

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 17-114, 17-132, and 17-149 as follows:

6 (40 ILCS 5/17-114) (from Ch. 108 1/2, par. 17-114)

7 Sec. 17-114. Computation of service.

8 (a) When computing days of validated service, contributors  
9 shall receive one day of service credit for each day for which  
10 they are paid salary representing a partial or a full day of  
11 employment rendered to an Employer or the Board.

12 (b) When computing months of validated service, 17 or more  
13 days of service rendered to an Employer or the Board in a  
14 calendar month shall entitle a contributor to one month of  
15 service credit for purposes of this Article.

16 (c) When computing years of validated service rendered, 170  
17 or more days of service in a fiscal year or 10 or more months of  
18 service in a fiscal year shall constitute one year of service  
19 credit.

20 (d) Notwithstanding subsections (b) and (c) of this  
21 Section, validated service in any fiscal year shall be that  
22 fraction of a year equal to the ratio of the number of days of  
23 service to 170 days.

1 (e) For purposes of this Section, no contributor shall earn  
2 (i) more than one year of service credit per fiscal year, (ii)  
3 more than one day of service credit per calendar day, or (iii)  
4 more than 10 days of service credit in a 2 calendar week period  
5 as determined by the Fund.

6 (Source: P.A. 97-30, eff. 7-1-11.)

7 (40 ILCS 5/17-132) (from Ch. 108 1/2, par. 17-132)

8 Sec. 17-132. Payments and certification of salary  
9 deductions.

10 (a) An Employer shall cause the Fund to receive all  
11 members' payroll records and pension contributions within 30  
12 calendar days after each predesignated payday. For purposes of  
13 this Section, the predesignated payday shall be determined in  
14 accordance with each Employer's payroll schedule for  
15 contributions to the Fund.

16 (b) An Employer that fails to timely certify and submit  
17 payroll records to the Fund is subject to a statutory penalty  
18 in the amount of \$100 per day for each day that a required  
19 certification and submission is late.

20 Amounts not received by the 30th calendar day after the  
21 predesignated payday shall be deemed delinquent and subject to  
22 a penalty consisting of interest, which shall accrue on a  
23 monthly basis at the Fund's then effective actuarial rate of  
24 return, and liquidated damages in the amount of \$100 per day,  
25 not to exceed 20% of the principal contributions due, which

1 shall be mandatory except for good cause shown and in the  
2 discretion of the Board.

3 An Employer in possession of member contributions deducted  
4 from payroll checks is holding Fund assets, and thus becomes a  
5 fiduciary over those assets.

6 (c) The payroll records shall report (1) all pensionable  
7 salary earned in that pay period, exclusive of salaries for  
8 overtime, special services, or any employment on an optional  
9 basis, such as in summer school; (2) adjustments to pensionable  
10 salary, exclusive of salaries for overtime, special services,  
11 or any employment on an optional basis, such as in summer  
12 school, made in a pay period for any prior pay periods; (3)  
13 pension contributions attributable to pensionable salary  
14 earned in the reported pay period or the adjusted pay period as  
15 required by subsection (b) of Section 17-131; and (4) any  
16 salary paid by an Employer if that salary is compensation for  
17 validated service and is exclusive of salary for overtime,  
18 special services, or any employment on an optional basis, such  
19 as in summer school. Payroll records required by item (4) of  
20 this paragraph shall identify the number of days of service  
21 rendered by the member and whether each day of service  
22 represents a partial or whole day of service.

23 (d) The appropriate officers of the Employer shall certify  
24 and submit the payroll records no later than 30 calendar days  
25 after each predesignated payday. The certification shall  
26 constitute a confirmation of the accuracy of such deductions

1 according to the provisions of this Article.

2 Each Charter School shall designate an administrator as a  
3 "Pension Officer". The Pension Officer shall be responsible for  
4 certifying all payroll information, including ~~and~~  
5 contributions due and certified sick days payable pursuant to  
6 Section 17-134, and assuring resolution of reported payroll and  
7 contribution deficiencies.

8 (e) The Board has the authority to conduct payroll audits  
9 of a charter school to determine the existence of any  
10 delinquencies in contributions to the Fund, and such charter  
11 school shall be required to provide such books and records and  
12 contribution information as the Board or its authorized  
13 representative may require. The Board is also authorized to  
14 collect delinquent contributions from charter schools and  
15 develop procedures for the collection of such delinquencies.  
16 Collection procedures may include legal proceedings in the  
17 courts of the State of Illinois. Expenses, including reasonable  
18 attorneys' fees, incurred in the collection of delinquent  
19 contributions may be assessed by the Board against the charter  
20 school.

21 (Source: P.A. 97-30, eff. 7-1-11; 98-427, eff. 8-16-13.)

22 (40 ILCS 5/17-149) (from Ch. 108 1/2, par. 17-149)

23 Sec. 17-149. Cancellation of pensions.

24 (a) If any person receiving a disability retirement pension  
25 from the Fund is re-employed as a teacher by an Employer, the

1 pension shall be cancelled on the date the re-employment  
2 begins, or on the first day of a payroll period for which  
3 service credit was validated, whichever is earlier.

4 (b) If any person receiving a service retirement pension  
5 from the Fund is re-employed as a teacher on a permanent or  
6 annual basis by an Employer, the pension shall be cancelled on  
7 the date the re-employment begins, or on the first day of a  
8 payroll period for which service credit was validated,  
9 whichever is earlier. However, subject to the limitations and  
10 requirements of subsection (c-5), the pension shall not be  
11 cancelled in the case of a service retirement pensioner who is  
12 re-employed on a temporary and non-annual basis or on an hourly  
13 basis.

14 (c) If the date of re-employment on a permanent or annual  
15 basis occurs within 5 school months after the date of previous  
16 retirement, exclusive of any vacation period, the member shall  
17 be deemed to have been out of service only temporarily and not  
18 permanently retired. Such person shall be entitled to pension  
19 payments for the time he could have been employed as a teacher  
20 and received salary, but shall not be entitled to pension for  
21 or during the summer vacation prior to his return to service.

22 When the member again retires on pension, the time of  
23 service and the money contributed by him during re-employment  
24 shall be added to the time and money previously credited. Such  
25 person must acquire 3 consecutive years of additional  
26 contributing service before he may retire again on a pension at

1 a rate and under conditions other than those in force or  
2 attained at the time of his previous retirement.

3 (c-5) The service retirement pension shall not be cancelled  
4 in the case of a service retirement pensioner who is  
5 re-employed as a teacher on a temporary and non-annual basis or  
6 on an hourly basis, so long as the person (1) does not work as a  
7 teacher for compensation on more than 100 days in a school year  
8 or ~~and~~ (2) does not accept gross compensation for the  
9 re-employment in a school year in excess of (i) \$30,000 or (ii)  
10 in the case of a person who retires with at least 5 years of  
11 service as a principal, an amount that is equal to the daily  
12 rate normally paid to retired principals multiplied by 100.  
13 These limitations apply only to school years that begin on or  
14 after the effective date of this amendatory Act of the 97th  
15 General Assembly. Such re-employment does not require  
16 contributions, result in service credit, or constitute active  
17 membership in the Fund.

18 To be eligible for such re-employment without cancellation  
19 of pension, the pensioner must notify the Fund and the Board of  
20 Education of his or her intention to accept re-employment under  
21 this subsection (c-5) before beginning that re-employment (or  
22 if the re-employment began before the effective date of this  
23 amendatory Act, then within 30 days after that effective date).

24 An Employer ~~The Board of Education~~ must certify to the Fund  
25 the temporary and non-annual or hourly status and the  
26 compensation of each pensioner re-employed under this

1 subsection at least quarterly, and when the pensioner is  
2 approaching the earnings limitation under this subsection.

3 If the pensioner works more than 100 days or accepts excess  
4 gross compensation for such re-employment in any school year  
5 that begins on or after the effective date of this amendatory  
6 Act of the 97th General Assembly, the service retirement  
7 pension shall thereupon be cancelled.

8 The Board of the Fund shall adopt rules for the  
9 implementation and administration of this subsection.

10 (d) Notwithstanding Sections 1-103.1 and 17-157, the  
11 changes to this Section made by Public Act 90-32 apply without  
12 regard to whether termination of service occurred before the  
13 effective date of that Act and apply retroactively to August  
14 23, 1989.

15 Notwithstanding Sections 1-103.1 and 17-157, the changes  
16 to this Section and Section 17-106 made by Public Act 92-599  
17 apply without regard to whether termination of service occurred  
18 before the effective date of that Act.

19 Notwithstanding Sections 1-103.1 and 17-157, the changes  
20 to this Section made by this amendatory Act of the 97th General  
21 Assembly apply without regard to whether termination of service  
22 occurred before the effective date of this amendatory Act.

23 (Source: P.A. 97-912, eff. 8-8-12.)

24 Section 90. The State Mandates Act is amended by adding  
25 Section 8.39 as follows:

1 (30 ILCS 805/8.39 new)

2 Sec. 8.39. Exempt mandate. Notwithstanding Sections 6 and 8  
3 of this Act, no reimbursement by the State is required for the  
4 implementation of any mandate created by this amendatory Act of  
5 the 99th General Assembly.

6 Section 99. Effective date. This Act takes effect upon  
7 becoming law.