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AMENDMENT TO HOUSE BILL 2703

AMENDMENT NO. _____. Amend House Bill 2703 by replacing the title with the following:

"AN ACT in relation to public employee benefits."; and

by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Pension Code is amended by changing Sections 2-123 and 14-105.1 as follows:

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

Sec. 2-123. Refunds.

(a) A participant who ceases to be a member, other than an annuitant, shall, upon written request, receive a refund of his or her total contributions, without interest. The refund shall include the additional contributions for the automatic increase in retirement annuity. By accepting the refund, a participant forfeits all accrued rights and benefits in the System and loses credit for all service. However, if he or she again becomes a member, he or she may resume status as a participant and reestablish any forfeited service credit by paying to the System the full amount refunded, together with interest at 4% per annum from the

1 time the refund is paid to the date the member again becomes
2 a participant.

3 A former member of the General Assembly may reestablish
4 any service credit forfeited by acceptance of a refund by
5 paying to the System ~~on or before February 17, 1993~~, the full
6 amount refunded, together with interest at 4% per annum from
7 the date of payment of the refund to the date of repayment.

8 When a member or former member owes money to the System,
9 interest at the rate of 4% per annum shall accrue and be
10 payable on such amounts owed beginning on the date of
11 termination of service as a member until the contributions
12 due have been paid in full.

13 (b) A participant who (1) has elected to cease making
14 contributions for survivor's annuity under subsection (b) of
15 Section 2-126, (2) has no eligible survivor's annuity
16 beneficiary upon becoming an annuitant, or (3) terminates
17 service with less than 8 years of service is entitled to a
18 refund of the contributions for a survivor's annuity, without
19 interest. If the person later marries, a survivor's annuity
20 shall not be payable upon his or her death, unless the amount
21 of the refund is repaid to the System, together with interest
22 at the rate of 4% per year from the date of refund to the
23 date of repayment.

24 (c) If at the date of retirement or death of a
25 participant who served as an officer of the General Assembly,
26 the total period of such service is less than 4 years, the
27 additional contributions made by such member on the
28 additional salary as an officer shall be refunded unless the
29 participant served as an officer for at least 2 years and has
30 contributed the amount he or she would have contributed if he
31 or she had served as an officer for 4 years as provided in
32 Section 2-126.

33 (d) Upon the termination of the last survivor's annuity
34 payable to a survivor of a deceased participant, the excess,

1 if any, of the total contributions made by the participant
 2 for retirement and survivor's annuity, without interest, over
 3 the total amount of retirement and survivor's annuity
 4 payments received by the participant and the participant's
 5 survivors shall be refunded upon request:

6 (i) if there was a surviving spouse of the deceased
 7 participant who was eligible for a survivor's annuity, to
 8 the designated beneficiary of that spouse or, if the
 9 designated beneficiary is deceased or there is no
 10 designated beneficiary, to that spouse's estate;

11 (ii) if there was no eligible surviving spouse of
 12 the deceased participant, to the designated beneficiary
 13 of the deceased participant or, if the designated
 14 beneficiary is deceased or there is no designated
 15 beneficiary, to the deceased participant's estate.

16 (e) Upon the death of a participant, if a survivor's
 17 annuity is not payable under this Article, a beneficiary
 18 designated by the participant shall be entitled to a refund
 19 of all contributions made by the participant. If the
 20 participant has not designated a refund beneficiary, the
 21 surviving spouse shall be entitled to the refund of
 22 contributions; if there is no surviving spouse, the
 23 contributions shall be refunded to the participant's
 24 surviving children, if any, and if no children survive, the
 25 refund payment shall be made to the participant's estate.

26 (Source: P.A. 90-448, eff. 8-16-97; 90-766, eff. 8-14-98.)

27 (40 ILCS 5/14-105.1) (from Ch. 108 1/2, par. 14-105.1)
 28 Sec. 14-105.1. General Assembly.

29 (a) Any active ~~(and-until-February-17-1993,-any-former)~~
 30 member of the General Assembly Retirement System may apply
 31 for transfer of his or her credits and creditable service
 32 accumulated under this System to ~~the-General-Assembly--System~~
 33 ~~or~~ a Fund established under Article 5 or 12 of this Code.

1 Such credits and creditable service shall be transferred
2 forthwith. Payment by this System to the-General-Assembly
3 Retirement-System-or the Fund established under Article 5 or
4 12 shall be made at the same time and shall consist of:

5 (1) the amounts accumulated to the credit of the
6 applicant, including regular interest, on the books of
7 the System on the date of transfer; and

8 (2) employer contributions in an amount equal to
9 the amount of member contributions as determined under
10 subparagraph (1).

11 Participation in this System as to any credits transferred
12 under this subsection Section shall terminate on the date of
13 transfer.

14 (a-5) Any active or former member of the General Assembly
15 Retirement System may apply for transfer of all or any
16 portion of his or her credits and creditable service
17 accumulated under this System to the General Assembly
18 Retirement System. Such credits and creditable service shall
19 be transferred forthwith. Payment by this System to the
20 General Assembly Retirement System shall be made at the same
21 time and shall consist of:

22 (1) the amounts accumulated to the credit of the
23 applicant, including regular interest, on the books of
24 the System on the date of transfer; and

25 (2) employer contributions in an amount equal to
26 the amount of member contributions as determined under
27 subparagraph (1).

28 Participation in this System as to any credits transferred
29 under this subsection shall terminate on the date of
30 transfer.

31 (b) An active (and until February 1, 1993, a former)
32 member of the General Assembly who has service credits and
33 creditable service under the System may establish additional
34 service credits and creditable service for periods during

1 which he was an elected official and could have elected to
2 participate but did not so elect. Service credits and
3 creditable service may be established by payment to the
4 System of an amount equal to the contributions he would have
5 made if he had elected to participate, plus regular interest
6 to the date of payment.

7 (c) An active or former ~~(and-until-February-17-1993,-a~~
8 ~~former)~~ member of the General Assembly Retirement System may
9 reinstate service and service credits terminated upon receipt
10 of a separation benefit, by payment to the System of the
11 amount of the separation benefit plus regular interest
12 thereon to the date of payment.

13 (Source: P.A. 86-27; 86-273; 86-1028; 86-1488; 87-794.)

14 Section 99. Effective date. This Act takes effect upon
15 becoming law."