



## 97TH GENERAL ASSEMBLY

### State of Illinois

### 2011 and 2012

#### HB5790

Introduced 2/16/2012, by Rep. Dave Winters - Thomas Morrison - Paul Evans

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/14-106	from Ch. 108 1/2, par. 14-106
40 ILCS 5/15-113.4	from Ch. 108 1/2, par. 15-113.4
40 ILCS 5/16-127	from Ch. 108 1/2, par. 16-127

Amends the State Employee, State Universities, and Downstate Teacher Articles of the Illinois Pension Code. Provides that service credit is not available for unused sick leave accumulated by a person who first participates in the System on or after the effective date of this amendatory Act. Effective immediately.

LRB097 18436 EFG 63663 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 14-106, 15-113.4, and 16-127 as follows:

6 (40 ILCS 5/14-106) (from Ch. 108 1/2, par. 14-106)  
7 Sec. 14-106. Membership service credit.

8 (a) After January 1, 1944, all service of a member since he  
9 last became a member with respect to which contributions are  
10 made shall count as membership service; provided, that for  
11 service on and after July 1, 1950, 12 months of service shall  
12 constitute a year of membership service, the completion of 15  
13 days or more of service during any month shall constitute 1  
14 month of membership service, 8 to 15 days shall constitute 1/2  
15 month of membership service and less than 8 days shall  
16 constitute 1/4 month of membership service. The payroll record  
17 of each department shall constitute conclusive evidence of the  
18 record of service rendered by a member.

19 (b) For a member who is employed and paid on an  
20 academic-year basis rather than on a 12-month annual basis,  
21 employment for a full academic year shall constitute a full  
22 year of membership service, except that the member shall not  
23 receive more than one year of membership service credit (plus

1 any additional service credit granted for unused sick leave)  
2 for service during any 12-month period. This subsection (b)  
3 applies to all such service for which the member has not begun  
4 to receive a retirement annuity before January 1, 2001.

5 (c) A member who first participated in this System before  
6 the effective date of this amendatory Act of the 97th General  
7 Assembly shall be entitled to additional service credit, under  
8 rules prescribed by the Board, for accumulated unused sick  
9 leave credited to his account in the last Department on the  
10 date of withdrawal from service or for any period for which he  
11 would have been eligible to receive benefits under a sick pay  
12 plan authorized by law, if he had suffered a sickness or  
13 accident on the date of withdrawal from service. It shall be  
14 the responsibility of the last Department to certify to the  
15 Board the length of time salary or benefits would have been  
16 paid to the member based upon the accumulated unused sick leave  
17 or the applicable sick pay plan if he had become entitled  
18 thereto because of sickness on the date that his status as an  
19 employee terminated. This period of service credit granted  
20 under this paragraph shall not be considered in determining the  
21 date the retirement annuity is to begin, or final average  
22 compensation.

23 Service credit is not available for unused sick leave  
24 accumulated by a person who first participates in this System  
25 on or after the effective date of this amendatory Act of the  
26 97th General Assembly.

1 (Source: P.A. 92-14, eff. 6-28-01.)

2 (40 ILCS 5/15-113.4) (from Ch. 108 1/2, par. 15-113.4)

3 Sec. 15-113.4. Service for unused sick leave. "Service for  
4 unused sick leave": A participant who first participated in  
5 this System before the effective date of this amendatory Act of  
6 the 97th General Assembly and who is an employee under this  
7 System or one of the other systems subject to Article 20 of  
8 this Code within 60 days immediately preceding the date on  
9 which his or her retirement annuity begins, is entitled to  
10 credit for service for that portion of unused sick leave earned  
11 in the course of employment with an employer and credited on  
12 the date of termination of employment by an employer for which  
13 payment is not received, in accordance with the following  
14 schedule: 30 through 90 full calendar days and 20 through 59  
15 full work days of unused sick leave, 1/4 of a year of service;  
16 91 through 180 full calendar days and 60 through 119 full work  
17 days, 1/2 of a year of service; 181 through 270 full calendar  
18 days and 120 through 179 full work days, 3/4 of a year of  
19 service; 271 through 360 full calendar days and 180 through 240  
20 full work days, one year of service. Only uncompensated, unused  
21 sick leave earned in accordance with an employer's sick leave  
22 accrual policy generally applicable to employees or a class of  
23 employees shall be taken into account in calculating service  
24 credit under this Section. Any uncompensated, unused sick leave  
25 granted by an employer to facilitate the hiring, retirement,

1 termination, or other special circumstances of an employee  
2 shall not be taken into account in calculating service credit  
3 under this Section. If a participant transfers from one  
4 employer to another, the unused sick leave credited by the  
5 previous employer shall be considered in determining service to  
6 be credited under this Section, even if the participant  
7 terminated service prior to the effective date of P.A. 86-272  
8 (August 23, 1989); if necessary, the retirement annuity shall  
9 be recalculated to reflect such sick leave credit. Each  
10 employer shall certify to the board the number of days of  
11 unused sick leave accrued to the participant's credit on the  
12 date that the participant's status as an employee terminated.  
13 This period of unused sick leave shall not be considered in  
14 determining the date the retirement annuity begins.

15 Service credit is not available for unused sick leave  
16 accumulated by a person who first participates in this System  
17 on or after the effective date of this amendatory Act of the  
18 97th General Assembly.

19 (Source: P.A. 90-65, eff. 7-7-97; 90-511, eff. 8-22-97.)

20 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

21 Sec. 16-127. Computation of creditable service.

22 (a) Each member shall receive regular credit for all  
23 service as a teacher from the date membership begins, for which  
24 satisfactory evidence is supplied and all contributions have  
25 been paid.

1 (b) The following periods of service shall earn optional  
2 credit and each member shall receive credit for all such  
3 service for which satisfactory evidence is supplied and all  
4 contributions have been paid as of the date specified:

5 (1) Prior service as a teacher.

6 (2) Service in a capacity essentially similar or  
7 equivalent to that of a teacher, in the public common  
8 schools in school districts in this State not included  
9 within the provisions of this System, or of any other  
10 State, territory, dependency or possession of the United  
11 States, or in schools operated by or under the auspices of  
12 the United States, or under the auspices of any agency or  
13 department of any other State, and service during any  
14 period of professional speech correction or special  
15 education experience for a public agency within this State  
16 or any other State, territory, dependency or possession of  
17 the United States, and service prior to February 1, 1951 as  
18 a recreation worker for the Illinois Department of Public  
19 Safety, for a period not exceeding the lesser of 2/5 of the  
20 total creditable service of the member or 10 years. The  
21 maximum service of 10 years which is allowable under this  
22 paragraph shall be reduced by the service credit which is  
23 validated by other retirement systems under paragraph (i)  
24 of Section 15-113 and paragraph 1 of Section 17-133. Credit  
25 granted under this paragraph may not be used in  
26 determination of a retirement annuity or disability

1 benefits unless the member has at least 5 years of  
2 creditable service earned subsequent to this employment  
3 with one or more of the following systems: Teachers'  
4 Retirement System of the State of Illinois, State  
5 Universities Retirement System, and the Public School  
6 Teachers' Pension and Retirement Fund of Chicago. Whenever  
7 such service credit exceeds the maximum allowed for all  
8 purposes of this Article, the first service rendered in  
9 point of time shall be considered. The changes to this  
10 subdivision (b)(2) made by Public Act 86-272 shall apply  
11 not only to persons who on or after its effective date  
12 (August 23, 1989) are in service as a teacher under the  
13 System, but also to persons whose status as such a teacher  
14 terminated prior to such effective date, whether or not  
15 such person is an annuitant on that date.

16 (3) Any periods immediately following teaching  
17 service, under this System or under Article 17, (or  
18 immediately following service prior to February 1, 1951 as  
19 a recreation worker for the Illinois Department of Public  
20 Safety) spent in active service with the military forces of  
21 the United States; periods spent in educational programs  
22 that prepare for return to teaching sponsored by the  
23 federal government following such active military service;  
24 if a teacher returns to teaching service within one  
25 calendar year after discharge or after the completion of  
26 the educational program, a further period, not exceeding

1 one calendar year, between time spent in military service  
2 or in such educational programs and the return to  
3 employment as a teacher under this System; and a period of  
4 up to 2 years of active military service not immediately  
5 following employment as a teacher.

6 The changes to this Section and Section 16-128 relating  
7 to military service made by P.A. 87-794 shall apply not  
8 only to persons who on or after its effective date are in  
9 service as a teacher under the System, but also to persons  
10 whose status as a teacher terminated prior to that date,  
11 whether or not the person is an annuitant on that date. In  
12 the case of an annuitant who applies for credit allowable  
13 under this Section for a period of military service that  
14 did not immediately follow employment, and who has made the  
15 required contributions for such credit, the annuity shall  
16 be recalculated to include the additional service credit,  
17 with the increase taking effect on the date the System  
18 received written notification of the annuitant's intent to  
19 purchase the credit, if payment of all the required  
20 contributions is made within 60 days of such notice, or  
21 else on the first annuity payment date following the date  
22 of payment of the required contributions. In calculating  
23 the automatic annual increase for an annuity that has been  
24 recalculated under this Section, the increase attributable  
25 to the additional service allowable under P.A. 87-794 shall  
26 be included in the calculation of automatic annual



1 increases accruing after the effective date of the  
2 recalculation.

3 Credit for military service shall be determined as  
4 follows: if entry occurs during the months of July, August,  
5 or September and the member was a teacher at the end of the  
6 immediately preceding school term, credit shall be granted  
7 from July 1 of the year in which he or she entered service;  
8 if entry occurs during the school term and the teacher was  
9 in teaching service at the beginning of the school term,  
10 credit shall be granted from July 1 of such year. In all  
11 other cases where credit for military service is allowed,  
12 credit shall be granted from the date of entry into the  
13 service.

14 The total period of military service for which credit  
15 is granted shall not exceed 5 years for any member unless  
16 the service: (A) is validated before July 1, 1964, and (B)  
17 does not extend beyond July 1, 1963. Credit for military  
18 service shall be granted under this Section only if not  
19 more than 5 years of the military service for which credit  
20 is granted under this Section is used by the member to  
21 qualify for a military retirement allotment from any branch  
22 of the armed forces of the United States. The changes to  
23 this subdivision (b) (3) made by Public Act 86-272 shall  
24 apply not only to persons who on or after its effective  
25 date (August 23, 1989) are in service as a teacher under  
26 the System, but also to persons whose status as such a

1 teacher terminated prior to such effective date, whether or  
2 not such person is an annuitant on that date.

3 (4) Any periods served as a member of the General  
4 Assembly.

5 (5) (i) Any periods for which a teacher, as defined in  
6 Section 16-106, is granted a leave of absence, provided he  
7 or she returns to teaching service creditable under this  
8 System or the State Universities Retirement System  
9 following the leave; (ii) periods during which a teacher is  
10 involuntarily laid off from teaching, provided he or she  
11 returns to teaching following the lay-off; (iii) periods  
12 prior to July 1, 1983 during which a teacher ceased covered  
13 employment due to pregnancy, provided that the teacher  
14 returned to teaching service creditable under this System  
15 or the State Universities Retirement System following the  
16 pregnancy and submits evidence satisfactory to the Board  
17 documenting that the employment ceased due to pregnancy;  
18 and (iv) periods prior to July 1, 1983 during which a  
19 teacher ceased covered employment for the purpose of  
20 adopting an infant under 3 years of age or caring for a  
21 newly adopted infant under 3 years of age, provided that  
22 the teacher returned to teaching service creditable under  
23 this System or the State Universities Retirement System  
24 following the adoption and submits evidence satisfactory  
25 to the Board documenting that the employment ceased for the  
26 purpose of adopting an infant under 3 years of age or

1 caring for a newly adopted infant under 3 years of age.  
2 However, total credit under this paragraph (5) may not  
3 exceed 3 years.

4 Any qualified member or annuitant may apply for credit  
5 under item (iii) or (iv) of this paragraph (5) without  
6 regard to whether service was terminated before the  
7 effective date of this amendatory Act of 1997. In the case  
8 of an annuitant who establishes credit under item (iii) or  
9 (iv), the annuity shall be recalculated to include the  
10 additional service credit. The increase in annuity shall  
11 take effect on the date the System receives written  
12 notification of the annuitant's intent to purchase the  
13 credit, if the required evidence is submitted and the  
14 required contribution paid within 60 days of that  
15 notification, otherwise on the first annuity payment date  
16 following the System's receipt of the required evidence and  
17 contribution. The increase in an annuity recalculated  
18 under this provision shall be included in the calculation  
19 of automatic annual increases in the annuity accruing after  
20 the effective date of the recalculation.

21 Optional credit may be purchased under this subsection  
22 (b) (5) for periods during which a teacher has been granted  
23 a leave of absence pursuant to Section 24-13 of the School  
24 Code. A teacher whose service under this Article terminated  
25 prior to the effective date of P.A. 86-1488 shall be  
26 eligible to purchase such optional credit. If a teacher who

1 purchases this optional credit is already receiving a  
2 retirement annuity under this Article, the annuity shall be  
3 recalculated as if the annuitant had applied for the leave  
4 of absence credit at the time of retirement. The difference  
5 between the entitled annuity and the actual annuity shall  
6 be credited to the purchase of the optional credit. The  
7 remainder of the purchase cost of the optional credit shall  
8 be paid on or before April 1, 1992.

9 The change in this paragraph made by Public Act 86-273  
10 shall be applicable to teachers who retire after June 1,  
11 1989, as well as to teachers who are in service on that  
12 date.

13 (6) Any days of unused and uncompensated accumulated  
14 sick leave earned by a teacher who first participated in  
15 this System before the effective date of this amendatory  
16 Act of the 97th General Assembly. The service credit  
17 granted under this paragraph shall be the ratio of the  
18 number of unused and uncompensated accumulated sick leave  
19 days to 170 days, subject to a maximum of 2 years of  
20 service credit. Prior to the member's retirement, each  
21 former employer shall certify to the System the number of  
22 unused and uncompensated accumulated sick leave days  
23 credited to the member at the time of termination of  
24 service. The period of unused sick leave shall not be  
25 considered in determining the effective date of  
26 retirement. A member is not required to make contributions

1 in order to obtain service credit for unused sick leave.

2 Credit for sick leave shall, at retirement, be granted  
3 by the System for any retiring regional or assistant  
4 regional superintendent of schools who first participated  
5 in this System before the effective date of this amendatory  
6 Act of the 97th General Assembly at the rate of 6 days per  
7 year of creditable service or portion thereof established  
8 while serving as such superintendent or assistant  
9 superintendent.

10 Service credit is not available for unused sick leave  
11 accumulated by a teacher who first participates in this  
12 System on or after the effective date of this amendatory  
13 Act of the 97th General Assembly.

14 (7) Periods prior to February 1, 1987 served as an  
15 employee of the Illinois Mathematics and Science Academy  
16 for which credit has not been terminated under Section  
17 15-113.9 of this Code.

18 (8) Service as a substitute teacher for work performed  
19 prior to July 1, 1990.

20 (9) Service as a part-time teacher for work performed  
21 prior to July 1, 1990.

22 (10) Up to 2 years of employment with Southern Illinois  
23 University - Carbondale from September 1, 1959 to August  
24 31, 1961, or with Governors State University from September  
25 1, 1972 to August 31, 1974, for which the teacher has no  
26 credit under Article 15. To receive credit under this item

1           (10), a teacher must apply in writing to the Board and pay  
2           the required contributions before May 1, 1993 and have at  
3           least 12 years of service credit under this Article.

4           (b-1) A member may establish optional credit for up to 2  
5           years of service as a teacher or administrator employed by a  
6           private school recognized by the Illinois State Board of  
7           Education, provided that the teacher (i) was certified under  
8           the law governing the certification of teachers at the time the  
9           service was rendered, (ii) applies in writing on or after  
10          August 1, 2009 and on or before August 1, 2012, (iii) supplies  
11          satisfactory evidence of the employment, (iv) completes at  
12          least 10 years of contributing service as a teacher as defined  
13          in Section 16-106, and (v) pays the contribution required in  
14          subsection (d-5) of Section 16-128. The member may apply for  
15          credit under this subsection and pay the required contribution  
16          before completing the 10 years of contributing service required  
17          under item (iv), but the credit may not be used until the item  
18          (iv) contributing service requirement has been met.

19          (c) The service credits specified in this Section shall be  
20          granted only if: (1) such service credits are not used for  
21          credit in any other statutory tax-supported public employee  
22          retirement system other than the federal Social Security  
23          program; and (2) the member makes the required contributions as  
24          specified in Section 16-128. Except as provided in subsection  
25          (b-1) of this Section, the service credit shall be effective as  
26          of the date the required contributions are completed.

1 Any service credits granted under this Section shall  
2 terminate upon cessation of membership for any cause.

3 Credit may not be granted under this Section covering any  
4 period for which an age retirement or disability retirement  
5 allowance has been paid.

6 (Source: P.A. 96-546, eff. 8-17-09.)

7 Section 99. Effective date. This Act takes effect upon  
8 becoming law.