



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB3665

by Rep. Darlene J. Senger

SYNOPSIS AS INTRODUCED:

40 ILCS 5/1-136 new

Amends the Illinois Pension Code. Provides that if a member or participant of a pension fund or retirement system established under the Code is convicted of, or pleads guilty to, intimidation by a public official, bribery, official misconduct, engaging in kickbacks, fraudulently obtaining public moneys reserved for a disadvantaged business enterprise, or certain theft offenses, then none of the benefits that are provided for under the Code and that are attributable to the service of that person shall be paid. Provides that if a member or participant of a pension fund or retirement system established under the Code is receiving an annuity or pension from a pension fund or retirement system established under the Code and is convicted of, or pleads guilty to, a felony (other than intimidation by a public official, bribery, official misconduct, engaging in kickbacks, fraudulently obtaining public moneys reserved for a disadvantaged business enterprise, certain theft offenses, or any other felony requiring the forfeiture of that annuity or pension under the Code), then the board of trustees of that fund or system shall suspend the payment of that annuity or pension during that individual's incarceration for that offense. Provides that, upon completion of the term of incarceration for that offense, the member or participant may seek reinstatement of his or her annuity or pension by filing a request for reinstatement of benefits with the applicable pension fund or retirement system in the manner prescribed by the applicable fund or system.

LRB098 13542 JDS 48067 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 adding
5 Section 1-136 as follows:

6 (40 ILCS 5/1-136 new)

7 Sec. 1-136. Public corruption and other qualifying felony
8 convictions.

9 (a) If a member or participant of a pension fund or
10 retirement system established under this Code is convicted of,
11 or pleads guilty to, violating paragraph (6) of subsection (a)
12 of Section 12-6, subsection (a) of Section 33-1, Section 33-3,
13 subsection (a) of Section 33E-7, or subsection (d) of Section
14 17-10.3 of the Criminal Code of 2012, or is sentenced for theft
15 of governmental property under paragraph (4.1), (5.1), or (6.1)
16 of subsection (b) of Section 16-1 of the Criminal Code of 2012,
17 then none of the benefits that are provided under this Code and
18 that are attributable to the service of that person shall be
19 paid.

20 (b) If a member or participant of a pension fund or
21 retirement system established under this Code is receiving an
22 annuity or pension from a pension fund or retirement system
23 established under this Code and is convicted of, or pleads

1 guilty to, a felony, other than a felony requiring the
2 forfeiture of that annuity or pension under subsection (a) of
3 this Section or any other provision of this Code, then the
4 board of trustees of that fund or system shall suspend the
5 payment of the annuity or pension for the duration of that
6 individual's incarceration for that offense. Upon completion
7 of the term of incarceration for that offense, the member or
8 participant may seek reinstatement of his or her annuity or
9 pension by filing a request for reinstatement of benefits with
10 the applicable pension fund or retirement system in the manner
11 prescribed by that fund or system.

12 (c) A person to whom this Section applies is entitled to a
13 refund of his or her unused employee contributions to the
14 extent that the refund of those contributions is necessary in
15 order for the pension fund or retirement system to maintain
16 qualified plan status under the federal Internal Revenue Code
17 of 1986.

18 (d) This Section applies without regard to whether the
19 member or participant is in active service on or after the
20 effective date of this amendatory Act of the 98th General
21 Assembly.