HB3427

97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3427

Introduced 2/24/2011, by Rep. David Harris

SYNOPSIS AS INTRODUCED:

40 ILCS 5/1-161 new

Amends the Illinois Pension Code. Requires all pension funds and retirement systems established under the Code to exclude the following items when computing the compensation, salary, or wages upon which an annuity, pension, or other benefit is to be based: (i) lump sum payments for retirement, severance, and sick or vacation time and (ii) any annual increase in compensation, salary, or wages of more than 6%. Applies only to persons who are participants on the effective date or who first become participants on or after the effective date. Effective immediately.

LRB097 08984 JDS 49117 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 1-161 as follows:

6   (40 ILCS 5/1-161 new)

7   Sec. 1-161. Calculation of compensation, salary, and

8   wages.

9   (a) Notwithstanding any other provision of this Code,

10   beginning on the effective date of this Section, all pension

11   funds and retirement systems established under this Code must

12   exclude the following items when computing the compensation,

13   salary, or wages upon which an annuity, pension, or other

14   benefit is to be based: (i) lump sum payments for retirement,

15   severance, and sick or vacation time and (ii) any annual

16   increase in compensation, salary, or wages of more than 6%.

17   (b) This Section applies only to persons who, on the

18   effective date of this Section, are participants in a pension

19   fund or retirement system established under this Code or, on or

20   after the effective date of this Section, first become

21   participants of a pension fund or retirement system established

22   under this Code.

1   Section 99. Effective date. This Act takes effect upon

2   becoming law.