



Rep. Karen May

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1 AMENDMENT TO HOUSE BILL 3474

2 AMENDMENT NO. _____. Amend House Bill 3474 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Open Meetings Act is amended by adding
5 Section 7.3 as follows:

6 (5 ILCS 120/7.3 new)

7 Sec. 7.3. Duty to post information pertaining to benefits
8 offered through the Illinois Municipal Retirement Fund.

9 (a) Within 6 business days after an employer participating
10 in the Illinois Municipal Retirement Fund approves a budget,
11 that employer must post on its website the total compensation
12 package for each employee having a total compensation package
13 that exceeds \$75,000 per year. If the employer does not
14 maintain a website, the employer must post a physical copy of
15 this information at the principal office of the employer. If an
16 employer maintains a website, it may choose to post a physical

1 copy of this information at the principal office of the
2 employer in lieu of posting the information directly on the
3 website; however, the employer must post directions on the
4 website on how to access that information.

5 (b) At least 6 days before an employer participating in the
6 Illinois Municipal Retirement Fund approves an employee's
7 total compensation package that is equal to or in excess of
8 \$150,000 per year, the employer must post on its website the
9 total compensation package for that employee. If the employer
10 does not maintain a website, the employer shall post a physical
11 copy of this information at the principal office of the
12 employer. If an employer maintains a website, it may choose to
13 post a physical copy of this information at the principal
14 office of the employer in lieu of posting the information
15 directly on the website; however, the employer must post
16 directions on the website on how to access that information.

17 (c) For the purposes of this Section, "total compensation
18 package" means payment by the employer to the employee for
19 salary, health insurance, a housing allowance, a vehicle
20 allowance, a clothing allowance, bonuses, loans, vacation days
21 granted, and sick days granted.

22 Section 10. The Illinois Pension Code is amended by
23 changing Sections 1-160, 7-116, 7-172, 7-205, 14-103.05,
24 22-101, and 22-103 and by adding Sections 7-225 as follows:

1 (40 ILCS 5/1-160)

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

3 (a) The provisions of this Section apply to a person who,
4 on or after January 1, 2011, first becomes a member or a
5 participant under any reciprocal retirement system or pension
6 fund established under this Code, other than a retirement
7 system or pension fund established under Article 2, 3, 4, 5, 6,
8 or 18 of this Code, notwithstanding any other provision of this
9 Code to the contrary, but do not apply to any self-managed plan
10 established under this Code, to any person with respect to
11 service as a sheriff's law enforcement employee under Article
12 7, or to any participant of the retirement plan established
13 under Section 22-101.

14 (b) "Final average salary" means the average monthly (or
15 annual) salary obtained by dividing the total salary or
16 earnings calculated under the Article applicable to the member
17 or participant during the 96 consecutive months (or 8
18 consecutive years) of service within the last 120 months (or 10
19 years) of service in which the total salary or earnings
20 calculated under the applicable Article was the highest by the
21 number of months (or years) of service in that period. For the
22 purposes of a person who first becomes a member or participant
23 of any retirement system or pension fund to which this Section
24 applies on or after January 1, 2011, in this Code, "final
25 average salary" shall be substituted for the following:

26 (1) In Articles 7 (except for service as sheriff's law

1 enforcement employees) and 15, "final rate of earnings".

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

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

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

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

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

11 (b-5) Beginning on January 1, 2011, for all purposes under
12 this Code (including without limitation the calculation of
13 benefits and employee contributions), the annual earnings,
14 salary, or wages (based on the plan year) of a member or
15 participant to whom this Section applies shall not exceed
16 \$106,800; however, that amount shall annually thereafter be
17 increased by the lesser of (i) 3% of that amount, including all
18 previous adjustments, or (ii) one-half the annual unadjusted
19 percentage increase (but not less than zero) in the consumer
20 price index-u for the 12 months ending with the September
21 preceding each November 1, including all previous adjustments.

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

1 100. The new amount resulting from each annual adjustment shall
2 be determined by the Public Pension Division of the Department
3 of Insurance and made available to the boards of the retirement
4 systems and pension funds by November 1 of each year.

5 (c) A member or participant is entitled to a retirement
6 annuity upon written application if he or she has attained age
7 67 and has at least 10 years of service credit and is otherwise
8 eligible under the requirements of the applicable Article.

9 A member or participant who has attained age 62 and has at
10 least 10 years of service credit and is otherwise eligible
11 under the requirements of the applicable Article may elect to
12 receive the lower retirement annuity provided in subsection (d)
13 of this Section.

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

18 (e) Any retirement annuity or supplemental annuity shall be
19 subject to annual increases on the January 1 occurring either
20 on or after the attainment of age 67 or the first anniversary
21 of the annuity start date, whichever is later. Each annual
22 increase shall be calculated at 3% or one-half the annual
23 unadjusted percentage increase (but not less than zero) in the
24 consumer price index-u for the 12 months ending with the
25 September preceding each November 1, whichever is less, of the
26 originally granted retirement annuity. If the annual

1 unadjusted percentage change in the consumer price index-u for
2 the 12 months ending with the September preceding each November
3 1 is zero or there is a decrease, then the annuity shall not be
4 increased.

5 (f) The initial survivor's or widow's annuity of an
6 otherwise eligible survivor or widow of a retired member or
7 participant who first became a member or participant on or
8 after January 1, 2011 shall be in the amount of 66 2/3% of the
9 retired member's or participant's retirement annuity at the
10 date of death. In the case of the death of a member or
11 participant who has not retired and who first became a member
12 or participant on or after January 1, 2011, eligibility for a
13 survivor's or widow's annuity shall be determined by the
14 applicable Article of this Code. The initial benefit shall be
15 66 2/3% of the earned annuity without a reduction due to age. A
16 child's annuity of an otherwise eligible child shall be in the
17 amount prescribed under each Article if applicable. Any
18 survivor's or widow's annuity shall be increased (1) on each
19 January 1 occurring on or after the commencement of the annuity
20 if the deceased member died while receiving a retirement
21 annuity or (2) in other cases, on each January 1 occurring
22 after the first anniversary of the commencement of the annuity.
23 Each annual increase shall be calculated at 3% or one-half the
24 annual unadjusted percentage increase (but not less than zero)
25 in the consumer price index-u for the 12 months ending with the
26 September preceding each November 1, whichever is less, of the

1 originally granted survivor's annuity. If the annual
2 unadjusted percentage change in the consumer price index-u for
3 the 12 months ending with the September preceding each November
4 1 is zero or there is a decrease, then the annuity shall not be
5 increased.

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

19 (h) If a person who first becomes a member or a participant
20 of a retirement system or pension fund subject to this Section
21 on or after January 1, 2011 is receiving a retirement annuity
22 or retirement pension under that system or fund and becomes a
23 member or participant under any other system or fund created by
24 this Code and is employed on a full-time basis, except for
25 those members or participants exempted from the provisions of
26 this Section under subsection (a) of this Section, then the

1 person's retirement annuity or retirement pension under that
2 system or fund shall be suspended during that employment. Upon
3 termination of that employment, the person's retirement
4 annuity or retirement pension payments shall resume and be
5 recalculated if recalculation is provided for under the
6 applicable Article of this Code.

7 If a person who first becomes a member of a retirement
8 system or pension fund subject to this Section on or after the
9 effective date of this amendatory Act of the 97th General
10 Assembly is receiving a retirement annuity or retirement
11 pension under that system or fund and accepts on a contractual
12 basis a position to provide services to a governmental entity
13 from which he or she has retired, then that person's annuity or
14 retirement pension earned as an active employee of the employer
15 shall be suspended during that contractual service. A person
16 receiving an annuity or retirement pension under this Code
17 shall notify the pension fund or retirement system from which
18 he or she is receiving an annuity or retirement pension, as
19 well as his or her contractual employer, of his or her
20 retirement status before accepting contractual employment. A
21 person who fails to submit such notification shall be a guilty
22 of a Class A misdemeanor and required to pay a fine of \$1,000.
23 Upon termination of that contractual employment, the person's
24 retirement annuity or retirement pension payments shall resume
25 and, if appropriate, be recalculated under the applicable
26 provisions of this Code.

1 (i) Notwithstanding any other provision of this Section, a
2 person who first becomes a participant of the retirement system
3 established under Article 15 on or after January 1, 2011 shall
4 have the option to enroll in the self-managed plan created
5 under Section 15-158.2 of this Code.

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

9 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

10 (40 ILCS 5/7-116) (from Ch. 108 1/2, par. 7-116)

11 Sec. 7-116. "Final rate of earnings":

12 (a) For retirement and survivor annuities, the monthly
13 earnings obtained by dividing the total earnings received by
14 the employee during the period of either (1) the 48 consecutive
15 months of service within the last 120 months of service in
16 which his total earnings were the highest or (2) the employee's
17 total period of service, by the number of months of service in
18 such period.

19 (b) For death benefits, the higher of the rate determined
20 under paragraph (a) of this Section or total earnings received
21 in the last 12 months of service divided by twelve. If the
22 deceased employee has less than 12 months of service, the
23 monthly final rate shall be the monthly rate of pay the
24 employee was receiving when he began service.

25 (c) For disability benefits, the total earnings of a

1 participating employee in the last 12 calendar months of
2 service prior to the date he becomes disabled divided by 12.

3 (d) In computing the final rate of earnings: (1) the
4 earnings rate for all periods of prior service shall be
5 considered equal to the average earnings rate for the last 3
6 calendar years of prior service for which creditable service is
7 received under Section 7-139 or, if there is less than 3 years
8 of creditable prior service, the average for the total prior
9 service period for which creditable service is received under
10 Section 7-139; (2) for out of state service and authorized
11 leave, the earnings rate shall be the rate upon which service
12 credits are granted; (3) periods of military leave shall not be
13 considered; (4) the earnings rate for all periods of disability
14 shall be considered equal to the rate of earnings upon which
15 the employee's disability benefits are computed for such
16 periods; (5) the earnings to be considered for each of the
17 final three months of the final earnings period for persons who
18 first became participants before the effective date of this
19 amendatory Act of the 97th General Assembly and the earnings to
20 be considered for each of the final 24 months for participants
21 who first become participants on or after the effective date of
22 the this amendatory Act of the 97th General Assembly shall not
23 exceed 125% of the highest earnings of any other month in the
24 final earnings period; and (6) the annual amount of final rate
25 of earnings shall be the monthly amount multiplied by the
26 number of months of service normally required by the position

1 in a year.

2 (Source: P.A. 90-448, eff. 8-16-97.)

3 (40 ILCS 5/7-172) (from Ch. 108 1/2, par. 7-172)

4 Sec. 7-172. Contributions by participating municipalities
5 and participating instrumentalities.

6 (a) Each participating municipality and each participating
7 instrumentality shall make payment to the fund as follows:

8 1. municipality contributions in an amount determined
9 by applying the municipality contribution rate to each
10 payment of earnings paid to each of its participating
11 employees;

12 2. an amount equal to the employee contributions
13 provided by paragraphs (a) and (b) of Section 7-173,
14 whether or not the employee contributions are withheld as
15 permitted by that Section;

16 3. all accounts receivable, together with interest
17 charged thereon, as provided in Section 7-209;

18 4. if it has no participating employees with current
19 earnings, an amount payable which, over a closed period of
20 20 years for participating municipalities and 10 years for
21 participating instrumentalities, will amortize, at the
22 effective rate for that year, any unfunded obligation. The
23 unfunded obligation shall be computed as provided in
24 paragraph 2 of subsection (b);

25 5. if it has fewer than 7 participating employees or a

1 negative balance in its municipality reserve, the greater
2 of (A) an amount payable that, over a period of 20 years,
3 will amortize at the effective rate for that year any
4 unfunded obligation, computed as provided in paragraph 2 of
5 subsection (b) or (B) the amount required by paragraph 1 of
6 this subsection (a).

7 (b) A separate municipality contribution rate shall be
8 determined for each calendar year for all participating
9 municipalities together with all instrumentalities thereof.
10 The municipality contribution rate shall be determined for
11 participating instrumentalities as if they were participating
12 municipalities. The municipality contribution rate shall be
13 the sum of the following percentages:

14 1. The percentage of earnings of all the participating
15 employees of all participating municipalities and
16 participating instrumentalities which, if paid over the
17 entire period of their service, will be sufficient when
18 combined with all employee contributions available for the
19 payment of benefits, to provide all annuities for
20 participating employees, and the \$3,000 death benefit
21 payable under Sections 7-158 and 7-164, such percentage to
22 be known as the normal cost rate.

23 2. The percentage of earnings of the participating
24 employees of each participating municipality and
25 participating instrumentalities necessary to adjust for
26 the difference between the present value of all benefits,

1 excluding temporary and total and permanent disability and
2 death benefits, to be provided for its participating
3 employees and the sum of its accumulated municipality
4 contributions and the accumulated employee contributions
5 and the present value of expected future employee and
6 municipality contributions pursuant to subparagraph 1 of
7 this paragraph (b). This adjustment shall be spread over
8 the remainder of the period that is allowable under
9 generally accepted accounting principles.

10 3. The percentage of earnings of the participating
11 employees of all municipalities and participating
12 instrumentalities necessary to provide the present value
13 of all temporary and total and permanent disability
14 benefits granted during the most recent year for which
15 information is available.

16 4. The percentage of earnings of the participating
17 employees of all participating municipalities and
18 participating instrumentalities necessary to provide the
19 present value of the net single sum death benefits expected
20 to become payable from the reserve established under
21 Section 7-206 during the year for which this rate is fixed.

22 5. The percentage of earnings necessary to meet any
23 deficiency arising in the Terminated Municipality Reserve.

24 (c) A separate municipality contribution rate shall be
25 computed for each participating municipality or participating
26 instrumentality for its sheriff's law enforcement employees.

1 A separate municipality contribution rate shall be
2 computed for the sheriff's law enforcement employees of each
3 forest preserve district that elects to have such employees.
4 For the period from January 1, 1986 to December 31, 1986, such
5 rate shall be the forest preserve district's regular rate plus
6 2%.

7 In the event that the Board determines that there is an
8 actuarial deficiency in the account of any municipality with
9 respect to a person who has elected to participate in the Fund
10 under Section 3-109.1 of this Code, the Board may adjust the
11 municipality's contribution rate so as to make up that
12 deficiency over such reasonable period of time as the Board may
13 determine.

14 (d) The Board may establish a separate municipality
15 contribution rate for all employees who are program
16 participants employed under the federal Comprehensive
17 Employment Training Act by all of the participating
18 municipalities and instrumentalities. The Board may also
19 provide that, in lieu of a separate municipality rate for these
20 employees, a portion of the municipality contributions for such
21 program participants shall be refunded or an extra charge
22 assessed so that the amount of municipality contributions
23 retained or received by the fund for all CETA program
24 participants shall be an amount equal to that which would be
25 provided by the separate municipality contribution rate for all
26 such program participants. Refunds shall be made to prime

1 sponsors of programs upon submission of a claim therefor and
2 extra charges shall be assessed to participating
3 municipalities and instrumentalities. In establishing the
4 municipality contribution rate as provided in paragraph (b) of
5 this Section, the use of a separate municipality contribution
6 rate for program participants or the refund of a portion of the
7 municipality contributions, as the case may be, may be
8 considered.

9 (e) Computations of municipality contribution rates for
10 the following calendar year shall be made prior to the
11 beginning of each year, from the information available at the
12 time the computations are made, and on the assumption that the
13 employees in each participating municipality or participating
14 instrumentality at such time will continue in service until the
15 end of such calendar year at their respective rates of earnings
16 at such time.

17 (f) Any municipality which is the recipient of State
18 allocations representing that municipality's contributions for
19 retirement annuity purposes on behalf of its employees as
20 provided in Section 12-21.16 of the Illinois Public Aid Code
21 shall pay the allocations so received to the Board for such
22 purpose. Estimates of State allocations to be received during
23 any taxable year shall be considered in the determination of
24 the municipality's tax rate for that year under Section 7-171.
25 If a special tax is levied under Section 7-171, none of the
26 proceeds may be used to reimburse the municipality for the

1 amount of State allocations received and paid to the Board. Any
2 multiple-county or consolidated health department which
3 receives contributions from a county under Section 11.2 of "An
4 Act in relation to establishment and maintenance of county and
5 multiple-county health departments", approved July 9, 1943, as
6 amended, or distributions under Section 3 of the Department of
7 Public Health Act, shall use these only for municipality
8 contributions by the health department.

9 (g) Municipality contributions for the several purposes
10 specified shall, for township treasurers and employees in the
11 offices of the township treasurers who meet the qualifying
12 conditions for coverage hereunder, be allocated among the
13 several school districts and parts of school districts serviced
14 by such treasurers and employees in the proportion which the
15 amount of school funds of each district or part of a district
16 handled by the treasurer bears to the total amount of all
17 school funds handled by the treasurer.

18 From the funds subject to allocation among districts and
19 parts of districts pursuant to the School Code, the trustees
20 shall withhold the proportionate share of the liability for
21 municipality contributions imposed upon such districts by this
22 Section, in respect to such township treasurers and employees
23 and remit the same to the Board.

24 The municipality contribution rate for an educational
25 service center shall initially be the same rate for each year
26 as the regional office of education or school district which

1 serves as its administrative agent. When actuarial data become
2 available, a separate rate shall be established as provided in
3 subparagraph (i) of this Section.

4 The municipality contribution rate for a public agency,
5 other than a vocational education cooperative, formed under the
6 Intergovernmental Cooperation Act shall initially be the
7 average rate for the municipalities which are parties to the
8 intergovernmental agreement. When actuarial data become
9 available, a separate rate shall be established as provided in
10 subparagraph (i) of this Section.

11 (h) Each participating municipality and participating
12 instrumentality shall make the contributions in the amounts
13 provided in this Section in the manner prescribed from time to
14 time by the Board and all such contributions shall be
15 obligations of the respective participating municipalities and
16 participating instrumentalities to this fund. The failure to
17 deduct any employee contributions shall not relieve the
18 participating municipality or participating instrumentality of
19 its obligation to this fund. Delinquent payments of
20 contributions due under this Section may, with interest, be
21 recovered by civil action against the participating
22 municipalities or participating instrumentalities.
23 Municipality contributions, other than the amount necessary
24 for employee contributions and Social Security contributions,
25 for periods of service by employees from whose earnings no
26 deductions were made for employee contributions to the fund,

1 may be charged to the municipality reserve for the municipality
2 or participating instrumentality.

3 (i) Contributions by participating instrumentalities shall
4 be determined as provided herein except that the percentage
5 derived under subparagraph 2 of paragraph (b) of this Section,
6 and the amount payable under subparagraph 4 of paragraph (a) of
7 this Section, shall be based on an amortization period of 10
8 years.

9 (j) Notwithstanding the other provisions of this Section,
10 the additional unfunded liability accruing as a result of this
11 amendatory Act of the 94th General Assembly shall be amortized
12 over a period of 30 years beginning on January 1 of the second
13 calendar year following the calendar year in which this
14 amendatory Act takes effect, except that the employer may
15 provide for a longer amortization period by adopting a
16 resolution or ordinance specifying a 35-year or 40-year period
17 and submitting a certified copy of the ordinance or resolution
18 to the fund no later than June 1 of the calendar year following
19 the calendar year in which this amendatory Act takes effect.

20 (k) If the amount of a participating employee's reported
21 earnings for any of the 12-month periods used to determine the
22 final rate of earnings exceeds the employee's 12 month reported
23 earnings with the same employer for the previous year by the
24 greater of 6% or 1.5 times the annual increase in the consumer
25 price index-u, as established by the United States Department
26 of Labor for the preceding September, the participating

1 municipality or participating instrumentality that paid those
2 earnings shall pay to the Fund, in addition to any other
3 contributions required under this Article, the present value of
4 the increase in the pension resulting from the portion of the
5 increase in salary that is in excess of the greater of 6% or
6 1.5 times the annual increase in the Consumer Price Index-U, as
7 determined by the Fund. This present value shall be computed on
8 the basis of the actuarial assumptions and tables used in the
9 most recent actuarial valuation of the Fund that is available
10 at the time of the computation.

11 Whenever it determines that a payment is or may be required
12 under this subsection (k), the fund shall calculate the amount
13 of the payment and bill the participating municipality or
14 participating instrumentality for that amount. The bill shall
15 specify the calculations used to determine the amount due. If
16 the participating municipality or participating
17 instrumentality disputes the amount of the bill, it may, within
18 30 days after receipt of the bill, apply to the fund in writing
19 for a recalculation. The application must specify in detail the
20 grounds of the dispute. Upon receiving a timely application for
21 recalculation, the fund shall review the application and, if
22 appropriate, recalculate the amount due. The participating
23 municipality and participating instrumentality contributions
24 required under this subsection (k) may be paid in the form of a
25 lump sum within 90 days after receipt of the bill. If the
26 participating municipality and participating instrumentality

1 contributions are not paid within 90 days after receipt of the
2 bill, then interest will be charged at a rate equal to the
3 fund's annual actuarially assumed rate of return on investment
4 compounded annually from the 91st day after receipt of the
5 bill. Payments must be concluded within 3 years after receipt
6 of the bill by the participating municipality or participating
7 instrumentality.

8 When assessing payment for any amount due under this
9 subsection (k), the fund shall exclude earnings increases
10 resulting from overload or overtime earnings.

11 When assessing payment for any amount due under this
12 subsection (k), the fund shall also exclude earnings increases
13 attributable to standard employment promotions resulting in
14 increased responsibility and workload.

15 This subsection (k) does not apply to earnings increases
16 paid to individuals under contracts or collective bargaining
17 agreements entered into, amended, or renewed before the
18 effective date of this amendatory Act of the 97th General
19 Assembly, earnings increases paid to members who are 10 years
20 or more from retirement eligibility, or earnings increases
21 resulting from a promotion from a part-time to a full-time
22 position.

23 (Source: P.A. 96-1084, eff. 7-16-10; 96-1140, eff. 7-21-10;
24 revised 9-16-10.)

1 Sec. 7-205. Reserves for annuities. Appropriate reserves
2 shall be created for payment of all annuities granted under
3 this Article at the time such annuities are granted and in
4 amounts determined to be necessary under actuarial tables
5 adopted by the Board upon recommendation of the actuary of the
6 fund. All annuities payable shall be charged to the annuity
7 reserve.

8 1. Amounts credited to annuity reserves shall be derived by
9 transfer of all the employee credits from the appropriate
10 employee reserves and by charges to the municipality reserve of
11 those municipalities in which the retiring employee has
12 accumulated service. If a retiring employee has accumulated
13 service in more than one participating municipality or
14 participating instrumentality, the aggregate municipality
15 charges for non-concurrent service shall be calculated as
16 follows:

17 (A) for purposes of calculating the annuity reserve, an
18 annuity will be calculated based on service and adjusted
19 earnings with each employer (without regard to the vesting
20 requirement contained in subsection (a) of Section 7-142);
21 and

22 (B) the difference between the municipality charges
23 for the actual annuity granted and the aggregation of the
24 municipality charges based upon the ratio of each from
25 those calculations to the aggregated total from paragraph
26 (A) of this item 1.

1 Aggregate municipality charges for concurrent service
2 shall be prorated based on the employee's earnings. The
3 municipality charges for retirement annuities calculated under
4 subparagraph a of paragraph 1 of subsection (a) of Section
5 7-142 shall be prorated based on actual contributions ~~prorated~~
6 ~~on a basis of the employee's earnings in case of concurrent~~
7 ~~service and creditable service in other cases.~~

8 2. Supplemental annuities shall be handled as a separate
9 annuity and amounts to be credited to the annuity reserve
10 therefor shall be derived in the same manner as a regular
11 annuity.

12 3. When a retirement annuity is granted to an employee with
13 a spouse eligible for a surviving spouse annuity, there shall
14 be credited to the annuity reserve an amount to fund the cost
15 of both the retirement and surviving spouse annuity as a joint
16 and survivors annuity.

17 4. Beginning January 1, 1989, when a retirement annuity is
18 awarded, an amount equal to the present value of the \$3,000
19 death benefit payable upon the death of the annuitant shall be
20 transferred to the annuity reserve from the appropriate
21 municipality reserves in the same manner as the transfer for
22 annuities.

23 5. All annuity reserves shall be revalued annually as of
24 December 31. Beginning as of December 31, 1973, adjustment
25 required therein by such revaluation shall be charged or
26 credited to the earnings and experience variation reserve.

1 6. There shall be credited to the annuity reserve all of
2 the payments made by annuitants under Section 7-144.2, plus an
3 additional amount from the earnings and experience variation
4 reserve to fund the cost of the incremental annuities granted
5 to annuitants making these payments.

6 7. As of December 31, 1972, the excess in the annuity
7 reserve shall be transferred to the municipality reserves. An
8 amount equal to the deficiency in the reserve of participating
9 municipalities and participating instrumentalities which have
10 no participating employees shall be allocated to their
11 reserves. The remainder shall be allocated in amounts
12 proportionate to the present value, as of January 1, 1972, of
13 annuities of annuitants of the remaining participating
14 municipalities and participating instrumentalities.

15 (Source: P.A. 89-136, eff. 7-14-95.)

16 (40 ILCS 5/7-225 new)

17 Sec. 7-225. Increases in earnings; pension impact
18 statement. Before increasing the earnings of an officer,
19 executive, or manager by 12% or more:

20 (1) the authorities of the respective employer who are
21 authorizing the increase must contact the Illinois
22 Municipal Retirement Fund as to the effect of that increase
23 in salary on the pension benefits of that participant;

24 (2) the Illinois Municipal Retirement Fund must
25 respond with a written "Pension Impact Statement" stating

1 the effect of that increase in salary on the pension
2 benefits of that participant, and any other relevant effect
3 of the increase, including payment of the present value of
4 the increase in benefits resulting from the portion of any
5 increase in salary that is in excess of 6% as provided
6 under subsection (k) of Section 7-172, if applicable;

7 (3) the authorities authorizing this increase must
8 sign the pension impact statement, acknowledging receipt
9 and understanding of the effects of the increase; and

10 (4) the employer must pay the costs associated with the
11 pension impact statement.

12 The provisions of this Section do not apply to any of the
13 following: increases attributable to standard employment
14 promotions resulting in increased responsibility and
15 workloads; earnings increases paid to individuals under
16 contracts or collective bargaining agreements entered into,
17 amended, or renewed before the effective date of this
18 Amendatory Act; earnings increases paid to members who are 10
19 years or more from retirement eligibility; or earnings
20 increases resulting from a change from part-time to a full-time
21 position.

22 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)
23 Sec. 14-103.05. Employee.

24 (a) Any person employed by a Department who receives salary
25 for personal services rendered to the Department on a warrant

1 issued pursuant to a payroll voucher certified by a Department
2 and drawn by the State Comptroller upon the State Treasurer,
3 including an elected official described in subparagraph (d) of
4 Section 14-104, shall become an employee for purpose of
5 membership in the Retirement System on the first day of such
6 employment.

7 A person entering service on or after January 1, 1972 and
8 prior to January 1, 1984 shall become a member as a condition
9 of employment and shall begin making contributions as of the
10 first day of employment.

11 A person entering service on or after January 1, 1984
12 shall, upon completion of 6 months of continuous service which
13 is not interrupted by a break of more than 2 months, become a
14 member as a condition of employment. Contributions shall begin
15 the first of the month after completion of the qualifying
16 period.

17 A person employed by the Chicago Metropolitan Agency for
18 Planning on the effective date of this amendatory Act of the
19 95th General Assembly who was a member of this System as an
20 employee of the Chicago Area Transportation Study and makes an
21 election under Section 14-104.13 to participate in this System
22 for his or her employment with the Chicago Metropolitan Agency
23 for Planning.

24 The qualifying period of 6 months of service is not
25 applicable to: (1) a person who has been granted credit for
26 service in a position covered by the State Universities

1 Retirement System, the Teachers' Retirement System of the State
2 of Illinois, the General Assembly Retirement System, or the
3 Judges Retirement System of Illinois unless that service has
4 been forfeited under the laws of those systems; (2) a person
5 entering service on or after July 1, 1991 in a noncovered
6 position; (3) a person to whom Section 14-108.2a or 14-108.2b
7 applies; or (4) a person to whom subsection (a-5) of this
8 Section applies.

9 (a-5) A person entering service on or after December 1,
10 2010 shall become a member as a condition of employment and
11 shall begin making contributions as of the first day of
12 employment. A person serving in the qualifying period on
13 December 1, 2010 will become a member on December 1, 2010 and
14 shall begin making contributions as of December 1, 2010.

15 (b) The term "employee" does not include the following:

16 (1) members of the State Legislature, and persons
17 electing to become members of the General Assembly
18 Retirement System pursuant to Section 2-105;

19 (2) incumbents of offices normally filled by vote of
20 the people;

21 (3) except as otherwise provided in this Section, any
22 person appointed by the Governor with the advice and
23 consent of the Senate unless that person elects to
24 participate in this system;

25 (3.1) any person serving as a commissioner of an ethics
26 commission created under the State Officials and Employees

1 Ethics Act unless that person elects to participate in this
2 system with respect to that service as a commissioner;

3 (3.2) any person serving as a part-time employee in any
4 of the following positions: Legislative Inspector General,
5 Special Legislative Inspector General, employee of the
6 Office of the Legislative Inspector General, Executive
7 Director of the Legislative Ethics Commission, or staff of
8 the Legislative Ethics Commission, regardless of whether
9 he or she is in active service on or after July 8, 2004
10 (the effective date of Public Act 93-685), unless that
11 person elects to participate in this System with respect to
12 that service; in this item (3.2), a "part-time employee" is
13 a person who is not required to work at least 35 hours per
14 week;

15 (3.3) any person who has made an election under Section
16 1-123 and who is serving either as legal counsel in the
17 Office of the Governor or as Chief Deputy Attorney General;

18 (4) except as provided in Section 14-108.2 or
19 14-108.2c, any person who is covered or eligible to be
20 covered by the Teachers' Retirement System of the State of
21 Illinois, the State Universities Retirement System, or the
22 Judges Retirement System of Illinois;

23 (5) an employee of a municipality or any other
24 political subdivision of the State;

25 (6) any person who becomes an employee after June 30,
26 1979 as a public service employment program participant

1 under the Federal Comprehensive Employment and Training
2 Act and whose wages or fringe benefits are paid in whole or
3 in part by funds provided under such Act;

4 (7) enrollees of the Illinois Young Adult Conservation
5 Corps program, administered by the Department of Natural
6 Resources, authorized grantee pursuant to Title VIII of the
7 "Comprehensive Employment and Training Act of 1973", 29 USC
8 993, as now or hereafter amended;

9 (8) enrollees and temporary staff of programs
10 administered by the Department of Natural Resources under
11 the Youth Conservation Corps Act of 1970;

12 (9) any person who is a member of any professional
13 licensing or disciplinary board created under an Act
14 administered by the Department of Professional Regulation
15 or a successor agency or created or re-created after the
16 effective date of this amendatory Act of 1997, and who
17 receives per diem compensation rather than a salary,
18 notwithstanding that such per diem compensation is paid by
19 warrant issued pursuant to a payroll voucher; such persons
20 have never been included in the membership of this System,
21 and this amendatory Act of 1987 (P.A. 84-1472) is not
22 intended to effect any change in the status of such
23 persons;

24 (10) any person who is a member of the Illinois Health
25 Care Cost Containment Council, and receives per diem
26 compensation rather than a salary, notwithstanding that

1 such per diem compensation is paid by warrant issued
2 pursuant to a payroll voucher; such persons have never been
3 included in the membership of this System, and this
4 amendatory Act of 1987 is not intended to effect any change
5 in the status of such persons;

6 (11) any person who is a member of the Oil and Gas
7 Board created by Section 1.2 of the Illinois Oil and Gas
8 Act, and receives per diem compensation rather than a
9 salary, notwithstanding that such per diem compensation is
10 paid by warrant issued pursuant to a payroll voucher; ~~or~~

11 (12) a person employed by the State Board of Higher
12 Education in a position with the Illinois Century Network
13 as of June 30, 2004, who remains continuously employed
14 after that date by the Department of Central Management
15 Services in a position with the Illinois Century Network
16 and participates in the Article 15 system with respect to
17 that employment; ~~-~~

18 (13) any person who first becomes a member of the Civil
19 Service Commission on or after the effective date of this
20 amendatory Act of the 97th General Assembly;

21 (14) any person, other than the Director of Employment
22 Security, who first becomes a member of the Board of Review
23 of the Department of Employment Security on or after the
24 effective date of this amendatory Act of the 97th General
25 Assembly;

26 (15) any person who first becomes a member of the Civil

1 Service Commission on or after the effective date of this
2 amendatory Act of the 97th General Assembly;

3 (16) any person who first becomes a member of the
4 Illinois Liquor Control Commission on or after the
5 effective date of this amendatory Act of the 97th General
6 Assembly;

7 (17) any person who first becomes a member of the
8 Secretary of State Merit Commission on or after the
9 effective date of this amendatory Act of the 97th General
10 Assembly;

11 (18) any person who first becomes a member of the Human
12 Rights Commission on or after the effective date of this
13 amendatory Act of the 97th General Assembly;

14 (19) any person who first becomes a member of the State
15 Mining Board on or after the effective date of this
16 amendatory Act of the 97th General Assembly;

17 (20) any person who first becomes a member of the
18 Property Tax Appeal Board on or after the effective date of
19 this amendatory Act of the 97th General Assembly;

20 (21) any person who first becomes a member of the
21 Illinois Racing Board on or after the effective date of
22 this amendatory Act of the 97th General Assembly;

23 (22) any person who first becomes a member of the
24 Department of State Police Merit Board on or after the
25 effective date of this amendatory Act of the 97th General
26 Assembly;

1 (23) any person who first becomes a member of the
2 Illinois State Toll Highway Authority on or after the
3 effective date of this amendatory Act of the 97th General
4 Assembly; or

5 (24) any person who first becomes a member of the
6 Illinois State Board of Elections on or after the effective
7 date of this amendatory Act of the 97th General Assembly.

8 (c) An individual who represents or is employed as an
9 officer or employee of a statewide labor organization that
10 represents members of this System may participate in the System
11 and shall be deemed an employee, provided that (1) the
12 individual has previously earned creditable service under this
13 Article, (2) the individual files with the System an
14 irrevocable election to become a participant within 6 months
15 after the effective date of this amendatory Act of the 94th
16 General Assembly, and (3) the individual does not receive
17 credit for that employment under any other provisions of this
18 Code. An employee under this subsection (c) is responsible for
19 paying to the System both (i) employee contributions based on
20 the actual compensation received for service with the labor
21 organization and (ii) employer contributions based on the
22 percentage of payroll certified by the board; all or any part
23 of these contributions may be paid on the employee's behalf or
24 picked up for tax purposes (if authorized under federal law) by
25 the labor organization.

26 A person who is an employee as defined in this subsection

1 (c) may establish service credit for similar employment prior
2 to becoming an employee under this subsection by paying to the
3 System for that employment the contributions specified in this
4 subsection, plus interest at the effective rate from the date
5 of service to the date of payment. However, credit shall not be
6 granted under this subsection (c) for any such prior employment
7 for which the applicant received credit under any other
8 provision of this Code or during which the applicant was on a
9 leave of absence.

10 (Source: P.A. 95-677, eff. 10-11-07; 96-1490, eff. 1-1-11.)

11 (40 ILCS 5/22-101) (from Ch. 108 1/2, par. 22-101)

12 Sec. 22-101. Retirement Plan for Chicago Transit Authority
13 Employees.

14 (a) There shall be established and maintained by the
15 Authority created by the "Metropolitan Transit Authority Act",
16 approved April 12, 1945, as amended, (referred to in this
17 Section as the "Authority") a financially sound pension and
18 retirement system adequate to provide for all payments when due
19 under such established system or as modified from time to time
20 by ordinance of the Chicago Transit Board or collective
21 bargaining agreement. For this purpose, the Board must make
22 contributions to the established system as required under this
23 Section and may make any additional contributions provided for
24 by Board ordinance or collective bargaining agreement. The
25 participating employees shall make such periodic payments to

1 the established system as required under this Section and may
2 make any additional contributions provided for by Board
3 ordinance or collective bargaining agreement.

4 Provisions shall be made by the Board for all officers,
5 except those who first become members on after the effective
6 date of this amendatory Act of the 97th General Assembly, and
7 employees of the Authority appointed pursuant to the
8 "Metropolitan Transit Authority Act" to become, subject to
9 reasonable rules and regulations, participants of the pension
10 or retirement system with uniform rights, privileges,
11 obligations and status as to the class in which such officers
12 and employees belong. The terms, conditions and provisions of
13 any pension or retirement system or of any amendment or
14 modification thereof affecting employees who are members of any
15 labor organization may be established, amended or modified by
16 agreement with such labor organization, provided the terms,
17 conditions and provisions must be consistent with this Act, the
18 annual funding levels for the retirement system established by
19 law must be met and the benefits paid to future participants in
20 the system may not exceed the benefit ceilings set for future
21 participants under this Act and the contribution levels
22 required by the Authority and its employees may not be less
23 than the contribution levels established under this Act.

24 (b) The Board of Trustees shall consist of 11 members
25 appointed as follows: (i) 5 trustees shall be appointed by the
26 Chicago Transit Board; (ii) 3 trustees shall be appointed by an

1 organization representing the highest number of Chicago
2 Transit Authority participants; (iii) one trustee shall be
3 appointed by an organization representing the second-highest
4 number of Chicago Transit Authority participants; (iv) one
5 trustee shall be appointed by the recognized coalition
6 representatives of participants who are not represented by an
7 organization with the highest or second-highest number of
8 Chicago Transit Authority participants; and (v) one trustee
9 shall be selected by the Regional Transportation Authority
10 Board of Directors, and the trustee shall be a professional
11 fiduciary who has experience in the area of collectively
12 bargained pension plans. Trustees shall serve until a successor
13 has been appointed and qualified, or until resignation, death,
14 incapacity, or disqualification.

15 Any person appointed as a trustee of the board shall
16 qualify by taking an oath of office that he or she will
17 diligently and honestly administer the affairs of the system
18 and will not knowingly violate or willfully permit the
19 violation of any of the provisions of law applicable to the
20 Plan, including Sections 1-109, 1-109.1, 1-109.2, 1-110,
21 1-111, 1-114, and 1-115 of the Illinois Pension Code.

22 Each trustee shall cast individual votes, and a majority
23 vote shall be final and binding upon all interested parties,
24 provided that the Board of Trustees may require a supermajority
25 vote with respect to the investment of the assets of the
26 Retirement Plan, and may set forth that requirement in the

1 Retirement Plan documents, by-laws, or rules of the Board of
2 Trustees. Each trustee shall have the rights, privileges,
3 authority, and obligations as are usual and customary for such
4 fiduciaries.

5 The Board of Trustees may cause amounts on deposit in the
6 Retirement Plan to be invested in those investments that are
7 permitted investments for the investment of moneys held under
8 any one or more of the pension or retirement systems of the
9 State, any unit of local government or school district, or any
10 agency or instrumentality thereof. The Board, by a vote of at
11 least two-thirds of the trustees, may transfer investment
12 management to the Illinois State Board of Investment, which is
13 hereby authorized to manage these investments when so requested
14 by the Board of Trustees.

15 Notwithstanding any other provision of this Article or any
16 law to the contrary, any person who first becomes a member of
17 the Chicago Transit Board on or after the effective date of
18 this Act shall not be eligible to participate in this
19 Retirement Plan.

20 (c) All individuals who were previously participants in the
21 Retirement Plan for Chicago Transit Authority Employees shall
22 remain participants, and shall receive the same benefits
23 established by the Retirement Plan for Chicago Transit
24 Authority Employees, except as provided in this amendatory Act
25 or by subsequent legislative enactment or amendment to the
26 Retirement Plan. For Authority employees hired on or after the

1 effective date of this amendatory Act of the 95th General
2 Assembly, the Retirement Plan for Chicago Transit Authority
3 Employees shall be the exclusive retirement plan and such
4 employees shall not be eligible for any supplemental plan,
5 except for a deferred compensation plan funded only by employee
6 contributions.

7 For all Authority employees who are first hired on or after
8 the effective date of this amendatory Act of the 95th General
9 Assembly and are participants in the Retirement Plan for
10 Chicago Transit Authority Employees, the following terms,
11 conditions and provisions with respect to retirement shall be
12 applicable:

13 (1) Such participant shall be eligible for an unreduced
14 retirement allowance for life upon the attainment of age 64
15 with 25 years of continuous service.

16 (2) Such participant shall be eligible for a reduced
17 retirement allowance for life upon the attainment of age 55
18 with 10 years of continuous service.

19 (3) For the purpose of determining the retirement
20 allowance to be paid to a retiring employee, the term
21 "Continuous Service" as used in the Retirement Plan for
22 Chicago Transit Authority Employees shall also be deemed to
23 include all pension credit for service with any retirement
24 system established under Article 8 or Article 11 of this
25 Code, provided that the employee forfeits and relinquishes
26 all pension credit under Article 8 or Article 11 of this

1 Code, and the contribution required under this subsection
2 is made by the employee. The Retirement Plan's actuary
3 shall determine the contribution paid by the employee as an
4 amount equal to the normal cost of the benefit accrued, had
5 the service been rendered as an employee, plus interest per
6 annum from the time such service was rendered until the
7 date the payment is made.

8 (d) From the effective date of this amendatory Act through
9 December 31, 2008, all participating employees shall
10 contribute to the Retirement Plan in an amount not less than 6%
11 of compensation, and the Authority shall contribute to the
12 Retirement Plan in an amount not less than 12% of compensation.

13 (e) (1) Beginning January 1, 2009 the Authority shall make
14 contributions to the Retirement Plan in an amount equal to
15 twelve percent (12%) of compensation and participating
16 employees shall make contributions to the Retirement Plan in an
17 amount equal to six percent (6%) of compensation. These
18 contributions may be paid by the Authority and participating
19 employees on a payroll or other periodic basis, but shall in
20 any case be paid to the Retirement Plan at least monthly.

21 (2) For the period ending December 31, 2040, the amount
22 paid by the Authority in any year with respect to debt service
23 on bonds issued for the purposes of funding a contribution to
24 the Retirement Plan under Section 12c of the Metropolitan
25 Transit Authority Act, other than debt service paid with the
26 proceeds of bonds or notes issued by the Authority for any year

1 after calendar year 2008, shall be treated as a credit against
2 the amount of required contribution to the Retirement Plan by
3 the Authority under subsection (e) (1) for the following year up
4 to an amount not to exceed 6% of compensation paid by the
5 Authority in that following year.

6 (3) By September 15 of each year beginning in 2009 and
7 ending on December 31, 2039, on the basis of a report prepared
8 by an enrolled actuary retained by the Plan, the Board of
9 Trustees of the Retirement Plan shall determine the estimated
10 funded ratio of the total assets of the Retirement Plan to its
11 total actuarially determined liabilities. A report containing
12 that determination and the actuarial assumptions on which it is
13 based shall be filed with the Authority, the representatives of
14 its participating employees, the Auditor General of the State
15 of Illinois, and the Regional Transportation Authority. If the
16 funded ratio is projected to decline below 60% in any year
17 before 2040, the Board of Trustees shall also determine the
18 increased contribution required each year as a level percentage
19 of payroll over the years remaining until 2040 using the
20 projected unit credit actuarial cost method so the funded ratio
21 does not decline below 60% and include that determination in
22 its report. If the actual funded ratio declines below 60% in
23 any year prior to 2040, the Board of Trustees shall also
24 determine the increased contribution required each year as a
25 level percentage of payroll during the years after the then
26 current year using the projected unit credit actuarial cost

1 method so the funded ratio is projected to reach at least 60%
2 no later than 10 years after the then current year and include
3 that determination in its report. Within 60 days after
4 receiving the report, the Auditor General shall review the
5 determination and the assumptions on which it is based, and if
6 he finds that the determination and the assumptions on which it
7 is based are unreasonable in the aggregate, he shall issue a
8 new determination of the funded ratio, the assumptions on which
9 it is based and the increased contribution required each year
10 as a level percentage of payroll over the years remaining until
11 2040 using the projected unit credit actuarial cost method so
12 the funded ratio does not decline below 60%, or, in the event
13 of an actual decline below 60%, so the funded ratio is
14 projected to reach 60% by no later than 10 years after the then
15 current year. If the Board of Trustees or the Auditor General
16 determine that an increased contribution is required to meet
17 the funded ratio required by the subsection, effective January
18 1 following the determination or 30 days after such
19 determination, whichever is later, one-third of the increased
20 contribution shall be paid by participating employees and
21 two-thirds by the Authority, in addition to the contributions
22 required by this subsection (1).

23 (4) For the period beginning 2040, the minimum contribution
24 to the Retirement Plan for each fiscal year shall be an amount
25 determined by the Board of Trustees of the Retirement Plan to
26 be sufficient to bring the total assets of the Retirement Plan

1 up to 90% of its total actuarial liabilities by the end of
2 2059. Participating employees shall be responsible for
3 one-third of the required contribution and the Authority shall
4 be responsible for two-thirds of the required contribution. In
5 making these determinations, the Board of Trustees shall
6 calculate the required contribution each year as a level
7 percentage of payroll over the years remaining to and including
8 fiscal year 2059 using the projected unit credit actuarial cost
9 method. A report containing that determination and the
10 actuarial assumptions on which it is based shall be filed by
11 September 15 of each year with the Authority, the
12 representatives of its participating employees, the Auditor
13 General of the State of Illinois and the Regional
14 Transportation Authority. If the funded ratio is projected to
15 fail to reach 90% by December 31, 2059, the Board of Trustees
16 shall also determine the increased contribution required each
17 year as a level percentage of payroll over the years remaining
18 until December 31, 2059 using the projected unit credit
19 actuarial cost method so the funded ratio will meet 90% by
20 December 31, 2059 and include that determination in its report.
21 Within 60 days after receiving the report, the Auditor General
22 shall review the determination and the assumptions on which it
23 is based and if he finds that the determination and the
24 assumptions on which it is based are unreasonable in the
25 aggregate, he shall issue a new determination of the funded
26 ratio, the assumptions on which it is based and the increased

1 contribution required each year as a level percentage of
2 payroll over the years remaining until December 31, 2059 using
3 the projected unit credit actuarial cost method so the funded
4 ratio reaches no less than 90% by December 31, 2059. If the
5 Board of Trustees or the Auditor General determine that an
6 increased contribution is required to meet the funded ratio
7 required by this subsection, effective January 1 following the
8 determination or 30 days after such determination, whichever is
9 later, one-third of the increased contribution shall be paid by
10 participating employees and two-thirds by the Authority, in
11 addition to the contributions required by subsection (e) (1).

12 (5) Beginning in 2060, the minimum contribution for each
13 year shall be the amount needed to maintain the total assets of
14 the Retirement Plan at 90% of the total actuarial liabilities
15 of the Plan, and the contribution shall be funded two-thirds by
16 the Authority and one-third by the participating employees in
17 accordance with this subsection.

18 (f) The Authority shall take the steps necessary to comply
19 with Section 414(h) (2) of the Internal Revenue Code of 1986, as
20 amended, to permit the pick-up of employee contributions under
21 subsections (d) and (e) on a tax-deferred basis.

22 (g) The Board of Trustees shall certify to the Governor,
23 the General Assembly, the Auditor General, the Board of the
24 Regional Transportation Authority, and the Authority at least
25 90 days prior to the end of each fiscal year the amount of the
26 required contributions to the retirement system for the next

1 retirement system fiscal year under this Section. The
2 certification shall include a copy of the actuarial
3 recommendations upon which it is based. In addition, copies of
4 the certification shall be sent to the Commission on Government
5 Forecasting and Accountability and the Mayor of Chicago.

6 (h) (1) As to an employee who first becomes entitled to a
7 retirement allowance commencing on or after November 30, 1989,
8 the retirement allowance shall be the amount determined in
9 accordance with the following formula:

10 (A) One percent (1%) of his "Average Annual
11 Compensation in the highest four (4) completed Plan Years"
12 for each full year of continuous service from the date of
13 original employment to the effective date of the Plan; plus

14 (B) One and seventy-five hundredths percent (1.75%) of
15 his "Average Annual Compensation in the highest four (4)
16 completed Plan Years" for each year (including fractions
17 thereof to completed calendar months) of continuous
18 service as provided for in the Retirement Plan for Chicago
19 Transit Authority Employees.

20 Provided, however that:

21 (2) As to an employee who first becomes entitled to a
22 retirement allowance commencing on or after January 1, 1993,
23 the retirement allowance shall be the amount determined in
24 accordance with the following formula:

25 (A) One percent (1%) of his "Average Annual
26 Compensation in the highest four (4) completed Plan Years"

1 for each full year of continuous service from the date of
2 original employment to the effective date of the Plan; plus

3 (B) One and eighty hundredths percent (1.80%) of his
4 "Average Annual Compensation in the highest four (4)
5 completed Plan Years" for each year (including fractions
6 thereof to completed calendar months) of continuous
7 service as provided for in the Retirement Plan for Chicago
8 Transit Authority Employees.

9 Provided, however that:

10 (3) As to an employee who first becomes entitled to a
11 retirement allowance commencing on or after January 1, 1994,
12 the retirement allowance shall be the amount determined in
13 accordance with the following formula:

14 (A) One percent (1%) of his "Average Annual
15 Compensation in the highest four (4) completed Plan Years"
16 for each full year of continuous service from the date of
17 original employment to the effective date of the Plan; plus

18 (B) One and eighty-five hundredths percent (1.85%) of
19 his "Average Annual Compensation in the highest four (4)
20 completed Plan Years" for each year (including fractions
21 thereof to completed calendar months) of continuous
22 service as provided for in the Retirement Plan for Chicago
23 Transit Authority Employees.

24 Provided, however that:

25 (4) As to an employee who first becomes entitled to a
26 retirement allowance commencing on or after January 1, 2000,

1 the retirement allowance shall be the amount determined in
2 accordance with the following formula:

3 (A) One percent (1%) of his "Average Annual
4 Compensation in the highest four (4) completed Plan Years"
5 for each full year of continuous service from the date of
6 original employment to the effective date of the Plan; plus

7 (B) Two percent (2%) of his "Average Annual
8 Compensation in the highest four (4) completed Plan Years"
9 for each year (including fractions thereof to completed
10 calendar months) of continuous service as provided for in
11 the Retirement Plan for Chicago Transit Authority
12 Employees.

13 Provided, however that:

14 (5) As to an employee who first becomes entitled to a
15 retirement allowance commencing on or after January 1, 2001,
16 the retirement allowance shall be the amount determined in
17 accordance with the following formula:

18 (A) One percent (1%) of his "Average Annual
19 Compensation in the highest four (4) completed Plan Years"
20 for each full year of continuous service from the date of
21 original employment to the effective date of the Plan; plus

22 (B) Two and fifteen hundredths percent (2.15%) of his
23 "Average Annual Compensation in the highest four (4)
24 completed Plan Years" for each year (including fractions
25 thereof to completed calendar months) of continuous
26 service as provided for in the Retirement Plan for Chicago

1 Transit Authority Employees.

2 The changes made by this amendatory Act of the 95th General
3 Assembly, to the extent that they affect the rights or
4 privileges of Authority employees that are currently the
5 subject of collective bargaining, have been agreed to between
6 the authorized representatives of these employees and of the
7 Authority prior to enactment of this amendatory Act, as
8 evidenced by a Memorandum of Understanding between these
9 representatives that will be filed with the Secretary of State
10 Index Department and designated as "95-GA-C05". The General
11 Assembly finds and declares that those changes are consistent
12 with 49 U.S.C. 5333(b) (also known as Section 13(c) of the
13 Federal Transit Act) because of this agreement between
14 authorized representatives of these employees and of the
15 Authority, and that any future amendments to the provisions of
16 this amendatory Act of the 95th General Assembly, to the extent
17 those amendments would affect the rights and privileges of
18 Authority employees that are currently the subject of
19 collective bargaining, would be consistent with 49 U.S.C.
20 5333(b) if and only if those amendments were agreed to between
21 these authorized representatives prior to enactment.

22 (i) Early retirement incentive plan; funded ratio.

23 (1) Beginning on the effective date of this Section, no
24 early retirement incentive shall be offered to
25 participants of the Plan unless the Funded Ratio of the
26 Plan is at least 80% or more.

1 (2) For the purposes of this Section, the Funded Ratio
2 shall be the Adjusted Assets divided by the Actuarial
3 Accrued Liability developed in accordance with Statement
4 #25 promulgated by the Government Accounting Standards
5 Board and the actuarial assumptions described in the Plan.
6 The Adjusted Assets shall be calculated based on the
7 methodology described in the Plan.

8 (j) Nothing in this amendatory Act of the 95th General
9 Assembly shall impair the rights or privileges of Authority
10 employees under any other law.

11 (Source: P.A. 94-839, eff. 6-6-06; 95-708, eff. 1-18-08.)

12 (40 ILCS 5/22-103)

13 Sec. 22-103. Regional Transportation Authority and related
14 pension plans.

15 (a) As used in this Section:

16 "Affected pension plan" means a defined-benefit pension
17 plan supported in whole or in part by employer contributions
18 and maintained by the Regional Transportation Authority, the
19 Suburban Bus Division, or the Commuter Rail Division, or any
20 combination thereof, under the general authority of the
21 Regional Transportation Authority Act, including but not
22 limited to any such plan that has been established under or is
23 subject to a collective bargaining agreement or is limited to
24 employees covered by a collective bargaining agreement.

25 "Affected pension plan" does not include any pension fund or

1 retirement system subject to Section 22-101 of this Section.

2 "Authority" means the Regional Transportation Authority
3 created under the Regional Transportation Authority Act.

4 "Contributing employer" means an employer that is required
5 to make contributions to an affected pension plan under the
6 terms of that plan.

7 "Funding ratio" means the ratio of an affected pension
8 plan's assets to the present value of its actuarial
9 liabilities, as determined at its latest actuarial valuation in
10 accordance with applicable actuarial assumptions and
11 recommendations.

12 "Under-funded pension plan" or "under-funded" means an
13 affected pension plan that, at the time of its last actuarial
14 valuation, has a funding ratio of less than 90%.

15 (b) The contributing employers of each affected pension
16 plan have a general duty to make the required employer
17 contributions to the affected pension plan in a timely manner
18 in accordance with the terms of the plan. A contributing
19 employer must make contributions to the affected pension plan
20 as required under this subsection and, if applicable,
21 subsection (c); a contributing employer may make any additional
22 contributions provided for by the board of the employer or
23 collective bargaining agreement.

24 (c) In the case of an affected pension plan that is
25 under-funded on January 1, 2009 or becomes under-funded at any
26 time after that date, the contributing employers shall

1 contribute to the affected pension plan, in addition to all
2 amounts otherwise required, amounts sufficient to bring the
3 funding ratio of the affected pension plan up to 90% in
4 accordance with an amortization schedule adopted jointly by the
5 contributing employers and the trustee of the affected pension
6 plan. The amortization schedule may extend for any period up to
7 a maximum of 50 years and shall provide for additional employer
8 contributions in substantially equal annual amounts over the
9 selected period. If the contributing employers and the trustee
10 of the affected pension plan do not agree on an appropriate
11 period for the amortization schedule within 6 months of the
12 date of determination that the plan is under-funded, then the
13 amortization schedule shall be based on a period of 50 years.

14 In the case of an affected pension plan that has more than
15 one contributing employer, each contributing employer's share
16 of the total additional employer contributions required under
17 this subsection shall be determined: (i) in proportion to the
18 amounts, if any, by which the respective contributing employers
19 have failed to meet their contribution obligations under the
20 terms of the affected pension plan; or (ii) if all of the
21 contributing employers have met their contribution obligations
22 under the terms of the affected pension plan, then in the same
23 proportion as they are required to contribute under the terms
24 of that plan. In the case of an affected pension plan that has
25 only one contributing employer, that contributing employer is
26 responsible for all of the additional employer contributions

1 required under this subsection.

2 If an under-funded pension plan is determined to have
3 achieved a funding ratio of at least 90% during the period when
4 an amortization schedule is in force under this Section, the
5 contributing employers and the trustee of the affected pension
6 plan, acting jointly, may cancel the amortization schedule and
7 the contributing employers may cease making additional
8 contributions under this subsection for as long as the affected
9 pension plan retains a funding ratio of at least 90%.

10 (d) Beginning January 1, 2009, if the Authority fails to
11 pay to an affected pension fund within 30 days after it is due
12 (i) any employer contribution that it is required to make as a
13 contributing employer, (ii) any additional employer
14 contribution that it is required to pay under subsection (c),
15 or (iii) any payment that it is required to make under Section
16 4.02a or 4.02b of the Regional Transportation Authority Act,
17 the trustee of the affected pension fund shall promptly so
18 notify the Commission on Government Forecasting and
19 Accountability, the Mayor of Chicago, the Governor, and the
20 General Assembly.

21 (e) For purposes of determining employer contributions,
22 assets, and actuarial liabilities under this subsection,
23 contributions, assets, and liabilities relating to health care
24 benefits shall not be included.

25 (f) This amendatory Act of the 94th General Assembly does
26 not affect or impair the right of any contributing employer or

1 its employees to collectively bargain the amount or level of
2 employee contributions to an affected pension plan, to the
3 extent that the plan includes employees subject to collective
4 bargaining.

5 (g) Notwithstanding any other provision of this Article or
6 any law to the contrary, a person who, on or after the
7 effective date of this amendatory Act of the 97th General
8 Assembly, first becomes a director on the Suburban Bus Board,
9 the Commuter Rail Board, or the Board of Directors of the
10 Regional Transportation Authority shall not be eligible to
11 participate in an affected pension plan.

12 (Source: P.A. 94-839, eff. 6-6-06.)

13 Section 15. The State Mandates Act is amended by adding
14 Section 8.35 as follows:

15 (30 ILCS 805/8.35 new)

16 Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8
17 of this Act, no reimbursement by the State is required for the
18 implementation of any mandate created by this amendatory Act of
19 the 97th General Assembly."