



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3813

Introduced 10/5/2011, by Rep. Tom Cross - David Harris - Sandra M. Pihos - Patricia R. Bellock, Michael G. Connelly, et al.

SYNOPSIS AS INTRODUCED:

40 ILCS 5/8-226	from Ch. 108 1/2, par. 8-226
40 ILCS 5/11-215	from Ch. 108 1/2, par. 11-215
40 ILCS 5/17-134	from Ch. 108 1/2, par. 17-134
40 ILCS 5/17-134.1	

Amends the Chicago Municipal, Chicago Laborers, and Chicago Teachers Articles of the Illinois Pension Code to provide that, for certain leaves of absence during which a participant is employed by a labor organization, contributions shall be based upon the participant's regular salary (rather than the salary received from the organization). Effective immediately.

LRB097 13613 AMC 58149 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

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 Sections 8-226, 11-215, 17-134, and 17-134.1 as follows:

6 (40 ILCS 5/8-226) (from Ch. 108 1/2, par. 8-226)

7 Sec. 8-226. Computation of service. In computing the term
8 of service of an employee prior to the effective date, the
9 entire period beginning on the date he was first appointed and
10 ending on the day before the effective date, except any
11 intervening period during which he was separated by withdrawal
12 from service, shall be counted for all purposes of this
13 Article, except that for any employee who was not in service on
14 the day before the effective date, service rendered prior to
15 such date shall not be considered for the purposes of Section
16 8-138.

17 For a person employed by an employer for whom this Article
18 was in effect prior to January 1, 1950, from whose salary
19 deductions are first made under this Article after December 31,
20 1949, any period of service rendered prior to the effective
21 date, unless he was in service on the day before the effective
22 date, shall not be counted as service.

23 The time a person was an employee of any territory annexed

1 to the city prior to the effective date shall be counted as a
2 period of service.

3 In computing the term of service of any employee subsequent
4 to the day before the effective date, the following periods
5 shall be counted as periods of service for age and service,
6 widow's and child's annuity purposes:

7 (a) The time during which he performed the duties of
8 his position;

9 (b) Vacations, leaves of absence with whole or part
10 pay, and leaves of absence without pay not longer than 90
11 days;

12 (c) Leaves of absence without pay during which a
13 participant is employed full-time by a local labor
14 organization that represents municipal employees, provided
15 that (1) the participant continues to make employee
16 contributions to the Fund as though he were an active
17 employee, based on the regular salary rate received by the
18 participant for his municipal employment immediately prior
19 to such leave of absence (and in the case of such
20 employment prior to December 9, 1987, pays to the Fund an
21 amount equal to the employee contributions for such
22 employment plus regular interest thereon as calculated by
23 the board), and based on his current salary with such labor
24 organization after the effective date of this amendatory
25 Act of 1991 and until the effective date of this amendatory
26 Act of the 97th General Assembly, and, after the effective

1 date of this amendatory Act of the 97th General Assembly,
2 based on the regular salary rate received by the
3 participant for his municipal employment immediately prior
4 to such leave of absence, (2) after January 1, 1989 the
5 participant, or the labor organization on the
6 participant's behalf, makes contributions to the Fund as
7 though it were the employer, in the same amount and same
8 manner as specified under this Article, based on the
9 regular salary rate received by the participant for his
10 municipal employment immediately prior to such leave of
11 absence, and based on his current salary with such labor
12 organization after the effective date of this amendatory
13 Act of 1991 and until the effective date of this amendatory
14 Act of the 97th General Assembly, and, after the effective
15 date of this amendatory Act of the 97th General Assembly,
16 based on the regular salary rate received by the
17 participant for his municipal employment immediately prior
18 to such leave of absence, and (3) the participant does not
19 receive credit in any pension plan established by the local
20 labor organization based on his employment by the
21 organization;

22 (d) Any period of disability for which he received (i)
23 a disability benefit under this Article, or (ii) a
24 temporary total disability benefit under the Workers'
25 Compensation Act if the disability results from a condition
26 commonly termed heart attack or stroke or any other

1 condition falling within the broad field of coronary
2 involvement or heart disease, or (iii) whole or part pay;

3 (e) Any period for which contributions and service
4 credit have been transferred to this Fund under subsection
5 (d) of Section 9-121.1 or subsection (d) of Section
6 12-127.1 of this Code.

7 For a person employed by an employer in which the 1921 Act
8 was in effect prior to January 1, 1950, from whose salary
9 deductions are first made under the 1921 Act or this Article
10 after December 31, 1949, any period of service rendered
11 subsequent to the effective date and prior to the date he
12 became an employee and contributor, shall not be counted as a
13 period of service under this Article, except such period for
14 which he made payment as provided in Section 8-230 of this
15 Article, in which case such period shall be counted as a period
16 of service for all annuity purposes hereunder.

17 In computing the term of service of an employee subsequent
18 to the day before the effective date for ordinary disability
19 benefit purposes, all periods described in the preceding
20 paragraph, except any such period for which he receives
21 ordinary disability benefit, shall be counted as periods of
22 service; provided, that for any person employed by an employer
23 in which this Article was in effect prior to January 1, 1950,
24 from whose salary deductions are first made under this Article
25 after December 31, 1949, any period of service rendered
26 subsequent to the effective date and prior to the date he

1 became an employee and contributor, shall not be counted as a
2 period of service for ordinary disability benefit purposes,
3 unless the person made payment for the period as provided in
4 Section 8-230 of this Article, in which case the period shall
5 be counted as a period of service for ordinary disability
6 purposes for periods of disability on or after the effective
7 date of this amendatory Act of 1997.

8 Overtime or extra service shall not be included in
9 computing any term of service. Not more than 1 year of service
10 shall be allowed for service rendered during any calendar year.
11 (Source: P.A. 90-511, eff. 8-22-97.)

12 (40 ILCS 5/11-215) (from Ch. 108 1/2, par. 11-215)

13 Sec. 11-215. Computation of service.

14 (a) In computing the term of service of an employee prior
15 to the effective date, the entire period beginning on the date
16 he was first appointed and ending on the day before the
17 effective date, except any intervening period during which he
18 was separated by withdrawal from service, shall be counted for
19 all purposes of this Article. Only the first year of each
20 period of lay-off or leave of absence without pay, continuing
21 or extending for a period in excess of one year, shall be
22 counted as such service.

23 (b) For a person employed by an employer for whom this
24 Article was in effect prior to August 1, 1949, from whose
25 salary deductions are first made under this Article after July

1 31, 1949, any period of service rendered prior to the effective
2 date, unless he was in service on the day before the effective
3 date, shall not be counted as service.

4 (c) In computing the term of service of an employee
5 subsequent to the day before the effective date, the following
6 periods of time shall be counted as periods of service for
7 annuity purposes:

8 (1) the time during which he performed the duties of
9 his position;

10 (2) leaves of absence with whole or part pay, and
11 leaves of absence without pay not longer than 90 days;

12 (3) leaves of absence without pay during which a
13 participant is employed full-time by a local labor
14 organization that represents municipal employees, provided
15 that (A) the participant continues to make employee
16 contributions to the Fund as though he were an active
17 employee, based on the regular salary rate received by the
18 participant for his municipal employment immediately prior
19 to such leave of absence (and in the case of such
20 employment prior to December 9, 1987, pays to the Fund an
21 amount equal to the employee contributions for such
22 employment plus regular interest thereon as calculated by
23 the board), and based on his current salary with such labor
24 organization after the effective date of this amendatory
25 Act of 1991 and until the effective date of this amendatory
26 Act of the 97th General Assembly, and, after the effective

1 date of this amendatory Act of the 97th General Assembly,
2 based on the regular salary rate received by the
3 participant for his municipal employment immediately prior
4 to such leave of absence, (B) after January 1, 1989 the
5 participant, or the labor organization on the
6 participant's behalf, makes contributions to the Fund as
7 though it were the employer, in the same amount and same
8 manner as specified under this Article, based on the
9 regular salary rate received by the participant for his
10 municipal employment immediately prior to such leave of
11 absence, and based on his current salary with such labor
12 organization after the effective date of this amendatory
13 Act of 1991 and until the effective date of this amendatory
14 Act of the 97th General Assembly, and, after the effective
15 date of this amendatory Act of the 97th General Assembly,
16 based on the regular salary rate received by the
17 participant for his municipal employment immediately prior
18 to such leave of absence, and (C) the participant does not
19 receive credit in any pension plan established by the local
20 labor organization based on his employment by the
21 organization;

22 (4) any period of disability for which he received (i)
23 a disability benefit under this Article, or (ii) a
24 temporary total disability benefit under the Workers'
25 Compensation Act if the disability results from a condition
26 commonly termed heart attack or stroke or any other

1 condition falling within the broad field of coronary
2 involvement or heart disease, or (iii) whole or part pay.

3 (d) For a person employed by an employer, or the retirement
4 board, in which "The 1935 Act" was in effect prior to August 1,
5 1949, from whose salary deductions are first made under "The
6 1935 Act" or this Article after July 31, 1949, any period of
7 service rendered subsequent to the effective date and prior to
8 August 1, 1949, shall not be counted as a period of service
9 under this Article, except such period for which he made
10 payment, as provided in Section 11-221 of this Article, in
11 which case such period shall be counted as a period of service
12 for all annuity purposes hereunder.

13 (e) In computing the term of service of an employee
14 subsequent to the day before the effective date for ordinary
15 disability benefit purposes, the following periods of time
16 shall be counted as periods of service:

17 (1) any period during which he performed the duties of
18 his position;

19 (2) leaves of absence with whole or part pay;

20 (3) any period of disability for which he received (i)
21 a duty disability benefit under this Article, or (ii) a
22 temporary total disability benefit under the Workers'
23 Compensation Act if the disability results from a condition
24 commonly termed heart attack or stroke or any other
25 condition falling within the broad field of coronary
26 involvement or heart disease, or (iii) whole or part pay.

1 However, any period of service rendered by an employee
2 contributor prior to the date he became a contributor to the
3 fund shall not be counted as a period of service for ordinary
4 disability purposes, unless the person made payment for the
5 period as provided in Section 11-221 of this Article, in which
6 case the period shall be counted as a period of service for
7 ordinary disability purposes for periods of disability on or
8 after the effective date of this amendatory Act of 1997.

9 Overtime or extra service shall not be included in
10 computing any term of service. Not more than 1 year of service
11 shall be allowed for service rendered during any calendar year.
12 (Source: P.A. 90-511, eff. 8-22-97.)

13 (40 ILCS 5/17-134) (from Ch. 108 1/2, par. 17-134)

14 Sec. 17-134. Contributions for leaves of absence; military
15 service; computing service. In computing service for pension
16 purposes the following periods of service shall stand in lieu
17 of a like number of years of teaching service upon payment
18 therefor in the manner hereinafter provided: (a) time spent on
19 a leave of absence granted by the employer; (b) service with
20 teacher or labor organizations based upon special leaves of
21 absence therefor granted by an Employer; (c) a maximum of 5
22 years spent in the military service of the United States, of
23 which up to 2 years may have been served outside the pension
24 period; (d) unused sick days at termination of service to a
25 maximum of 244 days; (e) time lost due to layoff and

1 curtailment of the school term from June 6 through June 21,
2 1976; and (f) time spent after June 30, 1982 as a member of the
3 Board of Education, if required to resign from an
4 administrative or teaching position in order to qualify as a
5 member of the Board of Education.

6 (1) For time spent on or after September 6, 1948 on
7 sabbatical leaves of absence or sick leaves, for which
8 salaries are paid, an Employer shall make payroll
9 deductions at the applicable rates in effect during such
10 periods.

11 (2) For time spent on a leave of absence granted by the
12 employer for which no salaries are paid, teachers desiring
13 credit therefor shall pay the required contributions at the
14 rates in effect during such periods as though they were in
15 teaching service. If an Employer pays salary for vacations
16 which occur during a teacher's sick leave or maternity or
17 paternity leave without salary, vacation pay for which the
18 teacher would have qualified while in active service shall
19 be considered part of the teacher's total salary for
20 pension purposes. No more than 36 months of leave credit
21 may be allowed any person during the entire term of
22 service. Sabbatical leave credit shall be limited to the
23 time the person on leave without salary under an Employer's
24 rules is allowed to engage in an activity for which he
25 receives salary or compensation.

26 (3) For time spent prior to September 6, 1948, on

1 sabbatical leaves of absence or sick leaves for which
2 salaries were paid, teachers desiring service credit
3 therefor shall pay the required contributions at the
4 maximum applicable rates in effect during such periods.

5 (4) For service with teacher or labor organizations
6 authorized by special leaves of absence, for which no
7 payroll deductions are made by an Employer, teachers
8 desiring service credit therefor shall contribute to the
9 Fund upon the basis of the actual salary received from such
10 organizations at the percentage rates in effect during such
11 periods for certified positions with such Employer. To the
12 extent the actual salary exceeds the regular salary, which
13 shall be defined as the salary rate, as calculated by the
14 Board, in effect for the teacher's regular position in
15 teaching service on September 1, 1983 or on the effective
16 date of the leave with the organization, whichever is
17 later, the organization shall pay to the Fund the
18 employer's normal cost as set by the Board on the
19 increment. After the effective date of this amendatory Act
20 of the 97th General Assembly, contributions to the Fund
21 under this subdivision (4) shall be based upon the
22 teacher's regular salary as defined in this subdivision
23 (4).

24 (5) For time spent in the military service, teachers
25 entitled to and desiring credit therefor shall contribute
26 the amount required for each year of service or fraction

1 thereof at the rates in force (a) at the date of
2 appointment, or (b) on return to teaching service as a
3 regularly certified teacher, as the case may be; provided
4 such rates shall not be less than \$450 per year of service.
5 These conditions shall apply unless an Employer elects to
6 and does pay into the Fund the amount which would have been
7 due from such person had he been employed as a teacher
8 during such time. In the case of credit for military
9 service not during the pension period, the teacher must
10 also pay to the Fund an amount determined by the Board to
11 be equal to the employer's normal cost of the benefits
12 accrued from such service, plus interest thereon at 5% per
13 year, compounded annually, from the date of appointment to
14 the date of payment.

15 The changes to this Section made by Public Act 87-795
16 shall apply not only to persons who on or after its
17 effective date are in service under the Fund, but also to
18 persons whose status as a teacher terminated prior to that
19 date, whether or not the person is an annuitant on that
20 date. In the case of an annuitant who applies for credit
21 allowable under this Section for a period of military
22 service that did not immediately follow employment, and who
23 has made the required contributions for such credit, the
24 annuity shall be recalculated to include the additional
25 service credit, with the increase taking effect on the date
26 the Fund received written notification of the annuitant's

1 intent to purchase the credit, if payment of all the
2 required contributions is made within 60 days of such
3 notice, or else on the first annuity payment date following
4 the date of payment of the required contributions. In
5 calculating the automatic annual increase for an annuity
6 that has been recalculated under this Section, the increase
7 attributable to the additional service allowable under
8 this amendatory Act of 1991 shall be included in the
9 calculation of automatic annual increases accruing after
10 the effective date of the recalculation.

11 The total credit for military service shall not exceed
12 5 years, except that any teacher who on July 1, 1963, had
13 validated credit for more than 5 years of military service
14 shall be entitled to the total amount of such credit.

15 (6) A maximum of 244 unused sick days credited to his
16 account by an Employer on the date of termination of
17 employment. Members, upon verification of unused sick
18 days, may add this service time to total creditable
19 service.

20 (7) In all cases where time spent on leave is
21 creditable and no payroll deductions therefor are made by
22 an Employer, persons desiring service credit shall make the
23 required contributions directly to the Fund.

24 (8) For time lost without pay due to layoff and
25 curtailment of the school term from June 6 through June 21,
26 1976, as provided in item (e) of the first paragraph of

1 this Section, persons who were contributors on the days
2 immediately preceding such layoff shall receive credit
3 upon paying to the Fund a contribution based on the rates
4 of compensation and employee contributions in effect at the
5 time of such layoff, together with an additional amount
6 equal to 12.2% of the compensation computed for such period
7 of layoff, plus interest on the entire amount at 5% per
8 annum from January 1, 1978 to the date of payment. If such
9 contribution is paid, salary for pension purposes for any
10 year in which such a layoff occurred shall include the
11 compensation recognized for purposes of computing that
12 contribution.

13 (9) For time spent after June 30, 1982, as a
14 nonsalaried member of the Board of Education, if required
15 to resign from an administrative or teaching position in
16 order to qualify as a member of the Board of Education, an
17 administrator or teacher desiring credit therefor shall
18 pay the required contributions at the rates and salaries in
19 effect during such periods as though the member were in
20 service.

21 Effective September 1, 1974, the interest charged for
22 validation of service described in paragraphs (2) through (5)
23 of this Section shall be compounded annually at a rate of 5%
24 commencing one year after the termination of the leave or
25 return to service.

26 (Source: P.A. 92-599, eff. 6-28-02.)

1 (40 ILCS 5/17-134.1)

2 Sec. 17-134.1. Labor organization employees.

3 (a) A former teacher who is employed by a teacher or labor
4 organization and is not eligible to participate under
5 subdivision (4) of Section 17-134 because he or she is not on a
6 special leave of absence may elect to participate in the Fund
7 for the duration of that employment by so notifying the Fund in
8 writing. Participation shall be subject to the same conditions
9 as are applicable to persons participating under that
10 subdivision (4), and service credit shall be contingent upon
11 the required contributions being received by the Fund.

12 (b) A person who participates in the Fund under subsection
13 (a) may establish service credit for periods of such employment
14 that took place before beginning participation under this
15 Section by submitting a written application to the Fund. Credit
16 shall be granted upon payment to the Fund of an amount to be
17 determined by the Fund, equal to (i) the employee contributions
18 that would have been paid if the person had participated under
19 subdivision (4) of Section 17-134 during the period for which
20 service credit is to be established, based on the actual salary
21 received, plus (ii) the employer's normal cost associated with
22 that service credit, plus (iii) interest on items (i) and (ii)
23 at the rate of 6% per year, compounded annually, from the date
24 of the service established to the date of payment. Service
25 credit under this subsection shall not be granted until the

1 required contribution has been paid in full; the contribution
2 may be paid at any time before retirement. After the effective
3 date of this amendatory Act of the 97th General Assembly,
4 contributions to the Fund under item (i) of this subsection (b)
5 shall be based upon the teacher's regular salary as defined in
6 subdivision (4) of Section 17-134.

7 (c) A person who participates in the Fund under subsection
8 (a) may reestablish any service credits previously forfeited by
9 acceptance of a refund by paying to the Fund the amount of the
10 refund plus interest thereon at the rate of 5% per annum,
11 compounded annually, from the date of the refund to the date of
12 payment.

13 (d) Rollover contributions from other retirement plans
14 qualified under the Internal Revenue Code of 1986 may be used
15 to make the payments required under subsections (b) and (c).

16 (e) No service credit may be established under this Section
17 for any period of employment for which the person receives
18 service credit under any other provision of this Code.

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

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.