

1 AN ACT in relation to 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  
5 adding Section 17-116.2 as follows:

6 (40 ILCS 5/17-116.2 new)

7 Sec. 17-116.2. Early retirement incentives; persons  
8 receiving grievance backpay award.

9 (a) This Section applies only to a teacher who (i)  
10 applied for retirement on June 12, 1998 and resigned  
11 effective June 15, 1998, (ii) as a result of grievance  
12 proceedings received a backpay award of approximately  
13 \$38,906, and (iii) applies to the Fund in writing within 90  
14 days following the effective date of this amendatory Act of  
15 the 92nd General Assembly for the benefits provided under  
16 this Section.

17 (b) Notwithstanding Section 1-103.1, Section 17-157, or  
18 any other provision of this Article, an eligible person who  
19 applies for the benefits provided by this Section shall have  
20 his or her retirement pension recalculated within 60 days  
21 following the date of application for the benefits of this  
22 Section. The recalculated pension shall begin to accrue, and  
23 the person shall be deemed to have retired, on October 1,  
24 1994. The recalculated pension shall be based on the  
25 retirement formulas and other provisions of this Article in  
26 effect on October 1, 1994, except that it shall include any  
27 additional credits or earnings established under this  
28 Section, including any creditable service and age enhancement  
29 established under subsection (d). The difference between the  
30 recalculated amount of pension (including any applicable  
31 annual increases) and the retirement pension actually

1 received between October 1, 1994 and the date of  
2 recalculation, minus any amount to be deducted under  
3 subsection (f), shall be paid to the pensioner in a lump sum  
4 within 60 days following the date of recalculation.

5 (c) An eligible person who applies for the benefits  
6 provided under this Section shall be entitled to have the  
7 backpay award received under a grievance procedure considered  
8 in the determination of salary for the purposes of  
9 recalculating his or her retirement pension under this  
10 Section.

11 An eligible person who applies for the benefits provided  
12 under this Section shall be entitled to have any additional  
13 service credit received as a result of a grievance procedure  
14 or other administrative determination counted in the  
15 determination of creditable service for purposes of  
16 recalculating his or her retirement pension under this  
17 Section.

18 (d) In recognition of a lost opportunity to participate  
19 in an early retirement program under this Article, an  
20 eligible person who applies for the benefits provided under  
21 this Section may establish up to 5 years of additional  
22 creditable service under this subsection. In addition, for  
23 each period of creditable service established under this  
24 subsection, a person's age at retirement shall be deemed to  
25 be increased by an equal period.

26 The creditable service established under this subsection  
27 may be used for all purposes under this Article and the  
28 Retirement Systems Reciprocal Act, except for the purposes of  
29 Section 17-116.1 and the determination of average salary or  
30 compensation under this or any other Article of this Code.

31 The age enhancement established under this subsection may  
32 be used for all purposes under this Article (including  
33 calculation of a proportionate pension payable by this Fund  
34 under the Retirement Systems Reciprocal Act), except for

1 purposes of the reversionary pension under Section 17-120,  
2 and distributions required by federal law on account of age.  
3 However, age enhancement established under this subsection  
4 shall not be used in determining benefits payable under other  
5 Articles of this Code under the Retirement Systems Reciprocal  
6 Act.

7 This subsection (d) does not apply to any person who has  
8 received any early retirement incentive under Section  
9 17-116.1, 17-116.3, 17-116.4, 17-116.5, or 17-116.6.

10 (e) For all creditable service established under  
11 subsection (d), the employer must pay to the Fund an employer  
12 contribution consisting of 12% of the member's highest annual  
13 full-time rate of compensation for each year of creditable  
14 service granted under subsection (d).

15 The employer contribution shall be paid to the Fund in a  
16 single sum within 6 months after the effective date of this  
17 amendatory Act of the 92nd General Assembly. The employer's  
18 failure to make the required contributions in a timely manner  
19 shall obligate the employer to pay interest to the Fund at  
20 the rate of 10% per year, compounded annually, but shall not  
21 affect the payment of the retirement pension.

22 (f) For all creditable service established under  
23 subsection (d), the employee must pay to the Fund an employee  
24 contribution consisting of 4% of the member's highest annual  
25 salary rate used in the determination of the retirement  
26 pension for each year of creditable service granted under  
27 this Section. The employee contribution shall be deducted  
28 from the retirement annuity in 24 monthly installments.

29 (g) An annuitant who has received any age enhancement or  
30 creditable service under subsection (d) and whose pension is  
31 suspended or cancelled under Section 17-149 or 17-150 shall  
32 thereby forfeit that age enhancement and creditable service.  
33 The forfeiture of creditable service under this subsection  
34 shall not entitle the employer to a refund of the employer

1 contribution paid under subsection (e), nor to forgiveness of  
2 any part of that contribution that remains unpaid. The  
3 forfeiture of creditable service under this subsection shall  
4 not entitle the employee to a refund of the employee  
5 contribution paid under subsection (f).

6 Section 90. The State Mandates Act is amended by adding  
7 Section 8.25 as follows:

8 (30 ILCS 805/8.25 new)

9 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6  
10 and 8 of this Act, no reimbursement by the State is required  
11 for the implementation of any mandate created by this  
12 amendatory Act of the 92nd General Assembly.

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