



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB2023

Introduced 2/25/2005, by Sen. Bill Brady

SYNOPSIS AS INTRODUCED:

40 ILCS 5/2-101	from Ch. 108 1/2, par. 2-101
40 ILCS 5/2-105	from Ch. 108 1/2, par. 2-105
40 ILCS 5/2-119.1	from Ch. 108 1/2, par. 2-119.1
40 ILCS 5/2-126	from Ch. 108 1/2, par. 2-126
40 ILCS 5/14-103.05	from Ch. 108 1/2, par. 14-103.05
40 ILCS 5/14-133	from Ch. 108 1/2, par. 14-133
40 ILCS 5/18-101	from Ch. 108 1/2, par. 18-101
40 ILCS 5/18-102	from Ch. 108 1/2, par. 18-102
40 ILCS 5/18-120	from Ch. 108 1/2, par. 18-120

Amends the Illinois Pension Code. Provides that a person who becomes a judge, constitutional officer, or member of the General Assembly on or after the effective date shall participate in the State Employees' Retirement System, unless he or she participated in the Judges or General Assembly Retirement System before that date. Provides that those persons may not have their employee contributions paid on their behalf by the State. In the General Assembly Article, allows a person with more than 20 years of service to elect to stop contributing to the System instead of receiving the accelerated 3% increases to which he or she would otherwise be entitled. Effective immediately.

LRB094 10866 AMC 41397 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

1 AN ACT in relation to public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing
5 Sections 2-101, 2-105, 2-119.1, 2-126, 14-103.05, 14-133,
6 18-101, 18-102, and 18-120 as follows:

7 (40 ILCS 5/2-101) (from Ch. 108 1/2, par. 2-101)

8 Sec. 2-101. Creation of system. A retirement system is
9 created to provide retirement annuities, survivor's annuities
10 and other benefits for certain members of the General Assembly,
11 certain elected state officials, and their beneficiaries.

12 The system shall be known as the "General Assembly
13 Retirement System". All its funds and property shall be a trust
14 separate from all other entities, maintained for the purpose of
15 securing payment of annuities and benefits under this Article.

16 Participation in the retirement system created under this
17 Article is restricted to persons who become participants before
18 the effective date of this amendatory Act of the 94th General
19 Assembly. Beginning on that date, the System shall not accept
20 any new participants.

21 (Source: P.A. 83-1440.)

22 (40 ILCS 5/2-105) (from Ch. 108 1/2, par. 2-105)

23 Sec. 2-105. Member. "Member": Members of the General
24 Assembly of this State, including persons who enter military
25 service while a member of the General Assembly, and any person
26 serving as Governor, Lieutenant Governor, Secretary of State,
27 Treasurer, Comptroller, or Attorney General for the period of
28 service in such office.

29 Any person who has served for 10 or more years as Clerk or
30 Assistant Clerk of the House of Representatives, Secretary or
31 Assistant Secretary of the Senate, or any combination thereof,

1 may elect to become a member of this system while thenceforth
2 engaged in such service by filing a written election with the
3 board. Any person so electing shall be deemed an active member
4 of the General Assembly for the purpose of validating and
5 transferring any service credits earned under any of the funds
6 and systems established under Articles 3 through 18 of this
7 Code.

8 However, notwithstanding any other provision of this
9 Article, a person shall not be deemed a member for the purposes
10 of this Article unless he or she became a participant of the
11 System before the effective date of this amendatory Act of the
12 94th General Assembly.

13 (Source: P.A. 85-1008.)

14 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

15 Sec. 2-119.1. Automatic increase in retirement annuity.

16 (a) A participant who retires after June 30, 1967, and who
17 has not received an initial increase under this Section before
18 the effective date of this amendatory Act of 1991, shall, in
19 January or July next following the first anniversary of
20 retirement, whichever occurs first, and in the same month of
21 each year thereafter, but in no event prior to age 60, have the
22 amount of the originally granted retirement annuity increased
23 as follows: for each year through 1971, 1 1/2%; for each year
24 from 1972 through 1979, 2%; and for 1980 and each year
25 thereafter, 3%. Annuitants who have received an initial
26 increase under this subsection prior to the effective date of
27 this amendatory Act of 1991 shall continue to receive their
28 annual increases in the same month as the initial increase.

29 (b) Beginning January 1, 1990, for eligible participants
30 who remain in service after attaining 20 years of creditable
31 service and have not elected to stop contributing under Section
32 2-126(e), the 3% increases provided under subsection (a) shall
33 begin to accrue on the January 1 next following the date upon
34 which the participant (1) attains age 55, or (2) attains 20
35 years of creditable service, whichever occurs later, and shall

1 continue to accrue while the participant remains in service;
2 such increases shall become payable on January 1 or July 1,
3 whichever occurs first, next following the first anniversary of
4 retirement. For any person who has service credit in the System
5 for the entire period from January 15, 1969 through December
6 31, 1992, regardless of the date of termination of service, the
7 reference to age 55 in clause (1) of this subsection (b) shall
8 be deemed to mean age 50.

9 This subsection (b) does not apply to any person who first
10 becomes a member of the System after the effective date of this
11 amendatory Act of the 93rd General Assembly.

12 (c) The foregoing provisions relating to automatic
13 increases are not applicable to a participant who retires
14 before having made contributions (at the rate prescribed in
15 Section 2-126) for automatic increases for less than the
16 equivalent of one full year. However, in order to be eligible
17 for the automatic increases, such a participant may make
18 arrangements to pay to the system the amount required to bring
19 the total contributions for the automatic increase to the
20 equivalent of one year's contributions based upon his or her
21 last salary.

22 (d) A participant who terminated service prior to July 1,
23 1967, with at least 14 years of service is entitled to an
24 increase in retirement annuity beginning January, 1976, and to
25 additional increases in January of each year thereafter.

26 The initial increase shall be 1 1/2% of the originally
27 granted retirement annuity multiplied by the number of full
28 years that the annuitant was in receipt of such annuity prior
29 to January 1, 1972, plus 2% of the originally granted
30 retirement annuity for each year after that date. The
31 subsequent annual increases shall be at the rate of 2% of the
32 originally granted retirement annuity for each year through
33 1979 and at the rate of 3% for 1980 and thereafter.

34 (e) Beginning January 1, 1990, all automatic annual
35 increases payable under this Section shall be calculated as a
36 percentage of the total annuity payable at the time of the

1 increase, including previous increases granted under this
2 Article.

3 (Source: P.A. 93-494, eff. 8-8-03.)

4 (40 ILCS 5/2-126) (from Ch. 108 1/2, par. 2-126)

5 Sec. 2-126. Contributions by participants.

6 (a) Each participant shall contribute toward the cost of
7 his or her retirement annuity a percentage of each payment of
8 salary received by him or her for service as a member as
9 follows: for service between October 31, 1947 and January 1,
10 1959, 5%; for service between January 1, 1959 and June 30,
11 1969, 6%; for service between July 1, 1969 and January 10,
12 1973, 6 1/2%; for service after January 10, 1973, 7%; for
13 service after December 31, 1981, 8 1/2%.

14 (b) Beginning August 2, 1949, each male participant, and
15 from July 1, 1971, each female participant shall contribute
16 towards the cost of the survivor's annuity 2% of salary.

17 A participant who has no eligible survivor's annuity
18 beneficiary may elect to cease making contributions for
19 survivor's annuity under this subsection. A survivor's annuity
20 shall not be payable upon the death of a person who has made
21 this election, unless prior to that death the election has been
22 revoked and the amount of the contributions that would have
23 been paid under this subsection in the absence of the election
24 is paid to the System, together with interest at the rate of 4%
25 per year from the date the contributions would have been made
26 to the date of payment.

27 (c) Beginning July 1, 1967, each participant shall
28 contribute 1% of salary towards the cost of automatic increase
29 in annuity provided in Section 2-119.1. These contributions
30 shall be made concurrently with contributions for retirement
31 annuity purposes.

32 (d) In addition, each participant serving as an officer of
33 the General Assembly shall contribute, for the same purposes
34 and at the same rates as are required of a regular participant,
35 on each additional payment received as an officer. If the

1 participant serves as an officer for at least 2 but less than 4
2 years, he or she shall contribute an amount equal to the amount
3 that would have been contributed had the participant served as
4 an officer for 4 years. Persons who serve as officers in the
5 87th General Assembly but cannot receive the additional payment
6 to officers because of the ban on increases in salary during
7 their terms may nonetheless make contributions based on those
8 additional payments for the purpose of having the additional
9 payments included in their highest salary for annuity purposes;
10 however, persons electing to make these additional
11 contributions must also pay an amount representing the
12 corresponding employer contributions, as calculated by the
13 System.

14 (e) A person may irrevocably elect, within 60 days after
15 attaining 20 years of creditable service or within 60 days
16 following the effective date of this amendatory Act of the 94th
17 General Assembly, whichever is later, to stop making employee
18 contributions under this Section. The election does not affect
19 the person's status as a participant, but a person so electing
20 thereby forfeits the accelerated 3% increases to which he or
21 she would otherwise be entitled under subsection (b) of Section
22 2-119.1.

23 (Source: P.A. 90-766, eff. 8-14-98.)

24 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)
25 Sec. 14-103.05. Employee.

26 (a) Any person employed by a Department who receives salary
27 for personal services rendered to the Department on a warrant
28 issued pursuant to a payroll voucher certified by a Department
29 and drawn by the State Comptroller upon the State Treasurer,
30 including an elected official described in subparagraph (d) of
31 Section 14-104, shall become an employee for purpose of
32 membership in the Retirement System on the first day of such
33 employment.

34 A person who becomes a judge, constitutional officer, or
35 member of the General Assembly on or after the effective date

1 of this amendatory Act of the 94th General Assembly and is not
2 eligible to participate in the Judges Retirement System of
3 Illinois or the General Assembly Retirement System shall be
4 deemed an employee for purposes of membership in this System
5 beginning on the first day of such service.

6 A person entering service on or after January 1, 1972 and
7 prior to January 1, 1984 shall become a member as a condition
8 of employment and shall begin making contributions as of the
9 first day of employment.

10 A person entering service on or after January 1, 1984
11 shall, upon completion of 6 months of continuous service which
12 is not interrupted by a break of more than 2 months, become a
13 member as a condition of employment. Contributions shall begin
14 the first of the month after completion of the qualifying
15 period.

16 The qualifying period of 6 months of service is not
17 applicable to: (1) a person who has been granted credit for
18 service in a position covered by the State Universities
19 Retirement System, the Teachers' Retirement System of the State
20 of Illinois, the General Assembly Retirement System, or the
21 Judges Retirement System of Illinois unless that service has
22 been forfeited under the laws of those systems; (2) a person
23 entering service on or after July 1, 1991 in a noncovered
24 position; or (3) a person to whom Section 14-108.2a or
25 14-108.2b applies; or (4) a person who is serving as a judge,
26 constitutional officer, or member of the General Assembly.

27 (b) The term "employee" does not include the following:

28 (1) persons participating in ~~members of the State~~
29 ~~Legislature, and persons electing to become members of the~~
30 ~~General Assembly Retirement System pursuant to Section~~
31 ~~2-105;~~

32 (2) incumbents of offices normally filled by vote of
33 the people, other than judges, constitutional officers,
34 and members of the General Assembly;

35 (3) except as otherwise provided in this Section, any
36 person appointed by the Governor with the advice and

1 consent of the Senate unless that person elects to
2 participate in this system;

3 (3.1) any person serving as a commissioner of an ethics
4 commission created under the State Officials and Employees
5 Ethics Act unless that person elects to participate in this
6 system with respect to that service as a commissioner;

7 (3.2) any person serving as a part-time employee in any
8 of the following positions: Legislative Inspector General,
9 Special Legislative Inspector General, employee of the
10 Office of the Legislative Inspector General, Executive
11 Director of the Legislative Ethics Commission, or staff of
12 the Legislative Ethics Commission, regardless of whether
13 he or she is in active service on or after July 8, 2004
14 (the effective date of Public Act 93-685), unless that
15 person elects to participate in this System with respect to
16 that service; in this item (3.2), a "part-time employee" is
17 a person who is not required to work at least 35 hours per
18 week;

19 (3.3) any person who has made an election under Section
20 1-123 and who is serving either as legal counsel in the
21 Office of the Governor or as Chief Deputy Attorney General;

22 (4) except as provided in Section 14-108.2 or
23 14-108.2c, any person who is covered or eligible to be
24 covered by the Teachers' Retirement System of the State of
25 Illinois, the State Universities Retirement System, or the
26 Judges Retirement System of Illinois;

27 (5) an employee of a municipality or any other
28 political subdivision of the State;

29 (6) any person who becomes an employee after June 30,
30 1979 as a public service employment program participant
31 under the Federal Comprehensive Employment and Training
32 Act and whose wages or fringe benefits are paid in whole or
33 in part by funds provided under such Act;

34 (7) enrollees of the Illinois Young Adult Conservation
35 Corps program, administered by the Department of Natural
36 Resources, authorized grantee pursuant to Title VIII of the

1 "Comprehensive Employment and Training Act of 1973", 29 USC
2 993, as now or hereafter amended;

3 (8) enrollees and temporary staff of programs
4 administered by the Department of Natural Resources under
5 the Youth Conservation Corps Act of 1970;

6 (9) any person who is a member of any professional
7 licensing or disciplinary board created under an Act
8 administered by the Department of Professional Regulation
9 or a successor agency or created or re-created after the
10 effective date of this amendatory Act of 1997, and who
11 receives per diem compensation rather than a salary,
12 notwithstanding that such per diem compensation is paid by
13 warrant issued pursuant to a payroll voucher; such persons
14 have never been included in the membership of this System,
15 and this amendatory Act of 1987 (P.A. 84-1472) is not
16 intended to effect any change in the status of such
17 persons;

18 (10) any person who is a member of the Illinois Health
19 Care Cost Containment Council, and receives per diem
20 compensation rather than a salary, notwithstanding that
21 such per diem compensation is paid by warrant issued
22 pursuant to a payroll voucher; such persons have never been
23 included in the membership of this System, and this
24 amendatory Act of 1987 is not intended to effect any change
25 in the status of such persons;

26 (11) any person who is a member of the Oil and Gas
27 Board created by Section 1.2 of the Illinois Oil and Gas
28 Act, and receives per diem compensation rather than a
29 salary, notwithstanding that such per diem compensation is
30 paid by warrant issued pursuant to a payroll voucher; or

31 (12) a person employed by the State Board of Higher
32 Education in a position with the Illinois Century Network
33 as of June 30, 2004, who remains continuously employed
34 after that date by the Department of Central Management
35 Services in a position with the Illinois Century Network
36 and participates in the Article 15 system with respect to

1 that employment.

2 (Source: P.A. 92-14, eff. 6-28-01; 93-685, eff. 7-8-04; 93-839,
3 eff. 7-30-04; 93-1069, eff. 1-15-05.)

4 (40 ILCS 5/14-133) (from Ch. 108 1/2, par. 14-133)

5 Sec. 14-133. Contributions by or on behalf of members.

6 (a) Each participating employee shall make contributions
7 to the System, based on the employee's compensation, as
8 follows:

9 (1) Covered employees, except as indicated below, 3.5%
10 for retirement annuity, and 0.5% for a widow or survivors
11 annuity;

12 (2) Noncovered employees, except as indicated below,
13 7% for retirement annuity and 1% for a widow or survivors
14 annuity;

15 (3) Noncovered employees serving in a position in which
16 "eligible creditable service" as defined in Section 14-110
17 may be earned, 1% for a widow or survivors annuity plus the
18 following amount for retirement annuity: 8.5% through
19 December 31, 2001; 9.5% in 2002; 10.5% in 2003; and 11.5%
20 in 2004 and thereafter;

21 (4) Covered employees serving in a position in which
22 "eligible creditable service" as defined in Section 14-110
23 may be earned, 0.5% for a widow or survivors annuity plus
24 the following amount for retirement annuity: 5% through
25 December 31, 2001; 6% in 2002; 7% in 2003; and 8% in 2004
26 and thereafter;

27 (5) Each security employee of the Department of
28 Corrections or of the Department of Human Services who is a
29 covered employee, 0.5% for a widow or survivors annuity
30 plus the following amount for retirement annuity: 5%
31 through December 31, 2001; 6% in 2002; 7% in 2003; and 8%
32 in 2004 and thereafter;

33 (6) Each security employee of the Department of
34 Corrections or of the Department of Human Services who is
35 not a covered employee, 1% for a widow or survivors annuity

1 plus the following amount for retirement annuity: 8.5%
2 through December 31, 2001; 9.5% in 2002; 10.5% in 2003; and
3 11.5% in 2004 and thereafter.

4 (b) Contributions shall be in the form of a deduction from
5 compensation and shall be made notwithstanding that the
6 compensation paid in cash to the employee shall be reduced
7 thereby below the minimum prescribed by law or regulation. Each
8 member is deemed to consent and agree to the deductions from
9 compensation provided for in this Article, and shall receipt in
10 full for salary or compensation.

11 (c) All or a portion of the employee contributions required
12 under this Section may be paid by the State on behalf of the
13 employee through a separate line item appropriation to the
14 department for that purpose; this does not, however, apply to
15 judges, constitutional officers, or members of the General
16 Assembly.

17 (Source: P.A. 92-14, eff. 6-28-01.)

18 (40 ILCS 5/18-101) (from Ch. 108 1/2, par. 18-101)

19 Sec. 18-101. Creation of fund.

20 A retirement system is created to be known as the "Judges
21 Retirement System of Illinois". It shall be a trust separate
22 and distinct from all other entities, maintained for the
23 purpose of securing the payment of annuities and benefits as
24 prescribed herein.

25 Participation in the retirement system created under this
26 Article is restricted to persons who become participants before
27 the effective date of this amendatory Act of the 94th General
28 Assembly. Beginning on that date, the System shall not accept
29 any new participants.

30 (Source: Laws 1963, p. 161.)

31 (40 ILCS 5/18-102) (from Ch. 108 1/2, par. 18-102)

32 Sec. 18-102. Purpose.

33 The purpose of the system is to establish an efficient
34 method of permitting retirement, without hardship or

1 prejudice, of certain judges who are aged or otherwise
2 incapacitated, by enabling them to accumulate reserves for
3 themselves and their dependents for old age, disability, death,
4 and termination of employment.

5 (Source: Laws 1963, p. 161.)

6 (40 ILCS 5/18-120) (from Ch. 108 1/2, par. 18-120)

7 Sec. 18-120. Employee participation. An eligible judge who
8 is not a participant shall become a participant beginning on
9 the date he or she becomes an eligible judge, unless the judge
10 files with the board a written notice of election not to
11 participate within 30 days of the date of being notified of the
12 option.

13 A person electing not to participate shall thereafter be
14 ineligible to become a participant unless the election is
15 revoked as provided in Section 18-121.

16 However, notwithstanding any other provision of this
17 Article, a person shall not be deemed an eligible or
18 participating judge for the purposes of this Article unless he
19 or she became a participant of the System before the effective
20 date of this amendatory Act of the 94th General Assembly.

21 (Source: P.A. 83-1440.)

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