



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB3291

by Rep. Jeanne M Ives

SYNOPSIS AS INTRODUCED:

40 ILCS 5/2-101	from Ch. 108 1/2, par. 2-101
40 ILCS 5/2-105	from Ch. 108 1/2, par. 2-105
40 ILCS 5/2-107	from Ch. 108 1/2, par. 2-107
40 ILCS 5/7-137	from Ch. 108 1/2, par. 7-137
40 ILCS 5/8-113	from Ch. 108 1/2, par. 8-113
40 ILCS 5/8-243	from Ch. 108 1/2, par. 8-243
40 ILCS 5/9-108	from Ch. 108 1/2, par. 9-108

Amends the Illinois Pension Code. in the General Assembly Article, restricts participation in the General Assembly Retirement System to persons who become participants before the effective date and provides that, beginning on that date, the System shall not accept any new participants. Makes related changes. In the Illinois Municipal Retirement Fund (IMRF), Chicago Municipal, and Cook County Articles, provides that a person who holds part-time elective office is not an employee, contributor, or participant with respect to that office, unless he or she (i) was elected to that office before the effective date and (ii) has elected while in that office to become a contributor. Provides that an elective office shall be presumed to be part-time in the absence of an official job description or determination by the legal advisor of the applicable unit of local government, filed with the Board of the Fund, declaring the elective office to be full-time.

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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 2-101, 2-105, 2-107, 7-137, 8-113, 8-243, and 9-108 as
6 follows:

7 (40 ILCS 5/2-101) (from Ch. 108 1/2, par. 2-101)

8 Sec. 2-101. Creation of system. A retirement system is
9 created to provide retirement annuities, survivor's annuities
10 and other benefits for certain members of the General Assembly,
11 certain elected state officials, and their beneficiaries.

12 The system shall be known as the "General Assembly
13 Retirement System". All its funds and property shall be a trust
14 separate from all other entities, maintained for the purpose of
15 securing payment of annuities and benefits under this Article.

16 Participation in the retirement system created under this
17 Article is restricted to persons who become participants before
18 the effective date of this amendatory Act of the 98th General
19 Assembly. Beginning on that date, the System shall not accept
20 any new participants.

21 (Source: P.A. 83-1440.)

22 (40 ILCS 5/2-105) (from Ch. 108 1/2, par. 2-105)

1 Sec. 2-105. Member. "Member": Members of the General
2 Assembly of this State, including persons who enter military
3 service while a member of the General Assembly, and any person
4 serving as Governor, Lieutenant Governor, Secretary of State,
5 Treasurer, Comptroller, or Attorney General for the period of
6 service in such office.

7 Any person who has served for 10 or more years as Clerk or
8 Assistant Clerk of the House of Representatives, Secretary or
9 Assistant Secretary of the Senate, or any combination thereof,
10 may elect to become a member of this system while thenceforth
11 engaged in such service by filing a written election with the
12 board. Any person so electing shall be deemed an active member
13 of the General Assembly for the purpose of validating and
14 transferring any service credits earned under any of the funds
15 and systems established under Articles 3 through 18 of this
16 Code.

17 However, notwithstanding any other provision of this
18 Article, a person shall not be deemed a member for the purposes
19 of this Article unless he or she became a participant of the
20 System before the effective date of this amendatory Act of the
21 98th General Assembly.

22 (Source: P.A. 85-1008.)

23 (40 ILCS 5/2-107) (from Ch. 108 1/2, par. 2-107)

24 Sec. 2-107. Participant. "Participant": Any member who
25 elects to participate; and any former member who elects to

1 continue participation under Section 2-117.1, for the duration
2 of such continued participation. However, notwithstanding any
3 other provision of this Article, a person shall not be deemed a
4 participant for the purposes of this Article unless he or she
5 became a participant of the System before the effective date of
6 this amendatory Act of the 98th General Assembly.

7 (Source: P.A. 86-1488.)

8 (40 ILCS 5/7-137) (from Ch. 108 1/2, par. 7-137)

9 Sec. 7-137. Participating and covered employees.

10 (a) The persons described in this paragraph (a) shall be
11 included within and be subject to this Article and eligible to
12 benefits from this fund, beginning upon the dates hereinafter
13 specified:

14 1. Except as to the employees specifically excluded
15 under the provisions of this Article, all persons who are
16 employees of any municipality (or instrumentality thereof)
17 or participating instrumentality on the effective date of
18 participation of the municipality or participating
19 instrumentality beginning upon such effective date.

20 2. Except as to the employees specifically excluded
21 under the provisions of this Article, all persons, who
22 became employees of any participating municipality (or
23 instrumentality thereof) or participating instrumentality
24 after the effective date of participation of such
25 municipality or participating instrumentality, beginning

1 upon the date such person becomes an employee.

2 3. All persons who file notice with the board as
3 provided in paragraph (b) 2 and 3 of this Section,
4 beginning upon the date of filing such notice.

5 (b) The following described persons shall not be considered
6 participating employees eligible for benefits from this fund,
7 but shall be included within and be subject to this Article
8 (each of the descriptions is not exclusive but is cumulative):

9 1. Any person who occupies an office or is employed in
10 a position normally requiring performance of duty during
11 less than 600 hours a year for a municipality (including
12 all instrumentalities thereof) or a participating
13 instrumentality. If a school treasurer performs services
14 for more than one school district, the total number of
15 hours of service normally required for the several school
16 districts shall be considered to determine whether he
17 qualifies under this paragraph;

18 2. Any person who holds full-time elective office,
19 unless he or she has elected while in that office in a
20 written notice on file with the board to become a
21 participating employee;

22 2a. Any person who holds part-time elective office,
23 unless he or she (i) was elected to that office before the
24 effective date of this amendatory Act of the 98th General
25 Assembly and (ii) has elected while in that office in a
26 written notice on file with the board to become a

1 participating employee. An elective office shall be
2 presumed to be part-time in the absence of an official job
3 description or determination by the legal advisor of the
4 applicable participating municipality or participating
5 instrumentality, filed with the Board, declaring the
6 elective position to be full-time;

7 3. Any person working for a city hospital unless any
8 such person, while in active employment, has elected in a
9 written notice on file with the board to become a
10 participating employee and notification thereof is
11 received by the board;

12 4. Any person who becomes an employee after June 30,
13 1979 as a public service employment program participant
14 under the federal Comprehensive Employment and Training
15 Act and whose wages or fringe benefits are paid in whole or
16 in part by funds provided under such Act;

17 5. Any person who is actively employed by a
18 municipality on its effective date of participation in the
19 Fund if that municipality (i) has at least 35 employees on
20 its effective date of participation; (ii) is located in a
21 county with at least 2,000,000 inhabitants; and (iii)
22 maintains an independent defined benefit pension plan for
23 the benefit of its eligible employees, unless the person
24 files with the board within 90 days after the
25 municipality's effective date of participation an
26 irrevocable election to participate.

1 (c) Any person electing to be a participating employee,
2 pursuant to paragraph (b) of this Section may not change such
3 election, except as provided in Section 7-137.1.

4 (d) Any employee who occupied the position of school nurse
5 in any participating municipality on August 8, 1961 and
6 continuously thereafter until the effective date of the
7 exercise of the option authorized by this subparagraph, who on
8 August 7, 1961 was a member of the Teachers' Retirement System
9 of Illinois, by virtue of certification by the Department of
10 Registration and Education as a public health nurse, may elect
11 to terminate participation in this Fund in order to
12 re-establish membership in such System. The election may be
13 exercised by filing written notice thereof with the Board or
14 with the Board of Trustees of said Teachers' Retirement System,
15 not later than September 30, 1963, and shall be effective on
16 the first day of the calendar month next following the month in
17 which the notice was filed. If the written notice is filed with
18 such Teachers' Retirement System, that System shall
19 immediately notify this Fund, but neither failure nor delay in
20 notification shall affect the validity of the employee's
21 election. If the option is exercised, the Fund shall notify
22 such Teachers' Retirement System of such fact and transfer to
23 that system the amounts contributed by the employee to this
24 Fund, including interest at 3% per annum, but excluding
25 contributions applicable to social security coverage during
26 the period beginning August 8, 1961 to the effective date of

1 the employee's election. Participation in this Fund as to any
2 credits on or after August 8, 1961 and up to the effective date
3 of the employee's election shall terminate on such effective
4 date.

5 (e) Any participating municipality or participating
6 instrumentality, other than a school district or special
7 education joint agreement created under Section 10-22.31 of the
8 School Code, may, by a resolution or ordinance duly adopted by
9 its governing body, elect to exclude from participation and
10 eligibility for benefits all persons who are employed after the
11 effective date of such resolution or ordinance and who occupy
12 an office or are employed in a position normally requiring
13 performance of duty for less than 1000 hours per year for the
14 participating municipality (including all instrumentalities
15 thereof) or participating instrumentality except for persons
16 employed in a position normally requiring performance of duty
17 for 600 hours or more per year (i) by such participating
18 municipality or participating instrumentality prior to the
19 effective date of the resolution or ordinance and (ii) by a
20 participating municipality or participating instrumentality,
21 which had not adopted such a resolution when the person was
22 employed, and the function served by the employee's position is
23 assumed by another participating municipality or participating
24 instrumentality. Notwithstanding the foregoing, a
25 participating municipality or participating instrumentality
26 which is formed solely to succeed to the functions of a

1 participating municipality or participating instrumentality
2 shall be considered to have adopted any such resolution or
3 ordinance which may have been applicable to the employees
4 performing such functions. The election made by the resolution
5 or ordinance shall take effect at the time specified in the
6 resolution or ordinance, and once effective shall be
7 irrevocable.

8 (Source: P.A. 96-1140, eff. 7-21-10; 97-328, eff. 8-12-11;
9 97-609, eff. 1-1-12.)

10 (40 ILCS 5/8-113) (from Ch. 108 1/2, par. 8-113)

11 Sec. 8-113. Municipal employee, employee, contributor, or
12 participant. "Municipal employee", "employee", "contributor",
13 or "participant":

14 (a) Any employee of an employer employed in the classified
15 civil service thereof other than by temporary appointment or in
16 a position excluded or exempt from the classified service by
17 the Civil Service Act, or in the case of a city operating under
18 a personnel ordinance, any employee of an employer employed in
19 the classified or career service under the provisions of a
20 personnel ordinance, other than in a provisional or exempt
21 position as specified in such ordinance or in rules and
22 regulations formulated thereunder.

23 (b) Any employee in the service of an employer before the
24 Civil Service Act came in effect for the employer.

25 (c) Any person employed by the board.

1 (d) Any person employed after December 31, 1949, but prior
2 to January 1, 1984, in the service of the employer by temporary
3 appointment or in a position exempt from the classified service
4 as set forth in the Civil Service Act, or in a provisional or
5 exempt position as specified in the personnel ordinance, who
6 meets the following qualifications:

7 (1) has rendered service during not less than 12
8 calendar months to an employer as an employee, officer, or
9 official, 4 months of which must have been consecutive full
10 normal working months of service rendered immediately
11 prior to filing application to be included; and

12 (2) files written application with the board, while in
13 the service, to be included hereunder.

14 (e) After December 31, 1949, any alderman or other officer
15 or official of the employer, who files, while in office,
16 written application with the board to be included hereunder.
17 Notwithstanding any other provision of this Article, however, a
18 person who holds part-time elective city office is not an
19 employee, contributor, or participant with respect to that
20 office, unless he or she (i) was so elected before the
21 effective date of this amendatory Act of the 98th General
22 Assembly and (ii) has elected while in that office to become a
23 contributor. An elective city office shall be presumed to be
24 part-time in the absence of an official job description or
25 determination by the legal advisor of the city, filed with the
26 board, declaring the elective city office to be full-time.

1 (f) Beginning January 1, 1984, any person employed by an
2 employer other than the Chicago Housing Authority or the Public
3 Building Commission of the city, whether or not such person is
4 serving by temporary appointment or in a position exempt from
5 the classified service as set forth in the Civil Service Act,
6 or in a provisional or exempt position as specified in the
7 personnel ordinance, provided that such person is neither (1)
8 an alderman or other officer or official of the employer, nor
9 (2) participating, on the basis of such employment, in any
10 other pension fund or retirement system established under this
11 Act.

12 (g) After December 31, 1959, any person employed in the law
13 department of the city, or municipal court or Board of Election
14 Commissioners of the city, who was a contributor and
15 participant, on December 31, 1959, in the annuity and benefit
16 fund in operation in the city on said date, by virtue of the
17 Court and Law Department Employees' Annuity Act or the Board of
18 Election Commissioners Employees' Annuity Act.

19 After December 31, 1959, the foregoing definition includes
20 any other person employed or to be employed in the law
21 department, or municipal court (other than as a judge), or
22 Board of Election Commissioners (if his salary is provided by
23 appropriation of the city council of the city and his salary
24 paid by the city) -- subject, however, in the case of such
25 persons not participants on December 31, 1959, to compliance
26 with the same qualifications and restrictions otherwise set

1 forth in this Section and made generally applicable to
2 employees or officers of the city concerning eligibility for
3 participation or membership.

4 (h) After December 31, 1965, any person employed in the
5 public library of the city -- and any other person -- who was a
6 contributor and participant, on December 31, 1965, in the
7 pension fund in operation in the city on said date, by virtue
8 of the Public Library Employees' Pension Act.

9 (i) After December 31, 1968, any person employed in the
10 house of correction of the city, who was a contributor and
11 participant, on December 31, 1968, in the pension fund in
12 operation in the city on said date, by virtue of the House of
13 Correction Employees' Pension Act.

14 (j) Any person employed full-time on or after the effective
15 date of this amendatory Act of the 92nd General Assembly by the
16 Chicago Housing Authority who has elected to participate in
17 this Fund as provided in subsection (a) of Section 8-230.9.

18 (k) Any person employed full-time by the Public Building
19 Commission of the city who has elected to participate in this
20 Fund as provided in subsection (d) of Section 8-230.7.

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

22 (40 ILCS 5/8-243) (from Ch. 108 1/2, par. 8-243)

23 Sec. 8-243. Service as alderman or member of city council.
24 Whenever any person has served or hereafter serves as a duly
25 elected alderman or member of the city council of any city of

1 more than 500,000 inhabitants and is or hereafter becomes a
2 contributing participant in any pension fund or any annuity and
3 benefit fund in existence in such city by operation of law, the
4 period of service as such alderman or member of the city
5 council shall be counted as a period of service in computing
6 any annuity or pension which such person may become entitled to
7 receive from such fund upon separation from the service, except
8 as ruled out for minimum annuity purposes in Section
9 8-232(a)(3), and except that service in a part-time elective
10 office of the city shall not be counted unless the official was
11 so elected before the effective date of this amendatory Act of
12 the 98th General Assembly. An elective office shall be presumed
13 to be part-time in the absence of an official job description
14 or determination by the legal advisor of the city, filed with
15 the Board, declaring the elective position to be full-time.

16 (Source: Laws 1963, p. 161.)

17 (40 ILCS 5/9-108) (from Ch. 108 1/2, par. 9-108)

18 Sec. 9-108. "Employee", "contributor" or "participant".

19 (a) Any employee of the county employed in any position in
20 the classified civil service of the county, or in any position
21 under the County Police Merit Board as a deputy sheriff in the
22 County Police Department.

23 Any such employee employed after January 1, 1968 and before
24 January 1, 1984 shall be entitled only to the benefits provided
25 in Sections 9-147 and 9-156, prior to the earlier of completion

1 of 12 consecutive calendar months of service and January 1,
2 1984, and no contributions shall be made by him during this
3 period. Upon the completion of said period contributions shall
4 begin and the employee shall become entitled to the benefits of
5 this Article.

6 Any such employee may elect to make contributions for such
7 period and receive credit therefor under rules prescribed by
8 the board.

9 Any such employee in service on or after January 1, 1984,
10 regardless of when he became an employee, shall be deemed a
11 participant and contributor to the fund created by this Article
12 and the employee shall be entitled to the benefits of this
13 Article.

14 (b) Any employee of the county employed in any position not
15 included in the classified civil service of the county whose
16 salary or wage is paid in whole or in part by the county. Any
17 such employee employed after July 1, 1957, and before January
18 1, 1984, shall be entitled only to the benefits provided in
19 Sections 9-147 and 9-156, prior to the earlier of completion of
20 12 consecutive calendar months of service and January 1, 1984,
21 and no contributions shall be made by him during this period.
22 Upon the completion of said period contributions shall begin
23 and the employee shall become entitled to the benefits of this
24 Article.

25 Any such employee may elect to make contributions for such
26 period and receive credit therefor under rules prescribed by

1 the board.

2 Any such employee in service on or after January 1, 1984,
3 regardless of when he became an employee, shall be deemed a
4 participant and contributor to the fund created by this Article
5 and the employee shall be entitled to the benefits of this
6 Article.

7 (c) Any full-time county officer elected by vote of the
8 people, including a member of the county board, when such
9 officer elects to become a contributor. A person who holds a
10 part-time elective county office is not an employee,
11 contributor, or participant with respect to that office, unless
12 he or she (i) was elected to that office before the effective
13 date of this amendatory Act of the 98th General Assembly and
14 (ii) has elected while in that office to become a contributor.
15 An elective county office shall be presumed to be part-time in
16 the absence of an official job description or determination by
17 the legal advisor of the county, filed with the Board,
18 declaring the elective county office to be full-time.

19 (d) Any person employed by the board.

20 (e) Employees of a County Department of Public Aid in
21 counties of 3,000,000 or more population who are transferred to
22 State employment by operation of law enacted by the 76th
23 General Assembly and who elect not to become members of the
24 Retirement System established under Article 14 of this Code as
25 of the date they become State employees shall retain their
26 membership in the fund established in this Article 9 until the

1 first day of the calendar month next following the date on
2 which they become State employees, at which time they shall
3 become members of the System established under Article 14.

4 (f) If, by operation of law, a function of a "Governmental
5 Unit", as such term is defined in the "Retirement Systems
6 Reciprocal Act" in Article 20 of the Illinois Pension Code, is
7 transferred in whole or in part to the county in which this
8 Article is in force and effect, and employees are transferred
9 as a group or class to such county service, such transferred
10 employee shall, if on the day immediately prior to the date of
11 such transfer he was a contributor and participant in the
12 annuity and benefit fund or retirement system in operation in
13 such other "Governmental Unit" for employees of such Unit,
14 immediately upon such transfer be deemed a participant and
15 contributor to the fund created by this Article.

16 (Source: P.A. 90-655, eff. 7-30-98.)