



Rep. Elaine Nekritz

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LRB097 19245 EFG 68233 a

1 AMENDMENT TO HOUSE BILL 4513

2 AMENDMENT NO. _____. Amend House Bill 4513 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 13-502 and 13-503 as follows:

6 (40 ILCS 5/13-502) (from Ch. 108 1/2, par. 13-502)

7 Sec. 13-502. Employee contributions; deductions from
8 salary.

9 (a) Retirement annuity and child's annuity. Except as
10 otherwise provided in this Section, there ~~There~~ shall be
11 deducted from each payment of salary an amount equal to 7% of
12 salary as the employee's contribution for the retirement
13 annuity, including child's annuity, and 0.5% of salary as the
14 employee's contribution for annual increases to the retirement
15 annuity.

16 (a-1) For employees who first became a member or

1 participant before January 1, 2011 under any reciprocal
2 retirement system or pension fund established under this Code
3 other than a retirement system or pension fund established
4 under Article 2, 3, 4, 5, 6, or 18 of this Code:

5 (1) beginning with the first pay period paid on or
6 after January 1, 2013 and ending with the last pay period
7 paid on or before December 31, 2013, employee contributions
8 shall be 7.5% for the retirement annuity and 1.0% for
9 annual increases for a total of 8.5%;

10 (2) beginning with the first pay period paid on or
11 after January 1, 2014 and ending with the last pay period
12 paid on or before December 31, 2014, employee contributions
13 shall be 8.0% for the retirement annuity and 1.5% for
14 annual increases for a total of 9.5%;

15 (3) beginning with the first pay period paid on or
16 after January 1, 2015 and ending with the last pay period
17 paid on or before the date when the funded ratio of the
18 Fund is first determined to have reached the 90% funding
19 goal, employee contributions shall be 8.5% for the
20 retirement annuity and 1.5% for annual increases for a
21 total of 10.0%; and

22 (4) beginning with the first pay period paid on or
23 after the date when the funded ratio of the Fund is first
24 determined to have reached the 90% funding goal, and each
25 pay period paid thereafter, employee contributions shall
26 be 7.0% for the retirement annuity and 0.5% for annual

1 increases for a total of 7.5%.

2 (b) Surviving spouse's annuity. There shall be deducted
3 from each payment of salary an amount equal to 1 1/2% of salary
4 as the employee's contribution for the surviving spouse's
5 annuity and annual increases therefor. For employees that first
6 became a member or a participant before January 1, 2011 under
7 any reciprocal retirement system or pension fund established
8 under this Code other than a retirement system or pension fund
9 established under Article 2, 3, 4, 5, 6, or 18 of this Code,
10 beginning with the first pay period paid on or after January 1,
11 2015 and ending with the last pay period paid on or before the
12 date when the funded ratio of the Fund is first determined to
13 have reached the 90% funding goal, there shall be deducted an
14 additional 0.5% of salary for a total of 2.0% for the surviving
15 spouse's annuity and annual increases.

16 (c) Pickup of employee contributions. The Employer may pick
17 up employee contributions required under subsections (a) and
18 (b) of this Section. If contributions are picked up they shall
19 be treated as Employer contributions in determining tax
20 treatment under the United States Internal Revenue Code, and
21 shall not be included as gross income of the employee until
22 such time as they are distributed. The Employer shall pay these
23 employee contributions from the same source of funds used in
24 paying salary to the employee. The Employer may pick up these
25 contributions by a reduction in the cash salary of the employee
26 or by an offset against a future salary increase or by a

1 combination of a reduction in salary and offset against a
2 future salary increase. If employee contributions are picked up
3 they shall be treated for all purposes of this Article 13,
4 including Sections 13-503 and 13-601, in the same manner and to
5 the same extent as employee contributions made prior to the
6 date picked up.

7 (d) Subject to the requirements of federal law, the
8 Employer shall pick up optional contributions that the employee
9 has elected to pay to the Fund under Section 13-304.1, and the
10 contributions so picked up shall be treated as employer
11 contributions for the purposes of determining federal tax
12 treatment. The Employer shall pick up the contributions by a
13 reduction in the cash salary of the employee and shall pay the
14 contributions from the same fund that is used to pay earnings
15 to the employee. The Employer shall, however, continue to
16 withhold federal and State income taxes based upon
17 contributions made under Section 13-304.1 until the Internal
18 Revenue Service or the federal courts rule that pursuant to
19 Section 414(h) of the U.S. Internal Revenue Code of 1986, as
20 amended, these contributions shall not be included as gross
21 income of the employee until such time as they are distributed
22 or made available.

23 (e) Each employee is deemed to consent and agree to the
24 deductions from compensation provided for in this Article.

25 (f) Subject to the requirements of federal law, the
26 Employer shall pick up contributions that a commissioner has

1 elected to pay to the Fund under Section 13-314, and the
2 contributions so picked up shall be treated as Employer
3 contributions for the purposes of determining federal tax
4 treatment. The Employer shall pick up the contributions by a
5 reduction in the cash salary of the commissioner and shall pay
6 the contributions from the same fund as is used to pay earnings
7 to the commissioner. The Employer shall, however, continue to
8 withhold federal and State income taxes based upon
9 contributions made under Section 13-314 until the U.S. Internal
10 Revenue Service or the federal courts rule that pursuant to
11 Section 414(h) of the Internal Revenue Code of 1986, as
12 amended, these contributions shall not be included as gross
13 income of the employee until such time as they are distributed
14 or made available.

15 (Source: P.A. 94-621, eff. 8-18-05; 95-586, eff. 8-31-07.)

16 (40 ILCS 5/13-503) (from Ch. 108 1/2, par. 13-503)

17 Sec. 13-503. Tax levy. Until fiscal year 2013, the ~~The~~
18 Water Reclamation District shall annually levy a tax upon all
19 the taxable real property within the District at a rate which,
20 when extended, will produce a sum that (i) when added to the
21 amounts deducted from the salaries of employees, interest
22 income on investments, and other income, will be sufficient to
23 meet the requirements of the Fund on an actuarially funded
24 basis, but (ii) shall not exceed an amount equal to the total
25 amount of contributions by the employees to the Fund made in

1 the calendar year 2 years prior to the year for which the tax
2 is levied, multiplied by 2.19, except that the amount of
3 employee contributions made on or after January 1, 2003 towards
4 the purchase of additional optional benefits under Section
5 13-304.1 shall only be multiplied by 1.00.

6 Beginning in fiscal year 2013, the District shall annually
7 levy a tax upon all the taxable real property within the
8 District at a rate which, when extended, will produce a sum
9 that (i) will be sufficient to meet the Fund's actuarially
10 determined contribution requirement, but (ii) shall not exceed
11 an amount equal to the total employee contributions 2 years
12 prior multiplied by 4.19. The actuarially determined
13 contribution requirement is equal to the employer's normal cost
14 plus the annual amount needed to amortize the unfunded
15 liability by the year 2050 as a level percent of payroll. The
16 funding goal is to attain a funded ratio of at least 90% by the
17 year 2050, with the funded ratio being the ratio of the
18 actuarial value of assets to the total actuarial liability.

19 The tax shall be levied and collected in the same manner as
20 the general taxes of the District.

21 The tax shall be exclusive of and in addition to the amount
22 of tax the District is now or may hereafter be authorized to
23 levy for general purposes under the Metropolitan Water
24 Reclamation District Act or under any other laws which may
25 limit the amount of tax for general purposes. The county clerk
26 of any county, in reducing tax levies as may be authorized by

1 law, shall not consider any such tax as a part of the general
2 tax levy for District purposes, and shall not include the same
3 in any limitation of the percent of the assessed valuation upon
4 which taxes are required to be extended.

5 Revenues derived from the tax shall be paid to the Fund for
6 the benefit of the Fund.

7 If the funds available for the purposes of this Article are
8 insufficient during any year to meet the requirements of this
9 Article, the District may issue tax anticipation warrants or
10 notes, as provided by law, against the current tax levy.

11 The Board shall submit annually to the Board of
12 Commissioners of the District an estimate of the amount
13 required to be raised by taxation for the purposes of the Fund.
14 The Board of Commissioners shall review the estimate and
15 determine the tax to be levied for such purposes.

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

17 Section 90. The State Mandates Act is amended by adding
18 Section 8.36 as follows:

19 (30 ILCS 805/8.36 new)

20 Sec. 8.36. Exempt mandate. Notwithstanding Sections 6 and 8
21 of this Act, no reimbursement by the State is required for the
22 implementation of any mandate created by this amendatory Act of
23 the 97th General Assembly.

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.".