



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB5968

by Rep. Robert S. Molaro

SYNOPSIS AS INTRODUCED:

40 ILCS 5/18-133
40 ILCS 5/18-169

from Ch. 108 1/2, par. 18-133

Amends the Judges Article of the Illinois Pension Code. Provides that a judge who was eligible for the maximum annuity and elected to discontinue contributing to the System may file a letter with the Board cancelling the direction to discontinue contributing to the System before July 1, 2009. Requires payment of an amount equal to the total of the discontinued contributions plus interest, except that a judge who (i) elected to discontinue contributing to the System before December 10, 1999 (the effective date of Public Act 91-653) and (ii) files with the Board a letter cancelling the direction to discontinue contributing to the System after the effective date of the amendatory Act and before July 1, 2009 must make contributions to the System based only on the amount of the increases in salary received by the judge on or after December 10, 1999 (the effective date of Public Act 91-653). Includes language exempting the changes from the new benefit increase provisions. Effective immediately.

LRB095 19222 AMC 45479 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 18-133 and 18-169 as follows:

6 (40 ILCS 5/18-133) (from Ch. 108 1/2, par. 18-133)
7 Sec. 18-133. Financing; employee contributions.

8 (a) Effective July 1, 1967, each participant is required to
9 contribute 7 1/2% of each payment of salary toward the
10 retirement annuity. Such contributions shall continue during
11 the entire time the participant is in service, with the
12 following exceptions:

13 (1) Contributions for the retirement annuity are not
14 required on salary received after 18 years of service by
15 persons who were participants before January 2, 1954.

16 (2) A participant who continues to serve as a judge
17 after becoming eligible to receive the maximum rate of
18 annuity may elect, through a written direction filed with
19 the Board, to discontinue contributing to the System. Any
20 such option elected by a judge shall be irrevocable unless
21 prior to January 1, 2009 ~~2000~~, and while continuing to
22 serve as judge, the judge (A) files with the Board a letter
23 cancelling the direction to discontinue contributing to

1 the System and requesting that such contributing resume,
2 and (B) except as otherwise provided in this paragraph (2),
3 pays into the System an amount equal to the total of the
4 discontinued contributions plus interest thereon at 5% per
5 annum. A judge who (i) elected to discontinue contributing
6 to the System before December 10, 1999 (the effective date
7 of Public Act 91-653) and (ii) files with the Board a
8 letter cancelling the direction to discontinue
9 contributing to the System after the effective date of this
10 amendatory Act of the 95th General Assembly and before July
11 1, 2009 must make contributions to the System based only on
12 the amount of the increases in salary received by the judge
13 on or after December 10, 1999 (the effective date of Public
14 Act 91-653). Service credits earned in any other
15 "participating system" as defined in Article 20 of this
16 Code shall be considered for purposes of determining a
17 judge's eligibility to discontinue contributions under
18 this subdivision (a) (2).

19 (3) A participant who (i) has attained age 60, (ii)
20 continues to serve as a judge after becoming eligible to
21 receive the maximum rate of annuity, and (iii) has not
22 elected to discontinue contributing to the System under
23 subdivision (a) (2) of this Section (or has revoked any such
24 election) may elect, through a written direction filed with
25 the Board, to make contributions to the System based only
26 on the amount of the increases in salary received by the

1 judge on or after the date of the election, rather than the
2 total salary received. If a judge who is making
3 contributions to the System on the effective date of this
4 amendatory Act of the 91st General Assembly makes an
5 election to limit contributions under this subdivision
6 (a)(3) within 90 days after that effective date, the
7 election shall be deemed to become effective on that
8 effective date and the judge shall be entitled to receive a
9 refund of any excess contributions paid to the System
10 during that 90-day period; any other election under this
11 subdivision (a)(3) becomes effective on the first of the
12 month following the date of the election. An election to
13 limit contributions under this subdivision (a)(3) is
14 irrevocable. Service credits earned in any other
15 participating system as defined in Article 20 of this Code
16 shall be considered for purposes of determining a judge's
17 eligibility to make an election under this subdivision
18 (a)(3).

19 (b) Beginning July 1, 1969, each participant is required to
20 contribute 1% of each payment of salary towards the automatic
21 increase in annuity provided in Section 18-125.1. However, such
22 contributions need not be made by any participant who has
23 elected prior to September 15, 1969, not to be subject to the
24 automatic increase in annuity provisions.

25 (c) Effective July 13, 1953, each married participant
26 subject to the survivor's annuity provisions is required to

1 contribute 2 1/2% of each payment of salary, whether or not he
2 or she is required to make any other contributions under this
3 Section. Such contributions shall be made concurrently with the
4 contributions made for annuity purposes.

5 (Source: P.A. 91-653, eff. 12-10-99.)

6 (40 ILCS 5/18-169)

7 Sec. 18-169. Application and expiration of new benefit
8 increases.

9 (a) As used in this Section, "new benefit increase" means
10 an increase in the amount of any benefit provided under this
11 Article, or an expansion of the conditions of eligibility for
12 any benefit under this Article, that results from an amendment
13 to this Code that takes effect after June 1, 2005 (the
14 effective date of Public Act 94-4) ~~this amendatory Act of the~~
15 ~~94th General Assembly~~. "New benefit increase", however, does
16 not include any benefit increase resulting from the changes
17 made by this amendatory Act of the 95th General Assembly.

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

23 (c) The Public Act enacting a new benefit increase must
24 identify and provide for payment to the System of additional
25 funding at least sufficient to fund the resulting annual

1 increase in cost to the System as it accrues.

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

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

24 (e) Except as otherwise provided in the language creating
25 the new benefit increase, a new benefit increase that expires
26 under this Section continues to apply to persons who applied

1 and qualified for the affected benefit while the new benefit
2 increase was in effect and to the affected beneficiaries and
3 alternate payees of such persons, but does not apply to any
4 other person, including without limitation a person who
5 continues in service after the expiration date and did not
6 apply and qualify for the affected benefit while the new
7 benefit increase was in effect.

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

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