



Personnel and Pensions Committee

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09600HB1099ham001

LRB096 08016 AMC 22437 a

1 AMENDMENT TO HOUSE BILL 1099

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1099 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by  
5 changing Sections 13-303, 13-308, 13-309, 13-314, and 13-601 as  
6 follows:

7 (40 ILCS 5/13-303) (from Ch. 108 1/2, par. 13-303)

8 Sec. 13-303. Reversionary annuity.

9 (a) An employee, prior to retirement on annuity, may elect  
10 a lesser amount of annuity and provide, with the actuarial  
11 value of the amount by which his annuity is reduced, a  
12 reversionary annuity for a wife, husband, parents, children,  
13 brothers or sisters. The election may be exercised by filing a  
14 written designation with the Board prior to retirement, and may  
15 be revoked by the employee at any time before retirement. The  
16 death of the employee prior to retirement shall automatically

1 void the election.

2 (b) The death of the designated reversionary annuitant  
3 prior to the employee's retirement shall automatically void the  
4 election, but, if death of the designated reversionary  
5 annuitant occurs after retirement, the reduced annuity being  
6 paid to the retired employee annuitant shall remain unchanged  
7 and no reversionary annuity shall be payable.

8 No reversionary annuity shall be paid if the employee dies  
9 before the expiration of 730 days from the date the written  
10 designation was filed with the board, even though the employee  
11 retired and was receiving a reduced annuity.

12 (c) An employee exercising this option shall not reduce the  
13 annuity by more than 25%, nor elect to provide a reversionary  
14 annuity of less than \$100 per month. No such option shall be  
15 permitted if the reversionary annuity for a surviving spouse,  
16 when added to the surviving spouse's annuity payable under this  
17 Article, exceeds 85% of the reduced annuity payable to the  
18 employee.

19 (d) A reversionary annuity shall begin on the day following  
20 the death of the annuitant, with the first payment due and  
21 payable one month later, and shall continue monthly thereafter  
22 until the death of the reversionary annuitant. Beginning on the  
23 first day of the month following the month in which this  
24 amendatory Act of the 96th General Assembly takes effect, a  
25 reversionary annuity shall begin on the first of the month  
26 following the annuitant's death and is payable for the full

1 month if the reversionary annuitant is alive on the first day  
2 of the month.

3 (e) The increases in annuity provided in Section 13-302(d)  
4 shall, as to an employee so electing a reduced annuity, relate  
5 to the amount of reduced annuity, and such lesser amount shall  
6 constitute the annuity on which such increases shall be based.

7 (f) For determining the actuarial value under this option  
8 of the employee's annuity and the reversionary annuity, the  
9 Fund shall use an actuarial table recommended by the Fund's  
10 actuarial consultant and approved by the Board of Trustees.

11 (Source: P.A. 91-887, eff. 7-6-00.)

12 (40 ILCS 5/13-308) (from Ch. 108 1/2, par. 13-308)

13 Sec. 13-308. Child's annuity.

14 (a) Eligibility. A child's annuity shall be provided for  
15 each unmarried child under the age of 18 years (under the age  
16 of 23 years in the case of a full-time student) whose employee  
17 parent dies while in service, or whose deceased parent is an  
18 annuitant or former employee with at least 10 years of  
19 creditable service who did not take a refund of employee  
20 contributions. Eligibility for benefits to unmarried children  
21 over the age of 18 but under the age of 23 begins no earlier  
22 than September 1, 2005 ~~the first day of the month following the~~  
23 ~~month in which this amendatory Act of the 94th General Assembly~~  
24 ~~takes effect.~~

25 For purposes of this Section, "employee" includes a former

1 employee, and "child" means the issue of an employee or a child  
2 adopted by an employee.

3 Payments shall cease when a child attains the age of 18  
4 years (age of 23 years in the case of a full-time student) or  
5 marries, whichever first occurs. The annuity shall not be  
6 payable unless the employee has been employed as an employee  
7 for at least 36 months from the date of the employee's original  
8 entry into service (at least 24 months in the case of an  
9 employee who first entered service before June 13, 1997) and at  
10 least 12 months from the date of the employee's latest re-entry  
11 into service; provided, however, that if death arises out of  
12 and in the course of service to the employer and is compensable  
13 under either the Illinois Workers' Compensation Act or Illinois  
14 Workers' Occupational Diseases Act, the annuity is payable  
15 regardless of the employee's length of service.

16 (b) Amount. Beginning on the first day of the month  
17 following the month in which this amendatory Act of the 96th  
18 General Assembly takes effect, a ~~A~~ child's annuity shall be  
19 \$500 per month for each ~~one~~ child ~~and \$350 per month for each~~  
20 ~~additional child~~, up to a maximum of \$5,000 ~~\$2,500~~ per month  
21 for all children of the employee, as provided in this Section,  
22 if a parent of the child is living. The child's annuity shall  
23 be \$1,000 per month for each ~~one~~ child ~~and \$500 per month for~~  
24 ~~each additional child~~, up to a maximum of \$5,000 ~~\$2,500~~ for all  
25 children of the employee, when neither parent is alive. The  
26 total amount payable to all children of the employee shall be

1 divided equally among those children. ~~Any child's annuity which~~  
2 ~~commenced prior to July 12, 2001 shall be increased upon the~~  
3 ~~first day of the month following the month in which that~~  
4 ~~effective date occurs, to the amount set forth herein.~~

5 (c) Payment. Until a child attains the age of 18 years, a  
6 child's annuity shall be paid to the child's parent or other  
7 person who shall be providing for the child without requiring  
8 formal letters of guardianship, unless another person shall be  
9 appointed by a court of law as guardian. Beginning on the first  
10 day of the month following the month in which this amendatory  
11 Act of the 96th General Assembly takes effect, benefits shall  
12 begin on the first of the month following the employee's or  
13 annuitants date of death and are payable for the full month if  
14 the annuitant was alive on the first day of the month.

15 (Source: P.A. 94-621, eff. 8-18-05; 95-279, eff. 1-1-08.)

16 (40 ILCS 5/13-309) (from Ch. 108 1/2, par. 13-309)

17 Sec. 13-309. Duty disability benefit.

18 (a) Any employee who becomes disabled, which disability is  
19 the result of an injury or illness compensable under the  
20 Illinois Workers' Compensation Act or the Illinois Workers'  
21 Occupational Diseases Act, is entitled to a duty disability  
22 benefit during the period of disability for which the employee  
23 does not receive any part of salary, or any part of a  
24 retirement annuity under this Article; except that in the case  
25 of an employee who first enters service on or after June 13,

1 1997 and becomes disabled before August 18, 2005 (the effective  
2 date of Public Act 94-621) ~~this amendatory Act of the 94th~~  
3 ~~General Assembly~~, a duty disability benefit is not payable for  
4 the first 3 days of disability that would otherwise be payable  
5 under this Section if the disability does not continue for at  
6 least 11 additional days. The changes made to this Section by  
7 Public Act 94-621 ~~this amendatory Act of the 94th General~~  
8 ~~Assembly~~ are prospective only and do not entitle an employee to  
9 a duty disability benefit for the first 3 days of any  
10 disability that occurred before that effective date and did not  
11 continue for at least 11 additional days. This benefit shall be  
12 75% of salary at the date disability begins. However, if the  
13 disability in any measure resulted from any physical defect or  
14 disease which existed at the time such injury was sustained or  
15 such illness commenced, the duty disability benefit shall be  
16 50% of salary.

17 Unless the employer acknowledges that the disability is a  
18 result of injury or illness compensable under the Workers'  
19 Compensation Act or the Workers' Occupational Diseases Act, the  
20 duty disability benefit shall not be payable until the issue of  
21 compensability under those Acts is finally adjudicated. The  
22 period of disability shall be as determined by the Illinois  
23 Workers' Compensation Commission or acknowledged by the  
24 employer.

25 An employee in service before June 13, 1997 shall also  
26 receive a child's disability benefit during the period of

1 disability of \$10 per month for each unmarried natural or  
2 adopted child of the employee under 18 years of age.

3 The first payment shall be made not later than one month  
4 after the benefit is granted, and subsequent payments shall be  
5 made at least monthly. The Board shall by rule prescribe for  
6 the payment of such benefits on the basis of the amount of  
7 salary lost during the period of disability.

8 (b) The benefit shall be allowed only if all of the  
9 following requirements are met by the employee:

10 (1) Application is made to the Board. ~~within 90 days~~  
11 ~~from the date disability begins;~~

12 (2) A medical report is submitted by at least one  
13 licensed and practicing physician as part of the employee's  
14 application. ~~;~~ and

15 (3) The employee is examined by at least one licensed  
16 and practicing physician appointed by the Board and found  
17 to be in a disabled physical condition, and shall be  
18 re-examined at least annually thereafter during the  
19 continuance of disability. The employee need not be  
20 examined ~~re-examined~~ by a licensed and practicing  
21 physician appointed by the Board if the attorney for the  
22 district certifies in writing that the employee is entitled  
23 to receive compensation under the Workers' Compensation  
24 Act or the Workers' Occupational Diseases Act. The Board  
25 may require other evidence of disability.

26 (c) The benefit shall terminate when:

1           (1) The employee returns to work or receives a  
2 retirement annuity paid wholly or in part under this  
3 Article;

4           (2) The disability ceases;

5           (3) The employee attains age 65, but if the employee  
6 becomes disabled at age 60 or later, benefits may be  
7 extended for a period of no more than 5 years after  
8 disablement;

9           (4) The employee (i) refuses to submit to reasonable  
10 examinations by physicians or other health professionals  
11 appointed by the Board, (ii) fails or refuses to consent to  
12 and sign an authorization allowing the Board to receive  
13 copies of or to examine the employee's medical and hospital  
14 records, or (iii) fails or refuses to provide complete  
15 information regarding any other employment for  
16 compensation he or she has received since becoming  
17 disabled; or

18           (5) The employee willfully and continuously refuses to  
19 follow medical advice and treatment to enable the employee  
20 to return to work. However this provision does not apply to  
21 an employee who relies in good faith on treatment by prayer  
22 through spiritual means alone in accordance with the tenets  
23 and practice of a recognized church or religious  
24 denomination, by a duly accredited practitioner thereof.

25           In the case of a duty disability recipient who returns to  
26 work, the employee must make application to the Retirement



1 Board within 2 years from the date the employee last received  
2 duty disability benefits in order to become again entitled to  
3 duty disability benefits based on the injury for which a duty  
4 disability benefit was theretofore paid.

5 (Source: P.A. 94-621, eff. 8-18-05; 95-586, eff. 8-31-07.)

6 (40 ILCS 5/13-314) (from Ch. 108 1/2, par. 13-314)

7 Sec. 13-314. Alternative provisions for Water Reclamation  
8 District commissioners.

9 (a) Transfer of credits. Any Water Reclamation District  
10 commissioner elected by vote of the people and who has elected  
11 to participate in this Fund may transfer to this Fund credits  
12 and creditable service accumulated under any other pension fund  
13 or retirement system established under Articles 2 through 18 of  
14 this Code, upon payment to the Fund of (1) the amount by which  
15 the employer and employee contributions that would have been  
16 required if he had participated in this Fund during the period  
17 for which credit is being transferred, plus interest, exceeds  
18 the amounts actually transferred from such other fund or system  
19 to this Fund, plus (2) interest thereon at 6% per year  
20 compounded annually from the date of transfer to the date of  
21 payment.

22 (b) Alternative annuity. Any participant commissioner may  
23 elect to establish alternative credits for an alternative  
24 annuity by electing in writing to make additional optional  
25 contributions in accordance with this Section and procedures

1 established by the Board. Unless and until such time as the  
2 U.S. Internal Revenue Service or the federal courts provide a  
3 favorable ruling as described in Section 13-502(f), a  
4 commissioner may discontinue making the additional optional  
5 contributions by notifying the Fund in writing in accordance  
6 with this Section and procedures established by the Board.

7 Additional optional contributions for the alternative  
8 annuity shall be as follows:

9 (1) For service after the option is elected, an  
10 additional contribution of 3% of salary shall be  
11 contributed to the Fund on the same basis and under the  
12 same conditions as contributions required under Section  
13 13-502.

14 (2) For contributions on past service, the additional  
15 contribution shall be 3% of the salary for the applicable  
16 period of service, plus interest at the annual rate from  
17 time to time as determined by the Board, compounded  
18 annually from the date of service to the date of payment.  
19 Contributions for service before the option is elected may  
20 be made in a lump sum payment to the Fund or by  
21 contributing to the Fund on the same basis and under the  
22 same conditions as contributions required under Section  
23 13-502. All payments for past service must be paid in full  
24 before credit is given. No additional optional  
25 contributions may be made for any period of service for  
26 which credit has been previously forfeited by acceptance of

1 a refund, unless the refund is repaid in full with interest  
2 at the rate specified in Section 13-603, from the date of  
3 refund to the date of repayment.

4 In lieu of the retirement annuity otherwise payable under  
5 this Article, any commissioner who has elected to participate  
6 in the Fund and make additional optional contributions in  
7 accordance with this Section, has attained age 55, and has at  
8 least 6 years of service credit, may elect to have the  
9 retirement annuity computed as follows: 3% of the participant's  
10 average final salary as a commissioner for each of the first 8  
11 years of service credit, plus 4% of such salary for each of the  
12 next 4 years of service credit, plus 5% of such salary for each  
13 year of service credit in excess of 12 years, subject to a  
14 maximum of 80% of such salary. To the extent such commissioner  
15 has made additional optional contributions with respect to only  
16 a portion of years of service credit, the retirement annuity  
17 will first be determined in accordance with this Section to the  
18 extent such additional optional contributions were made, and  
19 then in accordance with the remaining Sections of this Article  
20 to the extent of years of service credit with respect to which  
21 additional optional contributions were not made. The change in  
22 minimum retirement age (from 60 to 55) made by Public Act  
23 87-1265 ~~this amendatory Act of 1993~~ applies to persons who  
24 begin receiving a retirement annuity under this Section on or  
25 after January 25, 1993 (the effective date of Public Act  
26 87-1265) ~~this amendatory Act~~, without regard to whether they

1 are in service on or after that date.

2 (c) Disability benefits. In lieu of the disability benefits  
3 otherwise payable under this Article, any commissioner who (1)  
4 has elected to participate in the Fund, and (2) has become  
5 permanently disabled and as a consequence is unable to perform  
6 the duties of office, and (3) was making optional contributions  
7 in accordance with this Section at the time the disability was  
8 incurred, may elect to receive a disability annuity calculated  
9 in accordance with the formula in subsection (b). For the  
10 purposes of this subsection, such commissioner shall be  
11 considered permanently disabled only if: (i) disability occurs  
12 while in service as a commissioner and is of such a nature as  
13 to prevent the reasonable performance of the duties of office  
14 at the time; and (ii) the Board has received a written  
15 certification by at least 2 licensed physicians appointed by it  
16 stating that such commissioner is disabled and that the  
17 disability is likely to be permanent.

18 (d) Alternative survivor's benefits. In lieu of the  
19 survivor's benefits otherwise payable under this Article, the  
20 spouse or eligible child of any deceased commissioner who (1)  
21 had elected to participate in the Fund, and (2) was either  
22 making (or had already made) additional optional contributions  
23 on the date of death, or was receiving an annuity calculated  
24 under this Section at the time of death, may elect to receive  
25 an annuity beginning on the date of the commissioner's death,  
26 provided that the spouse and commissioner must have been

1 married on the date of the last termination of a service as  
2 commissioner and for a continuous period of at least one year  
3 immediately preceding death.

4 The annuity shall be payable beginning on the date of the  
5 commissioner's death if the spouse is then age 50 or over, or  
6 beginning at age 50 if the age of the spouse is less than 50  
7 years. If a minor unmarried child or children of the  
8 commissioner, under age 18 (age 23 in the case of a full-time  
9 student), also survive, and the child or children are under the  
10 care of the eligible spouse, the annuity shall begin as of the  
11 date of death of the commissioner without regard to the  
12 spouse's age. Beginning on the first day of the month following  
13 the month in which this amendatory Act of the 96th General  
14 Assembly takes effect, benefits shall begin on the first of the  
15 month following the commissioner's date of death if the spouse  
16 is then age 50 or over or, if a minor unmarried child or  
17 children of the commissioner, under age 18 (age 23 in the case  
18 of a full time student), also survive, and the child or  
19 children are under the care of the eligible spouse. The benefit  
20 is payable for the full month if the annuitant was alive on the  
21 first day of the month.

22 The annuity to a spouse shall be the greater of (i) 66 2/3%  
23 of the amount of retirement annuity earned by the commissioner  
24 on the date of death, subject to a minimum payment of 10% of  
25 salary, provided that if an eligible spouse, regardless of age,  
26 has in his or her care at the date of death of the commissioner

1 any unmarried child or children of the commissioner under age  
2 18, the minimum annuity shall be 30% of the commissioner's  
3 salary, plus 10% of salary on account of each minor child of  
4 the commissioner, subject to a combined total payment on  
5 account of a spouse and minor children not to exceed 50% of the  
6 deceased commissioner's salary or (ii) for the spouse of a  
7 commissioner whose death occurs on or after August 18, 2005  
8 (the effective date of Public Act 94-621) ~~this amendatory Act~~  
9 ~~of the 94th General Assembly,~~ the surviving spouse annuity  
10 shall be computed in the same manner as described in Section  
11 13-306(a). The number of total service years used to calculate  
12 the commissioner's annuity shall be the number of service years  
13 used to calculate the annuity for that commissioner's surviving  
14 spouse. In the event there shall be no spouse of the  
15 commissioner surviving, or should a spouse die while eligible  
16 minor children still survive the commissioner, each such child  
17 shall be entitled to an annuity equal to 20% of salary of the  
18 commissioner subject to a combined total payment on account of  
19 all such children not to exceed 50% of salary of the  
20 commissioner. The salary to be used in the calculation of these  
21 benefits shall be the same as that prescribed for determining a  
22 retirement annuity as provided in subsection (b) of this  
23 Section.

24 Upon the death of a commissioner occurring after  
25 termination of a service or while in receipt of a retirement  
26 annuity, the combined total payment to a spouse and minor

1 children, or to minor children alone if no eligible spouse  
2 survives, shall be limited to 85% of the amount of retirement  
3 annuity earned by the commissioner.

4 Marriage of a child or attainment of age 18 (age 23 in the  
5 case of a full-time student), whichever first occurs, shall  
6 render the child ineligible for further consideration in the  
7 payment of annuity to a spouse or in the increase in the amount  
8 thereof. Upon attainment of ineligibility of the youngest minor  
9 child of the commissioner, the annuity shall immediately revert  
10 to the amount payable upon death of a commissioner leaving no  
11 minor children surviving. If the spouse is under age 50 at such  
12 time, the annuity as revised shall be deferred until such age  
13 is attained.

14 (e) Refunds. Refunds of additional optional contributions  
15 shall be made on the same basis and under the same conditions  
16 as provided under Section 13-601. Interest shall be credited on  
17 the same basis and under the same conditions as for other  
18 contributions.

19 Optional contributions shall be accounted for in a separate  
20 Commission's Optional Contribution Reserve. Optional  
21 contributions under this Section shall be included in the  
22 amount of employee contributions used to compute the tax levy  
23 under Section 13-503.

24 (f) Effective date. The effective date of this plan of  
25 optional alternative benefits and contributions shall be the  
26 date upon which approval was received from the U.S. Internal

1 Revenue Service. The plan of optional alternative benefits and  
2 contributions shall not be available to any former employee  
3 receiving an annuity from the Fund on the effective date,  
4 unless said former employee re-enters service and renders at  
5 least 3 years of additional service after the date of re-entry  
6 as a commissioner.

7 (Source: P.A. 94-621, eff. 8-18-05; 95-279, eff. 1-1-08.)

8 (40 ILCS 5/13-601) (from Ch. 108 1/2, par. 13-601)

9 Sec. 13-601. Refunds.

10 (a) Withdrawal from service. Upon withdrawal from service,  
11 an employee under age 55 (age 50 if the employee first entered  
12 service before June 13, 1997), or an employee age 55 (age 50 if  
13 the employee first entered service before June 13, 1997) or  
14 over but less than 60 having less than 20 years of service, or  
15 an employee age 60 or over having less than 5 years of service  
16 shall be entitled, upon application, to a refund of total  
17 contributions from salary deductions or amounts otherwise paid  
18 under this Article by the employee. The refund shall not  
19 include interest credited to the contributions. The Board may,  
20 in its discretion, withhold payment of a refund for a period  
21 not to exceed one year from the date of filing an application  
22 for refund.

23 (b) Surviving spouse's annuity contributions. A refund of  
24 all amounts deducted from salary or otherwise contributed by an  
25 employee for the surviving spouse's annuity shall be paid upon



1 retirement to any employee who on the date of retirement is  
2 either not married or is married but whose spouse is not  
3 eligible for a surviving spouse's annuity paid wholly or in  
4 part under this Article. The refund shall include interest on  
5 each contribution at the rate of 3% per annum compounded  
6 annually from the date of the contribution to the date of the  
7 refund.

8 (c) Payment of Refunds After Death. Whenever any refund is  
9 payable after the death of the employee or annuitant as  
10 provided for in this Article, the refund shall be paid as  
11 follows: to the employee's surviving spouse, but if there is no  
12 surviving spouse then in accordance with the employee's written  
13 designation of beneficiary filed with the Board on the  
14 prescribed form before the employee's death. If there is no  
15 such designation of beneficiary, then to the employee's  
16 surviving children in equal parts to each. If there are no such  
17 children, the refund shall be paid to the heirs of the employee  
18 according to the law of descent and distribution of the State  
19 of Illinois.

20 If a personal representative of the estate has not been  
21 appointed within 90 days from the date on which a refund became  
22 payable, the refund may be applied, in the discretion of the  
23 Board, toward the payment of the employee's or the surviving  
24 spouse's burial expenses. Any remaining balance shall be paid  
25 to the heirs of the employee according to the law of descent  
26 and distribution of the State of Illinois.

1           Whenever the total accumulations to the account of an  
2 employee from employee contributions other than the  
3 contribution for the cost of living increase, including  
4 interest to the employee's date of withdrawal, have not been  
5 paid to the employee and surviving spouse as a retirement or  
6 spouse's annuity before the death of the employee and spouse, a  
7 refund shall be paid as follows: an amount equal to the excess  
8 of such amounts over the amounts paid on such annuities without  
9 interest on either such amount.

10           If a reversionary annuity becomes payable under Section  
11 13-303, the refund provided in this section shall not be paid  
12 until the death of the reversionary annuitant and the refund  
13 otherwise payable under this section shall be then further  
14 reduced by the amount of the reversionary annuity paid.

15           (d) In lieu of annuity. Notwithstanding the provisions set  
16 forth in subsection (a) of this section, whenever an employee's  
17 or surviving spouse's annuity will be less than \$200 per month,  
18 the employee or surviving spouse, as the case may be, may elect  
19 to receive a refund of accumulated employee contributions;  
20 provided, however, that if the election is made by a surviving  
21 spouse the refund shall be reduced by any amounts theretofore  
22 paid to the employee in the form of an annuity.

23           (e) Forfeiture of rights. An employee or surviving spouse  
24 who receives a refund forfeits the right to receive an annuity  
25 or any other benefit payable under this Article except that if  
26 the refund is to a surviving spouse, any child or children of

1 the employee shall not be deprived of the right to receive a  
2 child's annuity as provided in Section 13-308 of this Article,  
3 and the payment of a child's annuity shall not reduce the  
4 amount refundable to the surviving spouse.

5 (Source: P.A. 94-621, eff. 8-18-05; 95-586, eff. 8-31-07.)

6 Section 90. The State Mandates Act is amended by adding  
7 Section 8.33 as follows:

8 (30 ILCS 805/8.33 new)

9 Sec. 8.33. Exempt mandate. Notwithstanding Sections 6 and 8  
10 of this Act, no reimbursement by the State is required for the  
11 implementation of any mandate created by this amendatory Act of  
12 the 96th General Assembly.

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