



Sen. Donne E. Trotter

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1 AMENDMENT TO SENATE BILL 1642

2 AMENDMENT NO. _____. Amend Senate Bill 1642 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.".