



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB4008

Introduced 1/18/2012, by Rep. Daniel J. Burke

SYNOPSIS AS INTRODUCED:

40 ILCS 5/13-310
40 ILCS 5/13-601

from Ch. 108 1/2, par. 13-310
from Ch. 108 1/2, par. 13-601

Amends the Metropolitan Water Reclamation District (MWRD) Article of the Illinois Pension Code. Provides that an employee who first enters service on or after the January 1, 2013 and becomes disabled shall, on and after the 31st day of disability (rather than the 31st after which he or she last worked), be entitled to ordinary disability benefits during the remainder of that disability (instead of only after having exhausted his or her sick leave). Provides that if employee contributions in the account of an employee who enters service after the effective date of the amendatory Act have not, before his or her death and the death of his or her spouse, been paid as a retirement, spouse's, or child's annuity, then a refund shall be paid in an amount equal to the excess of the contributions over the amounts paid on those annuities, without interest. Specifies that if there are surviving children of the employee or annuitant who are eligible for a child's annuity, then that refund may not be paid until the youngest eligible child reaches age 23.

LRB097 16863 EFG 62048 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 13-310 and 13-601 as follows:

6 (40 ILCS 5/13-310) (from Ch. 108 1/2, par. 13-310)

7 Sec. 13-310. Ordinary disability benefit.

8 (a) Any employee who becomes disabled as the result of any
9 cause other than injury or illness incurred in the performance
10 of duty for the employer or any other employer, or while
11 engaged in self-employment activities, shall be entitled to an
12 ordinary disability benefit. The eligible period for this
13 benefit shall be 25% of the employee's total actual service
14 prior to the date of disability with a cumulative maximum
15 period of 5 years.

16 (b) The benefit shall be allowed only if the employee files
17 an application in writing with the Board, and a medical report
18 is submitted by at least one licensed and practicing physician
19 as part of the employee's application.

20 The benefit is not payable for any disability which begins
21 during any period of unpaid leave of absence. No benefit shall
22 be allowed for any period of disability prior to 30 days before
23 application is made, unless the Board finds good cause for the

1 delay in filing the application. The benefit shall not be paid
2 during any period for which the employee receives or is
3 entitled to receive any part of salary.

4 The benefit is not payable for any disability which begins
5 during any period of absence from duty other than allowable
6 vacation time in any calendar year. An employee whose
7 disability begins during any such ineligible period of absence
8 from service may not receive benefits until the employee
9 recovers from the disability and is in service for at least 15
10 consecutive working days after such recovery.

11 (b-1) In the case of an employee who first enters service
12 on or after June 13, 1997, an ordinary disability benefit is
13 not payable for the first 3 days of disability that would
14 otherwise be payable under this Section if the disability does
15 not continue for at least 11 additional days.

16 (b-2) Beginning on the effective date of this amendatory
17 Act of the 94th General Assembly, an employee who first entered
18 service on or after June 13, 1997 is also eligible for ordinary
19 disability benefits on the 31st day after the last day worked,
20 provided all sick leave is exhausted.

21 (b-3) An employee who first enters service on or after
22 January 1, 2013 and becomes disabled shall, on and after the
23 31st day of disability, be entitled to ordinary disability
24 benefits during the remainder of that disability.

25 (c) The benefit shall be 50% of the employee's salary at
26 the date of disability, and shall terminate when the earliest

1 of the following occurs:

2 (1) The employee returns to work or receives a
3 retirement annuity paid wholly or in part under this
4 Article;

5 (2) The disability ceases;

6 (3) The employee willfully and continuously refuses to
7 follow medical advice and treatment to enable the employee
8 to return to work. However this provision does not apply to
9 an employee who relies in good faith on treatment by prayer
10 through spiritual means alone in accordance with the tenets
11 and practice of a recognized church or religious
12 denomination, by a duly accredited practitioner thereof;

13 (4) The employee (i) refuses to submit to a reasonable
14 physical examination within 30 days of application by a
15 physician appointed by the Board, (ii) in the case of
16 chronic alcoholism, the employee refuses to join a
17 rehabilitation program licensed by the Department of
18 Public Health of the State of Illinois and certified by the
19 Joint Commission on the Accreditation of Hospitals, (iii)
20 fails or refuses to consent to and sign an authorization
21 allowing the Board to receive copies of or to examine the
22 employee's medical and hospital records, or (iv) fails or
23 refuses to provide complete information regarding any
24 other employment for compensation he or she has received
25 since becoming disabled; or

26 (5) The eligible period for this benefit has been

1 exhausted.

2 Effective January 1, 2013, the ~~The~~ first payment of the
3 benefit shall be made not later than one month after the
4 benefit is ~~same has been~~ granted, and each subsequent payment
5 ~~payments~~ shall be made monthly ~~at intervals of not more than 30~~
6 ~~days~~.

7 (Source: P.A. 94-621, eff. 8-18-05.)

8 (40 ILCS 5/13-601) (from Ch. 108 1/2, par. 13-601)

9 Sec. 13-601. Refunds.

10 (a) Withdrawal from service. Upon withdrawal from service,
11 an employee who first became a member before January 1, 2011,
12 who is under age 55 (age 50 if the employee first entered
13 service before June 13, 1997), or an employee age 55 (age 50 if
14 the employee first entered service before June 13, 1997) or
15 over but less than age 60 having less than 20 years of service,
16 or an employee age 60 or over having less than 5 years of
17 service shall be entitled, upon application, to a refund of
18 total contributions from salary deductions or amounts
19 otherwise paid under this Article by the employee. An employee
20 who first becomes a member on or after January 1, 2011, who
21 withdraws before age 62 regardless of length of service, or who
22 withdraws with less than 10 years of service regardless of age
23 is entitled to a refund of total contributions from salary
24 deductions or amounts otherwise paid under this Article by the
25 employee. The refund shall not include interest credited to the

1 contributions. The Board may, in its discretion, withhold
2 payment of a refund for a period not to exceed one year from
3 the date of filing an application for refund.

4 (b) Surviving spouse's annuity contributions. A refund of
5 all amounts deducted from salary or otherwise contributed by an
6 employee for the surviving spouse's annuity shall be paid upon
7 retirement to any employee who on the date of retirement is
8 either not married or is married but whose spouse is not
9 eligible for a surviving spouse's annuity paid wholly or in
10 part under this Article. The refund shall include interest on
11 each contribution at the rate of 3% per annum compounded
12 annually from the date of the contribution to the date of the
13 refund.

14 (c) Payment of Refunds After Death. Whenever any refund is
15 payable after the death of the employee or annuitant as
16 provided for in this Article, the refund shall be paid as
17 follows: to the employee's surviving spouse, but if there is no
18 surviving spouse then in accordance with the employee's written
19 designation of beneficiary filed with the Board on the
20 prescribed form before the employee's death. If there is no
21 such designation of beneficiary, then to the employee's
22 surviving children in equal parts to each. If there are no such
23 children, the refund shall be paid to the heirs of the employee
24 according to the law of descent and distribution of the State
25 of Illinois.

26 If a personal representative of the estate has not been

1 appointed within 90 days from the date on which a refund became
2 payable, the refund may be applied, in the discretion of the
3 Board, toward the payment of the employee's or the surviving
4 spouse's burial expenses. Any remaining balance shall be paid
5 to the heirs of the employee according to the law of descent
6 and distribution of the State of Illinois.

7 Whenever the total accumulations to the account of an
8 employee from employee contributions other than the
9 contribution for the cost of living increase, including
10 interest to the employee's date of withdrawal, have not been
11 paid to the employee and surviving spouse as a retirement or
12 spouse's annuity before the death of the employee and spouse, a
13 refund shall be paid as follows: an amount equal to the excess
14 of such amounts over the amounts paid on such annuities without
15 interest on either such amount.

16 If employee contributions in the account of an employee who
17 enters service after the effective date of this amendatory Act
18 of the 97th General Assembly (excluding contributions for the
19 cost of living increase, but including interest up to the date
20 of the employee's withdrawal) have not, before his or her death
21 and the death of his or her spouse, been paid as a retirement
22 annuity to the employee, a spouse's annuity to his or her
23 surviving spouse, or a child's annuity to his or her surviving
24 child or children, then a refund shall be paid in an amount
25 equal to the excess of the contributions over the amounts paid
26 on the annuities, without interest. If there are surviving

1 children of the employee or annuitant who are eligible for a
2 child's annuity under Section 13-308, then the refund may not
3 be paid until the youngest eligible child reaches age 23.

4 If a reversionary annuity becomes payable under Section
5 13-303, the refund provided in this section shall not be paid
6 until the death of the reversionary annuitant and the refund
7 otherwise payable under this section shall be then further
8 reduced by the amount of the reversionary annuity paid.

9 (d) In lieu of annuity. Notwithstanding the provisions set
10 forth in subsection (a) of this section, whenever an employee's
11 or surviving spouse's annuity will be less than \$200 per month,
12 the employee or surviving spouse, as the case may be, may elect
13 to receive a refund of accumulated employee contributions;
14 provided, however, that if the election is made by a surviving
15 spouse the refund shall be reduced by any amounts theretofore
16 paid to the employee in the form of an annuity.

17 (e) Forfeiture of rights. An employee or surviving spouse
18 who receives a refund forfeits the right to receive an annuity
19 or any other benefit payable under this Article except that if
20 the refund is to a surviving spouse, any child or children of
21 the employee shall not be deprived of the right to receive a
22 child's annuity as provided in Section 13-308 of this Article,
23 and the payment of a child's annuity shall not reduce the
24 amount refundable to the surviving spouse.

25 (Source: P.A. 95-586, eff. 8-31-07; 96-251, eff. 8-11-09;
26 96-1490, eff. 1-1-11.)