

**SB0040**



**98TH GENERAL ASSEMBLY**

**State of Illinois**

**2013 and 2014**

**SB0040**

Introduced 1/16/2013, by Sen. Tim Bivins

**SYNOPSIS AS INTRODUCED:**

40 ILCS 5/2-117  
40 ILCS 5/2-123

from Ch. 108 1/2, par. 2-117  
from Ch. 108 1/2, par. 2-123

Amends the General Assembly Article of the Illinois Pension Code. Provides that a person who is a member on the effective date of the amendatory Act may file a written notice of election not to participate in the General Assembly Retirement System within 24 months from the date of becoming a member or 18 months after the effective date of the amendatory Act, whichever is later. Provides that a person who makes that election shall, upon written request, receive a refund of his or her total contributions, without interest. Effective immediately.

LRB098 02804 JDS 32812 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 Sections 2-117 and 2-123 as follows:

6 (40 ILCS 5/2-117) (from Ch. 108 1/2, par. 2-117)

7 Sec. 2-117. Participants - Election not to participate.

8 (a) Every person who was a member on November 1, 1947, or  
9 in military service on such date, is subject to the provisions  
10 of this system beginning upon such date, unless prior to such  
11 date he or she filed with the board a written notice of  
12 election not to participate.

13 Except as provided in subsection (a-1), every ~~Every~~ person  
14 who becomes a member after November 1, 1947, and who is then  
15 not a participant becomes a participant beginning upon the date  
16 of becoming a member unless, within 24 months from that date,  
17 he or she has filed with the board a written notice of election  
18 not to participate.

19 (a-1) A person who is a member on the effective date of  
20 this amendatory Act of the 98th General Assembly may file his  
21 or her written notice of election not to participate within 24  
22 months from the date of becoming a member or 18 months after  
23 the effective date of this amendatory Act of the 98th General

1 Assembly, whichever is later.

2 (b) A member who has filed notice of an election not to  
3 participate (and a former member who has not yet begun to  
4 receive a retirement annuity under this Article) may become a  
5 participant with respect to the period for which the member  
6 elected not to participate upon filing with the board, before  
7 April 1, 1993, a written rescission of the election not to  
8 participate. Upon contributing an amount equal to the  
9 contributions he or she would have made as a participant from  
10 November 1, 1947, or the date of becoming a member, whichever  
11 is later, to the date of becoming a participant, with interest  
12 at the rate of 4% per annum until the contributions are paid,  
13 the participant shall receive credit for service as a member  
14 prior to the date of the rescission, both before and after  
15 November 1, 1947. The required contributions shall be made  
16 before commencement of the retirement annuity; otherwise no  
17 credit for service prior to the date of participation shall be  
18 granted.

19 (Source: P.A. 86-273; 87-1265.)

20 (40 ILCS 5/2-123) (from Ch. 108 1/2, par. 2-123)

21 Sec. 2-123. Refunds.

22 (a) A participant who ceases to be a member, other than an  
23 annuitant, and a member who ceases to be a participant under  
24 subsection (a-1) of Section 2-117 shall, upon written request,  
25 receive a refund of his or her total contributions, without

1 interest. The refund shall include the additional  
2 contributions for the automatic increase in retirement  
3 annuity. By accepting the refund, a participant forfeits all  
4 accrued rights and benefits in the System and loses credit for  
5 all service. However, if he or she again becomes a member, he  
6 or she may resume status as a participant and reestablish any  
7 forfeited service credit by paying to the System the full  
8 amount refunded, together with interest at 4% per annum from  
9 the time the refund is paid to the date the member again  
10 becomes a participant.

11 A former member of the General Assembly may reestablish any  
12 service credit forfeited by acceptance of a refund by paying to  
13 the System on or before February 1, 1993, the full amount  
14 refunded, together with interest at 4% per annum from the date  
15 of payment of the refund to the date of repayment.

16 When a member or former member owes money to the System,  
17 interest at the rate of 4% per annum shall accrue and be  
18 payable on such amounts owed beginning on the date of  
19 termination of service as a member until the contributions due  
20 have been paid in full.

21 (b) A participant who (1) has elected to cease making  
22 contributions for survivor's annuity under subsection (b) of  
23 Section 2-126, (2) has no eligible survivor's annuity  
24 beneficiary upon becoming an annuitant, or (3) terminates  
25 service with less than 8 years of service is entitled to a  
26 refund of the contributions for a survivor's annuity, without

1 interest. If the person later marries, a survivor's annuity  
2 shall not be payable upon his or her death, unless the amount  
3 of the refund is repaid to the System, together with interest  
4 at the rate of 4% per year from the date of refund to the date  
5 of repayment.

6 (c) If at the date of retirement or death of a participant  
7 who served as an officer of the General Assembly, the total  
8 period of such service is less than 4 years, the additional  
9 contributions made by such member on the additional salary as  
10 an officer shall be refunded unless the participant served as  
11 an officer for at least 2 years and has contributed the amount  
12 he or she would have contributed if he or she had served as an  
13 officer for 4 years as provided in Section 2-126.

14 (d) Upon the termination of the last survivor's annuity  
15 payable to a survivor of a deceased participant, the excess, if  
16 any, of the total contributions made by the participant for  
17 retirement and survivor's annuity, without interest, over the  
18 total amount of retirement and survivor's annuity payments  
19 received by the participant and the participant's survivors  
20 shall be refunded upon request:

21 (i) if there was a surviving spouse of the deceased  
22 participant who was eligible for a survivor's annuity, to  
23 the designated beneficiary of that spouse or, if the  
24 designated beneficiary is deceased or there is no  
25 designated beneficiary, to that spouse's estate;

26 (ii) if there was no eligible surviving spouse of the

1           deceased participant, to the designated beneficiary of the  
2           deceased participant or, if the designated beneficiary is  
3           deceased or there is no designated beneficiary, to the  
4           deceased participant's estate.

5           (e) Upon the death of a participant, if a survivor's  
6           annuity is not payable under this Article, a beneficiary  
7           designated by the participant shall be entitled to a refund of  
8           all contributions made by the participant. If the participant  
9           has not designated a refund beneficiary, the surviving spouse  
10          shall be entitled to the refund of contributions; if there is  
11          no surviving spouse, the contributions shall be refunded to the  
12          participant's surviving children, if any, and if no children  
13          survive, the refund payment shall be made to the participant's  
14          estate.

15          (Source: P.A. 90-448, eff. 8-16-97; 90-766, eff. 8-14-98.)

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