

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

28 (2) have not previously received a retirement  
29 pension under this Article;

30 (3) file with the Board and the Board of Education,  
31 before August 15, 1993, a written application requesting

1 the benefits provided in this Section and a notice of  
2 resignation from employment, which resignation must take  
3 effect before September 1, 1993 unless the applicant's  
4 retirement is delayed under subsection (e), (f), or (f-5)  
5 of this Section;

6 (4) be eligible to receive a retirement pension  
7 under this Article (for which purpose any age enhancement  
8 or creditable service received under this Section may be  
9 used) and elect to receive the retirement pension  
10 beginning no earlier than June 1, 1993 and no later than  
11 September 1, 1993 or the date established under  
12 subsection (e), (f), or (f-5) of this Section, if  
13 applicable;

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

17 (6) have at least 5 years of creditable service  
18 under this Fund or any of the participating systems under  
19 the Retirement Systems Reciprocal Act (without the use of  
20 any creditable service received under this Section) by  
21 the effective date of the retirement pension.

22 (b) An eligible person may establish up to 5 years of  
23 creditable service under this Section. In addition, for each  
24 period of creditable service established under this Section,  
25 a person's age at retirement shall be deemed to be increased  
26 by an equal period.

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

32 The age enhancement established under this Section may be  
33 used for all purposes under this Article (including  
34 calculation of a proportionate pension payable by this Fund

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

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

13 The employer contribution shall be paid to the Fund in  
14 one of the following ways: (i) in a single sum at the time  
15 of the member's retirement, (ii) in equal quarterly  
16 installments over a period of 5 years from the date of  
17 retirement, or (iii) subject to the approval of the Board of  
18 the Fund, in unequal installments over a period of no more  
19 than 5 years from the date of retirement, as provided in a  
20 payment plan designed by the Fund to accommodate the needs of  
21 the employer. The employer's failure to make the required  
22 contributions in a timely manner shall not affect the payment  
23 of the retirement pension.

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

31 (d) An annuitant who has received any age enhancement or  
32 creditable service under this Section and whose pension is  
33 suspended or cancelled under Section 17-149 or 17-150 shall  
34 thereby forfeit the age enhancement and creditable service.

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

8 (e) If the number of employees of an employer that apply  
9 for early retirement under this Section exceeds 30% of those  
10 eligible, the employer may require that, for any or all of  
11 the number of applicants in excess of that 30%, the starting  
12 date of the retirement pension enhanced under this Section be  
13 no earlier than June 1, 1994 and no later than September 1,  
14 1994. The right to have the retirement pension begin before  
15 June 1, 1994 shall be allocated among the applicants on the  
16 basis of seniority in the service of that employer.

17 This delay applies only to persons who are applying for  
18 early retirement incentives under this Section, and does not  
19 prevent a person whose application for early retirement  
20 incentives has been withdrawn from beginning to receive a  
21 retirement pension on the earliest date upon which the person  
22 is otherwise eligible under this Article.

23 (f) For a member who is notified after July 30, 1993,  
24 but before November 29, 1993, that he or she will become a  
25 supernumerary or reserve teacher in the 1993-1994 school  
26 year: (1) the August 15, 1993 application deadline in  
27 subdivision (a)(3) of this Section is extended to December  
28 14, 1993, (2) the September 1, 1993 deadline in subdivision  
29 (a)(4) of this Section is extended to December 14, 1993, and  
30 (3) the member shall not be included in the calculation of  
31 the 30% under subsection (e) and is not subject to delay in  
32 retirement under that subsection.

33 (f-5) For a member who is notified after January 1,  
34 1994, but before March 1, 1994, that he or she will become a

1 reserve teacher in the 1993-1994 school year: (1) the August  
2 15, 1993 application deadline in subdivision (a)(3) of this  
3 Section is extended to April 1, 1994; (2) the September 1,  
4 1993 deadline in subdivision (a)(4) of this Section is  
5 extended to April 1, 1994; and (3) the member shall not be  
6 included in the calculation of the 30% under subsection (e)  
7 and is not subject to delay in retirement under that  
8 subsection.

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

12 (h) The version of this Section included in Public Act  
13 88-85 is intended to and shall control over the version of  
14 this Section included in Public Act 88-89, notwithstanding  
15 Section 6 of the Statute on Statutes. All persons qualifying  
16 for early retirement incentives under this Section shall be  
17 subject to the limitations and restrictions provided in the  
18 version of this Section included in Public Act 88-85, as  
19 amended by Public Act 88-511.

20 (i) In addition to the benefits provided under the other  
21 provisions of this Section, every person who receives early  
22 retirement benefits under this Section is entitled to one  
23 additional year of creditable service and a corresponding  
24 year of additional age enhancement, for which no additional  
25 contribution is required. Every person who receives early  
26 retirement benefits under this Section whose retirement  
27 annuity has been calculated on the basis of a 4-year average  
28 salary is also entitled to have the annuity recalculated on  
29 the basis of the average salary for the 3 highest consecutive  
30 years within the last 10 years of service.

31 The additional benefits provided by this subsection (i)  
32 shall begin to accrue on the date the retirement annuity  
33 began, notwithstanding Section 17-157. The Fund shall  
34 recalculate all annuities originally calculated under this

1 Section to reflect the additional benefits provided under  
2 this subsection and shall pay to the annuitant in a lump sum  
3 the difference between the annuity payments paid before the  
4 date of the recalculation and the recalculated amount of  
5 those payments.

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

7 Section 10. The State Mandates Act is amended by adding  
8 Section 8.25 as follows:

9 (30 ILCS 805/8.25 new)

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

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