



## 96TH GENERAL ASSEMBLY

### State of Illinois

#### 2009 and 2010

##### HB4441

Introduced 4/23/2009, by Rep. Darlene J. Senger - John D. Cavaletto - Michael G. Connelly - David Reis - Dennis M. Reboletti

#### SYNOPSIS AS INTRODUCED:

30 ILCS 105/14	from Ch. 127, par. 150
30 ILCS 105/25	from Ch. 127, par. 161
40 ILCS 5/2-108.1	from Ch. 108 1/2, par. 2-108.1
30 ILCS 805/8.33 new	

Amends the General Assembly Article of the Illinois Pension Code. Provides that, for certain participants of the General Assembly Retirement System that are exempted from the earnings limitation under the definition of "highest salary for annuity purposes", the participant's employer under the other participating system under the Retirement Systems Reciprocal Act shall pay to the General Assembly Retirement System the present value of the increase in benefits resulting from the use of that higher salary. Amends the State Finance Act to allow the payments to be paid out of a State agency's personal services line and to allow the payments in a fiscal year without regard to the fact that the employment for which the payment is required may have occurred in a prior fiscal year. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB096 09071 AMC 19212 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 State Finance Act is amended by changing  
5 Sections 14 and 25 as follows:

6 (30 ILCS 105/14) (from Ch. 127, par. 150)

7 Sec. 14. The item "personal services", when used in an  
8 appropriation Act, means the reward or recompense made for  
9 personal services rendered for the State by an officer or  
10 employee of the State or of an instrumentality thereof, or for  
11 the purpose of Section 14a of this Act, or any amount required  
12 or authorized to be deducted from the salary of any such person  
13 under the provisions of Section 30c of this Act, or any  
14 retirement or tax law, or both, or deductions from the salary  
15 of any such person under the Social Security Enabling Act or  
16 deductions from the salary of such person pursuant to the  
17 Voluntary Payroll Deductions Act of 1983.

18 If no home is furnished to a person who is a full-time  
19 chaplain employed by the State or a former full-time chaplain  
20 retired from State employment, 20% of the salary or pension  
21 paid to that person for his personal services to the State as  
22 chaplain are considered to be a rental allowance paid to him to  
23 rent or otherwise provide a home. This amendatory Act of 1973

1 applies to State salary amounts received after December 31,  
2 1973.

3 When any appropriation payable from trust funds or federal  
4 funds includes an item for personal services but does not  
5 include a separate item for State contribution for employee  
6 group insurance, the State contribution for employee group  
7 insurance in relation to employees paid under that personal  
8 services line item shall also be payable under that personal  
9 services line item.

10 When any appropriation payable from trust funds or federal  
11 funds includes an item for personal services but does not  
12 include a separate item for employee retirement contributions  
13 paid by the employer, the State contribution for employee  
14 retirement contributions paid by the employer in relation to  
15 employees paid under that personal services line item shall  
16 also be payable under that personal services line item.

17 The item "personal services", when used in an appropriation  
18 Act, shall also mean and include a payment to a State  
19 retirement system by a State agency to discharge a debt arising  
20 from the over-refund to an employee of retirement  
21 contributions. The payment to a State retirement system  
22 authorized by this paragraph shall not be construed to release  
23 the employee from his or her obligation to return to the State  
24 the amount of the over-refund.

25 The item "personal services", when used in an appropriation  
26 Act, shall also mean and include a payment to the General

1 Assembly Retirement System by a State agency to make any  
2 payments required under subsection (b) of Section 2-108.1 of  
3 the Illinois Pension Code.

4 The item "personal services", when used in an appropriation  
5 Act, also includes a payment to reimburse the Department of  
6 Central Management Services for temporary total disability  
7 benefit payments in accordance with subdivision (9) of Section  
8 405-105 of the Department of Central Management Services Law  
9 (20 ILCS 405/405-105).

10 Beginning July 1, 1993, the item "personal services" and  
11 related line items, when used in an appropriation Act or this  
12 Act, shall also mean and include back wage claims of State  
13 officers and employees to the extent those claims have not been  
14 satisfied from the back wage appropriation to the Department of  
15 Central Management Services in the preceding fiscal year, as  
16 provided in Section 14b of this Act and subdivision (13) of  
17 Section 405-105 of the Department of Central Management  
18 Services Law (20 ILCS 405/405-105).

19 The item "personal services", when used with respect to  
20 State police officers in an appropriation Act, also includes a  
21 payment for the burial expenses of a State police officer  
22 killed in the line of duty, made in accordance with Section  
23 12.2 of the State Police Act and any rules adopted under that  
24 Section.

25 For State fiscal year 2005, the item "personal services",  
26 when used in an appropriation Act, also includes payments for

1 employee retirement contributions paid by the employer.

2 (Source: P.A. 93-839, eff. 7-30-04.)

3 (30 ILCS 105/25) (from Ch. 127, par. 161)

4 Sec. 25. Fiscal year limitations.

5 (a) All appropriations shall be available for expenditure  
6 for the fiscal year or for a lesser period if the Act making  
7 that appropriation so specifies. A deficiency or emergency  
8 appropriation shall be available for expenditure only through  
9 June 30 of the year when the Act making that appropriation is  
10 enacted unless that Act otherwise provides.

11 (b) Outstanding liabilities as of June 30, payable from  
12 appropriations which have otherwise expired, may be paid out of  
13 the expiring appropriations during the 2-month period ending at  
14 the close of business on August 31. Any service involving  
15 professional or artistic skills or any personal services by an  
16 employee whose compensation is subject to income tax  
17 withholding must be performed as of June 30 of the fiscal year  
18 in order to be considered an "outstanding liability as of June  
19 30" that is thereby eligible for payment out of the expiring  
20 appropriation.

21 However, payment of tuition reimbursement claims under  
22 Section 14-7.03 or 18-3 of the School Code may be made by the  
23 State Board of Education from its appropriations for those  
24 respective purposes for any fiscal year, even though the claims  
25 reimbursed by the payment may be claims attributable to a prior

1 fiscal year, and payments may be made at the direction of the  
2 State Superintendent of Education from the fund from which the  
3 appropriation is made without regard to any fiscal year  
4 limitations.

5 Payments required under subsection (b) of Section 2-108.1  
6 of the Illinois Pension Code may be made by a State agency from  
7 its appropriations for those purposes for any fiscal year,  
8 without regard to the fact that the employment for which the  
9 payment is required may have occurred in a prior fiscal year.

10 Medical payments may be made by the Department of Veterans'  
11 Affairs from its appropriations for those purposes for any  
12 fiscal year, without regard to the fact that the medical  
13 services being compensated for by such payment may have been  
14 rendered in a prior fiscal year.

15 Medical payments may be made by the Department of  
16 Healthcare and Family Services and medical payments and child  
17 care payments may be made by the Department of Human Services  
18 (as successor to the Department of Public Aid) from  
19 appropriations for those purposes for any fiscal year, without  
20 regard to the fact that the medical or child care services  
21 being compensated for by such payment may have been rendered in  
22 a prior fiscal year; and payments may be made at the direction  
23 of the Department of Central Management Services from the  
24 Health Insurance Reserve Fund and the Local Government Health  
25 Insurance Reserve Fund without regard to any fiscal year  
26 limitations.

1 Medical payments may be made by the Department of Human  
2 Services from its appropriations relating to substance abuse  
3 treatment services for any fiscal year, without regard to the  
4 fact that the medical services being compensated for by such  
5 payment may have been rendered in a prior fiscal year, provided  
6 the payments are made on a fee-for-service basis consistent  
7 with requirements established for Medicaid reimbursement by  
8 the Department of Healthcare and Family Services.

9 Additionally, payments may be made by the Department of  
10 Human Services from its appropriations, or any other State  
11 agency from its appropriations with the approval of the  
12 Department of Human Services, from the Immigration Reform and  
13 Control Fund for purposes authorized pursuant to the  
14 Immigration Reform and Control Act of 1986, without regard to  
15 any fiscal year limitations.

16 Further, with respect to costs incurred in fiscal years  
17 2002 and 2003 only, payments may be made by the State Treasurer  
18 from its appropriations from the Capital Litigation Trust Fund  
19 without regard to any fiscal year limitations.

20 Lease payments may be made by the Department of Central  
21 Management Services under the sale and leaseback provisions of  
22 Section 7.4 of the State Property Control Act with respect to  
23 the James R. Thompson Center and the Elgin Mental Health Center  
24 and surrounding land from appropriations for that purpose  
25 without regard to any fiscal year limitations.

26 Lease payments may be made under the sale and leaseback

1 provisions of Section 7.5 of the State Property Control Act  
2 with respect to the Illinois State Toll Highway Authority  
3 headquarters building and surrounding land without regard to  
4 any fiscal year limitations.

5 (c) Further, payments may be made by the Department of  
6 Public Health and the Department of Human Services (acting as  
7 successor to the Department of Public Health under the  
8 Department of Human Services Act) from their respective  
9 appropriations for grants for medical care to or on behalf of  
10 persons suffering from chronic renal disease, persons  
11 suffering from hemophilia, rape victims, and premature and  
12 high-mortality risk infants and their mothers and for grants  
13 for supplemental food supplies provided under the United States  
14 Department of Agriculture Women, Infants and Children  
15 Nutrition Program, for any fiscal year without regard to the  
16 fact that the services being compensated for by such payment  
17 may have been rendered in a prior fiscal year.

18 (d) The Department of Public Health and the Department of  
19 Human Services (acting as successor to the Department of Public  
20 Health under the Department of Human Services Act) shall each  
21 annually submit to the State Comptroller, Senate President,  
22 Senate Minority Leader, Speaker of the House, House Minority  
23 Leader, and the respective Chairmen and Minority Spokesmen of  
24 the Appropriations Committees of the Senate and the House, on  
25 or before December 31, a report of fiscal year funds used to  
26 pay for services provided in any prior fiscal year. This report



1 shall document by program or service category those  
2 expenditures from the most recently completed fiscal year used  
3 to pay for services provided in prior fiscal years.

4 (e) The Department of Healthcare and Family Services, the  
5 Department of Human Services (acting as successor to the  
6 Department of Public Aid), and the Department of Human Services  
7 making fee-for-service payments relating to substance abuse  
8 treatment services provided during a previous fiscal year shall  
9 each annually submit to the State Comptroller, Senate  
10 President, Senate Minority Leader, Speaker of the House, House  
11 Minority Leader, the respective Chairmen and Minority  
12 Spokesmen of the Appropriations Committees of the Senate and  
13 the House, on or before November 30, a report that shall  
14 document by program or service category those expenditures from  
15 the most recently completed fiscal year used to pay for (i)  
16 services provided in prior fiscal years and (ii) services for  
17 which claims were received in prior fiscal years.

18 (f) The Department of Human Services (as successor to the  
19 Department of Public Aid) shall annually submit to the State  
20 Comptroller, Senate President, Senate Minority Leader, Speaker  
21 of the House, House Minority Leader, and the respective  
22 Chairmen and Minority Spokesmen of the Appropriations  
23 Committees of the Senate and the House, on or before December  
24 31, a report of fiscal year funds used to pay for services  
25 (other than medical care) provided in any prior fiscal year.  
26 This report shall document by program or service category those

1 expenditures from the most recently completed fiscal year used  
2 to pay for services provided in prior fiscal years.

3 (g) In addition, each annual report required to be  
4 submitted by the Department of Healthcare and Family Services  
5 under subsection (e) shall include the following information  
6 with respect to the State's Medicaid program:

7 (1) Explanations of the exact causes of the variance  
8 between the previous year's estimated and actual  
9 liabilities.

10 (2) Factors affecting the Department of Healthcare and  
11 Family Services' liabilities, including but not limited to  
12 numbers of aid recipients, levels of medical service  
13 utilization by aid recipients, and inflation in the cost of  
14 medical services.

15 (3) The results of the Department's efforts to combat  
16 fraud and abuse.

17 (h) As provided in Section 4 of the General Assembly  
18 Compensation Act, any utility bill for service provided to a  
19 General Assembly member's district office for a period  
20 including portions of 2 consecutive fiscal years may be paid  
21 from funds appropriated for such expenditure in either fiscal  
22 year.

23 (i) An agency which administers a fund classified by the  
24 Comptroller as an internal service fund may issue rules for:

25 (1) billing user agencies in advance for payments or  
26 authorized inter-fund transfers based on estimated charges

1 for goods or services;

2 (2) issuing credits, refunding through inter-fund  
3 transfers, or reducing future inter-fund transfers during  
4 the subsequent fiscal year for all user agency payments or  
5 authorized inter-fund transfers received during the prior  
6 fiscal year which were in excess of the final amounts owed  
7 by the user agency for that period; and

8 (3) issuing catch-up billings to user agencies during  
9 the subsequent fiscal year for amounts remaining due when  
10 payments or authorized inter-fund transfers received from  
11 the user agency during the prior fiscal year were less than  
12 the total amount owed for that period.

13 User agencies are authorized to reimburse internal service  
14 funds for catch-up billings by vouchers drawn against their  
15 respective appropriations for the fiscal year in which the  
16 catch-up billing was issued or by increasing an authorized  
17 inter-fund transfer during the current fiscal year. For the  
18 purposes of this Act, "inter-fund transfers" means transfers  
19 without the use of the voucher-warrant process, as authorized  
20 by Section 9.01 of the State Comptroller Act.

21 (Source: P.A. 95-331, eff. 8-21-07.)

22 Section 10. The Illinois Pension Code is amended by  
23 changing Section 2-108.1 as follows:

24 (40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)

1           Sec. 2-108.1. Highest salary for annuity purposes.

2           (a) "Highest salary for annuity purposes" means whichever  
3 of the following is applicable to the participant:

4           (1) For a participant who is a member of the General  
5 Assembly on his or her last day of service: the highest  
6 salary that is prescribed by law, on the participant's last  
7 day of service, for a member of the General Assembly who is  
8 not an officer; plus, if the participant was elected or  
9 appointed to serve as an officer of the General Assembly  
10 for 2 or more years and has made contributions as required  
11 under subsection (d) of Section 2-126, the highest  
12 additional amount of compensation prescribed by law, at the  
13 time of the participant's service as an officer, for  
14 members of the General Assembly who serve in that office.

15           (2) For a participant who holds one of the State  
16 executive offices specified in Section 2-105 on his or her  
17 last day of service: the highest salary prescribed by law  
18 for service in that office on the participant's last day of  
19 service.

20           (3) For a participant who is Clerk or Assistant Clerk  
21 of the House of Representatives or Secretary or Assistant  
22 Secretary of the Senate on his or her last day of service:  
23 the salary received for service in that capacity on the  
24 last day of service, but not to exceed the highest salary  
25 (including additional compensation for service as an  
26 officer) that is prescribed by law on the participant's

1 last day of service for the highest paid officer of the  
2 General Assembly.

3 (4) For a participant who is a continuing participant  
4 under Section 2-117.1 on his or her last day of service:  
5 the salary received for service in that capacity on the  
6 last day of service, but not to exceed the highest salary  
7 (including additional compensation for service as an  
8 officer) that is prescribed by law on the participant's  
9 last day of service for the highest paid officer of the  
10 General Assembly.

11 (b) The earnings limitations of subsection (a) apply to  
12 earnings under any other participating system under the  
13 Retirement Systems Reciprocal Act that are considered in  
14 calculating a proportional annuity under this Article, except  
15 in the case of a person who first became a member of this  
16 System before August 22, 1994. If (i) a participant first  
17 became a member of this System before August 22, 1994, (ii) he  
18 or she applies for a proportional annuity under the Retirement  
19 Systems Reciprocal Act, and (iii) the salary used to calculate  
20 his or her proportional annuity under this Article is higher  
21 than his or her highest salary for annuity purposes would have  
22 been if he or she were not exempted from the earnings  
23 limitation under subsection (a) of this Section, then the  
24 participant's employer under the other participating system  
25 shall pay to the System the present value of the increase in  
26 benefits resulting from the use of that higher salary. Upon

1 request from the employer under the other participating system,  
2 the System may allow the employer of the other participating  
3 system to amortize the payments over a 2-year period, with  
4 interest.

5 (c) In calculating the subsection (a) earnings limitation  
6 to be applied to earnings under any other participating system  
7 under the Retirement Systems Reciprocal Act for the purpose of  
8 calculating a proportional annuity under this Article, the  
9 participant's last day of service shall be deemed to mean the  
10 last day of service in any participating system from which the  
11 person has applied for a proportional annuity under the  
12 Retirement Systems Reciprocal Act.

13 (Source: P.A. 90-655, eff. 7-30-98.)

14 Section 90. The State Mandates Act is amended by adding  
15 Section 8.33 as follows:

16 (30 ILCS 805/8.33 new)

17 Sec. 8.33. Exempt mandate. Notwithstanding Sections 6 and 8  
18 of this Act, no reimbursement by the State is required for the  
19 implementation of any mandate created by this amendatory Act of  
20 the 96th General Assembly.

21 Section 99. Effective date. This Act takes effect upon  
22 becoming law.