

1                                    AMENDMENT TO HOUSE BILL 2157

2            AMENDMENT NO. \_\_\_\_\_. Amend House Bill 2157 by replacing  
3 everything after the enacting clause with the following:

4            "Section 5. The Illinois Pension Code is amended by  
5 changing Section 17-116.3 as follows:

6            (40 ILCS 5/17-116.3)

7            Sec. 17-116.3. Early retirement incentives.

8            (a) A teacher who is covered by a collective bargaining  
9 agreement shall not be eligible for the early retirement  
10 incentives provided under this Section unless the collective  
11 bargaining agent and the Board of Education have entered into  
12 an agreement under which the agent agrees that any payment  
13 for accumulated unused sick days to which the employee is  
14 entitled upon withdrawal from service may be paid by the  
15 Board of Education in installments over a period of up to 5  
16 years, and a copy of this agreement has been filed with the  
17 Board of the Fund.

18            To be eligible for the benefits provided in this Section,  
19 a person must:

- 20            (1) be a member of this Fund who, on or after May  
21 1, 1993, is (i) in active payroll status as a teacher, or  
22 (ii) on layoff status from such a position with a right

1 of re-employment or recall to service, or (iii) on leave  
2 of absence from such a position, but only if the member  
3 on leave has not been receiving a disability benefit  
4 under this Article for a continuous period of 2 years or  
5 more as of the date of application;

6 (2) have not previously received a retirement  
7 pension under this Article;

8 (3) file with the Board and the Board of Education,  
9 before August 15, 1993, a written application requesting  
10 the benefits provided in this Section and a notice of  
11 resignation from employment, which resignation must take  
12 effect before September 1, 1993 unless the applicant's  
13 retirement is delayed under subsection (e), (f), or (f-5)  
14 of this Section;

15 (4) be eligible to receive a retirement pension  
16 under this Article (for which purpose any age enhancement  
17 or creditable service received under this Section may be  
18 used) and elect to receive the retirement pension  
19 beginning no earlier than June 1, 1993 and no later than  
20 September 1, 1993 or the date established under  
21 subsection (e), (f), or (f-5) of this Section, if  
22 applicable;

23 (5) have attained age 50 (without the use of any  
24 age enhancement or creditable service received under this  
25 Section) by the effective date of the retirement pension;

26 (6) have at least 5 years of creditable service  
27 under this Fund or any of the participating systems under  
28 the Retirement Systems Reciprocal Act (without the use of  
29 any creditable service received under this Section) by  
30 the effective date of the retirement pension.

31 (b) An eligible person may establish up to 5 years of  
32 creditable service under this Section. In addition, for each  
33 period of creditable service established under this Section,  
34 a person's age at retirement shall be deemed to be increased

1 by an equal period.

2 The creditable service established under this Section may  
3 be used for all purposes under this Article and the  
4 Retirement Systems Reciprocal Act, except for the purposes of  
5 Section 17-116.1, and the determination of average salary or  
6 compensation under this or any other Article of this Code.

7 The age enhancement established under this Section may be  
8 used for all purposes under this Article (including  
9 calculation of a proportionate pension payable by this Fund  
10 under the Retirement Systems Reciprocal Act), except for  
11 purposes of the reversionary pension under Section 17-120,  
12 and distributions required by federal law on account of age.  
13 However, age enhancement established under this Section shall  
14 not be used in determining benefits payable under other  
15 Articles of this Code under the Retirement Systems Reciprocal  
16 Act.

17 (c) For all creditable service established under this  
18 Section, the employer must pay to the Fund an employer  
19 contribution consisting of 12% of the member's highest annual  
20 full-time rate of compensation for each year of creditable  
21 service granted under this Section.

22 The employer contribution shall be paid to the Fund in  
23 one of the following ways: (i) in a single sum at the time  
24 of the member's retirement, (ii) in equal quarterly  
25 installments over a period of 5 years from the date of  
26 retirement, or (iii) subject to the approval of the Board of  
27 the Fund, in unequal installments over a period of no more  
28 than 5 years from the date of retirement, as provided in a  
29 payment plan designed by the Fund to accommodate the needs of  
30 the employer. The employer's failure to make the required  
31 contributions in a timely manner shall not affect the payment  
32 of the retirement pension.

33 For all creditable service established under this  
34 Section, the employee must pay to the Fund an employee

1 contribution consisting of 4% of the member's highest annual  
2 salary rate used in the determination of the retirement  
3 pension for each year of creditable service granted under  
4 this Section. The employee contribution shall be deducted  
5 from the retirement annuity in 24 monthly installments.

6 (d) An annuitant who has received any age enhancement or  
7 creditable service under this Section and whose pension is  
8 suspended or cancelled under Section 17-149 or 17-150 shall  
9 thereby forfeit the age enhancement and creditable service.  
10 The forfeiture of creditable service under this subsection  
11 shall not entitle the employer to a refund of the employer  
12 contribution paid under this Section, nor to forgiveness of  
13 any part of that contribution that remains unpaid. The  
14 forfeiture of creditable service under this subsection shall  
15 not entitle the employee to a refund of the employee  
16 contribution paid under this Section.

17 (e) If the number of employees of an employer that apply  
18 for early retirement under this Section exceeds 30% of those  
19 eligible, the employer may require that, for any or all of  
20 the number of applicants in excess of that 30%, the starting  
21 date of the retirement pension enhanced under this Section be  
22 no earlier than June 1, 1994 and no later than September 1,  
23 1994. The right to have the retirement pension begin before  
24 June 1, 1994 shall be allocated among the applicants on the  
25 basis of seniority in the service of that employer.

26 This delay applies only to persons who are applying for  
27 early retirement incentives under this Section, and does not  
28 prevent a person whose application for early retirement  
29 incentives has been withdrawn from beginning to receive a  
30 retirement pension on the earliest date upon which the person  
31 is otherwise eligible under this Article.

32 (f) For a member who is notified after July 30, 1993,  
33 but before November 29, 1993, that he or she will become a  
34 supernumerary or reserve teacher in the 1993-1994 school

1 year: (1) the August 15, 1993 application deadline in  
2 subdivision (a)(3) of this Section is extended to December  
3 14, 1993, (2) the September 1, 1993 deadline in subdivision  
4 (a)(4) of this Section is extended to December 14, 1993, and  
5 (3) the member shall not be included in the calculation of  
6 the 30% under subsection (e) and is not subject to delay in  
7 retirement under that subsection.

8 (f-5) For a member who is notified after January 1,  
9 1994, but before March 1, 1994, that he or she will become a  
10 reserve teacher in the 1993-1994 school year: (1) the August  
11 15, 1993 application deadline in subdivision (a)(3) of this  
12 Section is extended to April 1, 1994; (2) the September 1,  
13 1993 deadline in subdivision (a)(4) of this Section is  
14 extended to April 1, 1994; and (3) the member shall not be  
15 included in the calculation of the 30% under subsection (e)  
16 and is not subject to delay in retirement under that  
17 subsection.

18 (g) A member who receives any early retirement incentive  
19 under Section 17-116.4, 17-116.5 or 17-116.6 may not receive  
20 any early retirement incentive under this Section.

21 (h) The version of this Section included in Public Act  
22 88-85 is intended to and shall control over the version of  
23 this Section included in Public Act 88-89, notwithstanding  
24 Section 6 of the Statute on Statutes. All persons qualifying  
25 for early retirement incentives under this Section shall be  
26 subject to the limitations and restrictions provided in the  
27 version of this Section included in Public Act 88-85, as  
28 amended by Public Act 88-511.

29 (i) In addition to the benefits provided under the other  
30 provisions of this Section, every person who receives early  
31 retirement benefits under this Section is entitled to one  
32 additional year of creditable service and a corresponding  
33 year of additional age enhancement, for which no additional  
34 contribution is required. Every person who receives early

1 retirement benefits under this Section whose retirement  
2 annuity has been calculated on the basis of a 4-year average  
3 salary is also entitled to have the annuity recalculated on  
4 the basis of the average salary for the 3 highest consecutive  
5 years within the last 10 years of service.

6 The additional benefits provided by this subsection (i)  
7 shall begin to accrue on the date the retirement annuity  
8 began, notwithstanding Section 17-157. The Fund shall  
9 recalculate all annuities originally calculated under this  
10 Section to reflect the additional benefits provided under  
11 this subsection and shall pay to the annuitant in a lump sum  
12 the difference between the annuity payments paid before the  
13 date of the recalculation and the recalculated amount of  
14 those payments.

15 (Source: P.A. 88-85; 88-89; 88-511; 88-670, eff. 12-2-94.)

16 Section 10. The State Mandates Act is amended by adding  
17 Section 8.25 as follows:

18 (30 ILCS 805/8.25 new)

19 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6  
20 and 8 of this Act, no reimbursement by the State is required  
21 for the implementation of any mandate created by this  
22 amendatory Act of the 92nd General Assembly.

23 Section 99. Effective date. This Act takes effect upon  
24 becoming law."