

SB0808



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB0808

Introduced 2/18/2005, by Sen. Iris Y. Martinez - Emil Jones, Jr.

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 04431 AMC 34460 b

PENSION IMPACT
NOTE ACT MAY
APPLY

A BILL FOR

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 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8 (a) Any member who has withdrawn from service with not less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10 attained age 55, and any member who has withdrawn from service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.)