

**SB3517**



**98TH GENERAL ASSEMBLY**

**State of Illinois**

**2013 and 2014**

**SB3517**

Introduced 2/14/2014, by Sen. Daniel Biss

**SYNOPSIS AS INTRODUCED:**

40 ILCS 5/16-132

from Ch. 108 1/2, par. 16-132

Amends the Downstate Teacher Article of the Illinois Pension Code. Provides that the effective date of a retirement annuity shall be no earlier than 2 years before the date of receipt by the System of the application for retirement. Contains a nonacceleration provision.

LRB098 16952 EFG 52030 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 16-132 as follows:

6 (40 ILCS 5/16-132) (from Ch. 108 1/2, par. 16-132)

7 (Text of Section before amendment by P.A. 98-599)

8 Sec. 16-132. Retirement annuity eligibility. A member who  
9 has at least 20 years of creditable service is entitled to a  
10 retirement annuity upon or after attainment of age 55. A member  
11 who has at least 10 but less than 20 years of creditable  
12 service is entitled to a retirement annuity upon or after  
13 attainment of age 60. A member who has at least 5 but less than  
14 10 years of creditable service is entitled to a retirement  
15 annuity upon or after attainment of age 62. A member who (i)  
16 has earned during the period immediately preceding the last day  
17 of service at least one year of contributing creditable service  
18 as an employee of a department as defined in Section 14-103.04,  
19 (ii) has earned at least 5 years of contributing creditable  
20 service as an employee of a department as defined in Section  
21 14-103.04, and (iii) retires on or after January 1, 2001 is  
22 entitled to a retirement annuity upon or after attainment of an  
23 age which, when added to the number of years of his or her

1 total creditable service, equals at least 85. Portions of years  
2 shall be counted as decimal equivalents.

3 A member who is eligible to receive a retirement annuity of  
4 at least 74.6% of final average salary and will attain age 55  
5 on or before December 31 during the year which commences on  
6 July 1 shall be deemed to attain age 55 on the preceding June  
7 1.

8 A member meeting the above eligibility conditions is  
9 entitled to a retirement annuity upon written application to  
10 the board setting forth the date the member wishes the  
11 retirement annuity to commence. However, the effective date of  
12 the retirement annuity shall be no earlier than the day  
13 following the last day of creditable service, regardless of the  
14 date of official termination of employment.

15 To be eligible for a retirement annuity, a member shall not  
16 be employed as a teacher in the schools included under this  
17 System or under Article 17, except (i) as provided in Section  
18 16-118 or 16-150.1, (ii) if the member is disabled (in which  
19 event, eligibility for salary must cease), or (iii) if the  
20 System is required by federal law to commence payment due to  
21 the member's age; the changes to this sentence made by this  
22 amendatory Act of the 93rd General Assembly apply without  
23 regard to whether the member terminated employment before or  
24 after its effective date.

25 (Source: P.A. 93-320, eff. 7-23-03.)

1 (Text of Section after amendment by P.A. 98-599)

2 Sec. 16-132. Retirement annuity eligibility.

3 (a) A member who has at least 20 years of creditable  
4 service is entitled to a retirement annuity upon or after  
5 attainment of age 55. A member who has at least 10 but less  
6 than 20 years of creditable service is entitled to a retirement  
7 annuity upon or after attainment of age 60. A member who has at  
8 least 5 but less than 10 years of creditable service is  
9 entitled to a retirement annuity upon or after attainment of  
10 age 62. A member who (i) has earned during the period  
11 immediately preceding the last day of service at least one year  
12 of contributing creditable service as an employee of a  
13 department as defined in Section 14-103.04, (ii) has earned at  
14 least 5 years of contributing creditable service as an employee  
15 of a department as defined in Section 14-103.04, and (iii)  
16 retires on or after January 1, 2001 is entitled to a retirement  
17 annuity upon or after attainment of an age which, when added to  
18 the number of years of his or her total creditable service,  
19 equals at least 85. Portions of years shall be counted as  
20 decimal equivalents.

21 A member who is eligible to receive a retirement annuity of  
22 at least 74.6% of final average salary and will attain age 55  
23 on or before December 31 during the year which commences on  
24 July 1 shall be deemed to attain age 55 on the preceding June  
25 1.

26 (b) Notwithstanding subsection (a) of this Section, for a

1 Tier 1 member who begins receiving a retirement annuity under  
2 this Section on or after July 1, 2014, the required retirement  
3 age under subsection (a) is increased as follows, based on the  
4 Tier 1 member's age on June 1, 2014:

5 (1) If he or she is at least age 46 on June 1, 2014,  
6 then the required retirement ages under subsection (a)  
7 remain unchanged.

8 (2) If he or she is at least age 45 but less than age 46  
9 on June 1, 2014, then the required retirement ages under  
10 subsection (a) are increased by 4 months.

11 (3) If he or she is at least age 44 but less than age 45  
12 on June 1, 2014, then the required retirement ages under  
13 subsection (a) are increased by 8 months.

14 (4) If he or she is at least age 43 but less than age 44  
15 on June 1, 2014, then the required retirement ages under  
16 subsection (a) are increased by 12 months.

17 (5) If he or she is at least age 42 but less than age 43  
18 on June 1, 2014, then the required retirement ages under  
19 subsection (a) are increased by 16 months.

20 (6) If he or she is at least age 41 but less than age 42  
21 on June 1, 2014, then the required retirement ages under  
22 subsection (a) are increased by 20 months.

23 (7) If he or she is at least age 40 but less than age 41  
24 on June 1, 2014, then the required retirement ages under  
25 subsection (a) are increased by 24 months.

26 (8) If he or she is at least age 39 but less than age 40

1 on June 1, 2014, then the required retirement ages under  
2 subsection (a) are increased by 28 months.

3 (9) If he or she is at least age 38 but less than age 39  
4 on June 1, 2014, then the required retirement ages under  
5 subsection (a) are increased by 32 months.

6 (10) If he or she is at least age 37 but less than age  
7 38 on June 1, 2014, then the required retirement ages under  
8 subsection (a) are increased by 36 months.

9 (11) If he or she is at least age 36 but less than age  
10 37 on June 1, 2014, then the required retirement ages under  
11 subsection (a) are increased by 40 months.

12 (12) If he or she is at least age 35 but less than age  
13 36 on June 1, 2014, then the required retirement ages under  
14 subsection (a) are increased by 44 months.

15 (13) If he or she is at least age 34 but less than age  
16 35 on June 1, 2014, then the required retirement ages under  
17 subsection (a) are increased by 48 months.

18 (14) If he or she is at least age 33 but less than age  
19 34 on June 1, 2014, then the required retirement ages under  
20 subsection (a) are increased by 52 months.

21 (15) If he or she is at least age 32 but less than age  
22 33 on June 1, 2014, then the required retirement ages under  
23 subsection (a) are increased by 56 months.

24 (16) If he or she is less than age 32 on June 1, 2014,  
25 then the required retirement ages under subsection (a) are  
26 increased by 60 months.

1           Notwithstanding Section 1-103.1, this subsection (b)  
2 applies without regard to whether or not the Tier 1 member is  
3 in active service under this Article on or after the effective  
4 date of this amendatory Act of the 98th General Assembly.

5           (c) A member meeting the above eligibility conditions is  
6 entitled to a retirement annuity upon written application to  
7 the board setting forth the date the member wishes the  
8 retirement annuity to commence. However, the effective date of  
9 the retirement annuity shall be (i) no earlier than the day  
10 following the last day of creditable service, regardless of the  
11 date of official termination of employment, and (ii) no more  
12 than 2 years before the date of receipt by the System of the  
13 application for retirement.

14           For the purpose of Section 1-103.1, the change to this  
15 subsection made by this amendatory Act of the 98th General  
16 Assembly applies to annuities granted on or after the effective  
17 date of this amendatory Act, without regard to whether the  
18 member is in service on or after that effective date.

19           (d) To be eligible for a retirement annuity, a member shall  
20 not be employed as a teacher in the schools included under this  
21 System or under Article 17, except (i) as provided in Section  
22 16-118 or 16-150.1, (ii) if the member is disabled (in which  
23 event, eligibility for salary must cease), or (iii) if the  
24 System is required by federal law to commence payment due to  
25 the member's age; the changes to this sentence made by Public  
26 Act 93-320 apply without regard to whether the member

1 terminated employment before or after its effective date.

2 (Source: P.A. 98-599, eff. 6-1-14.)

3 Section 95. No acceleration or delay. Where this Act makes  
4 changes in a statute that is represented in this Act by text  
5 that is not yet or no longer in effect (for example, a Section  
6 represented by multiple versions), the use of that text does  
7 not accelerate or delay the taking effect of (i) the changes  
8 made by this Act or (ii) provisions derived from any other  
9 Public Act.