

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 6. The Illinois Pension Code is amended by changing  
5 Sections 2-108, 14-103.10, 15-111, and 16-121 and by adding  
6 Sections 2-105.1, 14-103.40, 15-107.1, and 16-106.4 as  
7 follows:

8 (40 ILCS 5/2-105.1 new)

9 Sec. 2-105.1. Tier I participant."Tier I participant": A  
10 participant who first became a participant before January 1,  
11 2011.

12 (40 ILCS 5/2-108) (from Ch. 108 1/2, par. 2-108)

13 Sec. 2-108. Salary. "Salary": (1) For members of the  
14 General Assembly, the total compensation paid to the member by  
15 the State for one year of service, including the additional  
16 amounts, if any, paid to the member as an officer pursuant to  
17 Section 1 of "An Act in relation to the compensation and  
18 emoluments of the members of the General Assembly", approved  
19 December 6, 1907, as now or hereafter amended.

20 (2) For the State executive officers specified in Section  
21 2-105, the total compensation paid to the member for one year  
22 of service.

1           (3) For members of the System who are participants under  
2 Section 2-117.1, or who are serving as Clerk or Assistant Clerk  
3 of the House of Representatives or Secretary or Assistant  
4 Secretary of the Senate, the total compensation paid to the  
5 member for one year of service, but not to exceed the salary of  
6 the highest salaried officer of the General Assembly.

7           However, in the event that federal law results in any  
8 participant receiving imputed income based on the value of  
9 group term life insurance provided by the State, such imputed  
10 income shall not be included in salary for the purposes of this  
11 Article.

12           Notwithstanding any other provision of this Code, the  
13 salary of a Tier I participant for the purposes of this Code  
14 shall not exceed, for periods of service in a term of office  
15 beginning on or after the effective date of this amendatory Act  
16 of the 98th General Assembly, the greater of (i) the annual  
17 contribution and benefit base established for the applicable  
18 year by the Commissioner of Social Security under the federal  
19 Social Security Act or (ii) the annual salary of the  
20 participant during the 365 days immediately preceding that  
21 effective date.

22           (Source: P.A. 86-27; 86-273; 86-1028; 86-1488.)

23           (40 ILCS 5/14-103.10) (from Ch. 108 1/2, par. 14-103.10)  
24           Sec. 14-103.10. Compensation.

25           (a) For periods of service prior to January 1, 1978, the

1 full rate of salary or wages payable to an employee for  
2 personal services performed if he worked the full normal  
3 working period for his position, subject to the following  
4 maximum amounts: (1) prior to July 1, 1951, \$400 per month or  
5 \$4,800 per year; (2) between July 1, 1951 and June 30, 1957  
6 inclusive, \$625 per month or \$7,500 per year; (3) beginning  
7 July 1, 1957, no limitation.

8 In the case of service of an employee in a position  
9 involving part-time employment, compensation shall be  
10 determined according to the employees' earnings record.

11 (b) For periods of service on and after January 1, 1978,  
12 all remuneration for personal services performed defined as  
13 "wages" under the Social Security Enabling Act, including that  
14 part of such remuneration which is in excess of any maximum  
15 limitation provided in such Act, and including any benefits  
16 received by an employee under a sick pay plan in effect before  
17 January 1, 1981, but excluding lump sum salary payments:

- 18 (1) for vacation,  
19 (2) for accumulated unused sick leave,  
20 (3) upon discharge or dismissal,  
21 (4) for approved holidays.

22 (c) For periods of service on or after December 16, 1978,  
23 compensation also includes any benefits, other than lump sum  
24 salary payments made at termination of employment, which an  
25 employee receives or is eligible to receive under a sick pay  
26 plan authorized by law.

1 (d) For periods of service after September 30, 1985,  
2 compensation also includes any remuneration for personal  
3 services not included as "wages" under the Social Security  
4 Enabling Act, which is deducted for purposes of participation  
5 in a program established pursuant to Section 125 of the  
6 Internal Revenue Code or its successor laws.

7 (e) For members for which Section 1-160 applies for periods  
8 of service on and after January 1, 2011, all remuneration for  
9 personal services performed defined as "wages" under the Social  
10 Security Enabling Act, excluding remuneration that is in excess  
11 of the annual earnings, salary, or wages of a member or  
12 participant, as provided in subsection (b-5) of Section 1-160,  
13 but including any benefits received by an employee under a sick  
14 pay plan in effect before January 1, 1981. Compensation shall  
15 exclude lump sum salary payments:

- 16 (1) for vacation;
- 17 (2) for accumulated unused sick leave;
- 18 (3) upon discharge or dismissal; and
- 19 (4) for approved holidays.

20 (f) Notwithstanding any other provision of this Code, the  
21 compensation of a Tier I member for the purposes of this Code  
22 shall not exceed, for periods of service on or after the  
23 effective date of this amendatory Act of the 98th General  
24 Assembly, the greater of (i) the annual contribution and  
25 benefit base established for the applicable year by the  
26 Commissioner of Social Security under the federal Social

1 Security Act or (ii) the annual compensation of the member  
2 during the 365 days immediately preceding that effective date;  
3 except that this limitation does not apply to a member's  
4 compensation that is determined under an employment contract or  
5 collective bargaining agreement that is in effect on the  
6 effective date of this amendatory Act of the 98th General  
7 Assembly and has not been amended or renewed after that date.

8 (Source: P.A. 96-1490, eff. 1-1-11.)

9 (40 ILCS 5/14-103.40 new)

10 Sec. 14-103.40. Tier I member. "Tier I member": A member of  
11 this System who first became a member or participant before  
12 January 1, 2011 under any reciprocal retirement system or  
13 pension fund established under this Code other than a  
14 retirement system or pension fund established under Article 2,  
15 3, 4, 5, 6, or 18 of this Code.

16 (40 ILCS 5/15-107.1 new)

17 Sec. 15-107.1. Tier I participant. "Tier I participant": A  
18 participant under this Article, other than a participant in the  
19 self-managed plan under Section 15-158.2, who first became a  
20 member or participant before January 1, 2011 under any  
21 reciprocal retirement system or pension fund established under  
22 this Code other than a retirement system or pension fund  
23 established under Article 2, 3, 4, 5, 6, or 18 of this Code.

1 (40 ILCS 5/15-111) (from Ch. 108 1/2, par. 15-111)

2 Sec. 15-111. Earnings. "Earnings": An amount paid for  
3 personal services equal to the sum of the basic compensation  
4 plus extra compensation for summer teaching, overtime or other  
5 extra service. For periods for which an employee receives  
6 service credit under subsection (c) of Section 15-113.1 or  
7 Section 15-113.2, earnings are equal to the basic compensation  
8 on which contributions are paid by the employee during such  
9 periods. Compensation for employment which is irregular,  
10 intermittent and temporary shall not be considered earnings,  
11 unless the participant is also receiving earnings from the  
12 employer as an employee under Section 15-107.

13 With respect to transition pay paid by the University of  
14 Illinois to a person who was a participating employee employed  
15 in the fire department of the University of Illinois's  
16 Champaign-Urbana campus immediately prior to the elimination  
17 of that fire department:

18 (1) "Earnings" includes transition pay paid to the  
19 employee on or after the effective date of this amendatory  
20 Act of the 91st General Assembly.

21 (2) "Earnings" includes transition pay paid to the  
22 employee before the effective date of this amendatory Act  
23 of the 91st General Assembly only if (i) employee  
24 contributions under Section 15-157 have been withheld from  
25 that transition pay or (ii) the employee pays to the System  
26 before January 1, 2001 an amount representing employee

1 contributions under Section 15-157 on that transition pay.  
2 Employee contributions under item (ii) may be paid in a  
3 lump sum, by withholding from additional transition pay  
4 accruing before January 1, 2001, or in any other manner  
5 approved by the System. Upon payment of the employee  
6 contributions on transition pay, the corresponding  
7 employer contributions become an obligation of the State.

8 Notwithstanding any other provision of this Code, the  
9 earnings of a Tier I participant for the purposes of this Code  
10 shall not exceed, for periods of service on or after the  
11 effective date of this amendatory Act of the 98th General  
12 Assembly, the greater of (i) the annual contribution and  
13 benefit base established for the applicable year by the  
14 Commissioner of Social Security under the federal Social  
15 Security Act or (ii) the annual earnings of the participant  
16 during the 365 days immediately preceding that effective date;  
17 except that this limitation does not apply to a participant's  
18 earnings that are determined under an employment contract or  
19 collective bargaining agreement that is in effect on the  
20 effective date of this amendatory Act of the 98th General  
21 Assembly and has not been amended or renewed after that date.

22 (Source: P.A. 91-887, eff. 7-6-00.)

23 (40 ILCS 5/16-106.4 new)

24 Sec. 16-106.4. Tier I member. "Tier I member": A member  
25 under this Article who first became a member or participant

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

5 (40 ILCS 5/16-121) (from Ch. 108 1/2, par. 16-121)

6 Sec. 16-121. Salary. "Salary": The actual compensation  
7 received by a teacher during any school year and recognized by  
8 the system in accordance with rules of the board. For purposes  
9 of this Section, "school year" includes the regular school term  
10 plus any additional period for which a teacher is compensated  
11 and such compensation is recognized by the rules of the board.

12 Notwithstanding any other provision of this Code, the  
13 salary of a Tier I member for the purposes of this Code shall  
14 not exceed, for periods of service on or after the effective  
15 date of this amendatory Act of the 98th General Assembly, the  
16 greater of (i) the annual contribution and benefit base  
17 established for the applicable year by the Commissioner of  
18 Social Security under the federal Social Security Act or (ii)  
19 the annual salary of the member during the 365 days immediately  
20 preceding that effective date; except that this limitation does  
21 not apply to a member's salary that is determined under an  
22 employment contract or collective bargaining agreement that is  
23 in effect on the effective date of this amendatory Act of the  
24 98th General Assembly and has not been amended or renewed after  
25 that date.



1 (Source: P.A. 84-1028.)

2 Section 90. The State Mandates Act is amended by adding  
3 Section 8.37 as follows:

4 (30 ILCS 805/8.37 new)

5 Sec. 8.37. Exempt mandate. Notwithstanding Sections 6 and 8  
6 of this Act, no reimbursement by the State is required for the  
7 implementation of any mandate created by this amendatory Act of  
8 the 98th General Assembly.

9 Section 99. Effective date. This Act takes effect upon  
10 becoming law.