



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB2162

Introduced 7/28/2015, by Sen. Michael Connelly

SYNOPSIS AS INTRODUCED:

40 ILCS 5/7-114	from Ch. 108 1/2, par. 7-114
40 ILCS 5/15-111	from Ch. 108 1/2, par. 15-111
40 ILCS 5/16-121	from Ch. 108 1/2, par. 16-121

Amends the Illinois Municipal Retirement Fund (IMRF), State Universities, and Downstate Teacher Articles of the Illinois Pension Code. In the IMRF and State Universities Articles, provides that for a person who first becomes a participant on or after the effective date of the amendatory Act, "earnings" does not include amounts associated with a housing allowance or vehicle allowance payable to an employee. In the Downstate Teacher Article, provides that for a person who first becomes a member on or after the effective date of the amendatory Act, "salary" does not include amounts associated with a housing allowance or vehicle allowance payable to a teacher. Effective immediately.

LRB099 13307 RPS 37224 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 7-114, 15-111, and 16-121 as follows:

6 (40 ILCS 5/7-114) (from Ch. 108 1/2, par. 7-114)

7 (Text of Section WITHOUT the changes made by P.A. 98-599,
8 which has been held unconstitutional)

9 Sec. 7-114. Earnings. "Earnings":

10 (a) An amount to be determined by the board, equal to the
11 sum of:

12 1. The total amount of money paid to an employee for
13 personal services or official duties as an employee (except
14 those employed as independent contractors) paid out of the
15 general fund, or out of any special funds controlled by the
16 municipality, or by any instrumentality thereof, or
17 participating instrumentality, including compensation,
18 fees, allowances (but not including amounts associated
19 with a housing allowance or automobile allowance payable to
20 an employee who first becomes a participant on or after the
21 effective date of this amendatory Act of the 99th General
22 Assembly), or other emolument paid for official duties (but
23 not including automobile maintenance, travel expense, or

1 reimbursements for expenditures incurred in the
2 performance of duties) and, for fee offices, the fees or
3 earnings of the offices to the extent such fees are paid
4 out of funds controlled by the municipality, or
5 instrumentality or participating instrumentality; and

6 2. The money value, as determined by rules prescribed
7 by the governing body of the municipality, or
8 instrumentality thereof, of any board, lodging, fuel,
9 laundry, and other allowances provided an employee in lieu
10 of money.

11 (b) For purposes of determining benefits payable under this
12 fund payments to a person who is engaged in an independently
13 established trade, occupation, profession or business and who
14 is paid for his service on a basis other than a monthly or
15 other regular salary, are not earnings.

16 (c) If a disabled participating employee is eligible to
17 receive Workers' Compensation for an accidental injury and the
18 participating municipality or instrumentality which employed
19 the participating employee when injured continues to pay the
20 participating employee regular salary or other compensation or
21 pays the employee an amount in excess of the Workers'
22 Compensation amount, then earnings shall be deemed to be the
23 total payments, including an amount equal to the Workers'
24 Compensation payments. These payments shall be subject to
25 employee contributions and allocated as if paid to the
26 participating employee when the regular payroll amounts would

1 have been paid if the participating employee had continued
2 working, and creditable service shall be awarded for this
3 period.

4 (d) If an elected official who is a participating employee
5 becomes disabled but does not resign and is not removed from
6 office, then earnings shall include all salary payments made
7 for the remainder of that term of office and the official shall
8 be awarded creditable service for the term of office.

9 (e) If a participating employee is paid pursuant to "An Act
10 to provide for the continuation of compensation for law
11 enforcement officers, correctional officers and firemen who
12 suffer disabling injury in the line of duty", approved
13 September 6, 1973, as amended, the payments shall be deemed
14 earnings, and the participating employee shall be awarded
15 creditable service for this period.

16 (f) Additional compensation received by a person while
17 serving as a supervisor of assessments, assessor, deputy
18 assessor or member of a board of review from the State of
19 Illinois pursuant to Section 4-10 or 4-15 of the Property Tax
20 Code shall not be earnings for purposes of this Article and
21 shall not be included in the contribution formula or
22 calculation of benefits for such person pursuant to this
23 Article.

24 (Source: P.A. 87-740; 88-670, eff. 12-2-94.)

25 (40 ILCS 5/15-111) (from Ch. 108 1/2, par. 15-111)

1 (Text of Section WITHOUT the changes made by P.A. 98-599,
2 which has been held unconstitutional)

3 Sec. 15-111. Earnings.

4 (a) "Earnings": An amount paid for personal services equal
5 to the sum of the basic compensation plus extra compensation
6 for summer teaching, overtime or other extra service. For
7 periods for which an employee receives service credit under
8 subsection (c) of Section 15-113.1 or Section 15-113.2,
9 earnings are equal to the basic compensation on which
10 contributions are paid by the employee during such periods.
11 Compensation for employment which is irregular, intermittent
12 and temporary shall not be considered earnings, unless the
13 participant is also receiving earnings from the employer as an
14 employee under Section 15-107. For an employee who first
15 becomes a participant on or after the effective date of this
16 amendatory Act of the 99th General Assembly, "earnings" does
17 not include amounts associated with a housing allowance or
18 vehicle allowance payable to an employee.

19 With respect to transition pay paid by the University of
20 Illinois to a person who was a participating employee employed
21 in the fire department of the University of Illinois's
22 Champaign-Urbana campus immediately prior to the elimination
23 of that fire department:

24 (1) "Earnings" includes transition pay paid to the
25 employee on or after the effective date of this amendatory
26 Act of the 91st General Assembly.

1 (2) "Earnings" includes transition pay paid to the
2 employee before the effective date of this amendatory Act
3 of the 91st General Assembly only if (i) employee
4 contributions under Section 15-157 have been withheld from
5 that transition pay or (ii) the employee pays to the System
6 before January 1, 2001 an amount representing employee
7 contributions under Section 15-157 on that transition pay.
8 Employee contributions under item (ii) may be paid in a
9 lump sum, by withholding from additional transition pay
10 accruing before January 1, 2001, or in any other manner
11 approved by the System. Upon payment of the employee
12 contributions on transition pay, the corresponding
13 employer contributions become an obligation of the State.

14 (b) For a Tier 2 member, the annual earnings shall not
15 exceed \$106,800; however, that amount shall annually
16 thereafter be increased by the lesser of (i) 3% of that amount,
17 including all previous adjustments, or (ii) one half the annual
18 unadjusted percentage increase (but not less than zero) in the
19 consumer price index-u for the 12 months ending with the
20 September preceding each November 1, including all previous
21 adjustments.

22 For the purposes of this Section, "consumer price index u"
23 means the index published by the Bureau of Labor Statistics of
24 the United States Department of Labor that measures the average
25 change in prices of goods and services purchased by all urban
26 consumers, United States city average, all items, 1982-84 =

1 100. The new amount resulting from each annual adjustment shall
2 be determined by the Public Pension Division of the Department
3 of Insurance and made available to the boards of the retirement
4 systems and pension funds by November 1 of each year.

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

6 (40 ILCS 5/16-121) (from Ch. 108 1/2, par. 16-121)

7 (Text of Section WITHOUT the changes made by P.A. 98-599,
8 which has been held unconstitutional)

9 Sec. 16-121. Salary. "Salary": The actual compensation
10 received by a teacher during any school year and recognized by
11 the system in accordance with rules of the board. For purposes
12 of this Section, "school year" includes the regular school term
13 plus any additional period for which a teacher is compensated
14 and such compensation is recognized by the rules of the board.

15 For a person who first becomes a member on or after the
16 effective date of this amendatory Act of the 99th General
17 Assembly, "salary" does not include amounts associated with a
18 housing allowance or vehicle allowance payable to a teacher.

19 (Source: P.A. 84-1028.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.