

# HB3371



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

HB3371

by Rep. Thomas Morrison

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/16-127

from Ch. 108 1/2, par. 16-127

Amends the Downstate Teacher Article of the Illinois Pension Code. Provides that optional service credit shall not be granted after the effective date of this amendatory Act. Effective immediately.

LRB098 07117 EFG 37178 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

A BILL FOR

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 Section 16-127 as follows:

6 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

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

8 (a) Each member shall receive regular credit for all  
9 service as a teacher from the date membership begins, for which  
10 satisfactory evidence is supplied and all contributions have  
11 been paid.

12 (b) The following periods of service shall earn optional  
13 credit and each member shall receive credit for all such  
14 service for which satisfactory evidence is supplied and all  
15 contributions have been paid as of the date specified, but no  
16 such credit shall be granted after the effective date of this  
17 amendatory Act of the 98th General Assembly:

18 (1) Prior service as a teacher.

19 (2) Service in a capacity essentially similar or  
20 equivalent to that of a teacher, in the public common  
21 schools in school districts in this State not included  
22 within the provisions of this System, or of any other  
23 State, territory, dependency or possession of the United

1 States, or in schools operated by or under the auspices of  
2 the United States, or under the auspices of any agency or  
3 department of any other State, and service during any  
4 period of professional speech correction or special  
5 education experience for a public agency within this State  
6 or any other State, territory, dependency or possession of  
7 the United States, and service prior to February 1, 1951 as  
8 a recreation worker for the Illinois Department of Public  
9 Safety, for a period not exceeding the lesser of 2/5 of the  
10 total creditable service of the member or 10 years. The  
11 maximum service of 10 years which is allowable under this  
12 paragraph shall be reduced by the service credit which is  
13 validated by other retirement systems under paragraph (i)  
14 of Section 15-113 and paragraph 1 of Section 17-133. Credit  
15 granted under this paragraph may not be used in  
16 determination of a retirement annuity or disability  
17 benefits unless the member has at least 5 years of  
18 creditable service earned subsequent to this employment  
19 with one or more of the following systems: Teachers'  
20 Retirement System of the State of Illinois, State  
21 Universities Retirement System, and the Public School  
22 Teachers' Pension and Retirement Fund of Chicago. Whenever  
23 such service credit exceeds the maximum allowed for all  
24 purposes of this Article, the first service rendered in  
25 point of time shall be considered. The changes to this  
26 subdivision (b) (2) made by Public Act 86-272 shall apply

1 not only to persons who on or after its effective date  
2 (August 23, 1989) are in service as a teacher under the  
3 System, but also to persons whose status as such a teacher  
4 terminated prior to such effective date, whether or not  
5 such person is an annuitant on that date.

6 (3) Any periods immediately following teaching  
7 service, under this System or under Article 17, (or  
8 immediately following service prior to February 1, 1951 as  
9 a recreation worker for the Illinois Department of Public  
10 Safety) spent in active service with the military forces of  
11 the United States; periods spent in educational programs  
12 that prepare for return to teaching sponsored by the  
13 federal government following such active military service;  
14 if a teacher returns to teaching service within one  
15 calendar year after discharge or after the completion of  
16 the educational program, a further period, not exceeding  
17 one calendar year, between time spent in military service  
18 or in such educational programs and the return to  
19 employment as a teacher under this System; and a period of  
20 up to 2 years of active military service not immediately  
21 following employment as a teacher.

22 The changes to this Section and Section 16-128 relating  
23 to military service made by P.A. 87-794 shall apply not  
24 only to persons who on or after its effective date are in  
25 service as a teacher under the System, but also to persons  
26 whose status as a teacher terminated prior to that date,

1           whether or not the person is an annuitant on that date. In  
2           the case of an annuitant who applies for credit allowable  
3           under this Section for a period of military service that  
4           did not immediately follow employment, and who has made the  
5           required contributions for such credit, the annuity shall  
6           be recalculated to include the additional service credit,  
7           with the increase taking effect on the date the System  
8           received written notification of the annuitant's intent to  
9           purchase the credit, if payment of all the required  
10          contributions is made within 60 days of such notice, or  
11          else on the first annuity payment date following the date  
12          of payment of the required contributions. In calculating  
13          the automatic annual increase for an annuity that has been  
14          recalculated under this Section, the increase attributable  
15          to the additional service allowable under P.A. 87-794 shall  
16          be included in the calculation of automatic annual  
17          increases accruing after the effective date of the  
18          recalculation.

19                Credit for military service shall be determined as  
20                follows: if entry occurs during the months of July, August,  
21                or September and the member was a teacher at the end of the  
22                immediately preceding school term, credit shall be granted  
23                from July 1 of the year in which he or she entered service;  
24                if entry occurs during the school term and the teacher was  
25                in teaching service at the beginning of the school term,  
26                credit shall be granted from July 1 of such year. In all

1 other cases where credit for military service is allowed,  
2 credit shall be granted from the date of entry into the  
3 service.

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

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

21 (5) (i) Any periods for which a teacher, as defined in  
22 Section 16-106, is granted a leave of absence, provided he  
23 or she returns to teaching service creditable under this  
24 System or the State Universities Retirement System  
25 following the leave; (ii) periods during which a teacher is  
26 involuntarily laid off from teaching, provided he or she

1 returns to teaching following the lay-off; (iii) periods  
2 prior to July 1, 1983 during which a teacher ceased covered  
3 employment due to pregnancy, provided that the teacher  
4 returned to teaching service creditable under this System  
5 or the State Universities Retirement System following the  
6 pregnancy and submits evidence satisfactory to the Board  
7 documenting that the employment ceased due to pregnancy;  
8 and (iv) periods prior to July 1, 1983 during which a  
9 teacher ceased covered employment for the purpose of  
10 adopting an infant under 3 years of age or caring for a  
11 newly adopted infant under 3 years of age, provided that  
12 the teacher returned to teaching service creditable under  
13 this System or the State Universities Retirement System  
14 following the adoption and submits evidence satisfactory  
15 to the Board documenting that the employment ceased for the  
16 purpose of adopting an infant under 3 years of age or  
17 caring for a newly adopted infant under 3 years of age.  
18 However, total credit under this paragraph (5) may not  
19 exceed 3 years.

20 Any qualified member or annuitant may apply for credit  
21 under item (iii) or (iv) of this paragraph (5) without  
22 regard to whether service was terminated before the  
23 effective date of this amendatory Act of 1997. In the case  
24 of an annuitant who establishes credit under item (iii) or  
25 (iv), the annuity shall be recalculated to include the  
26 additional service credit. The increase in annuity shall

1 take effect on the date the System receives written  
2 notification of the annuitant's intent to purchase the  
3 credit, if the required evidence is submitted and the  
4 required contribution paid within 60 days of that  
5 notification, otherwise on the first annuity payment date  
6 following the System's receipt of the required evidence and  
7 contribution. The increase in an annuity recalculated  
8 under this provision shall be included in the calculation  
9 of automatic annual increases in the annuity accruing after  
10 the effective date of the recalculation.

11 Optional credit may be purchased under this subsection  
12 (b) (5) for periods during which a teacher has been granted  
13 a leave of absence pursuant to Section 24-13 of the School  
14 Code. A teacher whose service under this Article terminated  
15 prior to the effective date of P.A. 86-1488 shall be  
16 eligible to purchase such optional credit. If a teacher who  
17 purchases this optional credit is already receiving a  
18 retirement annuity under this Article, the annuity shall be  
19 recalculated as if the annuitant had applied for the leave  
20 of absence credit at the time of retirement. The difference  
21 between the entitled annuity and the actual annuity shall  
22 be credited to the purchase of the optional credit. The  
23 remainder of the purchase cost of the optional credit shall  
24 be paid on or before April 1, 1992.

25 The change in this paragraph made by Public Act 86-273  
26 shall be applicable to teachers who retire after June 1,



1 1989, as well as to teachers who are in service on that  
2 date.

3 (6) Any days of unused and uncompensated accumulated  
4 sick leave earned by a teacher. The service credit granted  
5 under this paragraph shall be the ratio of the number of  
6 unused and uncompensated accumulated sick leave days to 170  
7 days, subject to a maximum of 2 years of service credit.  
8 Prior to the member's retirement, each former employer  
9 shall certify to the System the number of unused and  
10 uncompensated accumulated sick leave days credited to the  
11 member at the time of termination of service. The period of  
12 unused sick leave shall not be considered in determining  
13 the effective date of retirement. A member is not required  
14 to make contributions in order to obtain service credit for  
15 unused sick leave.

16 Credit for sick leave shall, at retirement, be granted  
17 by the System for any retiring regional or assistant  
18 regional superintendent of schools at the rate of 6 days  
19 per year of creditable service or portion thereof  
20 established while serving as such superintendent or  
21 assistant superintendent.

22 (7) Periods prior to February 1, 1987 served as an  
23 employee of the Illinois Mathematics and Science Academy  
24 for which credit has not been terminated under Section  
25 15-113.9 of this Code.

26 (8) Service as a substitute teacher for work performed

1 prior to July 1, 1990.

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

4 (10) Up to 2 years of employment with Southern Illinois  
5 University - Carbondale from September 1, 1959 to August  
6 31, 1961, or with Governors State University from September  
7 1, 1972 to August 31, 1974, for which the teacher has no  
8 credit under Article 15. To receive credit under this item  
9 (10), a teacher must apply in writing to the Board and pay  
10 the required contributions before May 1, 1993 and have at  
11 least 12 years of service credit under this Article.

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

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

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

11           Credit may not be granted under this Section covering any  
12 period for which an age retirement or disability retirement  
13 allowance has been paid.

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

15           Section 99. Effective date. This Act takes effect upon  
16 becoming law.