

AN ACT concerning public employee benefits.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Pension Code is amended by changing Sections 7-135, 7-137, 7-141, and 7-144 as follows:

(40 ILCS 5/7-135) (from Ch. 108 1/2, par. 7-135)

Sec. 7-135. Authorized agents.

(a) Each participating municipality and participating instrumentality shall appoint an authorized agent who shall have the powers and duties set forth in this section. In absence of such appointment, the duties of the authorized agent shall devolve upon the clerk or secretary of the municipality or instrumentality and in the case of township school trustees upon the township school treasurer. In townships the Authorized Agent shall be the township supervisor.

(b) The authorized agent shall have the following powers and duties:

1. To certify to the fund whether or not a given person is authorized to participate in the fund;

2. To certify to the fund when a participating employee is on a leave of absence authorized by the municipality;

3. To request the proper officer to cause employee contributions to be withheld from earnings and transmitted

to the fund;

4. To request the proper officer to cause municipality contributions to be forwarded to the fund promptly;

5. To forward promptly to all participating employees any communications from the fund for such employees;

6. To forward promptly to the fund all applications, claims, reports and other communications delivered to him by participating employees;

7. To perform all duties related to the administration of this retirement system as requested by the fund and the governing body of his municipality.

(c) The governing body of each participating municipality and participating instrumentality may delegate any or all of the following powers and duties to its authorized agent, ~~but only if the agent is a member of the fund:~~

1. To file a petition for nomination of an executive trustee of the fund.

2. To cast the ballot for election of an executive trustee of the fund.

If a governing body does not authorize its agent to perform the powers and duties set forth in this paragraph (c), they shall be performed by the governing body itself, unless the governing body by resolution duly certified to the fund delegates them to some other officer or employee.

(d) The delivery of any communication or document by an employee or a participating municipality or participating

instrumentality to its authorized agent shall not constitute delivery to the fund.

(Source: P.A. 87-740.)

(40 ILCS 5/7-137) (from Ch. 108 1/2, par. 7-137)

Sec. 7-137. Participating and covered employees.

(a) The persons described in this paragraph (a) shall be included within and be subject to this Article and eligible to benefits from this fund, beginning upon the dates hereinafter specified:

1. Except as to the employees specifically excluded under the provisions of this Article, all persons who are employees of any municipality (or instrumentality thereof) or participating instrumentality on the effective date of participation of the municipality or participating instrumentality beginning upon such effective date.

2. Except as to the employees specifically excluded under the provisions of this Article, all persons, who became employees of any participating municipality (or instrumentality thereof) or participating instrumentality after the effective date of participation of such municipality or participating instrumentality, beginning upon the date such person becomes an employee.

3. All persons who file notice with the board as provided in paragraph (b) 2 and 3 of this Section, beginning upon the date of filing such notice.

(b) The following described persons shall not be considered participating employees eligible for benefits from this fund, but shall be included within and be subject to this Article (each of the descriptions is not exclusive but is cumulative):

1. Any person who occupies an office or is employed in a position normally requiring performance of duty during less than 600 hours a year for a municipality (including all instrumentalities thereof) or a participating instrumentality. If a school treasurer performs services for more than one school district, the total number of hours of service normally required for the several school districts shall be considered to determine whether he qualifies under this paragraph;

2. Any person who holds elective office unless he has elected while in that office in a written notice on file with the board to become a participating employee;

3. Any person working for a city hospital unless any such person, while in active employment, has elected in a written notice on file with the board to become a participating employee and notification thereof is received by the board;

4. Any person who becomes an employee after June 30, 1979 as a public service employment program participant under the federal Comprehensive Employment and Training Act and whose wages or fringe benefits are paid in whole or in part by funds provided under such Act;

5. Any person who is actively employed by a municipality on its effective date of participation in the Fund if that municipality (i) has at least 35 employees on its effective date of participation; (ii) is located in a county with at least 2,000,000 inhabitants; and (iii) maintains an independent defined benefit pension plan for the benefit of its eligible employees, unless the person files with the board within 90 days after the municipality's effective date of participation an irrevocable election to participate.

(c) Any person electing to be a participating employee, pursuant to paragraph (b) of this Section may not change such election, except as provided in Section 7-137.1.

(d) Any employee who occupied the position of school nurse in any participating municipality on August 8, 1961 and continuously thereafter until the effective date of the exercise of the option authorized by this subparagraph, who on August 7, 1961 was a member of the Teachers' Retirement System of Illinois, by virtue of certification by the Department of Registration and Education as a public health nurse, may elect to terminate participation in this Fund in order to re-establish membership in such System. The election may be exercised by filing written notice thereof with the Board or with the Board of Trustees of said Teachers' Retirement System, not later than September 30, 1963, and shall be effective on the first day of the calendar month next following the month in

which the notice was filed. If the written notice is filed with such Teachers' Retirement System, that System shall immediately notify this Fund, but neither failure nor delay in notification shall affect the validity of the employee's election. If the option is exercised, the Fund shall notify such Teachers' Retirement System of such fact and transfer to that system the amounts contributed by the employee to this Fund, including interest at 3% per annum, but excluding contributions applicable to social security coverage during the period beginning August 8, 1961 to the effective date of the employee's election. Participation in this Fund as to any credits on or after August 8, 1961 and up to the effective date of the employee's election shall terminate on such effective date.

(e) Any participating municipality or participating instrumentality, other than a school district or special education joint agreement created under Section 10-22.31 of the School Code, may, by a resolution or ordinance duly adopted by its governing body, elect to exclude from participation and eligibility for benefits all persons who are employed after the effective date of such resolution or ordinance and who occupy an office or are employed in a position normally requiring performance of duty for less than 1000 hours per year for the participating municipality (including all instrumentalities thereof) or participating instrumentality except for persons employed in a position normally requiring performance of duty

for 600 hours or more per year (i) by such participating municipality or participating instrumentality prior to the effective date of the resolution or ordinance and (ii) by a participating municipality or participating instrumentality, which had not adopted such a resolution when the person was employed, and the function served by the employee's position is assumed by another participating municipality or participating instrumentality. ~~A participating municipality or participating instrumentality included in and subject to this Article after January 1, 1982 may adopt such resolution or ordinance only prior to the date it becomes included in and subject to this Article.~~ Notwithstanding the foregoing, a participating municipality or participating instrumentality which is formed solely to succeed to the functions of a participating municipality or participating instrumentality shall be considered to have adopted any such resolution or ordinance which may have been applicable to the employees performing such functions. The election made by the resolution or ordinance shall take effect at the time specified in the resolution or ordinance, and once effective shall be irrevocable.

(Source: P.A. 96-1140, eff. 7-21-10.)

(40 ILCS 5/7-141) (from Ch. 108 1/2, par. 7-141)

Sec. 7-141. Retirement annuities - Conditions. Retirement annuities shall be payable as hereinafter set forth:

(a) A participating employee who, regardless of cause, is

separated from the service of all participating municipalities and instrumentalities thereof and participating instrumentalities shall be entitled to a retirement annuity provided:

1. He is at least age 55, or in the case of a person who is eligible to have his annuity calculated under Section 7-142.1, he is at least age 50;

2. He is ~~(i) an employee who was employed by any participating municipality or participating instrumentality which had not elected to exclude persons employed in positions normally requiring performance of duty for less than 1000 hours per year or was employed in a position normally requiring performance of duty for 600 hours or more per year prior to such election by any participating municipality or participating instrumentality included in and subject to this Article on or before the effective date of this amendatory Act of 1981 which made such election and is not entitled to receive earnings for employment in a position normally requiring performance of duty for 600 hours or more per year for any participating municipality and instrumentalities thereof and participating instrumentality; or (ii) an employee who was employed only by a participating municipality or participating instrumentality, or participating municipalities or participating instrumentalities, which have elected to exclude persons in positions normally~~

~~requiring performance of duty for less than 1000 hours per year after the effective date of such exclusion or which are included under and subject to the Article after the effective date of this amendatory Act of 1981 and elects to exclude persons in such positions, and is not entitled to receive earnings for employment in a position requiring him, or entitling him to elect, to be a participating employee normally requiring performance of duty for 1000 hours or more per year by such a participating municipality or participating instrumentality;~~

3. The amount of his annuity, before the application of paragraph (b) of Section 7-142 is at least \$10 per month;

4. If he first became a participating employee after December 31, 1961, he has at least 8 years of service. This service requirement shall not apply to any participating employee, regardless of participation date, if the General Assembly terminates the Fund.

(b) Retirement annuities shall be payable:

1. As provided in Section 7-119;

2. Except as provided in item 3, upon receipt by the fund of a written application. The effective date may be not more than one year prior to the date of the receipt by the fund of the application;

3. Upon attainment of age 70 1/2 if the member (i) is no longer in service, and (ii) is otherwise entitled to an annuity under this Article;

4. To the beneficiary of the deceased annuitant for the unpaid amount accrued to date of death, if any.

(Source: P.A. 91-887, eff. 7-6-00.)

(40 ILCS 5/7-144) (from Ch. 108 1/2, par. 7-144)

Sec. 7-144. Retirement annuities-Suspended during employment.

(a) ~~(1)~~ If any person ~~described in clause (i) of subsection (a) 2 of Section 7-141~~ receiving any annuity again becomes an employee and receives earnings from employment in a position normally requiring performance of duty during 600 hours or more per year for any participating municipality and instrumentalities thereof or participating instrumentality; or ~~(2) if any person described in clause (ii) of subsection (a) 2 of Section 7-141 receiving any annuity returns to employment in a position~~ requiring him, or entitling him to elect, to become a participating employee, ~~+~~ then the annuity payable to such employee shall be suspended as of the 1st day of the month coincidental with or next following the date upon which such person becomes such an employee. Upon proper qualification of the participating employee payment of such annuity may be resumed on the 1st day of the month following such qualification and upon proper application therefor. The participating employee in such case shall be entitled to a supplemental annuity arising from service and credits earned subsequent to such re-entry as a participating employee.

(b) Supplemental annuities to persons who return to service for less than 48 months shall be computed under the provisions of Sections 7-141, 7-142 and 7-143. In determining whether an employee is eligible for an annuity which requires a minimum period of service, his entire period of service shall be taken into consideration but the supplemental annuity shall be based on earnings and service in the supplemental period only. The effective date of the suspended and supplemental annuity for the purpose of increases after retirement shall be considered to be the effective date of the suspended annuity.

(c) Supplemental annuities to persons who return to service for 48 months or more shall be a monthly amount determined as follows:

(1) An amount shall be computed under subparagraph b of paragraph (1) of subsection (a) of Section 7-142, considering all of the service credits of the employee;

(2) The actuarial value in monthly payments for life of the annuity payments made before suspension shall be determined and subtracted from the amount determined in (1) above;

(3) The monthly amount of the suspended annuity, with any applicable increases after retirement computed from the effective date to the date of reinstatement, shall be subtracted from the amount determined in (2) above and the remainder shall be the amount of the supplemental annuity provided that this amount shall not be less than the amount

computed under subsection (b) of this Section.

(4) The suspended annuity shall be reinstated at an amount including any increases after retirement from the effective date to date of reinstatement.

(5) The effective date of the combined suspended and supplemental annuities for the purposes of increases after retirement shall be considered to be the effective date of the supplemental annuity.

(Source: P.A. 82-459.)

Section 90. The State Mandates Act is amended by adding Section 8.35 as follows:

(30 ILCS 805/8.35 new)

Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 97th General Assembly.

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