

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, 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, and if the participant retires after the
17 effective date of this Section with less than 2 years of
18 service that has accrued in that participating system since his
19 or her last day of active participation in the General Assembly
20 Retirement System, then the increased cost of the proportional
21 annuity paid by the General Assembly Retirement System that is
22 attributable to that higher level of compensation shall be paid
23 by the employer of the participant under that other

1 participating system to the General Assembly Retirement System
2 in the form of a lump sum payment determined by the General
3 Assembly Retirement System in accordance with its annuity
4 tables and other actuarial assumptions.

5 (b) For the purposes of this Section, "final average salary
6 in a participating system under the Retirement Systems
7 Reciprocal Act, other than the General Assembly Retirement
8 System," includes:

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

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

12 (3) In Articles 8, 9, 10, 11, and 12, "highest average
13 annual salary for any 4 consecutive years within the last
14 10 years of service immediately preceding the date of
15 withdrawal".

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

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

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

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

21 (c) If an employer fails to pay the amount required under
22 this Section to the General Assembly Retirement System for more
23 than 90 days after the payment is due, the System, after giving
24 notice to the employer, may certify to the State Comptroller
25 the amount of the delinquent payment and the Comptroller shall
26 deduct the amount so certified or any part thereof from any

1 payment of State funds to the employer and shall pay the amount
2 so deducted to the System. If State funds from which such
3 deductions may be made are not available, then the System may
4 proceed against the employer to recover the amount of the
5 delinquent payment in the appropriate circuit court.

6 (40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)

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

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

10 For a participant who first becomes a participant of this
11 System before August 10, 2009 (the effective date of Public Act
12 96-207):

13 (1) For a participant who is a member of the General
14 Assembly on his or her last day of service: the highest
15 salary that is prescribed by law, on the participant's last
16 day of service, for a member of the General Assembly who is
17 not an officer; plus, if the participant was elected or
18 appointed to serve as an officer of the General Assembly
19 for 2 or more years and has made contributions as required
20 under subsection (d) of Section 2-126, the highest
21 additional amount of compensation prescribed by law, at the
22 time of the participant's service as an officer, for
23 members of the General Assembly who serve in that office.

24 (2) For a participant who holds one of the State
25 executive offices specified in Section 2-105 on his or her

1 last day of service: the highest salary prescribed by law
2 for service in that office on the participant's last day of
3 service.

4 (3) For a participant who is Clerk or Assistant Clerk
5 of the House of Representatives or Secretary or Assistant
6 Secretary of the Senate on his or her last day of service:
7 the salary received for service in that capacity on the
8 last day of service, but not to exceed the highest salary
9 (including additional compensation for service as an
10 officer) that is prescribed by law on the participant's
11 last day of service for the highest paid officer of the
12 General Assembly.

13 (4) For a participant who is a continuing participant
14 under Section 2-117.1 on his or her last day of service:
15 the salary received for service in that capacity on the
16 last day of service, but not to exceed the highest salary
17 (including additional compensation for service as an
18 officer) that is prescribed by law on the participant's
19 last day of service for the highest paid officer of the
20 General Assembly.

21 For a participant who first becomes a participant of this
22 System on or after August 10, 2009 (the effective date of
23 Public Act 96-207) and before January 1, 2011 (the effective
24 date of Public Act 96-889), the average monthly salary obtained
25 by dividing the total salary of the participant during the
26 period of: (1) the 48 consecutive months of service within the

1 last 120 months of service in which the total compensation was
2 the highest, or (2) the total period of service, if less than
3 48 months, by the number of months of service in that period.

4 For a participant who first becomes a participant of this
5 System on or after January 1, 2011 (the effective date of
6 Public Act 96-889), the average monthly salary obtained by
7 dividing the total salary of the participant during the 96
8 consecutive months of service within the last 120 months of
9 service in which the total compensation was the highest by the
10 number of months of service in that period; however, beginning
11 January 1, 2011, the highest salary for annuity purposes may
12 not exceed \$106,800, except that that amount shall annually
13 thereafter be increased by the lesser of (i) 3% of that amount,
14 including all previous adjustments, or (ii) the annual
15 unadjusted percentage increase (but not less than zero) in the
16 consumer price index-u for the 12 months ending with the
17 September preceding each November 1. "Consumer price index-u"
18 means the index published by the Bureau of Labor Statistics of
19 the United States Department of Labor that measures the average
20 change in prices of goods and services purchased by all urban
21 consumers, United States city average, all items, 1982-84 =
22 100. The new amount resulting from each annual adjustment shall
23 be determined by the Public Pension Division of the Department
24 of Insurance and made available to the Board by November 1 of
25 each year.

26 (b) The earnings limitations of subsection (a) apply to

1 earnings under any other participating system under the
2 Retirement Systems Reciprocal Act that are considered in
3 calculating a proportional annuity under this Article, except
4 in the case of a person who first became a member of this
5 System before August 22, 1994 and has not, on or after the
6 effective date of this amendatory Act of the 97th General
7 Assembly, irrevocably elected to have those limitations apply.
8 The limitations of subsection (a) shall apply, however, to
9 earnings under any other participating system under the
10 Retirement Systems Reciprocal Act that are considered in
11 calculating the proportional annuity of a person who first
12 became a member of this System before August 22, 1994 if, on or
13 after the effective date of this amendatory Act of the 97th
14 General Assembly, that member irrevocably elects to have those
15 limitations apply.

16 (c) In calculating the subsection (a) earnings limitation
17 to be applied to earnings under any other participating system
18 under the Retirement Systems Reciprocal Act for the purpose of
19 calculating a proportional annuity under this Article, the
20 participant's last day of service shall be deemed to mean the
21 last day of service in any participating system from which the
22 person has applied for a proportional annuity under the
23 Retirement Systems Reciprocal Act.

24 (Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11;
25 96-1490, eff. 1-1-11.)

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

1 becoming law.