



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB2061

by Rep. Carol A. Sente

SYNOPSIS AS INTRODUCED:

40 ILCS 5/1-162 new

Amends the Illinois Pension Code. Provides that if the amount of earnings of a participant or member of the specified pension systems or retirement funds exceeds the amount of his or her earnings with the same employer for the previous plan year by more than 12%, then that portion of the increase of salary in excess of 12% shall not be included in the calculation of any of the following, as is applicable: final average salary, highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, average final salary, final average compensation, or average salary. Effective July 1, 2011.

LRB097 08049 JDS 48172 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 adding
5 Section 1-162 as follows:

6 (40 ILCS 5/1-162 new)

7 Sec. 1-162. Salary increase provisions applicable to new
8 hires.

9 (a) The provisions of this Section apply to a person who,
10 on or after the effective date of this Act, first becomes a
11 member or a participant under any retirement system or pension
12 fund established under this Code, except any fund established
13 under Article 22.

14 (b) Notwithstanding any other provision of this Code, if
15 the amount of a participant's or member's earnings for any plan
16 year used to determine final average salary exceeds the amount
17 of his or her earnings with the same employer for the previous
18 plan year by more than 12%, then that portion of the increase
19 of salary in excess of 12% shall not be included in the
20 calculation used to determine final average salary.

21 (c) For the purposes of a person who, on or after the
22 effective date of this amendatory Act of the 97th General
23 Assembly, first becomes a member or participant of a retirement

1 system or pension fund to which this Section applies, the term
2 "final average salary" shall be replaced in subsection (b) of
3 this Section with the following:

4 (1) "final rate of earnings", for persons covered under
5 Article 7 or 15;

6 (2) "highest average annual salary for any 4
7 consecutive years within the last 10 years of service
8 immediately preceding the date of withdrawal", for persons
9 covered under Article 8, 9, 10, 11, or 12;

10 (3) "average final salary", for persons covered under
11 Article 13;

12 (4) "final average compensation", for persons covered
13 under Article 14; and

14 (5) "average salary", for persons covered under
15 Article 17.

16 Section 99. Effective date. This Act takes effect July 1,
17 2011.