of the sworn sheriff's personnel,  
8 plus 10% of salary on account of each minor child of the sworn  
9 sheriff's personnel, subject to a combined total payment on  
10 account of a spouse and minor children not to exceed 50% of the  
11 salary of the deceased sworn sheriff's personnel. In the event  
12 there is no spouse of the sworn sheriff's personnel, or should  
13 a spouse remarry or die while eligible minor children still  
14 survive the sworn sheriff's personnel, each such child shall be  
15 entitled to an annuity equal to 20% of salary of the sworn  
16 sheriff's personnel subject to a combined total payment on  
17 account of all such children not to exceed 50% of salary of the  
18 sworn sheriff's personnel. The salary to be used in the  
19 calculation of these benefits shall be the same as that  
20 prescribed for determining a retirement annuity as provided in  
21 Section 9-121.17.

22 Upon the death of sworn sheriff's personnel occurring after  
23 termination of service or while in receipt of a retirement  
24 annuity, the combined total payment to a spouse and minor  
25 children, or to minor children alone if no eligible spouse  
26 survives, shall be limited to 75% of the amount of retirement  
27 annuity earned by the sworn sheriff's personnel.

28 Adopted children shall have status as children of the sworn  
29 sheriff's personnel only if the proceedings for adoption were  
30 commenced at least one year prior to the date of the death of  
31 the sworn sheriff's personnel.

32 Marriage of a child or attainment of age 18, whichever  
33 first occurs, shall render the child ineligible for further  
34 consideration in the payment of an annuity to a spouse or in  
35 the increase in the amount thereof. Upon attainment of  
36 ineligibility of the youngest minor child of the sworn

1 sheriff's personnel, the annuity shall immediately revert to  
2 the amount payable upon death of sworn sheriff's personnel  
3 leaving no minor children surviving him or her. If the spouse  
4 is under age 50 at such time, the annuity as revised shall be  
5 deferred until such age is attained. Remarriage of a widow or  
6 widower prior to attainment of age 55 shall disqualify the  
7 spouse from the receipt of an annuity.

8 (40 ILCS 5/9-134.2) (from Ch. 108 1/2, par. 9-134.2)

9 Sec. 9-134.2. Early retirement incentives.

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

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

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

18 (3) file with the Board before May 1, 1993, a written  
19 application requesting the benefits provided in this  
20 Section;

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

24 (5) have attained age 55 on or before the date of  
25 retirement; and

26 (6) have at least 10 years of creditable service under  
27 this Fund or any of the participating systems under the  
28 Retirement Systems Reciprocal Act by the effective date of  
29 the retirement annuity.

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

32 (1) The employee's retirement annuity, as calculated  
33 under the other provisions of this Article, shall be  
34 increased at the time of retirement by an amount equal to  
35 1% of the employee's average annual salary for the highest

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

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

12 (c) In the case of an employee whose immediate retirement  
13 could jeopardize public safety or create hardship for the  
14 employer, the deadline for retirement provided in subdivision  
15 (a) (4) of this Section may be extended to a specified date, no  
16 later than November 30, 1993, by the employee's department  
17 head, with the approval of the President of the County Board.  
18 In the case of an employee who is not employed by a department  
19 of the County, the employee's "department head", for the  
20 purposes of this Section, shall be a person designated by the  
21 President of the County Board.

22 (d) Notwithstanding Section 9-161, an annuitant who  
23 reenters service under this Article after receiving a  
24 retirement annuity based on benefits provided under this  
25 Section thereby forfeits the right to continue to receive those  
26 benefits, and shall have his or her retirement annuity  
27 recalculated without the benefits provided in this Section.

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

29 (40 ILCS 5/9-134.3)

30 Sec. 9-134.3. Early retirement incentives.

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

33 (1) be a current contributing member of the Fund  
34 established under this Article who, on May 1, 1997 and  
35 within 30 days prior to the date of retirement, is (i) in



1 active payroll status in a position of employment under  
2 this Article or (ii) receiving disability benefits under  
3 Section 9-156 or 9-157; or else be eligible under  
4 subsection (g);

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

7 (3) file with the Board before October 1, 1997 (or the  
8 date specified in subsection (g), if applicable) a written  
9 application requesting the benefits provided in this  
10 Section;

11 (4) elect to retire under this Section on or after  
12 September 1, 1997 and on or before February 28, 1998 (or  
13 the date established under subsection (d) or (g), if  
14 applicable);

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

17 (6) have at least 10 years of creditable service in the  
18 Fund, excluding service in any of the other participating  
19 systems under the Retirement Systems Reciprocal Act, by the  
20 effective date of the retirement annuity or February 28,  
21 1998, whichever occurs first.

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

24 (1) The employee's retirement annuity, as calculated  
25 under the other provisions of this Article, shall be  
26 increased at the time of retirement by an amount equal to  
27 1% of the employee's average annual salary for the highest  
28 4 consecutive years within the last 10 years of service,  
29 multiplied by the employee's number of years of service  
30 credit in this Fund up to a maximum of 10 years; except  
31 that the total retirement annuity, including any  
32 additional benefits elected under Section 9-121.6,  
33 9-121.17, or 9-179.3, shall not exceed 80% of that highest  
34 average annual salary.

35 (2) If the employee's retirement annuity is calculated  
36 under Section 9-134, the employee shall not be subject to

1 the reduction in retirement annuity because of retirement  
2 below age 60 that is otherwise required under that Section.

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

8 (d) In the case of an employee whose immediate retirement  
9 could jeopardize public safety or create hardship for the  
10 employer, the deadline for retirement provided in subdivision  
11 (a) (4) of this Section may be extended to a specified date, no  
12 later than August 31, 1998, by the employee's department head,  
13 with the approval of the President of the County Board. In the  
14 case of an employee who is not employed by a department of the  
15 County, the employee's "department head", for the purposes of  
16 this Section, shall be a person designated by the President of  
17 the County Board.

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

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

26 (g) A person who (1) was a participating employee on  
27 November 30, 1996, (2) was laid off on or after December 1,  
28 1996 and before May 1, 1997 due to the elimination of the  
29 employee's job or position, (3) meets the requirements of items  
30 (3) through (6) of subsection (a), and (4) has not been  
31 reinstated as a Cook County employee since being laid off is  
32 eligible for the benefits provided under this Section. For such  
33 a person, the application required under subdivision (a) (3) of  
34 this Section must be filed within 60 days after the effective  
35 date of this amendatory Act of the 92nd General Assembly, and  
36 the date of retirement must be within 60 days after the

1 effective date of this amendatory Act.

2 In the case of a person eligible under this subsection (g)  
3 who began to receive a retirement annuity before the effective  
4 date of this amendatory Act, the annuity shall be recalculated  
5 to include the increase under this Section, and that increase  
6 shall take effect on the first annuity payment date following  
7 the date of application.

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

9 (40 ILCS 5/9-134.4)

10 Sec. 9-134.4. Early retirement incentives.

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

13 (1) be a current contributing member of the Fund  
14 established under this Article who, on January 1, 2001 and  
15 within 30 days prior to the date of retirement, is (i) in  
16 active payroll status in a position of employment under  
17 this Article or (ii) receiving disability benefits under  
18 Section 9-156 or 9-157;

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

20 (3) file with the Board before March 1, 2003 a written  
21 application requesting the benefits provided in this  
22 Section;

23 (4) elect to retire under this Section on or after  
24 November 30, 2002 and on or before March 31, 2003 (or the  
25 date established under subsection (d), if applicable);

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

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

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

35 (1) The employee's retirement annuity, as calculated

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

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

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

20 (d) In the case of an employee whose immediate retirement  
21 could jeopardize public safety or create hardship for the  
22 employer, the deadline for retirement provided in subdivision  
23 (a) (4) of this Section may be extended to a specified date, no  
24 later than September 30, 2003, by the employee's department  
25 head, with the approval of the President of the County Board.  
26 In the case of an employee who is not employed by a department  
27 of the County, the employee's "department head", for the  
28 purposes of this Section, shall be a person designated by the  
29 President of the County Board.

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

36 (f) This Section also applies to the Fund established under

1 Article 10 of this Code.

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

3 Section 90. The State Mandates Act is amended by adding  
4 Section 8.30 as follows:

5 (30 ILCS 805/8.30 new)

6 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8  
7 of this Act, no reimbursement by the State is required for the  
8 implementation of any mandate created by this amendatory Act of  
9 the 94th General Assembly.

10 Section 99. Effective date. This Act takes effect upon  
11 becoming law.