



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB3264

by Rep. Pam Roth

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.

LRB098 08264 EFG 38366 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 98th 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 98th 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 98th 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 98th 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 98th 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 98th 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 98th 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.