HB6843

LRB09621789AMC39680b

96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB6843

by Rep. Raymond Poe

SYNOPSIS AS INTRODUCED:

40 ILCS 5/1-160
30 ILCS 805/8.34 new

Amends the Illinois Pension Code, if and only if Senate Bill 1946 of the 96th General Assembly becomes law, in provisions applicable to new hires, provides that a participant is entitled to a retirement annuity beginning on the date specified by the participant in a written application only if, on that specified date, he or she has attained age 62 (rather than age 67) and has at least 10 years of service credit and removes provisions concerning entitlement to a reduced annuity. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately, but no earlier than the effective date of Section 1-160 of the Illinois Pension Code added by Senate Bill 1946 of the 96th General Assembly.

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FISCAL NOTE ACT MAY APPLY	PENSION IMPACT NOTE ACT MAY APPLY	STATE MANDATES ACT MAY REQUIRE REIMBURSEMENT

A BILL FOR

AN ACT concerning public employee benefits.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. If and only if Senate Bill 1946 of the 96th General Assembly becomes law, the Illinois Pension Code is amended by changing Section 1-160 as follows:

(40 ILCS 5/1-160)

Sec. 1-160. Provisions applicable to new hires.

(a) The provisions of this Section apply to a person who first becomes an employee and a participant under any retirement system or pension fund under this Code, other than a retirement system or pension fund established under Article 2, 3, 4, 5, 6, or 18 of this Code, on or after the effective date of this amendatory Act of the 96th General Assembly notwithstanding any other provision of this Code to the contrary, but do not apply to any self-managed plan established under this Code, to any person with respect to service as a sheriff's law enforcement employee under Article 7, or to any participant of the retirement plan established under Section 22-101.

(b) "Final average salary" means the average monthly salary obtained by dividing the total salary of the participant during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period; however, the annual final average salary may not exceed $106,800, as automatically increased by the lesser of 3% or one-half of the annual increase in the consumer price index-u during the preceding 12-month calendar year. For the purposes of a person who first becomes an employee of any retirement system or pension fund to which this Section applies on or after the effective date of this amendatory Act of the 96th General Assembly, in this Code, "final average salary" shall be substituted for the following:

(1) In Articles 7 (except for service as sheriff's law enforcement employees) and 15, "final rate of earnings".

(2) In Articles 8, 9, 10, 11, and 12, "highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal".

(3) In Article 13, "average final salary".

(4) In Article 14, "final average compensation".

(5) In Article 17, "average salary".

(6) In Section 22-207, "wages or salary received by him at the date of retirement or discharge".

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 =

100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the boards of the retirement systems and pension funds.

(c) A participant is entitled to a retirement annuity beginning on the date specified by the participant in a written application only if, on that specified date, he or she has attained age 62 ~~67~~ and has at least 10 years of service credit.

~~A participant who has attained age 62 and has at least 10 years of service credit may elect to receive the lower retirement annuity provided in subsection (d) of this Section.~~

~~(d) The retirement annuity of a participant who is retiring after attaining age 62 with at least 10 years of service credit shall be reduced by one-half of 1% for each month that the member's age is under age 67.~~

(d) ~~(e)~~ Any retirement annuity or supplemental annuity shall be subject to annual increases upon (1) attainment of age 62 ~~67~~ or (2) the first anniversary of the commencement of the annuity, whichever occurs later. Each annual increase shall be calculated at 3% or one-half the annual increase in the consumer price index-u for the preceding calendar year, whichever is less, of the originally granted retirement annuity. If the increase in the consumer price index-u for the preceding calendar year is zero or there is a decrease, then the annuity shall not be increased.

(e) ~~(f)~~ The initial survivor's annuity of an otherwise eligible survivor of a participant who first becomes a participant on or after the effective date of this amendatory Act of the 96th General Assembly shall be in the amount of 66 2/3% of the participant's earned retirement annuity at the date of death and shall be increased (1) on each January 1 occurring on or after the commencement of the annuity if the deceased member died while receiving a retirement annuity or (2) in other cases, on each January 1 occurring after the first anniversary of the commencement of the annuity. Each annual increase shall be calculated at 3% or one-half the annual increase in the consumer price index-u for the preceding calendar year, whichever is less, of the originally granted survivor's annuity. If the increase in the consumer price index-u for the preceding calendar year is zero or there is a decrease, then the annuity shall not be increased.

(f) ~~(g)~~ The benefits in Section 14-110 apply only if the person is a State policeman, a fire fighter in the fire protection service of a department, or a security employee of the Department of Corrections or the Department of Juvenile Justice, as those terms are defined in subsection (b) of Section 14-110. A person who meets the requirements of this Section is entitled to an annuity calculated under the provisions of Section 14-110, in lieu of the regular or minimum retirement annuity, only if the person has withdrawn from service with not less than 20 years of eligible creditable service and has attained age 60, regardless of whether the attainment of age 60 occurs while the person is still in service.

(g) ~~(h)~~ If a person who first becomes a member of a retirement system or pension fund subject to this Section on or after the effective date of this amendatory Act of the 96th General Assembly is receiving a retirement annuity or retirement pension under that system or fund and accepts employment in a position covered under the same Article or any other Article of this Code on a full-time basis, then the person's retirement annuity or retirement pension under that system or fund shall be suspended during that employment. Upon termination of that employment, the person's retirement annuity or retirement pension payments shall resume and, if appropriate, be recalculated under the applicable provisions of this Code.

(h) ~~(i)~~ Notwithstanding any other provision of this Section, a person who first becomes a participant of the retirement system established under Article 15 on or after the effective date of this amendatory Act of the 96th General Assembly shall have the option to enroll in the self-managed plan created under Section 15-158.2 of this Code.

(i) ~~(j)~~ In the case of a conflict between the provisions of this Section and any other provision of this Code, the provisions of this Section shall control.

(Source: 09600SB1946enr.)

Section 90. The State Mandates Act is amended by adding Section 8.34 as follows:

(30 ILCS 805/8.34 new)

Sec. 8.34. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 96th General Assembly.

Section 95. No acceleration or delay. Where this Act makes changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act.

Section 99. Effective date. This Act takes effect upon becoming law, but no earlier than the effective date of Section 1-160 of the Illinois Pension Code added by Senate Bill 1946 of the 96th General Assembly.