

SB1371



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB1371

Introduced 2/9/2007, by Sen. Dan Kotowski

SYNOPSIS AS INTRODUCED:

40 ILCS 5/9-121.6

from Ch. 108 1/2, par. 9-121.6

Amends the Cook County Article of the Illinois Pension Code with respect to the optional plan of additional benefits and contributions for elected county officers and their survivors. Limits application of the special formula to service in an elected county office that the participant held for at least 8 years. Provides for a refund of additional contributions if service in the office lasts less than 8 years. Changes the manner of calculating the salary upon which benefits are based to a 4-year average final rate of earnings and applies a separate rate for each qualifying office held. Effective immediately.

LRB095 10515 AMC 30731 b

FISCAL NOTE ACT
MAY APPLY

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 9-121.6 as follows:

6 (40 ILCS 5/9-121.6) (from Ch. 108 1/2, par. 9-121.6)
7 Sec. 9-121.6. Alternative annuity for county officers.

8 (a) Any county officer elected by vote of the people may
9 elect to establish alternative credits for an alternative
10 annuity by electing in writing to make additional optional
11 contributions in accordance with this Section and procedures
12 established by the board. These alternative credits are
13 available only for periods of service as an elected county
14 officer. The ~~Such~~ elected county officer may discontinue making
15 the additional optional contributions by notifying the Fund in
16 writing in accordance with this Section and procedures
17 established by the board.

18 Additional optional contributions for the alternative
19 annuity shall be as follows:

20 (1) For service as an elected county officer after the
21 option is elected, an additional contribution of 3% of salary
22 shall be contributed to the Fund on the same basis and under
23 the same conditions as contributions required under Sections

1 9-170 and 9-176.

2 (2) For service as an elected county officer before the
3 option is elected, an additional contribution of 3% of the
4 salary for the applicable period of service, plus interest at
5 the effective rate from the date of service to the date of
6 payment. All payments for past service must be paid in full
7 before credit is given. No additional optional contributions
8 may be made for any period of service for which credit has been
9 previously forfeited by acceptance of a refund, unless the
10 refund is repaid in full with interest at the effective rate
11 from the date of refund to the date of repayment.

12 (b) In lieu of the retirement annuity otherwise payable
13 under this Article, any county officer elected by vote of the
14 people who (1) has elected to participate in the Fund and make
15 additional optional contributions in accordance with this
16 Section, (2) has held and made additional optional
17 contributions with respect to the same elected county office
18 for at least 8 years, and (3) ~~(2)~~ has attained age 60 with at
19 least 10 years of service credit, or has attained age 65 with
20 at least 8 years of service credit, may elect to have his
21 retirement annuity computed as follows: 3% of the participant's
22 final rate of earnings ~~salary at the time of termination of~~
23 ~~service~~ for each of the first 8 years of service credit, plus
24 4% of such final rate of earnings ~~salary~~ for each of the next 4
25 years of service credit, plus 5% of such final rate of earnings
26 ~~salary~~ for each year of service credit in excess of 12 years,

1 subject to a maximum of 80% of such final rate of earnings
2 salary.

3 This formula applies only to service in an elected county
4 office that the officer held for at least 8 years, and only to
5 service for which additional optional contributions have been
6 paid under this Section. If an elected county officer qualifies
7 to have this formula applied to service in more than one
8 elected county office, the qualifying service shall be
9 accumulated for purposes of determining the applicable accrual
10 percentages, but the salary used for each office shall be the
11 separate salary calculated for that office, as defined in
12 subsection (f).

13 To the extent such elected county officer has service
14 credit that does not qualify for this formula, ~~made additional~~
15 ~~optional contributions with respect to only a portion of his~~
16 ~~years of service credit,~~ his or her retirement annuity will
17 first be determined in accordance with this formula with
18 respect to the service to which this formula applies ~~Section to~~
19 ~~the extent such additional optional contributions were made,~~
20 and then in accordance with the remaining Sections of this
21 Article ~~to the extent of years of service credit~~ with respect
22 to the service to which this formula does not apply ~~additional~~
23 ~~optional contributions were not made.~~

24 (c) In lieu of the disability benefits otherwise payable
25 under this Article, any county officer elected by vote of the
26 people who (1) has elected to participate in the Fund, and (2)

1 has become permanently disabled and as a consequence is unable
2 to perform the duties of his office, and (3) was making
3 optional contributions in accordance with this Section at the
4 time the disability was incurred, may elect to receive a
5 disability annuity calculated in accordance with the formula in
6 subsection (b). For the purposes of this subsection, such
7 elected county officer shall be considered permanently
8 disabled only if: (i) disability occurs while in service as an
9 elected county officer and is of such a nature as to prevent
10 him from reasonably performing the duties of his office at the
11 time; and (ii) the board has received a written certification
12 by at least 2 licensed physicians appointed by it stating that
13 such officer is disabled and that the disability is likely to
14 be permanent.

15 (d) Refunds of additional optional contributions shall be
16 made on the same basis and under the same conditions as
17 provided under Section 9-164, 9-166 and 9-167. Interest shall
18 be credited at the effective rate on the same basis and under
19 the same conditions as for other contributions. Optional
20 contributions shall be accounted for in a separate Elected
21 County Officer Optional Contribution Reserve. Optional
22 contributions under this Section shall be included in the
23 amount of employee contributions used to compute the tax levy
24 under Section 9-169.

25 If an elected county officer fails to hold that same
26 elected county office for at least 8 years, he or she shall be

1 entitled after leaving office to receive a refund of the
2 additional optional contributions made with respect to that
3 office, plus interest at the effective rate.

4 (e) The effective date of this plan of optional alternative
5 benefits and contributions shall be January 1, 1988, or the
6 date upon which approval is received from the U.S. Internal
7 Revenue Service, whichever is later. The plan of optional
8 alternative benefits and contributions shall not be available
9 to any former county officer or employee receiving an annuity
10 from the Fund on the effective date of the plan, unless he
11 re-enters service as an elected county officer and renders at
12 least 3 years of additional service after the date of re-entry.

13 (f) If an elected county officer qualifies to have the
14 formula in subsection (b) applied to service in more than one
15 elected county office, a separate final rate of earnings shall
16 be calculated and applied with respect to each such office.

17 (g) For the purposes of this Section and Section 9-121.7,
18 "final rate of earnings" means the monthly earnings obtained by
19 dividing the total salary, as that term is defined in Section
20 9-112, received by the employee during the period of either (1)
21 the 48 consecutive months of service within the last 120 months
22 of service in which his or her total salary were the highest or
23 (2) the employee's total period of service, by the number of
24 months of service in such period.

25 (g) The changes to this Section made by this amendatory Act
26 of the 95th General Assembly apply to persons who first make an

1 additional optional contribution under this Section on or after
2 the effective date of this amendatory Act.

3 (Source: P.A. 85-964.)

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