



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

SB2156

Introduced 2/10/2011, by Sen. Bill Brady

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/2-162  
40 ILCS 5/14-152.1  
40 ILCS 5/15-198  
40 ILCS 5/16-203  
40 ILCS 5/18-169

Amends the General Assembly, State Employee, State Universities, Downstate Teachers, and Judges Articles of the Illinois Pension Code. Provides that, beginning on the effective date of the amendatory Act, every new benefit increase is contingent upon each affected pension or retirement system (i) having been at least 90% funded according to its most recent annual actuarial valuation and (ii) having received any required State contributions that have come due since the most recent annual actuarial valuation. Specifies that a new benefit increase that does not satisfy this additional requirement is null and void, unless the enactment of that new benefit increase is required to maintain qualified plan status.

LRB097 06142 JDS 46216 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 2-162, 14-152.1, 15-198, 16-203, and 18-169 as  
6 follows:

7 (40 ILCS 5/2-162)

8 Sec. 2-162. Application and expiration of new benefit  
9 increases.

10 (a) As used in this Section, "new benefit increase" means  
11 an increase in the amount of any benefit provided under this  
12 Article, or an expansion of the conditions of eligibility for  
13 any benefit under this Article, that results from an amendment  
14 to this Code that takes effect after the effective date of this  
15 amendatory Act of the 94th General Assembly.

16 (b) Notwithstanding any other provision of this Code or any  
17 subsequent amendment to this Code, every new benefit increase  
18 is subject to this Section and shall be deemed to be granted  
19 only in conformance with and contingent upon compliance with  
20 the provisions of this Section.

21 (c) The Public Act enacting a new benefit increase must  
22 identify and provide for payment to the System of additional  
23 funding at least sufficient to fund the resulting annual

1 increase in cost to the System as it accrues.

2 Every new benefit increase is contingent upon the General  
3 Assembly providing the additional funding required under this  
4 subsection. The Commission on Government Forecasting and  
5 Accountability shall analyze whether adequate additional  
6 funding has been provided for the new benefit increase and  
7 shall report its analysis to the Public Pension Division of the  
8 Department of Financial and Professional Regulation. A new  
9 benefit increase created by a Public Act that does not include  
10 the additional funding required under this subsection is null  
11 and void. If the Public Pension Division determines that the  
12 additional funding provided for a new benefit increase under  
13 this subsection is or has become inadequate, it may so certify  
14 to the Governor and the State Comptroller and, in the absence  
15 of corrective action by the General Assembly, the new benefit  
16 increase shall expire at the end of the fiscal year in which  
17 the certification is made.

18 (c-5) Notwithstanding any other provision of this Code or  
19 any subsequent amendment of this Code, beginning on the  
20 effective date of this amendatory Act of the 97th General  
21 Assembly, every new benefit increase is also contingent upon  
22 each pension or retirement system that is created under Article  
23 2, 14, 15, 16, or 18 (i) having been at least 90% funded  
24 according to its most recent annual actuarial valuation and  
25 (ii) having received any required State contributions that have  
26 come due since the most recent annual actuarial valuation. A

1 new benefit increase that does not satisfy this additional  
2 requirement is null and void, unless the enactment of that new  
3 benefit increase is required to maintain qualified plan status.

4 (d) Every new benefit increase shall expire 5 years after  
5 its effective date or on such earlier date as may be specified  
6 in the language enacting the new benefit increase or provided  
7 under subsection (c). This does not prevent the General  
8 Assembly from extending or re-creating a new benefit increase  
9 by law.

10 (e) Except as otherwise provided in the language creating  
11 the new benefit increase, a new benefit increase that expires  
12 under this Section continues to apply to persons who applied  
13 and qualified for the affected benefit while the new benefit  
14 increase was in effect and to the affected beneficiaries and  
15 alternate payees of such persons, but does not apply to any  
16 other person, including without limitation a person who  
17 continues in service after the expiration date and did not  
18 apply and qualify for the affected benefit while the new  
19 benefit increase was in effect.

20 (Source: P.A. 94-4, eff. 6-1-05.)

21 (40 ILCS 5/14-152.1)

22 Sec. 14-152.1. Application and expiration of new benefit  
23 increases.

24 (a) As used in this Section, "new benefit increase" means  
25 an increase in the amount of any benefit provided under this

1 Article, or an expansion of the conditions of eligibility for  
2 any benefit under this Article, that results from an amendment  
3 to this Code that takes effect after June 1, 2005 (the  
4 effective date of Public Act 94-4). "New benefit increase",  
5 however, does not include any benefit increase resulting from  
6 the changes made to this Article by this amendatory Act of the  
7 96th General Assembly.

8 (b) Notwithstanding any other provision of this Code or any  
9 subsequent amendment to this Code, every new benefit increase  
10 is subject to this Section and shall be deemed to be granted  
11 only in conformance with and contingent upon compliance with  
12 the provisions of this Section.

13 (c) The Public Act enacting a new benefit increase must  
14 identify and provide for payment to the System of additional  
15 funding at least sufficient to fund the resulting annual  
16 increase in cost to the System as it accrues.

17 Every new benefit increase is contingent upon the General  
18 Assembly providing the additional funding required under this  
19 subsection. The Commission on Government Forecasting and  
20 Accountability shall analyze whether adequate additional  
21 funding has been provided for the new benefit increase and  
22 shall report its analysis to the Public Pension Division of the  
23 Department of Financial and Professional Regulation. A new  
24 benefit increase created by a Public Act that does not include  
25 the additional funding required under this subsection is null  
26 and void. If the Public Pension Division determines that the

1 additional funding provided for a new benefit increase under  
2 this subsection is or has become inadequate, it may so certify  
3 to the Governor and the State Comptroller and, in the absence  
4 of corrective action by the General Assembly, the new benefit  
5 increase shall expire at the end of the fiscal year in which  
6 the certification is made.

7 (c-5) Notwithstanding any other provision of this Code or  
8 any subsequent amendment of this Code, beginning on the  
9 effective date of this amendatory Act of the 97th General  
10 Assembly, every new benefit increase is also contingent upon  
11 each pension or retirement system that is created under Article  
12 2, 14, 15, 16, or 18 (i) having been at least 90% funded  
13 according to its most recent annual actuarial valuation and  
14 (ii) having received any required State contributions that have  
15 come due since the most recent annual actuarial valuation. A  
16 new benefit increase that does not satisfy this additional  
17 requirement is null and void, unless the enactment of that new  
18 benefit increase is required to maintain qualified plan status.

19 (d) Every new benefit increase shall expire 5 years after  
20 its effective date or on such earlier date as may be specified  
21 in the language enacting the new benefit increase or provided  
22 under subsection (c). This does not prevent the General  
23 Assembly from extending or re-creating a new benefit increase  
24 by law.

25 (e) Except as otherwise provided in the language creating  
26 the new benefit increase, a new benefit increase that expires

1 under this Section continues to apply to persons who applied  
2 and qualified for the affected benefit while the new benefit  
3 increase was in effect and to the affected beneficiaries and  
4 alternate payees of such persons, but does not apply to any  
5 other person, including without limitation a person who  
6 continues in service after the expiration date and did not  
7 apply and qualify for the affected benefit while the new  
8 benefit increase was in effect.

9 (Source: P.A. 96-37, eff. 7-13-09.)

10 (40 ILCS 5/15-198)

11 Sec. 15-198. Application and expiration of new benefit  
12 increases.

13 (a) As used in this Section, "new benefit increase" means  
14 an increase in the amount of any benefit provided under this  
15 Article, or an expansion of the conditions of eligibility for  
16 any benefit under this Article, that results from an amendment  
17 to this Code that takes effect after the effective date of this  
18 amendatory Act of the 94th General Assembly.

19 (b) Notwithstanding any other provision of this Code or any  
20 subsequent amendment to this Code, every new benefit increase  
21 is subject to this Section and shall be deemed to be granted  
22 only in conformance with and contingent upon compliance with  
23 the provisions of this Section.

24 (c) The Public Act enacting a new benefit increase must  
25 identify and provide for payment to the System of additional

1 funding at least sufficient to fund the resulting annual  
2 increase in cost to the System as it accrues.

3 Every new benefit increase is contingent upon the General  
4 Assembly providing the additional funding required under this  
5 subsection. The Commission on Government Forecasting and  
6 Accountability shall analyze whether adequate additional  
7 funding has been provided for the new benefit increase and  
8 shall report its analysis to the Public Pension Division of the  
9 Department of Financial and Professional Regulation. A new  
10 benefit increase created by a Public Act that does not include  
11 the additional funding required under this subsection is null  
12 and void. If the Public Pension Division determines that the  
13 additional funding provided for a new benefit increase under  
14 this subsection is or has become inadequate, it may so certify  
15 to the Governor and the State Comptroller and, in the absence  
16 of corrective action by the General Assembly, the new benefit  
17 increase shall expire at the end of the fiscal year in which  
18 the certification is made.

19 (c-5) Notwithstanding any other provision of this Code or  
20 any subsequent amendment of this Code, beginning on the  
21 effective date of this amendatory Act of the 97th General  
22 Assembly, every new benefit increase is also contingent upon  
23 each pension or retirement system that is created under Article  
24 2, 14, 15, 16, or 18 (i) having been at least 90% funded  
25 according to its most recent annual actuarial valuation and  
26 (ii) having received any required State contributions that have



1 come due since the most recent annual actuarial valuation. A  
2 new benefit increase that does not satisfy this additional  
3 requirement is null and void, unless the enactment of that new  
4 benefit increase is required to maintain qualified plan status.

5 (d) Every new benefit increase shall expire 5 years after  
6 its effective date or on such earlier date as may be specified  
7 in the language enacting the new benefit increase or provided  
8 under subsection (c). This does not prevent the General  
9 Assembly from extending or re-creating a new benefit increase  
10 by law.

11 (e) Except as otherwise provided in the language creating  
12 the new benefit increase, a new benefit increase that expires  
13 under this Section continues to apply to persons who applied  
14 and qualified for the affected benefit while the new benefit  
15 increase was in effect and to the affected beneficiaries and  
16 alternate payees of such persons, but does not apply to any  
17 other person, including without limitation a person who  
18 continues in service after the expiration date and did not  
19 apply and qualify for the affected benefit while the new  
20 benefit increase was in effect.

21 (Source: P.A. 94-4, eff. 6-1-05.)

22 (40 ILCS 5/16-203)

23 Sec. 16-203. Application and expiration of new benefit  
24 increases.

25 (a) As used in this Section, "new benefit increase" means

1 an increase in the amount of any benefit provided under this  
2 Article, or an expansion of the conditions of eligibility for  
3 any benefit under this Article, that results from an amendment  
4 to this Code that takes effect after June 1, 2005 (the  
5 effective date of Public Act 94-4). "New benefit increase",  
6 however, does not include any benefit increase resulting from  
7 the changes made to this Article by this amendatory Act of the  
8 95th General Assembly.

9 (b) Notwithstanding any other provision of this Code or any  
10 subsequent amendment to this Code, every new benefit increase  
11 is subject to this Section and shall be deemed to be granted  
12 only in conformance with and contingent upon compliance with  
13 the provisions of this Section.

14 (c) The Public Act enacting a new benefit increase must  
15 identify and provide for payment to the System of additional  
16 funding at least sufficient to fund the resulting annual  
17 increase in cost to the System as it accrues.

18 Every new benefit increase is contingent upon the General  
19 Assembly providing the additional funding required under this  
20 subsection. The Commission on Government Forecasting and  
21 Accountability shall analyze whether adequate additional  
22 funding has been provided for the new benefit increase and  
23 shall report its analysis to the Public Pension Division of the  
24 Department of Financial and Professional Regulation. A new  
25 benefit increase created by a Public Act that does not include  
26 the additional funding required under this subsection is null

1 and void. If the Public Pension Division determines that the  
2 additional funding provided for a new benefit increase under  
3 this subsection is or has become inadequate, it may so certify  
4 to the Governor and the State Comptroller and, in the absence  
5 of corrective action by the General Assembly, the new benefit  
6 increase shall expire at the end of the fiscal year in which  
7 the certification is made.

8 (c-5) Notwithstanding any other provision of this Code or  
9 any subsequent amendment of this Code, beginning on the  
10 effective date of this amendatory Act of the 97th General  
11 Assembly, every new benefit increase is also contingent upon  
12 each pension or retirement system that is created under Article  
13 2, 14, 15, 16, or 18 (i) having been at least 90% funded  
14 according to its most recent annual actuarial valuation and  
15 (ii) having received any required State contributions that have  
16 come due since the most recent annual actuarial valuation. A  
17 new benefit increase that does not satisfy this additional  
18 requirement is null and void, unless the enactment of that new  
19 benefit increase is required to maintain qualified plan status.

20 (d) Every new benefit increase shall expire 5 years after  
21 its effective date or on such earlier date as may be specified  
22 in the language enacting the new benefit increase or provided  
23 under subsection (c). This does not prevent the General  
24 Assembly from extending or re-creating a new benefit increase  
25 by law.

26 (e) Except as otherwise provided in the language creating

1 the new benefit increase, a new benefit increase that expires  
2 under this Section continues to apply to persons who applied  
3 and qualified for the affected benefit while the new benefit  
4 increase was in effect and to the affected beneficiaries and  
5 alternate payees of such persons, but does not apply to any  
6 other person, including without limitation a person who  
7 continues in service after the expiration date and did not  
8 apply and qualify for the affected benefit while the new  
9 benefit increase was in effect.

10 (Source: P.A. 94-4, eff. 6-1-05; 95-910, eff. 8-26-08.)

11 (40 ILCS 5/18-169)

12 Sec. 18-169. Application and expiration of new benefit  
13 increases.

14 (a) As used in this Section, "new benefit increase" means  
15 an increase in the amount of any benefit provided under this  
16 Article, or an expansion of the conditions of eligibility for  
17 any benefit under this Article, that results from an amendment  
18 to this Code that takes effect after the effective date of this  
19 amendatory Act of the 94th General Assembly.

20 (b) Notwithstanding any other provision of this Code or any  
21 subsequent amendment to this Code, every new benefit increase  
22 is subject to this Section and shall be deemed to be granted  
23 only in conformance with and contingent upon compliance with  
24 the provisions of this Section.

25 (c) The Public Act enacting a new benefit increase must

1 identify and provide for payment to the System of additional  
2 funding at least sufficient to fund the resulting annual  
3 increase in cost to the System as it accrues.

4 Every new benefit increase is contingent upon the General  
5 Assembly providing the additional funding required under this  
6 subsection. The Commission on Government Forecasting and  
7 Accountability shall analyze whether adequate additional  
8 funding has been provided for the new benefit increase and  
9 shall report its analysis to the Public Pension Division of the  
10 Department of Financial and Professional Regulation. A new  
11 benefit increase created by a Public Act that does not include  
12 the additional funding required under this subsection is null  
13 and void. If the Public Pension Division determines that the  
14 additional funding provided for a new benefit increase under  
15 this subsection is or has become inadequate, it may so certify  
16 to the Governor and the State Comptroller and, in the absence  
17 of corrective action by the General Assembly, the new benefit  
18 increase shall expire at the end of the fiscal year in which  
19 the certification is made.

20 (c-5) Notwithstanding any other provision of this Code or  
21 any subsequent amendment of this Code, beginning on the  
22 effective date of this amendatory Act of the 97th General  
23 Assembly, every new benefit increase is also contingent upon  
24 each pension or retirement system that is created under Article  
25 2, 14, 15, 16, or 18 (i) having been at least 90% funded  
26 according to its most recent annual actuarial valuation and

1 (ii) having received any required State contributions that have  
2 come due since the most recent annual actuarial valuation. A  
3 new benefit increase that does not satisfy this additional  
4 requirement is null and void, unless the enactment of that new  
5 benefit increase is required to maintain qualified plan status.

6 (d) Every new benefit increase shall expire 5 years after  
7 its effective date or on such earlier date as may be specified  
8 in the language enacting the new benefit increase or provided  
9 under subsection (c). This does not prevent the General  
10 Assembly from extending or re-creating a new benefit increase  
11 by law.

12 (e) Except as otherwise provided in the language creating  
13 the new benefit increase, a new benefit increase that expires  
14 under this Section continues to apply to persons who applied  
15 and qualified for the affected benefit while the new benefit  
16 increase was in effect and to the affected beneficiaries and  
17 alternate payees of such persons, but does not apply to any  
18 other person, including without limitation a person who  
19 continues in service after the expiration date and did not  
20 apply and qualify for the affected benefit while the new  
21 benefit increase was in effect.

22 (Source: P.A. 94-4, eff. 6-1-05.)