



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB1721

Introduced 2/15/2013, by Sen. John M. Sullivan

SYNOPSIS AS INTRODUCED:

40 ILCS 5/14-104.6
40 ILCS 5/14-108.2

from Ch. 108 1/2, par. 14-104.6
from Ch. 108 1/2, par. 14-108.2

Amends the Illinois Pension Code. Allows certain teachers employed by the Department of Corrections to transfer their participation and credits from the Teachers' Retirement System to the State Employees' Retirement System, upon payment of a specified contribution. Requires application within 45 days after the effective date. Provides that the transferred employees shall become noncovered employees and that the transferred service shall be deemed noncovered alternative formula service. Effective immediately.

LRB098 07075 EFG 37135 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 14-104.6 and 14-108.2 as follows:

6 (40 ILCS 5/14-104.6) (from Ch. 108 1/2, par. 14-104.6)

7 Sec. 14-104.6. Service transferred from Article 16.

8 Service also includes the following:

9 (a) Any period as a teacher employed by the Department of
10 Corrections for which credit was established under Article 16
11 of this Code, subject to the following conditions: (1) the
12 credits accrued for such employment under Article 16 have been
13 transferred to this System; and (2) the participant has
14 contributed to this System an amount equal to (A) employee
15 contributions at the rate in effect for noncoordinated eligible
16 creditable service at the date of membership in this System,
17 based upon the salary in effect during such period of service,
18 plus (B) the employer's share of the normal cost under this
19 System for each year that credit is being established, based on
20 the salary in effect during such period of service, plus (C)
21 regular interest, compounded annually, from July 1, 1987 or the
22 date of first membership in this System, whichever is later, to
23 the date of payment, less (D) the amount transferred on behalf

1 of the participant under Section 16-131.6.

2 (b) Any period as a security employee of the Department of
3 Human Services, as defined in Section 14-110, for which credit
4 was established under Article 16 of this Code, subject to the
5 following conditions: (1) the credits accrued for that
6 employment under Article 16 have been transferred to this
7 System; and (2) the participant has contributed to this System
8 an amount equal to (A) employee contributions at the rate in
9 effect for noncoordinated eligible creditable service at the
10 date of membership in this System, based upon the salary in
11 effect during the period of service, plus (B) the employer's
12 share of the normal cost under this System for each year that
13 credit is being established, based on the salary in effect
14 during the period of service, plus (C) regular interest,
15 compounded annually, from July 1, 2001 to the date of payment,
16 less (D) the amount transferred on behalf of the participant
17 under Section 16-131.6.

18 (c) Credit established under this Section shall be deemed
19 noncoordinated eligible creditable service as defined in
20 Section 14-110.

21 (Source: P.A. 92-14, eff. 6-28-01.)

22 (40 ILCS 5/14-108.2) (from Ch. 108 1/2, par. 14-108.2)
23 Sec. 14-108.2. Election to transfer participation from
24 TRS.

25 (a) Any person employed by the Department of Corrections

1 who is a member of the Teachers' Retirement System established
2 under Article 16 of this Code may elect to become a member of
3 this System on either June 1, 1987 or July 1, 1987, by
4 notifying the board of his election in writing on or before May
5 31, 1987.

6 For such persons electing to become covered employees,
7 participation in the Article 16 system shall terminate on June
8 1, 1987, and membership in this System shall begin on that
9 date.

10 For such persons electing to become noncovered employees,
11 participation in the Article 16 system shall terminate on July
12 1, 1987, and membership in this System shall begin on that
13 date.

14 (b) Any person employed by the Department of Corrections
15 who is a member of the Teachers' Retirement System established
16 under Article 16 of this Code may elect to become a member of
17 this System by notifying the board of his or her election in
18 writing within 30 days after the effective date of this
19 amendatory Act of the 98th General Assembly.

20 For such persons electing to become members, participation
21 in the Article 16 system shall terminate on the first day of
22 the third month following the month in which this amendatory
23 Act takes effect, and membership in this System shall begin on
24 that date. Such persons shall become noncovered employees.

25 (Source: P.A. 84-1472.)

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.