



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

HB4582

by Rep. Jeanne M Ives

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/2-101	from Ch. 108 1/2, par. 2-101
40 ILCS 5/2-105	from Ch. 108 1/2, par. 2-105
40 ILCS 5/2-107	from Ch. 108 1/2, par. 2-107
40 ILCS 5/7-137	from Ch. 108 1/2, par. 7-137
40 ILCS 5/8-113	from Ch. 108 1/2, par. 8-113
40 ILCS 5/8-243	from Ch. 108 1/2, par. 8-243
40 ILCS 5/9-108	from Ch. 108 1/2, par. 9-108

Amends the Illinois Pension Code. In the General Assembly Article, restricts participation in the General Assembly Retirement System to persons who become participants before the effective date of the amendatory Act and provides that, beginning on that date, the System shall not accept any new participants. Makes related changes. In the Illinois Municipal Retirement Fund, Chicago Municipal, and Cook County Articles, provides that a person who holds part-time elective office is not an employee, contributor, or participant with respect to that office, unless he or she (i) was elected to that office before the effective date of the amendatory Act and (ii) has elected while in that office to become a contributor. Provides that an elective office shall be presumed to be part-time in the absence of an official job description or determination by the legal advisor of the applicable unit of local government, filed with the Board of the Fund, declaring the elective office to be full-time.

LRB099 16526 RPS 40862 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 2-101, 2-105, 2-107, 7-137, 8-113, 8-243, and 9-108 as  
6 follows:

7 (40 ILCS 5/2-101) (from Ch. 108 1/2, par. 2-101)

8 Sec. 2-101. Creation of system. A retirement system is  
9 created to provide retirement annuities, survivor's annuities  
10 and other benefits for certain members of the General Assembly,  
11 certain elected state officials, and their beneficiaries.

12 The system shall be known as the "General Assembly  
13 Retirement System". All its funds and property shall be a trust  
14 separate from all other entities, maintained for the purpose of  
15 securing payment of annuities and benefits under this Article.

16 Participation in the retirement system created under this  
17 Article is restricted to persons who became participants before  
18 the effective date of this amendatory Act of the 99th General  
19 Assembly. Beginning on that date, the System shall not accept  
20 any new participants.

21 (Source: P.A. 83-1440.)

22 (40 ILCS 5/2-105) (from Ch. 108 1/2, par. 2-105)

1           Sec. 2-105. Member. "Member": Members of the General  
2 Assembly of this State, including persons who enter military  
3 service while a member of the General Assembly, and any person  
4 serving as Governor, Lieutenant Governor, Secretary of State,  
5 Treasurer, Comptroller, or Attorney General for the period of  
6 service in such office.

7           Any person who has served for 10 or more years as Clerk or  
8 Assistant Clerk of the House of Representatives, Secretary or  
9 Assistant Secretary of the Senate, or any combination thereof,  
10 may elect to become a member of this system while thenceforth  
11 engaged in such service by filing a written election with the  
12 board. Any person so electing shall be deemed an active member  
13 of the General Assembly for the purpose of validating and  
14 transferring any service credits earned under any of the funds  
15 and systems established under Articles 3 through 18 of this  
16 Code.

17           However, notwithstanding any other provision of this  
18 Article, a person shall not be deemed a member for the purposes  
19 of this Article unless he or she became a participant of the  
20 System before the effective date of this amendatory Act of the  
21 99th General Assembly.

22           (Source: P.A. 85-1008.)

23           (40 ILCS 5/2-107) (from Ch. 108 1/2, par. 2-107)

24           Sec. 2-107. Participant. "Participant": Any member who  
25 elects to participate; and any former member who elects to

1 continue participation under Section 2-117.1, for the duration  
2 of such continued participation. However, notwithstanding any  
3 other provision of this Article, a person shall not be deemed a  
4 participant for the purposes of this Article unless he or she  
5 became a participant of the System before the effective date of  
6 this amendatory Act of the 99th General Assembly.

7 (Source: P.A. 86-1488.)

8 (40 ILCS 5/7-137) (from Ch. 108 1/2, par. 7-137)

9 Sec. 7-137. Participating and covered employees.

10 (a) The persons described in this paragraph (a) shall be  
11 included within and be subject to this Article and eligible to  
12 benefits from this fund, beginning upon the dates hereinafter  
13 specified:

14 1. Except as to the employees specifically excluded  
15 under the provisions of this Article, all persons who are  
16 employees of any municipality (or instrumentality thereof)  
17 or participating instrumentality on the effective date of  
18 participation of the municipality or participating  
19 instrumentality beginning upon such effective date.

20 2. Except as to the employees specifically excluded  
21 under the provisions of this Article, all persons, who  
22 became employees of any participating municipality (or  
23 instrumentality thereof) or participating instrumentality  
24 after the effective date of participation of such  
25 municipality or participating instrumentality, beginning

1 upon the date such person becomes an employee.

2 3. All persons who file notice with the board as  
3 provided in paragraph (b) 2 and 3 of this Section,  
4 beginning upon the date of filing such notice.

5 (b) The following described persons shall not be considered  
6 participating employees eligible for benefits from this fund,  
7 but shall be included within and be subject to this Article  
8 (each of the descriptions is not exclusive but is cumulative):

9 1. Any person who occupies an office or is employed in  
10 a position normally requiring performance of duty during  
11 less than 600 hours a year for a municipality (including  
12 all instrumentalities thereof) or a participating  
13 instrumentality. If a school treasurer performs services  
14 for more than one school district, the total number of  
15 hours of service normally required for the several school  
16 districts shall be considered to determine whether he  
17 qualifies under this paragraph;

18 2. Any person who holds full-time elective office,  
19 unless he or she has elected while in that office in a  
20 written notice on file with the board to become a  
21 participating employee;

22 2a. Any person who holds part-time elective office,  
23 unless he or she (i) was elected to that office before the  
24 effective date of this amendatory Act of the 99th General  
25 Assembly and (ii) has elected while in that office in a  
26 written notice on file with the board to become a

1 participating employee. An elective office shall be  
2 presumed to be part-time in the absence of an official job  
3 description or determination by the legal advisor of the  
4 applicable participating municipality or participating  
5 instrumentality, filed with the Board, declaring the  
6 elective position to be full-time;

7 3. Any person working for a city hospital unless any  
8 such person, while in active employment, has elected in a  
9 written notice on file with the board to become a  
10 participating employee and notification thereof is  
11 received by the board;

12 4. Any person who becomes an employee after June 30,  
13 1979 as a public service employment program participant  
14 under the federal Comprehensive Employment and Training  
15 Act and whose wages or fringe benefits are paid in whole or  
16 in part by funds provided under such Act;

17 5. Any person who is actively employed by a  
18 municipality on its effective date of participation in the  
19 Fund if that municipality (i) has at least 35 employees on  
20 its effective date of participation; (ii) is located in a  
21 county with at least 2,000,000 inhabitants; and (iii)  
22 maintains an independent defined benefit pension plan for  
23 the benefit of its eligible employees, unless the person  
24 files with the board within 90 days after the  
25 municipality's effective date of participation an  
26 irrevocable election to participate.

1           (c) Any person electing to be a participating employee,  
2 pursuant to paragraph (b) of this Section may not change such  
3 election, except as provided in Section 7-137.1.

4           (d) Any employee who occupied the position of school nurse  
5 in any participating municipality on August 8, 1961 and  
6 continuously thereafter until the effective date of the  
7 exercise of the option authorized by this subparagraph, who on  
8 August 7, 1961 was a member of the Teachers' Retirement System  
9 of Illinois, by virtue of certification by the Department of  
10 Registration and Education as a public health nurse, may elect  
11 to terminate participation in this Fund in order to  
12 re-establish membership in such System. The election may be  
13 exercised by filing written notice thereof with the Board or  
14 with the Board of Trustees of said Teachers' Retirement System,  
15 not later than September 30, 1963, and shall be effective on  
16 the first day of the calendar month next following the month in  
17 which the notice was filed. If the written notice is filed with  
18 such Teachers' Retirement System, that System shall  
19 immediately notify this Fund, but neither failure nor delay in  
20 notification shall affect the validity of the employee's  
21 election. If the option is exercised, the Fund shall notify  
22 such Teachers' Retirement System of such fact and transfer to  
23 that system the amounts contributed by the employee to this  
24 Fund, including interest at 3% per annum, but excluding  
25 contributions applicable to social security coverage during  
26 the period beginning August 8, 1961 to the effective date of

1 the employee's election. Participation in this Fund as to any  
2 credits on or after August 8, 1961 and up to the effective date  
3 of the employee's election shall terminate on such effective  
4 date.

5 (e) Any participating municipality or participating  
6 instrumentality, other than a school district or special  
7 education joint agreement created under Section 10-22.31 of the  
8 School Code, may, by a resolution or ordinance duly adopted by  
9 its governing body, elect to exclude from participation and  
10 eligibility for benefits all persons who are employed after the  
11 effective date of such resolution or ordinance and who occupy  
12 an office or are employed in a position normally requiring  
13 performance of duty for less than 1000 hours per year for the  
14 participating municipality (including all instrumentalities  
15 thereof) or participating instrumentality except for persons  
16 employed in a position normally requiring performance of duty  
17 for 600 hours or more per year (i) by such participating  
18 municipality or participating instrumentality prior to the  
19 effective date of the resolution or ordinance and (ii) by a  
20 participating municipality or participating instrumentality,  
21 which had not adopted such a resolution when the person was  
22 employed, and the function served by the employee's position is  
23 assumed by another participating municipality or participating  
24 instrumentality. Notwithstanding the foregoing, a  
25 participating municipality or participating instrumentality  
26 which is formed solely to succeed to the functions of a



1 participating municipality or participating instrumentality  
2 shall be considered to have adopted any such resolution or  
3 ordinance which may have been applicable to the employees  
4 performing such functions. The election made by the resolution  
5 or ordinance shall take effect at the time specified in the  
6 resolution or ordinance, and once effective shall be  
7 irrevocable.

8 (Source: P.A. 96-1140, eff. 7-21-10; 97-328, eff. 8-12-11;  
9 97-609, eff. 1-1-12.)

10 (40 ILCS 5/8-113) (from Ch. 108 1/2, par. 8-113)

11 Sec. 8-113. Municipal employee, employee, contributor, or  
12 participant. "Municipal employee", "employee", "contributor",  
13 or "participant":

14 (a) Any employee of an employer employed in the classified  
15 civil service thereof other than by temporary appointment or in  
16 a position excluded or exempt from the classified service by  
17 the Civil Service Act, or in the case of a city operating under  
18 a personnel ordinance, any employee of an employer employed in  
19 the classified or career service under the provisions of a  
20 personnel ordinance, other than in a provisional or exempt  
21 position as specified in such ordinance or in rules and  
22 regulations formulated thereunder.

23 (b) Any employee in the service of an employer before the  
24 Civil Service Act came in effect for the employer.

25 (c) Any person employed by the board.

1 (d) Any person employed after December 31, 1949, but prior  
2 to January 1, 1984, in the service of the employer by temporary  
3 appointment or in a position exempt from the classified service  
4 as set forth in the Civil Service Act, or in a provisional or  
5 exempt position as specified in the personnel ordinance, who  
6 meets the following qualifications:

7 (1) has rendered service during not less than 12  
8 calendar months to an employer as an employee, officer, or  
9 official, 4 months of which must have been consecutive full  
10 normal working months of service rendered immediately  
11 prior to filing application to be included; and

12 (2) files written application with the board, while in  
13 the service, to be included hereunder.

14 (e) After December 31, 1949, any alderman or other officer  
15 or official of the employer, who files, while in office,  
16 written application with the board to be included hereunder.  
17 Notwithstanding any other provision of this Article, however, a  
18 person who holds part-time elective city office is not an  
19 employee, contributor, or participant with respect to that  
20 office, unless he or she (i) was so elected before the  
21 effective date of this amendatory Act of the 99th General  
22 Assembly and (ii) has elected while in that office to become a  
23 contributor. An elective city office shall be presumed to be  
24 part-time in the absence of an official job description or  
25 determination by the legal advisor of the city, filed with the  
26 board, declaring the elective city office to be full-time.

1           (f) Beginning January 1, 1984, any person employed by an  
2 employer other than the Chicago Housing Authority or the Public  
3 Building Commission of the city, whether or not such person is  
4 serving by temporary appointment or in a position exempt from  
5 the classified service as set forth in the Civil Service Act,  
6 or in a provisional or exempt position as specified in the  
7 personnel ordinance, provided that such person is neither (1)  
8 an alderman or other officer or official of the employer, nor  
9 (2) participating, on the basis of such employment, in any  
10 other pension fund or retirement system established under this  
11 Act.

12           (g) After December 31, 1959, any person employed in the law  
13 department of the city, or municipal court or Board of Election  
14 Commissioners of the city, who was a contributor and  
15 participant, on December 31, 1959, in the annuity and benefit  
16 fund in operation in the city on said date, by virtue of the  
17 Court and Law Department Employees' Annuity Act or the Board of  
18 Election Commissioners Employees' Annuity Act.

19           After December 31, 1959, the foregoing definition includes  
20 any other person employed or to be employed in the law  
21 department, or municipal court (other than as a judge), or  
22 Board of Election Commissioners (if his salary is provided by  
23 appropriation of the city council of the city and his salary  
24 paid by the city) -- subject, however, in the case of such  
25 persons not participants on December 31, 1959, to compliance  
26 with the same qualifications and restrictions otherwise set

1     forth in this Section and made generally applicable to  
2     employees or officers of the city concerning eligibility for  
3     participation or membership.

4           (h) After December 31, 1965, any person employed in the  
5     public library of the city -- and any other person -- who was a  
6     contributor and participant, on December 31, 1965, in the  
7     pension fund in operation in the city on said date, by virtue  
8     of the Public Library Employees' Pension Act.

9           (i) After December 31, 1968, any person employed in the  
10    house of correction of the city, who was a contributor and  
11    participant, on December 31, 1968, in the pension fund in  
12    operation in the city on said date, by virtue of the House of  
13    Correction Employees' Pension Act.

14          (j) Any person employed full-time on or after the effective  
15    date of this amendatory Act of the 92nd General Assembly by the  
16    Chicago Housing Authority who has elected to participate in  
17    this Fund as provided in subsection (a) of Section 8-230.9.

18          (k) Any person employed full-time by the Public Building  
19    Commission of the city who has elected to participate in this  
20    Fund as provided in subsection (d) of Section 8-230.7.

21    (Source: P.A. 92-599, eff. 6-28-02.)

22           (40 ILCS 5/8-243) (from Ch. 108 1/2, par. 8-243)

23           Sec. 8-243. Service as alderman or member of city council.  
24    Whenever any person has served or hereafter serves as a duly  
25    elected alderman or member of the city council of any city of

1 more than 500,000 inhabitants and is or hereafter becomes a  
2 contributing participant in any pension fund or any annuity and  
3 benefit fund in existence in such city by operation of law, the  
4 period of service as such alderman or member of the city  
5 council shall be counted as a period of service in computing  
6 any annuity or pension which such person may become entitled to  
7 receive from such fund upon separation from the service, except  
8 as ruled out for minimum annuity purposes in Section  
9 8-232(a)(3), and except that service in a part-time elective  
10 office of the city shall not be counted unless the official was  
11 so elected before the effective date of this amendatory Act of  
12 the 99th General Assembly. An elective office shall be presumed  
13 to be part-time in the absence of an official job description  
14 or determination by the legal advisor of the city, filed with  
15 the Board, declaring the elective position to be full-time.

16 (Source: Laws 1963, p. 161.)

17 (40 ILCS 5/9-108) (from Ch. 108 1/2, par. 9-108)

18 Sec. 9-108. "Employee", "contributor" or "participant".

19 (a) Any employee of the county employed in any position in  
20 the classified civil service of the county, or in any position  
21 under the County Police Merit Board as a deputy sheriff in the  
22 County Police Department.

23 Any such employee employed after January 1, 1968 and before  
24 January 1, 1984 shall be entitled only to the benefits provided  
25 in Sections 9-147 and 9-156, prior to the earlier of completion

1 of 12 consecutive calendar months of service and January 1,  
2 1984, and no contributions shall be made by him during this  
3 period. Upon the completion of said period contributions shall  
4 begin and the employee shall become entitled to the benefits of  
5 this Article.

6 Any such employee may elect to make contributions for such  
7 period and receive credit therefor under rules prescribed by  
8 the board.

9 Any such employee in service on or after January 1, 1984,  
10 regardless of when he became an employee, shall be deemed a  
11 participant and contributor to the fund created by this Article  
12 and the employee shall be entitled to the benefits of this  
13 Article.

14 (b) Any employee of the county employed in any position not  
15 included in the classified civil service of the county whose  
16 salary or wage is paid in whole or in part by the county. Any  
17 such employee employed after July 1, 1957, and before January  
18 1, 1984, shall be entitled only to the benefits provided in  
19 Sections 9-147 and 9-156, prior to the earlier of completion of  
20 12 consecutive calendar months of service and January 1, 1984,  
21 and no contributions shall be made by him during this period.  
22 Upon the completion of said period contributions shall begin  
23 and the employee shall become entitled to the benefits of this  
24 Article.

25 Any such employee may elect to make contributions for such  
26 period and receive credit therefor under rules prescribed by

1 the board.

2 Any such employee in service on or after January 1, 1984,  
3 regardless of when he became an employee, shall be deemed a  
4 participant and contributor to the fund created by this Article  
5 and the employee shall be entitled to the benefits of this  
6 Article.

7 (c) Any full-time county officer elected by vote of the  
8 people, including a member of the county board, when such  
9 officer elects to become a contributor. A person who holds a  
10 part-time elective county office is not an employee,  
11 contributor, or participant with respect to that office, unless  
12 he or she (i) was elected to that office before the effective  
13 date of this amendatory Act of the 99th General Assembly and  
14 (ii) has elected while in that office to become a contributor.  
15 An elective county office shall be presumed to be part-time in  
16 the absence of an official job description or determination by  
17 the legal advisor of the county, filed with the Board,  
18 declaring the elective county office to be full-time.

19 (d) Any person employed by the board.

20 (e) Employees of a County Department of Public Aid in  
21 counties of 3,000,000 or more population who are transferred to  
22 State employment by operation of law enacted by the 76th  
23 General Assembly and who elect not to become members of the  
24 Retirement System established under Article 14 of this Code as  
25 of the date they become State employees shall retain their  
26 membership in the fund established in this Article 9 until the

1 first day of the calendar month next following the date on  
2 which they become State employees, at which time they shall  
3 become members of the System established under Article 14.

4 (f) If, by operation of law, a function of a "Governmental  
5 Unit", as such term is defined in the "Retirement Systems  
6 Reciprocal Act" in Article 20 of the Illinois Pension Code, is  
7 transferred in whole or in part to the county in which this  
8 Article is in force and effect, and employees are transferred  
9 as a group or class to such county service, such transferred  
10 employee shall, if on the day immediately prior to the date of  
11 such transfer he was a contributor and participant in the  
12 annuity and benefit fund or retirement system in operation in  
13 such other "Governmental Unit" for employees of such Unit,  
14 immediately upon such transfer be deemed a participant and  
15 contributor to the fund created by this Article.

16 (Source: P.A. 90-655, eff. 7-30-98.)