



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB0379

Introduced 1/26/2007, by Rep. Thomas Holbrook

SYNOPSIS AS INTRODUCED:

40 ILCS 5/16-132
40 ILCS 5/16-203

from Ch. 108 1/2, par. 16-132

Amends the Downstate Teacher Article of the Illinois Pension Code. Provides that a member who is eligible to receive a retirement annuity of at least 74.6% of final average salary and who will attain age 55 on or after May 15 of the calendar year of retirement shall be deemed to attain age 55 on May 15 of that calendar year (now who will attain age 55 on or before December 31 during the year which commences on July 1 shall be deemed to attain age 55 on the preceding June 1). Includes language exempting the changes from provisions concerning new benefit increases. Effective immediately.

LRB095 06672 AMC 26782 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

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 16-132 and 16-203 as follows:

6 (40 ILCS 5/16-132) (from Ch. 108 1/2, par. 16-132)

7 Sec. 16-132. Retirement annuity eligibility. A member who
8 has at least 20 years of creditable service is entitled to a
9 retirement annuity upon or after attainment of age 55. A member
10 who has at least 10 but less than 20 years of creditable
11 service is entitled to a retirement annuity upon or after
12 attainment of age 60. A member who has at least 5 but less than
13 10 years of creditable service is entitled to a retirement
14 annuity upon or after attainment of age 62. A member who (i)
15 has earned during the period immediately preceding the last day
16 of service at least one year of contributing creditable service
17 as an employee of a department as defined in Section 14-103.04,
18 (ii) has earned at least 5 years of contributing creditable
19 service as an employee of a department as defined in Section
20 14-103.04, and (iii) retires on or after January 1, 2001 is
21 entitled to a retirement annuity upon or after attainment of an
22 age which, when added to the number of years of his or her
23 total creditable service, equals at least 85. Portions of years

1 shall be counted as decimal equivalents.

2 A member who is eligible to receive a retirement annuity of
3 at least 74.6% of final average salary and will attain age 55
4 on or after May 15 and on or before December 31 of the calendar
5 year of retirement ~~before December 31 during the year which~~
6 ~~commences on July 1~~ shall be deemed to attain age 55 on May 15
7 of that calendar year ~~the preceding June 1~~.

8 A member meeting the above eligibility conditions is
9 entitled to a retirement annuity upon written application to
10 the board setting forth the date the member wishes the
11 retirement annuity to commence. However, the effective date of
12 the retirement annuity shall be no earlier than the day
13 following the last day of creditable service, regardless of the
14 date of official termination of employment.

15 To be eligible for a retirement annuity, a member shall not
16 be employed as a teacher in the schools included under this
17 System or under Article 17, except (i) as provided in Section
18 16-118 or 16-150.1, (ii) if the member is disabled (in which
19 event, eligibility for salary must cease), or (iii) if the
20 System is required by federal law to commence payment due to
21 the member's age; the changes to this sentence made by this
22 amendatory Act of the 93rd General Assembly apply without
23 regard to whether the member terminated employment before or
24 after its effective date.

25 (Source: P.A. 93-320, eff. 7-23-03.)

1 (40 ILCS 5/16-203)

2 Sec. 16-203. Application and expiration of new benefit
3 increases.

4 (a) As used in this Section, "new benefit increase" means
5 an increase in the amount of any benefit provided under this
6 Article, or an expansion of the conditions of eligibility for
7 any benefit under this Article, that results from an amendment
8 to this Code that takes effect after June 1, 2006 (the
9 effective date of Public Act 94-4) ~~this amendatory Act of the~~
10 ~~94th General Assembly~~. "New benefit increase", however, does
11 not include any benefit increase resulting from the changes
12 made to this Article by this amendatory Act of the 95th General
13 Assembly.

14 (b) Notwithstanding any other provision of this Code or any
15 subsequent amendment to this Code, every new benefit increase
16 is subject to this Section and shall be deemed to be granted
17 only in conformance with and contingent upon compliance with
18 the provisions of this Section.

19 (c) The Public Act enacting a new benefit increase must
20 identify and provide for payment to the System of additional
21 funding at least sufficient to fund the resulting annual
22 increase in cost to the System as it accrues.

23 Every new benefit increase is contingent upon the General
24 Assembly providing the additional funding required under this
25 subsection. The Commission on Government Forecasting and
26 Accountability shall analyze whether adequate additional

1 funding has been provided for the new benefit increase and
2 shall report its analysis to the Public Pension Division of the
3 Department of Financial and Professional Regulation. A new
4 benefit increase created by a Public Act that does not include
5 the additional funding required under this subsection is null
6 and void. If the Public Pension Division determines that the
7 additional funding provided for a new benefit increase under
8 this subsection is or has become inadequate, it may so certify
9 to the Governor and the State Comptroller and, in the absence
10 of corrective action by the General Assembly, the new benefit
11 increase shall expire at the end of the fiscal year in which
12 the certification is made.

13 (d) Every new benefit increase shall expire 5 years after
14 its effective date or on such earlier date as may be specified
15 in the language enacting the new benefit increase or provided
16 under subsection (c). This does not prevent the General
17 Assembly from extending or re-creating a new benefit increase
18 by law.

19 (e) Except as otherwise provided in the language creating
20 the new benefit increase, a new benefit increase that expires
21 under this Section continues to apply to persons who applied
22 and qualified for the affected benefit while the new benefit
23 increase was in effect and to the affected beneficiaries and
24 alternate payees of such persons, but does not apply to any
25 other person, including without limitation a person who
26 continues in service after the expiration date and did not

1 apply and qualify for the affected benefit while the new
2 benefit increase was in effect.

3 (Source: P.A. 94-4, eff. 6-1-05.)

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.