



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB3990

by Rep. Elaine Nekritz

SYNOPSIS AS INTRODUCED:

40 ILCS 5/16-132	from Ch. 108 1/2, par. 16-132
40 ILCS 5/16-155	from Ch. 108 1/2, par. 16-155
40 ILCS 5/16-169.1	
40 ILCS 5/16-181.4 new	
40 ILCS 5/16-149.6 rep.	

Amends the Downstate Teacher Article of the Illinois Pension Code. For a member who is not eligible to retire on the effective date of this amendatory Act, limits retroactive retirement to 2 years from the date of the member's application for retirement. Authorizes the Board to issue subpoenas to compel the attendance of witnesses and the production of documents and records, in conjunction with an attempt to obtain information to assist in the collection of sums due to the System. Specifies that the Board may request information from any member, annuitant, beneficiary, or employer as necessary for the proper administration of the System. Repeals a provision relating to limited employment during disability. Effective immediately.

LRB099 09416 EFG 29623 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 16-132, 16-155, and 16-169.1 and by adding Section
6 16-181.4 as follows:

7 (40 ILCS 5/16-132) (from Ch. 108 1/2, par. 16-132)

8 Sec. 16-132. Retirement annuity eligibility.

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

1 the number of years of his or her total creditable service,
2 equals at least 85. Portions of years shall be counted as
3 decimal equivalents.

4 A member who is eligible to receive a retirement annuity of
5 at least 74.6% of final average salary and will attain age 55
6 on or before December 31 during the year which commences on
7 July 1 shall be deemed to attain age 55 on the preceding June
8 1.

9 (b) Notwithstanding subsection (a) of this Section, for a
10 Tier 1 member who begins receiving a retirement annuity under
11 this Section on or after July 1, 2014, the required retirement
12 age under subsection (a) is increased as follows, based on the
13 Tier 1 member's age on June 1, 2014:

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

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

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

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

26 (5) If he or she is at least age 42 but less than age 43

1 on June 1, 2014, then the required retirement ages under
2 subsection (a) are increased by 16 months.

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

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

9 (8) If he or she is at least age 39 but less than age 40
10 on June 1, 2014, then the required retirement ages under
11 subsection (a) are increased by 28 months.

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

15 (10) If he or she is at least age 37 but less than age
16 38 on June 1, 2014, then the required retirement ages under
17 subsection (a) are increased by 36 months.

18 (11) If he or she is at least age 36 but less than age
19 37 on June 1, 2014, then the required retirement ages under
20 subsection (a) are increased by 40 months.

21 (12) If he or she is at least age 35 but less than age
22 36 on June 1, 2014, then the required retirement ages under
23 subsection (a) are increased by 44 months.

24 (13) If he or she is at least age 34 but less than age
25 35 on June 1, 2014, then the required retirement ages under
26 subsection (a) are increased by 48 months.

1 (14) If he or she is at least age 33 but less than age
2 34 on June 1, 2014, then the required retirement ages under
3 subsection (a) are increased by 52 months.

4 (15) If he or she is at least age 32 but less than age
5 33 on June 1, 2014, then the required retirement ages under
6 subsection (a) are increased by 56 months.

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

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

14 (c) A member meeting the above eligibility conditions is
15 entitled to a retirement annuity upon written application to
16 the board setting forth the date the member wishes the
17 retirement annuity to commence. However, the effective date of
18 the retirement annuity shall be (i) no earlier than the day
19 following the last day of creditable service, regardless of the
20 date of official termination of employment, and (ii) in the
21 case of a member who is not eligible to retire on the effective
22 date of this amendatory Act of the 99th General Assembly, no
23 more than 2 years before the date of receipt by the System of
24 the application for retirement.

25 For the purpose of Section 1-103.1, the change to this
26 subsection made by this amendatory Act of the 99th General

1 Assembly is limited to annuities granted on or after the
2 effective date of this amendatory Act, without regard to
3 whether the member is in service on or after that effective
4 date.

5 (d) To be eligible for a retirement annuity, a member shall
6 not be employed as a teacher in the schools included under this
7 System or under Article 17, except (i) as provided in Section
8 16-118 or 16-150.1, (ii) if the member is disabled (in which
9 event, eligibility for salary must cease), or (iii) if the
10 System is required by federal law to commence payment due to
11 the member's age; the changes to this sentence made by Public
12 Act 93-320 apply without regard to whether the member
13 terminated employment before or after its effective date.

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

15 (40 ILCS 5/16-155) (from Ch. 108 1/2, par. 16-155)

16 Sec. 16-155. Report to system and payment of deductions.

17 (a) The governing body of each school district shall make
18 two deposits each month. The deposit for member contributions
19 for salary paid between the first and the fifteenth of the
20 month is due by the 25th of the month. The deposit of member
21 contributions for salary paid between the sixteenth and last
22 day of the month is due by the 10th of the following month. All
23 required contributions for salary earned during a school term
24 are due by July 10 next following the close of such school
25 term.

1 The governing body of each State institution coming under
2 this retirement system, the State Comptroller or other State
3 officer certifying payroll vouchers including payments of
4 salary or wages to teachers, and any other employer of
5 teachers, shall, monthly, forward to the secretary of the
6 retirement system the member contributions required under this
7 Article.

8 Each employer specified above shall, prior to August 15 of
9 each year, forward to the System a detailed statement, verified
10 in all cases of school districts by the secretary or clerk of
11 the district, of the amounts so contributed since the period
12 covered by the last previous annual statement, together with
13 required contributions not yet forwarded, such payments being
14 payable to the System.

15 The board may prescribe rules governing the form, content,
16 investigation, control, and supervision of such statements and
17 may establish additional interim employer reporting
18 requirements as the Board deems necessary. If no teacher in a
19 school district comes under the provisions of this Article, the
20 governing body of the district shall so state under the oath of
21 its secretary to this system, and shall at the same time
22 forward a copy of the statement to the regional superintendent
23 of schools.

24 (b) If the governing body of an employer that is not a
25 State agency fails to forward such required contributions
26 within the time permitted in subsection (a) above, the System

1 shall notify the employer of an additional amount due, equal to
2 the greater of the following: (1) an amount representing the
3 interest lost by the system due to late forwarding of
4 contributions, calculated for the number of days which the
5 employer is late in forwarding contributions at a rate of
6 interest prescribed by the board, based on its investment
7 experience; or (2) \$50.

8 (c) If the system, on August 15, is not in receipt of the
9 detailed statements required under this Section of any school
10 district or other employing unit, such school district or other
11 employing unit shall pay to the system an amount equal to \$250
12 for each day that elapses from August 15, until the day such
13 statement is filed with the system.

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

15 (40 ILCS 5/16-169.1)

16 Sec. 16-169.1. Testimony and the production of records. The
17 secretary of the Board shall have the power to issue subpoenas
18 to compel the attendance of witnesses and the production of
19 documents and records, including law enforcement records
20 maintained by law enforcement agencies, in conjunction with the
21 determination of employer payments required under subsection
22 (f) of Section 16-158, a disability claim, an administrative
23 review proceeding, an attempt to obtain information to assist
24 in the collection of sums due to the System, or a felony
25 forfeiture investigation. The fees of witnesses for attendance

1 and travel shall be the same as the fees of witnesses before
2 the circuit courts of this State and shall be paid by the party
3 seeking the subpoena. The Board may apply to any circuit court
4 in the State for an order requiring compliance with a subpoena
5 issued under this Section. Subpoenas issued under this Section
6 shall be subject to applicable provisions of the Code of Civil
7 Procedure.

8 (Source: P.A. 94-1057, eff. 7-31-06.)

9 (40 ILCS 5/16-181.4 new)

10 Sec. 16-181.4. To request information. To request such
11 information from any member, annuitant, beneficiary, or
12 employer as is necessary for the proper administration of the
13 System.

14 (40 ILCS 5/16-149.6 rep.)

15 Section 10. The Illinois Pension Code is amended by
16 repealing Section 16-149.6.

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