

1 AMENDMENT TO HOUSE BILL 2671

2 AMENDMENT NO. _____. Amend House Bill 2671 by replacing
3 the title with the following:

4 "AN ACT in relation to public employee benefits."; and
5 by replacing everything after the enacting clause with the
6 following:

7 "Section 5. The State Finance Act is amended by changing
8 Section 15a as follows:

9 (30 ILCS 105/15a) (from Ch. 127, par. 151a)

10 Sec. 15a. Contractual services. The item "contractual
11 services", when used in an appropriation act, means and
12 includes:

13 (a) Expenditures incident to the current conduct
14 and operation of an office, department, board,
15 commission, institution or agency for postage and postal
16 charges, surety bond premiums, publications,
17 subscriptions, office conveniences and services,
18 exclusive of commodities as herein defined;

19 (b) Expenditures for rental of property or
20 equipment, repair or maintenance of property or equipment
21 including related supplies, equipment, materials,

1 services, replacement fixtures and repair parts, utility
2 services, professional or technical services, moving
3 expenses incident to a new State employment, and
4 transportation charges exclusive of "travel" as herein
5 defined;

6 (c) Expenditures for the rental of lodgings in
7 Springfield, Illinois and for the payment of utilities
8 used in connection with such lodgings for all elected
9 State officials, who are required by Section 1, Article V
10 of the Constitution of the State of Illinois to reside at
11 the seat of government during their term of office;

12 (d) Expenditures pursuant to multi-year lease,
13 lease-purchase or installment purchase contracts for
14 duplicating equipment authorized by Section 5.1 of the
15 Illinois Purchasing Act;

16 (e) Expenditures of \$5,000 or less per project for
17 improvements to real property which, except for the
18 operation of this Section, would be classified as
19 "permanent improvements" as defined in Section 21;

20 (f) Expenditures pursuant to multi-year lease,
21 lease-purchase or installment purchase contracts for
22 land, permanent improvements or fixtures.

23 The item "contractual services" does not, however,
24 include any expenditures included in "operation of automotive
25 equipment" as defined in Section 24.2.

26 The item "contractual services" does not include any
27 expenditures for professional, technical, or other services
28 performed for a State agency under a contract executed after
29 July 1 the-effective-date-of-this-amendatory-Act-of 1992 by a
30 person who was formerly employed by that agency and has
31 received any early retirement incentive under Section
32 14-108.3 or 16-133.3 of the Illinois Pension Code based on
33 retirement before 1993, unless the official or employee
34 executing the contract on behalf of the agency has certified

1 that the person performing the services either (i) possesses
2 unique expertise, or (ii) is essential to the operation of
3 the agency. This certification must be filed with the Office
4 of the Auditor General prior to the execution of the
5 contract, and shall be made available by that Office for
6 public inspection and copying. The item "contractual
7 services" does not include any expenditures for professional,
8 technical, or other services performed for a State agency
9 under a contract executed after the effective date of this
10 amendatory Act of the 92nd General Assembly by a person who
11 has received any early retirement incentive under Section
12 14-108.3 or 16-133.3 of the Illinois Pension Code based on
13 retirement in 2002 or later. A contract not payable from the
14 contractual services item because of this paragraph shall not
15 be payable from any other item of appropriation. For the
16 purposes of this paragraph, the term "agency" includes all
17 offices, boards, commissions, departments, agencies, and
18 institutions of State government.
19 (Source: P.A. 91-357, eff. 7-29-99.)

20 Section 10. The Illinois Pension Code is amended by
21 changing Sections 14-105, 14-108.3 and 16-133.3 as follows:

22 (40 ILCS 5/14-105) (from Ch. 108 1/2, par. 14-105)
23 Sec. 14-105. Service credit for which contributions are
24 not required.

25 (a) Each employee in service on December 31, 1943, or
26 then on leave of absence not in conflict with Civil Service
27 rules, if such leave had not extended for more than one year
28 continuously, or who is otherwise entitled to prior service
29 credit, who becomes a member shall file with the board on a
30 form supplied by it, a detailed statement of all service
31 rendered prior to January 1, 1944, for which credit is
32 claimed.

1 Upon verification thereof, the board shall issue a prior
2 service certificate certifying length of prior service. A
3 prior service certificate shall be conclusive so long as
4 membership continues, provided, that a member may, within one
5 year from the date of original issuance of the certificate or
6 modification thereof, request the board to modify or correct
7 the certificate.

8 When membership ceases, a prior service certificate shall
9 become void, and shall be revived only under the conditions
10 specified in this Article.

11 In the computation of prior service, the following
12 schedule shall govern: 9 months of service or more during any
13 fiscal year constitutes a year of service; 6 to 9 months, 3/4
14 of a year; 3 to 6 months, 1/2 year; less than 3 months shall
15 not be considered. Credit shall not be allowed for any
16 period of absence without compensation or for less than 15
17 days service in any month, nor shall more than one year of
18 service be creditable for all service rendered in any one
19 fiscal year.

20 (b) Any member shall receive credit for military service
21 provided all of the following conditions are met:

22 (1) the member was a State employee within 6 months
23 immediately prior to entry into military service;

24 (2) the member returns as a State employee within
25 15 months after his unconditional discharge other than by
26 dishonorable discharge; and

27 (3) the member establishes creditable service for
28 State employment immediately prior to and following the
29 military service.

30 The total amount of creditable military service for any
31 member during his entire term of service shall not exceed 5
32 years in the aggregate, except that any member who on July 1,
33 1963, had accrued more than 5 years of such credit shall be
34 entitled to the total amount of such accrued credit.

1 (c) Any active member of the System who (1) was earning
2 eligible creditable service under subdivision (b)(12) of
3 Section 14-110 on January 1, 1992, and (2) has at least 17
4 years of creditable service under Article 5, and (3) is
5 eligible to transfer that creditable service to this System
6 under subsection (c) of Section 5-236 of this Code, and (4)
7 applies in writing for transfer of that creditable service to
8 this System within 30 days after the effective date of this
9 amendatory Act of 1993, shall receive eligible creditable
10 service in this System for that creditable service upon
11 receipt by this System of the amounts transferred under
12 Section 5-236. No additional contributions shall be required
13 for the transferred service.

14 (d) Any active member of the system who (1) was earning
15 eligible creditable service under subdivision (b)(5) of
16 Section 14-110 on January 1, 1992, and (2) has no more than 7
17 years of creditable service as a municipal conservator of the
18 peace under Article 7, and (3) is eligible to transfer that
19 creditable service to this System under subsection (a) of
20 Section 7-139.7 of this Code, and (4) makes written
21 notification to this System by January 31, 1994, shall
22 receive eligible creditable service in this System for that
23 service upon receipt by this System of the amounts
24 transferred under Section 7-139.7. No additional
25 contributions shall be required for the transferred service.

26 (e) Any member may establish creditable service and
27 earnings credit for a period of voluntary or involuntary
28 furlough, not exceeding 5 days, beginning on or after
29 December 1, 2001 and ending before January 1, 2003, that is
30 utilized as a means of addressing a State fiscal emergency.
31 To receive this credit, the member must apply in writing to
32 the System or the member's employer before July 1, 2005. No
33 additional contribution is required for this credit.

34 (Source: P.A. 87-1265.)

1 (40 ILCS 5/14-108.3)

2 Sec. 14-108.3. Early retirement incentives.

3 (a) To be eligible for the benefits provided in this
4 Section, a person must:

5 (1) be a member of this System who, on any day
6 during June, 2002, is (i) in active payroll status in a
7 position of employment with a department and an active
8 contributor to this System with respect to that
9 employment, and terminates that employment before the
10 retirement annuity under this Article begins, or (ii) on
11 layoff status from such a position with a right of
12 re-employment or recall to service, or (iii) receiving
13 benefits under Section 14-123, 14-123.1 or 14-124, but
14 only if the member has not been receiving those benefits
15 for a continuous period of more than 2 years as of the
16 date of application;

17 (2) not have received any retirement annuity under
18 this Article beginning earlier than August 1, 2002;

19 (3) file with the Board on or before December 31,
20 2002 a written application requesting the benefits
21 provided in this Section;

22 (4) terminate employment under this Article no
23 later than December 31, 2002 (or the date established
24 under subsection (d), if applicable);

25 (5) by the date of termination of service, have at
26 least 8 years of creditable service under this Article,
27 without the use of any creditable service established
28 under this Section;

29 (6) by the date of termination of service, have at
30 least 5 years of membership service earned while an
31 employee under this Article, which may include military
32 service for which credit is established under Section
33 14-105(b), service during the qualifying period for which
34 credit is established under Section 14-104(a), and

1 service for which credit has been established by repaying
2 a refund under Section 14-130, but shall not include
3 service for which any other optional service credit has
4 been established; and

5 (7) not receive any early retirement benefit under
6 Section 16-133.3 of this Code.

7 (b) An eligible person may establish up to 5 years of
8 creditable service under this Article, in increments of one
9 month, by making the contributions specified in subsection
10 (c). In addition, for each month of creditable service
11 established under this Section, a person's age at retirement
12 shall be deemed to be one month older than it actually is.

13 The creditable service established under this Section may
14 be used for all purposes under this Article and the
15 Retirement Systems Reciprocal Act, except for the computation
16 of final average compensation under Section 14-103.12 or the
17 determination of compensation under this or any other Article
18 of this Code.

19 The age enhancement established under this Section may
20 not be used to enable any person to begin receiving a
21 retirement annuity calculated under Section 14-110 before
22 actually attaining age 50 (without any age enhancement under
23 this Section). The age enhancement established under this
24 Section may be used for all other purposes under this Article
25 (including calculation of a proportionate annuity payable by
26 this System under the Retirement Systems Reciprocal Act),
27 except for purposes of the level income option in Section
28 14-112, the reversionary annuity under Section 14-113, and
29 the required distributions under Section 14-121.1.

30 The age enhancement established under this Section may be
31 used in determining benefits payable under Article 16 of this
32 Code under the Retirement Systems Reciprocal Act, if the
33 person has at least 5 years of service credit in the Article
34 16 system that was earned while participating in that system

1 as a teacher (as defined in Section 16-106) employed by a
2 department (as defined in Section 14-103.04). Age
3 enhancement established under this Section shall not
4 otherwise be used in determining benefits payable under other
5 Articles of this Code under the Retirement Systems Reciprocal
6 Act.

7 (c) For all creditable service established under this
8 Section, a person must pay to the System an employee
9 contribution to be determined by the System, based on the
10 member's rate of compensation on June 1, 2002 (or the last
11 date before June 1, 2002 for which a rate can be determined)
12 and the retirement contribution rate in effect on June 1,
13 2002 for the member (or for members with the same social
14 security and alternative formula status as the member).

15 If the member receives a lump sum payment for accumulated
16 vacation, sick leave and personal leave upon withdrawal from
17 service, and the net amount of that lump sum payment is at
18 least as great as the amount of the contribution required
19 under this Section, the entire contribution must be paid by
20 the employee by payroll deduction. If there is no such lump
21 sum payment, or if it is less than the contribution required
22 under this Section, the member shall make an initial payment
23 by payroll deduction, equal to the net amount of the lump sum
24 payment for accumulated vacation, sick leave, and personal
25 leave, and have the remaining amount due treated as a
26 reduction from the retirement annuity in 24 equal monthly
27 installments beginning in the month in which the retirement
28 annuity takes effect. The required contribution may be paid
29 as a pre-tax deduction from earnings. For federal and
30 Illinois tax purposes, the monthly amount by which the
31 annuitant's benefit is reduced shall not be treated as a
32 contribution by the annuitant, but rather as a reduction of
33 the annuitant's monthly benefit.

34 (c-5) The reduction in retirement annuity provided in

1 subsection (c) of Section 14-108 does not apply to the
2 annuity of a person who retires under this Section. A person
3 who has received any age enhancement or creditable service
4 under this Section may begin to receive an unreduced
5 retirement annuity upon attainment of age 55 with at least 25
6 years of creditable service (including any age enhancement
7 and creditable service established under this Section).

8 (d) In order to ensure that the efficient operation of
9 State government is not jeopardized by the simultaneous
10 retirement of large numbers of key personnel, the director or
11 other head of a department may, for key employees of that
12 department, extend the December 31, 2002 deadline for
13 terminating employment under this Article established in
14 subdivision (a)(4) of this Section to a date not later than
15 April 30, 2003 by so notifying the System in writing by
16 December 31, 2002.

17 (e) Notwithstanding Section 14-111, a person who has
18 received any age enhancement or creditable service under this
19 Section and who reenters service under this Article (or as an
20 employee of a department under Article 16) other than as a
21 temporary employee thereby forfeits that age enhancement and
22 creditable service and is entitled to a refund of the
23 contributions made pursuant to this Section.

24 (f) The System shall determine the amount of the
25 increase in unfunded accrued liability resulting from the
26 granting of early retirement incentives under this Section
27 and shall report that amount to the Governor and the Pension
28 Laws Commission on or before November 15, 2003. The increase
29 in liability reported under this subsection (f) shall not be
30 included in the calculation of the required State
31 contribution under Section 14-131.

32 (g) The System shall determine the amount of the annual
33 State contribution necessary to amortize on a level
34 dollar-payment basis, over a period of 10 years at 8.5%

1 interest, compounded annually, an amount equal to the
2 increase in unfunded accrued liability determined under
3 subsection (f) minus \$70,000,000. The System shall certify
4 the amount of this annual State contribution to the Governor,
5 the State Comptroller, the Bureau of the Budget, and the
6 Pension Laws Commission on or before November 15, 2003.

7 In addition to the contributions otherwise required under
8 this Article, the State shall appropriate and pay to the
9 System (1) an amount equal to \$70,000,000 in State fiscal
10 year 2004 and (2) in each of State fiscal years 2005 through
11 2013, an amount equal to the annual State contribution
12 certified by the System under this subsection (g).

13 (h) The Pension Laws Commission shall determine and
14 report to the General Assembly, on or before January 1, 2004
15 and annually thereafter through the year 2013, its estimate
16 of (1) the annual amount of payroll savings likely to be
17 realized by the State as a result of the early retirement of
18 persons receiving early retirement incentives under this
19 Section and (2) the net annual savings or cost to the State
20 from the program of early retirement incentives created under
21 this Section.

22 The System, the Department of Central Management
23 Services, the Bureau of the Budget, and all other departments
24 shall provide to the Commission any assistance that the
25 Commission may request with respect to its reports under this
26 Section. The Commission may require departments to provide
27 it with any information that it deems necessary or useful
28 with respect to its reports under this Section, including
29 without limitation information about (1) the final earnings
30 of former department employees who elected to receive
31 benefits under this Section, (2) the earnings of current
32 department employees holding the positions vacated by persons
33 who elected to receive benefits under this Section, and (3)
34 positions vacated by persons who elected to receive benefits

1 under this Section that have not yet been refilled.

2 (i) The changes made to this Section by this amendatory
3 Act of the 92nd General Assembly do not apply to persons who
4 retired under this Section on or before May 1, 1992.

5 (a) ~~To be eligible for the benefits provided in this~~
6 ~~Section, a person must:~~

7 (1) ~~be a member of this System who, on any day~~
8 ~~during May, 1991, is (i) in active payroll status in a~~
9 ~~position of employment with a department, or (ii) on~~
10 ~~layoff status from such a position with a right of~~
11 ~~re-employment or recall to service, or (iii) on leave of~~
12 ~~absence from such a position, but only if the member on~~
13 ~~leave has not been receiving benefits under Section~~
14 ~~14-123, 14-123.1 or 14-124 for a continuous period of 2~~
15 ~~years or more as of the date of application;~~

16 (2) ~~have not retired under this Article;~~

17 (3) ~~file with the Board before December 1, 1991, a~~
18 ~~written application requesting the benefits provided in~~
19 ~~this Section;~~

20 (4) ~~establish eligibility to receive a retirement~~
21 ~~annuity under this Article (for which purpose any age~~
22 ~~enhancement or creditable service received under this~~
23 ~~Section may be used) and elect to receive the retirement~~
24 ~~annuity beginning not earlier than the first day of the~~
25 ~~month following the month in which this amendatory Act of~~
26 ~~1991 takes effect, and not later than January 1, 1992 (or~~
27 ~~the date established under subsection (e) if applicable);~~

28 (5) ~~have attained age 50 or accumulated 30 or more~~
29 ~~years of creditable service (without the use of any age~~
30 ~~enhancement or creditable service received under this~~
31 ~~Section) by December 31, 1991.~~

32 (b) ~~An eligible person may establish up to 5 years of~~
33 ~~creditable service under this Article, in increments of one~~
34 ~~month, by making the contributions specified in subsection~~

1 (c).---In--addition,--for--each--month--of--creditable--service
 2 established--under--this--Section,--a--person's--age--at--retirement
 3 shall--be--deemed--to--be--one--month--older--than--it--actually--is.

4 The--creditable--service--established--under--this--Section--may
 5 be---used---for---all---purposes---under---this---Article---and---the
 6 Retirement--Systems--Reciprocal--Act,--except--for--the--computation
 7 of--final--average--compensation--under--Section--14--103.12,--or--the
 8 determination--of--compensation--under--this--or--any--other--Article
 9 of--this--Code.

10 The--age--enhancement--established--under--this--Section--may--be
 11 used--for--all--purposes--under---this---Article---(including
 12 calculation--of--a--proportionate--annuity--payable--by--this--System
 13 under--the--Retirement--Systems--Reciprocal--Act),--except--for
 14 purposes--of--the--level--income--option--in--Section--14--112,--the
 15 reversionary--annuity--under--Section--14--113,--and--the--required
 16 distributions---under---Section---14--121.1.---However,---age
 17 enhancement--established--under--this--Section--shall--not--be--used
 18 in--determining--benefits--payable--under--other--Articles--of--this
 19 Code--under--the--Retirement--Systems--Reciprocal--Act.

20 (c)--For--all--creditable--service--established--under--this
 21 Section,--a--person--must--pay--to--the--System--an--employee
 22 contribution--to--be--determined--by--the--System,--based--on--the
 23 member's--final--rate--of--compensation--and--one--half--of--the
 24 retirement--contribution--rate--in--effect--for--the--member--on--the
 25 date--of--withdrawal.

26 If--the--member--receives--a--lump--sum--payment--for--accumulated
 27 vacation,--sick--leave--and--personal--leave--upon--withdrawal--from
 28 service,--and--the--net--amount--of--that--lump--sum--payment--is--at
 29 least--as--great--as--the--amount--of--the--contribution--required
 30 under--this--Section,--the--entire--contribution--(or--so--much--of--it
 31 as--does--not--exceed--the--contribution--limitations--of--Section
 32 415--of--the--Internal--Revenue--Code--of--1986)--must--be--paid--by--the
 33 employee--before--the--retirement--annuity--may--become--payable.
 34 If--there--is--no--such--lump--sum--payment,--or--if--it--is--less--than

1 the contribution required under this Section the member may
2 either pay the entire contribution before the retirement
3 annuity becomes payable, or may instead make an initial
4 payment before the retirement annuity becomes payable, equal
5 to the net amount of the lump sum payment for accumulated
6 vacation, sick leave and personal leave (or so much of it as
7 does not exceed the contribution limitations of Section 415
8 of the Internal Revenue Code of 1986), and have the remaining
9 amount due deducted from the retirement annuity in 24 equal
10 monthly installments beginning in January of 1992 or in the
11 month in which the retirement annuity takes effect, whichever
12 is later.

13 However, if the net amount of the lump sum payment for
14 accumulated vacation, sick leave and personal leave equals or
15 exceeds the contribution required under this Section, but the
16 required contribution exceeds an applicable contribution
17 limitation contained in Section 415 of the Internal Revenue
18 Code of 1986, then the amount of the contribution in excess
19 of the Section 415 limitation shall instead be paid by the
20 annuitant in January of 1992 or in the month in which the
21 retirement annuity takes effect, whichever is later. If this
22 additional amount is not paid as required, the retirement
23 annuity shall be suspended until the required contribution is
24 received.

25 (d) In the event that the age enhancement or creditable
26 service received under this Section result in a retirement
27 benefit that exceeds any applicable benefit limitation
28 contained in Section 415 of the Internal Revenue Code of
29 1986, the amount of the retirement benefit that exceeds the
30 Section 415 limitation shall not be paid for any period to
31 which the limitation is applicable. If no contributions are
32 otherwise due in 1992 and 1993 under subsection (c) from an
33 annuitant whose retirement benefits are subject to limitation
34 under this subsection, then 10% of the contribution otherwise

1 required---under---subsection--(e)--to--be--paid--before--the
 2 retirement--annuity--becomes--payable---shall---instead---be
 3 contributed--to--the--System--by--the--annuitant--in--January--of
 4 1993.

5 (e)--In--order--to--ensure--that--the--public--health--and--safety
 6 are--not--jeopardized--by--the--simultaneous--retirement--of--large
 7 numbers--of--critical--personnel,--the--Director--of--State--Police
 8 (for--State--police--officers--under--the--Department--of--State
 9 Police)--and--the--Director--of--Corrections--(for--security--staff
 10 at--adult--and--juvenile--institutions--under--the--Department--of
 11 Corrections)--may--extend--the--January--1,--1992--deadline--for--the
 12 effective--date--of--a--retirement--annuity--established---in
 13 subdivision--(a)(4)--of--this--Section--to--a--date--not--later--than
 14 May--1,--1992,--by--so--notifying--the--System--in--writing--no--later
 15 than--December--31,--1991.

16 In--order--to--ensure--that--the--efficient--operation--of--the
 17 courts--of--this--State--is--not--jeopardized--by--the--simultaneous
 18 retirement--of--large--numbers--of--court--reporters,--the--Chief
 19 Justice--of--the--Illinois--Supreme--Court--may,--for--official--court
 20 reporters--employed--in--the--courts--of--this--State,--extend--the
 21 January--1,--1992--deadline--for--the--effective--date--of--a
 22 retirement--annuity--established--in--subdivision--(a)(4)--of--this
 23 Section--to--a--date--not--later--than--May--1,--1992,--by--so--notifying
 24 the--System--in--writing--no--later--than--December--31,--1991.

25 (f)--Notwithstanding--Section--14--111,--an--annuitant--who--has
 26 received--any--age--enhancement--or--creditable--service--under--this
 27 Section--and--who--reenters--service--under--this--Article--other
 28 than--as--a--temporary--employee--shall--thereby--forfeit--such--age
 29 enhancement--and--creditable--service,--and--become--entitled--to--a
 30 refund--of--the--contributions--made--pursuant--to--this--Section.

31 (Source: P.A. 87-14.)

32 (40 ILCS 5/16-133.3) (from Ch. 108 1/2, par. 16-133.3)
 33 Sec. 16-133.3. Early retirement incentives for State

1 employees.

2 (a) To be eligible for the benefits provided in this
3 Section, a person must:

4 (1) be a member of this System who, on any day
5 during June, 2002, is (i) in active payroll status as a
6 full-time teacher employed by a department and an active
7 contributor to this System with respect to that
8 employment, or (ii) on layoff status from such a position
9 with a right of re-employment or recall to service, or
10 (iii) receiving a disability benefit under Section 16-149
11 or 16-149.1, but only if the member has not been
12 receiving that benefit for a continuous period of more
13 than 2 years as of the date of application;

14 (2) not have received any retirement annuity under
15 this Article beginning earlier than August 1, 2002;

16 (3) file with the Board on or before December 31,
17 2002 a written application requesting the benefits
18 provided in this Section;

19 (4) terminate employment under this Article no
20 later than December 31, 2002 (or the the date established
21 under subsection (d), if applicable);

22 (5) by the date of termination of service, have at
23 least 8 years of creditable service under this Article,
24 without the use of any creditable service established
25 under this Section;

26 (6) by the date of termination of service, have at
27 least 5 years of service credit earned while
28 participating in the System as a teacher employed by a
29 department; and

30 (7) not receive any early retirement benefit under
31 Section 14-108.3 of this Code.

32 For the purposes of this Section, "department" means a
33 department as defined in Section 14-103.04 that employs a
34 teacher as defined in this Article.

1 (b) An eligible person may establish up to 5 years of
2 creditable service under this Article by making the
3 contributions specified in subsection (c). In addition, for
4 each period of creditable service established under this
5 Section, a person's age at retirement shall be deemed to be
6 enhanced by an equivalent period.

7 The creditable service established under this Section may
8 be used for all purposes under this Article and the
9 Retirement Systems Reciprocal Act, except for the computation
10 of final average salary, the determination of salary or
11 compensation under this Article or any other Article of this
12 Code, or the determination of eligibility for or the
13 computation of benefits under Section 16-133.2.

14 The age enhancement established under this Section may be
15 used for all purposes under this Article (including
16 calculation of a proportionate annuity payable by this System
17 under the Retirement Systems Reciprocal Act), except for
18 purposes of a retirement annuity under Section 16-133(a)(A),
19 a reversionary annuity under Section 16-136, the required
20 distributions under Section 16-142.3, and the determination
21 of eligibility for or the computation of benefits under
22 Section 16-133.2. Age enhancement established under this
23 Section may be used in determining benefits payable under
24 Article 14 of this Code under the Retirement Systems
25 Reciprocal Act (subject to the limitations on the use of age
26 enhancement provided in Section 14-108.3); age enhancement
27 established under this Section shall not be used in
28 determining benefits payable under other Articles of this
29 Code under the Retirement Systems Reciprocal Act.

30 (c) For all creditable service established under this
31 Section, a person must pay to the System an employee
32 contribution to be determined by the System, equal to 9.0% of
33 the member's highest annual salary rate that would be used in
34 the determination of the average salary for retirement

1 annuity purposes if the member retired immediately after
2 withdrawal, for each year of creditable service established
3 under this Section.

4 If the member receives a lump sum payment for accumulated
5 vacation, sick leave, and personal leave upon withdrawal from
6 service, and the net amount of that lump sum payment is at
7 least as great as the amount of the contribution required
8 under this Section, the entire contribution must be paid by
9 the employee by payroll deduction. If there is no such lump
10 sum payment, or if it is less than the contribution required
11 under this Section, the member shall make an initial payment
12 by payroll deduction, equal to the net amount of the lump sum
13 payment for accumulated vacation, sick leave, and personal
14 leave, and have the remaining amount due treated as a
15 reduction from the retirement annuity in 24 equal monthly
16 installments beginning in the month in which the retirement
17 annuity takes effect. The required contribution may be paid
18 as a pre-tax deduction from earnings.

19 (d) In order to ensure that the efficient operation of
20 State government is not jeopardized by the simultaneous
21 retirement of large numbers of key personnel, the director or
22 other head of a department may, for key employees of that
23 department, extend the December 31, 2002 deadline for
24 terminating employment under this Article established in
25 subdivision (a)(4) of this Section to a date not later than
26 April 30, 2003 by so notifying the System in writing by
27 December 31, 2002.

28 (e) A person who has received any age enhancement or
29 creditable service under this Section and who reenters
30 contributing service under this Article or Article 14 shall
31 thereby forfeit that age enhancement and creditable service,
32 and become entitled to a refund of the contributions made
33 pursuant to this Section.

34 (f) The System shall determine the amount of the

1 increase in unfunded accrued liability resulting from the
2 granting of early retirement incentives under this Section
3 and shall report that amount to the Governor and the Pension
4 Laws Commission on or before November 15, 2003. The increase
5 in liability reported under this subsection (f) shall not be
6 included in the calculation of the required State
7 contribution under Section 16-158.

8 (g) The System shall determine the amount of the annual
9 State contribution necessary to amortize on a level
10 dollar-payment basis, over a period of 10 years at 8.5%
11 interest, compounded annually, an amount equal to the
12 increase in unfunded accrued liability determined under
13 subsection (f) minus \$1,000,000. The System shall certify
14 the amount of this annual State contribution to the Governor,
15 the State Comptroller, the Bureau of the Budget, and the
16 Pension Laws Commission on or before November 15, 2003.

17 In addition to the contributions otherwise required under
18 this Article, the State shall appropriate and pay to the
19 System (1) an amount equal to \$1,000,000 in State fiscal year
20 2004 and (2) in each of State fiscal years 2005 through 2013,
21 an amount equal to the annual State contribution certified by
22 the System under this subsection (g).

23 (h) The Pension Laws Commission shall determine and
24 report to the General Assembly, on or before January 1, 2004
25 and annually thereafter through the year 2013, its estimate
26 of (1) the annual amount of payroll savings likely to be
27 realized by the State as a result of the early retirement of
28 persons receiving early retirement incentives under this
29 Section and (2) the net annual savings or cost to the State
30 from the program of early retirement incentives created under
31 this Section.

32 The System, the Department of Central Management
33 Services, the Bureau of the Budget, and all other departments
34 shall provide to the Commission any assistance that the

1 Commission may request with respect to its reports under this
 2 Section. The Commission may require departments to provide
 3 it with any information that it deems necessary or useful
 4 with respect to its reports under this Section, including
 5 without limitation information about (1) the final earnings
 6 of former department employees who elected to receive
 7 benefits under this Section, (2) the earnings of current
 8 department employees holding the positions vacated by persons
 9 who elected to receive benefits under this Section, and (3)
 10 positions vacated by persons who elected to receive benefits
 11 under this Section that have not yet been refilled.

12 (i) The changes made to this Section by this amendatory
 13 Act of the 92nd General Assembly do not apply to persons who
 14 retired under this Section on or before May 1, 1992.

15 (a) To be eligible for the benefits provided in this
 16 Section, a member must:

17 (1) be a member of this System who, on any day
 18 during May, 1991, is (i) in active payroll status as a
 19 full-time teacher employed by the Department of
 20 Rehabilitation Services, the Department of Corrections,
 21 the Department of Mental Health and Developmental
 22 Disabilities, the Teachers' Retirement System of the
 23 State of Illinois, the State Board of Education, or the
 24 Illinois Purchased-Care Review Board, or (ii) on layoff
 25 status from such a position with a right of re-employment
 26 or recall to service, or (iii) on a leave of absence from
 27 such a position, but only if the member on leave has not
 28 been receiving benefits under Section 16-149 or 16-149.1
 29 for a continuous period of 2 years or more as of the date
 30 of application;

31 (2) have never previously received a retirement
 32 annuity under this Article or Article 14, 15 or 17;

33 (3) file with the Board before December 1, 1991, a
 34 written application requesting the benefits provided in

1 this-Section;

2 (4)--be-eligible-no-later-than-January-1,-1992,-to
3 receive--a--retirement--annuity--under--this-Article-(for
4 which-purpose-any-age-enhancement-or--creditable--service
5 received--under--this--Section--may-be-used)-and-elect-to
6 receive-the-retirement-annuity-beginning-not-earlier-than
7 the-first-day-of-the-month-following-the-month--in--which
8 this--amendatory--Act-of-1991-takes-effect,-and-not-later
9 than-January-1,-1992;

10 (5)--have-attained-age-50-(without-the--use--of--any
11 age--enhancement-received-under-this-Section)-by-December
12 31,-1991;

13 (6)--have-at-least-5--years--of--creditable--service
14 under--this--System--or--any-of-the-participating-systems
15 under-the-Retirement-Systems-Reciprocal-Act-(without--the
16 use--of--any--creditable--service--received--under--this
17 Section)-by-the-effective-date-of-the-retirement-annuity;
18 and

19 (7)--have--paid--all--applicable--contributions--as
20 required--by--this--Section;-however,-the--date--such
21 contributions-are-received-by-the--System--shall--not--be
22 considered--in--determining--the--effective--date--of
23 retirement.

24 (b)--An-eligible-person-may-establish-up-to--5--years--of
25 creditable--service--under--this--Article--by--making--the
26 contributions-specified-in-subsection-(c).--In-addition,-for
27 each--period--of--creditable--service--established-under-this
28 Section-a-person-shall-have-his--or--her--age--at--retirement
29 deemed-enhanced-by-an-equivalent-period.

30 The-creditable-service-established-under-this-Section-may
31 be--used--for--all--purposes--under--this--Article--and--the
32 Retirement-Systems-Reciprocal-Act,-except-for-the-computation
33 of-final-average--salary,-the--determination--of--salary--or
34 compensation--under-this-or-any-other-Article-of-the-Code,-or

1 the-determination-of-eligibility-for-and-the-computation-of
2 benefits-under-Section-16-133.2-of-this-Article.

3 The-age-enhancement-established-under-this-Section-may-be
4 used-for-all-purposes-under-this-Article-(including
5 calculation-of-a-proportionate-annuity-payable-by-this-System
6 under-the-Retirement-Systems-Reciprocal-Act),-except-for
7 purposes-of-a-reversionary-annuity-under-Section-16-136,-the
8 retirement-annuity-under-Section-16-133(a)(A),-the-required
9 distributions-under-Section-16-142.3,-and-the-determination
10 of-eligibility-for-and-the-computation-of-benefits-under
11 Section-16-133.2-of-this-Article.-However,-age-enhancement
12 established-under-this-Section-shall-not-be-used-in
13 determining-benefits-payable-under-other-Articles-of-this
14 Code-under-the-Retirement-Systems-Reciprocal-Act.

15 (c)-For-all-creditable-service-established-under-this
16 Section,-a-member-must-pay-to-the-System-an-employee
17 contribution-consisting-of-4%-of-the-member's-highest-annual
18 salary-rate-used-in-the-determination-of-the-average-salary
19 for-retirement-annuity-purposes-for-each-year-creditable
20 service-has-been-increased-under-this-Section.

21 If-the-member-receives-a-lump-sum-payment-for-accumulated
22 vacation,-sick-leave-and-personal-leave-upon-withdrawal-from
23 service,-and-the-net-amount-of-that-lump-sum-payment-is-at
24 least-as-great-as-the-amount-of-the-contribution-required
25 under-this-Section,-the-entire-contribution-must-be-paid-by
26 the-employee-before-the-retirement-annuity-may-become
27 payable.-If-there-is-no-such-lump-sum-payment,-or-if-it-is
28 less-than-the-contribution-required-under-this-Section,-the
29 member-may-either-pay-the-entire-contribution-before-the
30 retirement-annuity-becomes-payable,-or-may-instead-make-an
31 initial-payment-before-the-retirement-annuity-becomes
32 payable,-equal-to-the-net-amount-of-the-lump-sum-payment-for
33 accumulated-vacation,-sick-leave-and-personal-leave,-and-have
34 the-remaining-amount-due-deducted-from-the-retirement-annuity

1 in--24--equal--monthly--installments--beginning-in-January-of
2 1992-

3 (d)--An-annuitant-who-has-received-any-age-enhancement-or
4 creditable-service--under--this--Section--and--who--re-enters
5 contributing--service-under-this-Article-or-Article-14,15-or
6 17,--shall--thereby--forfeit--such--age-enhancement-and-creditable
7 service,--and--upon--re-retirement--the--annuity---shall---be
8 recomputed.---Upon--forfeiting--creditable-service-under-this
9 subsection,--a-person-shall-be-entitled-to--a--refund--of--the
10 contribution-paid-under-this-Section-

11 (Source: P.A. 89-21, eff. 7-1-95.)

12 Section 15. The State Pension Funds Continuing
13 Appropriation Act is amended by adding Section 1.6 as
14 follows:

15 (40 ILCS 15/1.6 new)

16 Sec. 1.6. Appropriations for early retirement programs.

17 (a) There is hereby appropriated from the General
18 Revenue Fund to the State Employees' Retirement System of
19 Illinois, on a continuing annual basis in each of State
20 fiscal years 2004 through 2013, the amount, if any, by which
21 the total available amount of all other appropriations to
22 that retirement system for the payment of State contributions
23 under subsection (g) of Section 14-108.3 of the Illinois
24 Pension Code in that fiscal year is less than the total
25 amount of State contributions required for that fiscal year
26 under that subsection (g).

27 (b) There is hereby appropriated from the General
28 Revenue Fund to the Teachers' Retirement System of the State
29 of Illinois, on a continuing annual basis in each of State
30 fiscal years 2004 through 2013, the amount, if any, by which
31 the total available amount of all other appropriations to
32 that retirement system for the payment of State contributions

1 under subsection (g) of Section 16-133.3 of the Illinois
2 Pension Code in that fiscal year is less than the total
3 amount of State contributions required for that fiscal year
4 under that subsection (g).

5 Section 99. Effective date. This Act takes effect upon
6 becoming law."