

SB2127



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB2127

Introduced 2/20/2009, by Sen. Dan Kotowski

SYNOPSIS AS INTRODUCED:

40 ILCS 5/9-121.6

from Ch. 108 1/2, par. 9-121.6

Amends the Cook County Article of the Illinois Pension Code with respect to the optional plan of additional benefits and contributions for elected county officers and their survivors. Limits application of the special formula to service in an elected county office that the participant held for at least 8 years. Provides for a refund of additional contributions if service in the office lasts less than 8 years. Changes the manner of calculating the salary upon which benefits are based to a 4-year average final rate of earnings and applies a separate rate for each qualifying office held. Effective immediately.

LRB096 11408 AMC 21874 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

A BILL FOR

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 Illinois Pension Code is amended by changing
5 Section 9-121.6 as follows:

6 (40 ILCS 5/9-121.6) (from Ch. 108 1/2, par. 9-121.6)
7 Sec. 9-121.6. Alternative annuity for county officers.

8 (a) Any county officer elected by vote of the people may
9 elect to establish alternative credits for an alternative
10 annuity by electing in writing to make additional optional
11 contributions in accordance with this Section and procedures
12 established by the board. These alternative credits are
13 available only for periods of service as an elected county
14 officer. ~~The~~ ~~Such~~ elected county officer may discontinue making
15 the additional optional contributions by notifying the Fund in
16 writing in accordance with this Section and procedures
17 established by the board.

18 Additional optional contributions for the alternative
19 annuity shall be as follows:

20 (1) For service as an elected county officer after the
21 option is elected, an additional contribution of 3% of
22 salary shall be contributed to the Fund on the same basis
23 and under the same conditions as contributions required

1 under Sections 9-170 and 9-176.

2 (2) For service as an elected county officer before the
3 option is elected, an additional contribution of 3% of the
4 salary for the applicable period of service, plus interest
5 at the effective rate from the date of service to the date
6 of payment. All payments for past service must be paid in
7 full before credit is given. No additional optional
8 contributions may be made for any period of service for
9 which credit has been previously forfeited by acceptance of
10 a refund, unless the refund is repaid in full with interest
11 at the effective rate from the date of refund to the date
12 of repayment.

13 (b) In lieu of the retirement annuity otherwise payable
14 under this Article, any county officer elected by vote of the
15 people who (1) has elected to participate in the Fund and make
16 additional optional contributions in accordance with this
17 Section, (2) has held and made additional optional
18 contributions with respect to the same elected county office
19 for at least 8 years, and (3) ~~(2)~~ has attained age 60 with at
20 least 10 years of service credit, or has attained age 65 with
21 at least 8 years of service credit, may elect to have his
22 retirement annuity computed as follows: 3% of the participant's
23 final rate of earnings ~~salary at the time of termination of~~
24 ~~service~~ for each of the first 8 years of service credit, plus
25 4% of such final rate of earnings ~~salary~~ for each of the next 4
26 years of service credit, plus 5% of such final rate of earnings

1 ~~salary~~ for each year of service credit in excess of 12 years,
2 subject to a maximum of 80% of such final rate of earnings
3 ~~salary~~.

4 This formula applies only to service in an elected county
5 office that the officer held for at least 8 years, and only to
6 service for which additional optional contributions have been
7 paid under this Section. If an elected county officer qualifies
8 to have this formula applied to service in more than one
9 elected county office, the qualifying service shall be
10 accumulated for purposes of determining the applicable accrual
11 percentages, but the salary used for each office shall be the
12 separate salary calculated for that office, as defined in
13 subsection (f).

14 To the extent such elected county officer has service
15 credit that does not qualify for this formula, ~~made additional~~
16 ~~optional contributions with respect to only a portion of his~~
17 ~~years of service credit,~~ his or her retirement annuity will
18 first be determined in accordance with this formula with
19 respect to the service to which this formula applies ~~Section to~~
20 ~~the extent such additional optional contributions were made,~~
21 and then in accordance with the remaining Sections of this
22 Article ~~to the extent of years of service credit~~ with respect
23 to the service to which this formula does not apply ~~additional~~
24 ~~optional contributions were not made.~~

25 (c) In lieu of the disability benefits otherwise payable
26 under this Article, any county officer elected by vote of the

1 people who (1) has elected to participate in the Fund, and (2)
2 has become permanently disabled and as a consequence is unable
3 to perform the duties of his office, and (3) was making
4 optional contributions in accordance with this Section at the
5 time the disability was incurred, may elect to receive a
6 disability annuity calculated in accordance with the formula in
7 subsection (b). For the purposes of this subsection, such
8 elected county officer shall be considered permanently
9 disabled only if: (i) disability occurs while in service as an
10 elected county officer and is of such a nature as to prevent
11 him from reasonably performing the duties of his office at the
12 time; and (ii) the board has received a written certification
13 by at least 2 licensed physicians appointed by it stating that
14 such officer is disabled and that the disability is likely to
15 be permanent.

16 (d) Refunds of additional optional contributions shall be
17 made on the same basis and under the same conditions as
18 provided under Section 9-164, 9-166 and 9-167. Interest shall
19 be credited at the effective rate on the same basis and under
20 the same conditions as for other contributions. 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 9-169.

24 If an elected county officer fails to hold that same
25 elected county office for at least 8 years, he or she shall be
26 entitled after leaving office to receive a refund of the

1 additional optional contributions made with respect to that
2 office, plus interest at the effective rate.

3 (e) The effective date of this plan of optional alternative
4 benefits and contributions shall be January 1, 1988, or the
5 date upon which approval is received from the U.S. Internal
6 Revenue Service, whichever is later. The plan of optional
7 alternative benefits and contributions shall not be available
8 to any former county officer or employee receiving an annuity
9 from the Fund on the effective date of the plan, unless he
10 re-enters service as an elected county officer and renders at
11 least 3 years of additional service after the date of re-entry.

12 (f) The plan of optional alternative benefits and
13 contributions authorized under this Section applies only to
14 county officers elected by vote of the people on or before
15 January 1, 2008 (the effective date of Public Act 95-654).

16 (g) If an elected county officer qualifies to have the
17 formula in subsection (b) applied to service in more than one
18 elected county office, a separate final rate of earnings shall
19 be calculated and applied with respect to each such office.

20 (h) For the purposes of this Section and Section 9-121.7,
21 "final rate of earnings" means the monthly earnings obtained by
22 dividing the total salary, as that term is defined in Section
23 9-112, received by the employee during the period of either (1)
24 the 48 consecutive months of service within the last 120 months
25 of service in which his or her total salary were the highest or
26 (2) the employee's total period of service, by the number of

1 months of service in such period.

2 (i) The changes to this Section made by this amendatory Act
3 of the 96th General Assembly apply to persons who first make an
4 additional optional contribution under this Section on or after
5 the effective date of this amendatory Act.

6 (Source: P.A. 95-369, eff. 8-23-07; 95-654, eff. 1-1-08;
7 95-876, eff. 8-21-08.)

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.