



Personnel and Pensions Committee

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09500SB1985ham001

LRB095 14944 AMC 53654 a

1 AMENDMENT TO SENATE BILL 1985

2 AMENDMENT NO. _____. Amend Senate Bill 1985 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 14-119 and 14-121 as follows:

6 (40 ILCS 5/14-119) (from Ch. 108 1/2, par. 14-119)

7 Sec. 14-119. Amount of widow's annuity.

8 (a) The widow's annuity shall be 50% of the amount of
9 retirement annuity payable to the member on the date of death
10 while on retirement if an annuitant, or on the date of his
11 death while in service if an employee, regardless of his age on
12 such date, or on the date of withdrawal if death occurred after
13 termination of service under the conditions prescribed in the
14 preceding Section.

15 (b) If an eligible widow, regardless of age, has in her
16 care any unmarried child or children of the member under age 18

1 (under age 22 if a full-time student), the widow's annuity
2 shall be increased in the amount of 5% of the retirement
3 annuity for each such child, but the combined payments for a
4 widow and children shall not exceed 66 2/3% of the member's
5 earned retirement annuity.

6 The amount of retirement annuity from which the widow's
7 annuity is derived shall be that earned by the member without
8 regard to whether he attained age 60 prior to his withdrawal
9 under the conditions stated or prior to his death.

10 (c) Marriage of a child shall render the child ineligible
11 for further consideration in the increase in the amount of the
12 widow's annuity.

13 Attainment of age 18 (age 22 if a full-time student) shall
14 render a child ineligible for further consideration in the
15 increase of the widow's annuity, but the annuity to the widow
16 shall be continued thereafter, without regard to her age at
17 that time.

18 (d) Except as otherwise provided in this subsection (d), a
19 ~~A~~ widow's annuity payable on account of any covered employee
20 who has ~~shall have~~ been a covered employee for at least 18
21 months shall be reduced by 1/2 of the amount of survivors
22 benefits to which his beneficiaries are eligible under the
23 provisions of the Federal Social Security Act, except that (1)
24 the amount of any widow's annuity payable under this Article
25 shall not be reduced by reason of any increase under that Act
26 which occurs after the offset required by this subsection is

1 first applied to that annuity, and (2) for benefits granted on
2 or after January 1, 1992, the offset under this subsection (d)
3 shall not exceed 50% of the amount of widow's annuity otherwise
4 payable.

5 Beginning July 1, 2009, the offset under this subsection
6 (d) shall no longer be applied to any widow's annuity of any
7 person who began receiving retirement benefits or a widow's
8 annuity prior to January 1, 1998.

9 Beginning July 1, 2009, the offset under this subsection
10 (d) shall no longer be applied to the widow's annuity of any
11 person who began receiving a widow's annuity on or after
12 January 1, 1998 and before the effective date of this
13 amendatory Act of the 95th General Assembly.

14 Any person who began receiving retirement benefits after
15 January 1, 1998 and before the effective date of this
16 amendatory Act of the 95th General Assembly may, during a
17 one-time election period established by the System, elect to
18 reduce his or her retirement annuity by 3.825% in exchange for
19 not having the offset under this subsection (d) applied to his
20 or her widow's annuity.

21 Any employee in service on the effective date of this
22 amendatory Act of the 95th General Assembly may, at the time of
23 retirement, elect to reduce his or her retirement annuity by
24 3.825% in exchange for not having the offset under this
25 subsection (d) applied to his or her widow's annuity.

26 If a widow's annuity is payable to the widow of an employee

1 based on the employee's death in service, then the offset under
2 this subsection (d) shall no longer be applied to the widow's
3 annuity.

4 A retiree who elects to reduce his or her retirement
5 annuity under this subsection (d) in exchange for not having
6 the offset applied may make an irrevocable election to
7 eliminate the reduction of his or her retirement annuity if
8 there is a change in marital status due to death or divorce,
9 but the retiree is not entitled to reimbursement of any benefit
10 reduction prior to the election.

11 (e) Upon the death of a recipient of a widow's annuity the
12 excess, if any, of the member's accumulated contributions plus
13 credited interest over all annuity payments to the member and
14 widow, exclusive of the \$500 lump sum payment, shall be paid to
15 the named beneficiary of the widow, or if none has been named,
16 to the estate of the widow, provided no reversionary annuity is
17 payable.

18 (f) On January 1, 1981, any recipient of a widow's annuity
19 who was receiving a widow's annuity on or before January 1,
20 1971, shall have her widow's annuity then being paid increased
21 by 1% for each full year which has elapsed from the date the
22 widow's annuity began. On January 1, 1982, any recipient of a
23 widow's annuity who began receiving a widow's annuity after
24 January 1, 1971, but before January 1, 1981, shall have her
25 widow's annuity then being paid increased by 1% for each full
26 year which has elapsed from the date the widow's annuity began.

1 On January 1, 1987, any recipient of a widow's annuity who
2 began receiving the widow's annuity on or before January 1,
3 1977, shall have the monthly widow's annuity increased by \$1
4 for each full year which has elapsed since the date the annuity
5 began.

6 (g) Beginning January 1, 1990, every widow's annuity shall
7 be increased (1) on each January 1 occurring on or after the
8 commencement of the annuity if the deceased member died while
9 receiving a retirement annuity, or (2) in other cases, on each
10 January 1 occurring on or after the first anniversary of the
11 commencement of the annuity, by an amount equal to 3% of the
12 current amount of the annuity, including any previous increases
13 under this Article. Such increases shall apply without regard
14 to whether the deceased member was in service on or after the
15 effective date of Public Act 86-1488, but shall not accrue for
16 any period prior to January 1, 1990.

17 (Source: P.A. 95-279, eff. 1-1-08.)

18 (40 ILCS 5/14-121) (from Ch. 108 1/2, par. 14-121)

19 Sec. 14-121. Amount of survivors annuity. A survivors
20 annuity beneficiary shall be entitled upon death of the member
21 to a single sum payment of \$1,000, payable pro rata among all
22 persons entitled thereto, together with a survivors annuity
23 payable at the rates and under the conditions specified in this
24 Article.

25 (a) If the survivors annuity beneficiary is a spouse, the

1 survivors annuity shall be 30% of final average compensation
2 subject to a maximum payment of \$400 per month.

3 (b) If an eligible child or children under the care of a
4 spouse also survives the member, such spouse as natural
5 guardian of the child or children shall receive, in addition to
6 the foregoing annuity, 20% of final average compensation on
7 account of each such child and 10% of final average
8 compensation divided pro rata among such children, subject to a
9 maximum payment on account of all survivor annuity
10 beneficiaries of \$600 per month, or 80% of the member's final
11 average compensation, whichever is the lesser.

12 (c) If the survivors annuity beneficiary or beneficiaries
13 consists of an unmarried child or children, the amount of
14 survivors annuity shall be 20% of final average compensation to
15 each child, and 10% of final average compensation divided pro
16 rata among all such children entitled to such annuity, subject
17 to a maximum payment to all children combined of \$600 per month
18 or 80% of the member's final average compensation, whichever is
19 the lesser.

20 (d) If the survivors annuity beneficiary is one or more
21 dependent parents, the annuity shall be 20% of final average
22 compensation to each parent and 10% of final average
23 compensation divided pro rata among the parents who qualify for
24 this annuity, subject to a maximum payment to both dependent
25 parents of \$400 per month.

26 (e) The survivors annuity to the spouse, children or

1 dependent parents of a member whose death occurs after the date
2 of last withdrawal, or after retirement, or while in service
3 following reentry into service after retirement but before
4 completing 1 1/2 years of additional creditable service, shall
5 not exceed the lesser of 80% of the member's earned retirement
6 annuity at the date of death or the maximum previously
7 established in this Section.

8 (f) In applying the limitation prescribed on the combined
9 payments to 2 or more survivors annuity beneficiaries, the
10 annuity on account of each beneficiary shall be reduced pro
11 rata until such time as the number of beneficiaries makes the
12 reduction no longer applicable.

13 (g) Except as otherwise provided in this subsection (g), a
14 survivors annuity payable on account of any covered employee
15 who has ~~shall have~~ been a covered employee for at least 18
16 months at date of death or last withdrawal, whichever is the
17 later, shall be reduced by 1/2 of the survivors benefits to
18 which his beneficiaries are eligible under the federal Social
19 Security Act, except that (1) the survivors annuity payable
20 under this Article shall not be reduced by any increase under
21 that Act which occurs after the offset required by this
22 subsection is first applied to that annuity, (2) for benefits
23 granted on or after January 1, 1992, the offset under this
24 subsection (g) shall not exceed 50% of the amount of survivors
25 annuity otherwise payable.

26 Beginning July 1, 2009, the offset under this subsection

1 (g) shall no longer be applied to any survivors annuity of any
2 person who began receiving retirement benefits or a survivors
3 annuity prior to January 1, 1998.

4 Beginning July 1, 2009, the offset under this subsection
5 (g) shall no longer be applied to the survivors annuity of any
6 person who began receiving a survivors annuity on or after
7 January 1, 1998 and before the effective date of this
8 amendatory Act of the 95th General Assembly.

9 Any person who began receiving retirement benefits after
10 January 1, 1998 and before the effective date of this
11 amendatory Act of the 95th General Assembly may, during a
12 one-time election period established by the System, elect to
13 reduce his or her retirement annuity by 3.825% in exchange for
14 not having the offset under this subsection (g) applied to his
15 or her survivors annuity.

16 Any employee in service on the effective date of this
17 amendatory Act of the 95th General Assembly may, at the time of
18 retirement, elect to reduce his or her retirement annuity by
19 3.825% in exchange for not having the offset under this
20 subsection (g) applied to his or her survivors annuity.

21 If a survivors annuity is payable to the widow of an
22 employee based on the employee's death in service, then the
23 offset under this subsection (g) shall no longer be applied to
24 the survivors annuity.

25 A retiree who elects to reduce his or her retirement
26 annuity under this subsection (g) in exchange for not having

1 the offset applied may make an irrevocable election to
2 eliminate the reduction of his or her retirement annuity if
3 there is a change in marital status due to death or divorce,
4 but the retiree is not entitled to reimbursement of any benefit
5 reduction prior to the election.

6 (h) The minimum payment to a beneficiary hereunder shall be
7 \$60 per month, which shall be reduced in accordance with the
8 limitation prescribed on the combined payments to all
9 beneficiaries of a member.

10 (i) Subject to the conditions set forth in Section 14-120,
11 the minimum total survivors annuity benefit payable to the
12 survivors annuity beneficiaries of a deceased member or
13 annuitant whose death occurs on or after January 1, 1984, shall
14 be 50% of the amount of retirement annuity that was or would
15 have been payable to the deceased on the date of death,
16 regardless of the age of the deceased on such date. If the
17 minimum total benefit provided by this subsection exceeds the
18 maximum otherwise imposed by this Section, the minimum total
19 benefit shall nevertheless be payable. Any increase in the
20 total survivors annuity benefit resulting from the operation of
21 this subsection shall be divided among the survivors annuity
22 beneficiaries of the deceased in proportion to their shares of
23 the total survivors annuity benefit otherwise payable under
24 this Section.

25 (j) Any survivors annuity beneficiary whose annuity
26 terminates due to any condition specified in this Article other

1 than death shall be entitled to a refund of the excess, if any,
2 of the accumulated contributions of the member plus credited
3 interest over all payments to the member and beneficiary or
4 beneficiaries, exclusive of the single sum payment of \$1,000,
5 provided no future survivors or reversionary annuity benefits
6 are payable.

7 (k) Upon the death of the last eligible recipient of a
8 survivors annuity the excess, if any, of the member's
9 accumulated contributions plus credited interest over all
10 annuity payments to the member and survivors exclusive of the
11 single sum payment of \$1000, shall be paid to the named
12 beneficiary of the last eligible survivor, or if none has been
13 named, to the estate of the last eligible survivor, provided no
14 reversionary annuity is payable.

15 (l) On January 1, 1981, any survivor who was receiving a
16 survivors annuity on or before January 1, 1971, shall have his
17 survivors annuity then being paid increased by 1% for each full
18 year which has elapsed from the date the annuity began. On
19 January 1, 1982, any survivor who began receiving a survivor's
20 annuity after January 1, 1971, but before January 1, 1981,
21 shall have his survivor's annuity then being paid increased by
22 1% for each full year that has elapsed from the date the
23 annuity began. On January 1, 1987, any survivor who began
24 receiving a survivor's annuity on or before January 1, 1977,
25 shall have the monthly survivor's annuity increased by \$1 for
26 each full year which has elapsed since the date the survivor's

1 annuity began.

2 (m) Beginning January 1, 1990, every survivor's annuity
3 shall be increased (1) on each January 1 occurring on or after
4 the commencement of the annuity if the deceased member died
5 while receiving a retirement annuity, or (2) in other cases, on
6 each January 1 occurring on or after the first anniversary of
7 the commencement of the annuity, by an amount equal to 3% of
8 the current amount of the annuity, including any previous
9 increases under this Article. Such increases shall apply
10 without regard to whether the deceased member was in service on
11 or after the effective date of Public Act 86-1488, but shall
12 not accrue for any period prior to January 1, 1990.

13 (Source: P.A. 86-273; 86-1488; 87-794.)

14 Section 99. Effective date. This Act takes effect upon
15 becoming law."