

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing
5 Section 2-108.1 and by adding Sections 1-166 and 2-126.2 as
6 follows:

7 (40 ILCS 5/1-166 new)

8 Sec. 1-166. Proportional annuity liability.

9 (a) If a participant's final average salary in a
10 participating system under the Retirement Systems Reciprocal
11 Act, other than the General Assembly Retirement System, is used
12 to calculate a proportional retirement annuity for that
13 participant under the General Assembly Retirement System and if
14 that final average salary is higher than the highest salary for
15 annuity purposes of that person under the General Assembly
16 Retirement System, then the increased cost of the proportional
17 annuity paid by the General Assembly Retirement System that is
18 attributable to that higher level of compensation shall be paid
19 by that other participating system to the General Assembly
20 Retirement System in the form of a lump sum payment determined
21 by the General Assembly Retirement System in accordance with
22 its annuity tables and other actuarial assumptions.

23 (b) For the purposes of this Section, "final average salary

1 in a participating system under the Retirement Systems
2 Reciprocal Act, other than the General Assembly Retirement
3 System," includes:

4 (1) In Section 1-160 and Articles 16 and 18, "final
5 average salary".

6 (2) In Articles 7 and 15, "final rate of earnings".

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

11 (4) In Article 13, "average final salary".

12 (5) In Article 14, "final average compensation".

13 (6) In Article 17, "average salary".

14 (7) In Section 22-207, "wages or salary received by him
15 at the date of retirement or discharge".

16 (40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)

17 Sec. 2-108.1. Highest salary for annuity purposes.

18 (a) "Highest salary for annuity purposes" means whichever
19 of the following is applicable to the participant:

20 For a participant who first becomes a participant of this
21 System before August 10, 2009 (the effective date of Public Act
22 96-207):

23 (1) For a participant who is a member of the General
24 Assembly on his or her last day of service: the highest
25 salary that is prescribed by law, on the participant's last

1 day of service, for a member of the General Assembly who is
2 not an officer; plus, if the participant was elected or
3 appointed to serve as an officer of the General Assembly
4 for 2 or more years and has made contributions as required
5 under subsection (d) of Section 2-126, the highest
6 additional amount of compensation prescribed by law, at the
7 time of the participant's service as an officer, for
8 members of the General Assembly who serve in that office.

9 (2) For a participant who holds one of the State
10 executive offices specified in Section 2-105 on his or her
11 last day of service: the highest salary prescribed by law
12 for service in that office on the participant's last day of
13 service.

14 (3) For a participant who is Clerk or Assistant Clerk
15 of the House of Representatives or Secretary or Assistant
16 Secretary of the Senate on his or her last day of service:
17 the salary received for service in that capacity on the
18 last day of service, but not to exceed the highest salary
19 (including additional compensation for service as an
20 officer) that is prescribed by law on the participant's
21 last day of service for the highest paid officer of the
22 General Assembly.

23 (4) For a participant who is a continuing participant
24 under Section 2-117.1 on his or her last day of service:
25 the salary received for service in that capacity on the
26 last day of service, but not to exceed the highest salary

1 (including additional compensation for service as an
2 officer) that is prescribed by law on the participant's
3 last day of service for the highest paid officer of the
4 General Assembly.

5 For a participant who first becomes a participant of this
6 System on or after August 10, 2009 (the effective date of
7 Public Act 96-207) and before January 1, 2011 (the effective
8 date of Public Act 96-889), the average monthly salary obtained
9 by dividing the total salary of the participant during the
10 period of: (1) the 48 consecutive months of service within the
11 last 120 months of service in which the total compensation was
12 the highest, or (2) the total period of service, if less than
13 48 months, by the number of months of service in that period.

14 For a participant who first becomes a participant of this
15 System on or after January 1, 2011 (the effective date of
16 Public Act 96-889), the average monthly salary obtained by
17 dividing the total salary of the participant during the 96
18 consecutive months of service within the last 120 months of
19 service in which the total compensation was the highest by the
20 number of months of service in that period; however, beginning
21 January 1, 2011, the highest salary for annuity purposes may
22 not exceed \$106,800, except that that amount shall annually
23 thereafter be increased by the lesser of (i) 3% of that amount,
24 including all previous adjustments, or (ii) the annual
25 unadjusted percentage increase (but not less than zero) in the
26 consumer price index-u for the 12 months ending with the

1 September preceding each November 1. "Consumer price index-u"
2 means the index published by the Bureau of Labor Statistics of
3 the United States Department of Labor that measures the average
4 change in prices of goods and services purchased by all urban
5 consumers, United States city average, all items, 1982-84 =
6 100. The new amount resulting from each annual adjustment shall
7 be determined by the Public Pension Division of the Department
8 of Insurance and made available to the Board by November 1 of
9 each year.

10 (b) The earnings limitations of subsection (a) apply to
11 earnings under any other participating system under the
12 Retirement Systems Reciprocal Act that are considered in
13 calculating a proportional annuity under this Article, except
14 in the case of a person who first became a member of this
15 System before August 22, 1994 and has not, on or after the
16 effective date of this amendatory Act of the 97th General
17 Assembly, irrevocably elected to have those limitations apply.
18 The limitations of subsection (a) shall apply, however, to
19 earnings under any other participating system under the
20 Retirement Systems Reciprocal Act that are considered in
21 calculating the proportional annuity of a person who first
22 became a member of this System before August 22, 1994 if, on or
23 after the effective date of this amendatory Act of the 97th
24 General Assembly, that member irrevocably elects to have those
25 limitations apply.

26 (c) In calculating the subsection (a) earnings limitation

1 to be applied to earnings under any other participating system
2 under the Retirement Systems Reciprocal Act for the purpose of
3 calculating a proportional annuity under this Article, the
4 participant's last day of service shall be deemed to mean the
5 last day of service in any participating system from which the
6 person has applied for a proportional annuity under the
7 Retirement Systems Reciprocal Act.

8 (Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11;
9 96-1490, eff. 1-1-11.)

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.