



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB1299

Introduced 2/18/2015, by Sen. Kyle McCarter

SYNOPSIS AS INTRODUCED:

40 ILCS 5/2-117	from Ch. 108 1/2, par. 2-117
40 ILCS 5/14-103.05	from Ch. 108 1/2, par. 14-103.05
40 ILCS 5/15-134	from Ch. 108 1/2, par. 15-134
40 ILCS 5/16-123	from Ch. 108 1/2, par. 16-123
40 ILCS 5/18-120	from Ch. 108 1/2, par. 18-120

Amends the Illinois Pension Code. In the General Assembly and Judges Articles, authorizes a participant to terminate his or her participation in those systems. In the Downstate Teachers, State Employees, and State Universities Articles, authorizes a person to elect not to participate or to terminate his or her participation in those systems. In all 5 systems, provides that an active participant terminating participation in the system shall be entitled to a refund of his or her contributions (other than contributions to the defined contribution plan or self-managed plan) plus interest, minus any benefits received prior to terminating participation. Effective immediately.

LRB099 09521 EFG 29729 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 2-117, 14-103.05, 15-134, 16-123, and 18-120 as
6 follows:

7 (40 ILCS 5/2-117) (from Ch. 108 1/2, par. 2-117)

8 Sec. 2-117. Participants - Election not to participate.

9 (a) Except as provided in subsection (c), every ~~Every~~
10 person who was a member on November 1, 1947, or in military
11 service on such date, is subject to the provisions of this
12 system beginning upon such date, unless prior to such date he
13 or she filed with the board a written notice of election not to
14 participate.

15 Every person who becomes a member after November 1, 1947,
16 and who is then not a participant becomes a participant
17 beginning upon the date of becoming a member unless, within 24
18 months from that date, he or she has filed with the board a
19 written notice of election not to participate.

20 (b) A member who has filed notice of an election not to
21 participate (and a former member who has not yet begun to
22 receive a retirement annuity under this Article) may become a
23 participant with respect to the period for which the member

1 elected not to participate upon filing with the board, before
2 April 1, 1993, a written rescission of the election not to
3 participate. Upon contributing an amount equal to the
4 contributions he or she would have made as a participant from
5 November 1, 1947, or the date of becoming a member, whichever
6 is later, to the date of becoming a participant, with interest
7 at the rate of 4% per annum until the contributions are paid,
8 the participant shall receive credit for service as a member
9 prior to the date of the rescission, both before and after
10 November 1, 1947. The required contributions shall be made
11 before commencement of the retirement annuity; otherwise no
12 credit for service prior to the date of participation shall be
13 granted.

14 (c) Notwithstanding any other provision of this Article, an
15 active participant may terminate his or her participation in
16 this System by notifying the System in writing. An active
17 participant terminating participation in this System under
18 this subsection shall be entitled to a refund of his or her
19 contributions (other than contributions to the defined
20 contribution plan under Section 2-165) plus the market rate of
21 return throughout the multiple years the money was in the
22 System, minus the amount of any benefits received prior to
23 terminating participation.

24 (Source: P.A. 86-273; 87-1265.)

25 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)

1 Sec. 14-103.05. Employee.

2 (a) Except as provided in subsection (d), any ~~Any~~ person
3 employed by a Department who receives salary for personal
4 services rendered to the Department on a warrant issued
5 pursuant to a payroll voucher certified by a Department and
6 drawn by the State Comptroller upon the State Treasurer,
7 including an elected official described in subparagraph (d) of
8 Section 14-104, shall become an employee for purpose of
9 membership in the Retirement System on the first day of such
10 employment.

11 A person entering service on or after January 1, 1972 and
12 prior to January 1, 1984 shall become a member as a condition
13 of employment and shall begin making contributions as of the
14 first day of employment.

15 A person entering service on or after January 1, 1984
16 shall, upon completion of 6 months of continuous service which
17 is not interrupted by a break of more than 2 months, become a
18 member as a condition of employment. Contributions shall begin
19 the first of the month after completion of the qualifying
20 period.

21 A person employed by the Chicago Metropolitan Agency for
22 Planning on the effective date of this amendatory Act of the
23 95th General Assembly who was a member of this System as an
24 employee of the Chicago Area Transportation Study and makes an
25 election under Section 14-104.13 to participate in this System
26 for his or her employment with the Chicago Metropolitan Agency

1 for Planning.

2 The qualifying period of 6 months of service is not
3 applicable to: (1) a person who has been granted credit for
4 service in a position covered by the State Universities
5 Retirement System, the Teachers' Retirement System of the State
6 of Illinois, the General Assembly Retirement System, or the
7 Judges Retirement System of Illinois unless that service has
8 been forfeited under the laws of those systems; (2) a person
9 entering service on or after July 1, 1991 in a noncovered
10 position; (3) a person to whom Section 14-108.2a or 14-108.2b
11 applies; or (4) a person to whom subsection (a-5) of this
12 Section applies.

13 (a-5) Except as provided in subsection (d), a ~~A~~ person
14 entering service on or after December 1, 2010 and before the
15 effective date of this amendatory Act of the 99th General
16 Assembly shall become a member as a condition of employment and
17 shall begin making contributions as of the first day of
18 employment. A person serving in the qualifying period on
19 December 1, 2010 will become a member on December 1, 2010 and
20 shall begin making contributions as of December 1, 2010.

21 (b) The term "employee" does not include the following:

22 (1) members of the State Legislature, and persons
23 electing to become members of the General Assembly
24 Retirement System pursuant to Section 2-105;

25 (2) incumbents of offices normally filled by vote of
26 the people;

1 (3) except as otherwise provided in this Section, any
2 person appointed by the Governor with the advice and
3 consent of the Senate unless that person elects to
4 participate in this system;

5 (3.1) any person serving as a commissioner of an ethics
6 commission created under the State Officials and Employees
7 Ethics Act unless that person elects to participate in this
8 system with respect to that service as a commissioner;

9 (3.2) any person serving as a part-time employee in any
10 of the following positions: Legislative Inspector General,
11 Special Legislative Inspector General, employee of the
12 Office of the Legislative Inspector General, Executive
13 Director of the Legislative Ethics Commission, or staff of
14 the Legislative Ethics Commission, regardless of whether
15 he or she is in active service on or after July 8, 2004
16 (the effective date of Public Act 93-685), unless that
17 person elects to participate in this System with respect to
18 that service; in this item (3.2), a "part-time employee" is
19 a person who is not required to work at least 35 hours per
20 week;

21 (3.3) any person who has made an election under Section
22 1-123 and who is serving either as legal counsel in the
23 Office of the Governor or as Chief Deputy Attorney General;

24 (4) except as provided in Section 14-108.2 or
25 14-108.2c, any person who is covered or eligible to be
26 covered by the Teachers' Retirement System of the State of

1 Illinois, the State Universities Retirement System, or the
2 Judges Retirement System of Illinois;

3 (5) an employee of a municipality or any other
4 political subdivision of the State;

5 (6) any person who becomes an employee after June 30,
6 1979 as a public service employment program participant
7 under the Federal Comprehensive Employment and Training
8 Act and whose wages or fringe benefits are paid in whole or
9 in part by funds provided under such Act;

10 (7) enrollees of the Illinois Young Adult Conservation
11 Corps program, administered by the Department of Natural
12 Resources, authorized grantee pursuant to Title VIII of the
13 "Comprehensive Employment and Training Act of 1973", 29 USC
14 993, as now or hereafter amended;

15 (8) enrollees and temporary staff of programs
16 administered by the Department of Natural Resources under
17 the Youth Conservation Corps Act of 1970;

18 (9) any person who is a member of any professional
19 licensing or disciplinary board created under an Act
20 administered by the Department of Professional Regulation
21 or a successor agency or created or re-created after the
22 effective date of this amendatory Act of 1997, and who
23 receives per diem compensation rather than a salary,
24 notwithstanding that such per diem compensation is paid by
25 warrant issued pursuant to a payroll voucher; such persons
26 have never been included in the membership of this System,

1 and this amendatory Act of 1987 (P.A. 84-1472) is not
2 intended to effect any change in the status of such
3 persons;

4 (10) any person who is a member of the Illinois Health
5 Care Cost Containment Council, and receives per diem
6 compensation rather than a salary, notwithstanding that
7 such per diem compensation is paid by warrant issued
8 pursuant to a payroll voucher; such persons have never been
9 included in the membership of this System, and this
10 amendatory Act of 1987 is not intended to effect any change
11 in the status of such persons;

12 (11) any person who is a member of the Oil and Gas
13 Board created by Section 1.2 of the Illinois Oil and Gas
14 Act, and receives per diem compensation rather than a
15 salary, notwithstanding that such per diem compensation is
16 paid by warrant issued pursuant to a payroll voucher;

17 (12) a person employed by the State Board of Higher
18 Education in a position with the Illinois Century Network
19 as of June 30, 2004, who remains continuously employed
20 after that date by the Department of Central Management
21 Services in a position with the Illinois Century Network
22 and participates in the Article 15 system with respect to
23 that employment;

24 (13) any person who first becomes a member of the Civil
25 Service Commission on or after January 1, 2012;

26 (14) any person, other than the Director of Employment

1 Security, who first becomes a member of the Board of Review
2 of the Department of Employment Security on or after
3 January 1, 2012;

4 (15) any person who first becomes a member of the Civil
5 Service Commission on or after January 1, 2012;

6 (16) any person who first becomes a member of the
7 Illinois Liquor Control Commission on or after January 1,
8 2012;

9 (17) any person who first becomes a member of the
10 Secretary of State Merit Commission on or after January 1,
11 2012;

12 (18) any person who first becomes a member of the Human
13 Rights Commission on or after January 1, 2012;

14 (19) any person who first becomes a member of the State
15 Mining Board on or after January 1, 2012;

16 (20) any person who first becomes a member of the
17 Property Tax Appeal Board on or after January 1, 2012;

18 (21) any person who first becomes a member of the
19 Illinois Racing Board on or after January 1, 2012;

20 (22) any person who first becomes a member of the
21 Department of State Police Merit Board on or after January
22 1, 2012;

23 (23) any person who first becomes a member of the
24 Illinois State Toll Highway Authority on or after January
25 1, 2012; or

26 (24) any person who first becomes a member of the

1 Illinois State Board of Elections on or after January 1,
2 2012.

3 (c) An individual who represents or is employed as an
4 officer or employee of a statewide labor organization that
5 represents members of this System may participate in the System
6 and shall be deemed an employee, provided that (1) the
7 individual has previously earned creditable service under this
8 Article, (2) the individual files with the System an
9 irrevocable election to become a participant within 6 months
10 after the effective date of this amendatory Act of the 94th
11 General Assembly, and (3) the individual does not receive
12 credit for that employment under any other provisions of this
13 Code. An employee under this subsection (c) is responsible for
14 paying to the System both (i) employee contributions based on
15 the actual compensation received for service with the labor
16 organization and (ii) employer contributions based on the
17 percentage of payroll certified by the board; all or any part
18 of these contributions may be paid on the employee's behalf or
19 picked up for tax purposes (if authorized under federal law) by
20 the labor organization.

21 A person who is an employee as defined in this subsection
22 (c) may establish service credit for similar employment prior
23 to becoming an employee under this subsection by paying to the
24 System for that employment the contributions specified in this
25 subsection, plus interest at the effective rate from the date
26 of service to the date of payment. However, credit shall not be

1 granted under this subsection (c) for any such prior employment
2 for which the applicant received credit under any other
3 provision of this Code or during which the applicant was on a
4 leave of absence.

5 (d) Notwithstanding any other provision of this Article,
6 beginning on the effective date of this amendatory Act of the
7 99th General Assembly, a person is not required, as a condition
8 of employment or otherwise, to participate in this System. An
9 active employee may terminate his or her participation in this
10 System by notifying the System in writing. An active employee
11 terminating participation in this System under this subsection
12 shall be entitled to a refund of his or her contributions
13 (other than contributions to the defined contribution plan
14 under Section 14-155) plus regular interest, minus the amount
15 of any benefits received prior to terminating participation.

16 (Source: P.A. 96-1490, eff. 1-1-11; 97-609, eff. 1-1-12.)

17 (40 ILCS 5/15-134) (from Ch. 108 1/2, par. 15-134)

18 Sec. 15-134. Participant.

19 (a) Except as provided in subsection (a-5), each ~~Each~~
20 person shall, as a condition of employment, become a
21 participant and be subject to this Article on the date that he
22 or she becomes an employee, makes an election to participate
23 in, or otherwise becomes a participant in one of the retirement
24 programs offered under this Article, whichever date is later.

25 An employee who becomes a participant shall continue to be

1 a participant until he or she becomes an annuitant, dies or
2 accepts a refund of contributions.

3 (a-5) Notwithstanding any other provision of this Article,
4 beginning on the effective date of this amendatory Act of the
5 99th General Assembly, a person is not required, as a condition
6 of employment or otherwise, to participate in this System. An
7 active employee may terminate his or her participation in this
8 System by notifying the System in writing. An active employee
9 terminating participation in this System under this subsection
10 shall be entitled to a refund of his or her contributions
11 (other than contributions to the self-managed plan under
12 Section 15-158.2 or the defined contribution plan under Section
13 15-200) plus interest at the effective rate, minus the amount
14 of any benefits received prior to terminating participation.

15 (b) A person employed concurrently by 2 or more employers
16 is eligible to participate in the system on compensation
17 received from all employers.

18 (Source: P.A. 98-92, eff. 7-16-13.)

19 (40 ILCS 5/16-123) (from Ch. 108 1/2, par. 16-123)

20 Sec. 16-123. Membership of System.

21 (a) Except as provided in subsection (c), the ~~The~~
22 membership of this System shall be composed of all teachers
23 employed after June 30, 1939 who become members as a condition
24 of employment on the date they become teachers. Membership
25 shall continue until the date a member becomes an annuitant,

1 dies, accepts a single-sum retirement benefit, accepts a
2 refund, or forfeits the rights to a refund.

3 (b) This Article does not apply to any person first
4 employed after June 30, 1979 as a public service employment
5 program participant under the Federal Comprehensive Employment
6 and Training Act and whose wages or fringe benefits are paid in
7 whole or in part by funds provided under such Act.

8 (c) Notwithstanding any other provision of this Article,
9 beginning on the effective date of this amendatory Act of the
10 99th General Assembly, a person is not required, as a condition
11 of employment or otherwise, to participate in this System. An
12 active teacher may terminate his or her membership in this
13 System by notifying the System in writing. An active teacher
14 terminating his or her membership in this System under this
15 subsection shall be entitled to a refund of his or her
16 contributions (other than contributions to the defined
17 contribution plan under Section 16-205) plus regular interest,
18 minus any benefits received prior to the termination of
19 membership.

20 (Source: P.A. 87-11.)

21 (40 ILCS 5/18-120) (from Ch. 108 1/2, par. 18-120)

22 Sec. 18-120. Employee participation.

23 (a) Except as provided in subsection (b), an ~~An~~ eligible
24 judge who is not a participant shall become a participant
25 beginning on the date he or she becomes an eligible judge,

1 unless the judge files with the board a written notice of
2 election not to participate within 30 days of the date of being
3 notified of the option.

4 A person electing not to participate shall thereafter be
5 ineligible to become a participant unless the election is
6 revoked as provided in Section 18-121.

7 (b) Notwithstanding any other provision of this Article, an
8 active participant may terminate his or her participation in
9 this System by notifying the System in writing. An active
10 participant terminating participation in this System under
11 this subsection shall be entitled to a refund of his or her
12 contributions plus the market rate of return throughout the
13 multiple years the money was in the System, minus the amount of
14 any benefits received prior to terminating participation.

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

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