

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 Section 2-108.1 and by adding Sections 1-166 and 2-126.2 as follows:

(40 ILCS 5/1-166 new)

Sec. 1-166. Proportional annuity liability.

(a) If a participant's final average salary in a participating system under the Retirement Systems Reciprocal Act, other than the General Assembly Retirement System, is used to calculate a proportional retirement annuity for that participant under the General Assembly Retirement System, if that final average salary is higher than the highest salary for annuity purposes of that person under the General Assembly Retirement System, and if the participant retires after the effective date of this Section with less than 2 years of service that has accrued in that participating system since his or her last day of active participation in the General Assembly Retirement System, then the increased cost of the proportional annuity paid by the General Assembly Retirement System that is attributable to that higher level of compensation shall be paid by the employer of the participant under that other

participating system to the General Assembly Retirement System in the form of a lump sum payment determined by the General Assembly Retirement System in accordance with its annuity tables and other actuarial assumptions.

(b) For the purposes of this Section, "final average salary in a participating system under the Retirement Systems Reciprocal Act, other than the General Assembly Retirement System," includes:

(1) In Section 1-160 and Articles 16 and 18, "final average salary".

(2) In Articles 7 and 15, "final rate of earnings".

(3) In Articles 8, 9, 10, 11, and 12, "highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal".

(4) In Article 13, "average final salary".

(5) In Article 14, "final average compensation".

(6) In Article 17, "average salary".

(7) In Section 22-207, "wages or salary received by him at the date of retirement or discharge".

(c) If an employer fails to pay the amount required under this Section to the General Assembly Retirement System for more than 90 days after the payment is due, the System, after giving notice to the employer, may certify to the State Comptroller the amount of the delinquent payment and the Comptroller shall deduct the amount so certified or any part thereof from any

payment of State funds to the employer and shall pay the amount so deducted to the System. If State funds from which such deductions may be made are not available, then the System may proceed against the employer to recover the amount of the delinquent payment in the appropriate circuit court.

(40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)

Sec. 2-108.1. Highest salary for annuity purposes.

(a) "Highest salary for annuity purposes" means whichever of the following is applicable to the participant:

For a participant who first becomes a participant of this System before August 10, 2009 (the effective date of Public Act 96-207):

(1) For a participant who is a member of the General Assembly on his or her last day of service: the highest salary that is prescribed by law, on the participant's last day of service, for a member of the General Assembly who is not an officer; plus, if the participant was elected or appointed to serve as an officer of the General Assembly for 2 or more years and has made contributions as required under subsection (d) of Section 2-126, the highest additional amount of compensation prescribed by law, at the time of the participant's service as an officer, for members of the General Assembly who serve in that office.

(2) For a participant who holds one of the State executive offices specified in Section 2-105 on his or her

last day of service: the highest salary prescribed by law for service in that office on the participant's last day of service.

(3) For a participant who is Clerk or Assistant Clerk of the House of Representatives or Secretary or Assistant Secretary of the Senate on his or her last day of service: the salary received for service in that capacity on the last day of service, but not to exceed the highest salary (including additional compensation for service as an officer) that is prescribed by law on the participant's last day of service for the highest paid officer of the General Assembly.

(4) For a participant who is a continuing participant under Section 2-117.1 on his or her last day of service: the salary received for service in that capacity on the last day of service, but not to exceed the highest salary (including additional compensation for service as an officer) that is prescribed by law on the participant's last day of service for the highest paid officer of the General Assembly.

For a participant who first becomes a participant of this System on or after August 10, 2009 (the effective date of Public Act 96-207) and before January 1, 2011 (the effective date of Public Act 96-889), the average monthly salary obtained by dividing the total salary of the participant during the period of: (1) the 48 consecutive months of service within the

last 120 months of service in which the total compensation was the highest, or (2) the total period of service, if less than 48 months, by the number of months of service in that period.

For a participant who first becomes a participant of this System on or after January 1, 2011 (the effective date of Public Act 96-889), the average monthly salary obtained by dividing the total salary of the participant during the 96 consecutive months of service within the last 120 months of service in which the total compensation was the highest by the number of months of service in that period; however, beginning January 1, 2011, the highest salary for annuity purposes may not exceed \$106,800, except that that amount shall annually thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1. "Consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the Board by November 1 of each year.

(b) The earnings limitations of subsection (a) apply to

earnings under any other participating system under the Retirement Systems Reciprocal Act that are considered in calculating a proportional annuity under this Article, except in the case of a person who first became a member of this System before August 22, 1994 and has not, on or after the effective date of this amendatory Act of the 97th General Assembly, irrevocably elected to have those limitations apply. The limitations of subsection (a) shall apply, however, to earnings under any other participating system under the Retirement Systems Reciprocal Act that are considered in calculating the proportional annuity of a person who first became a member of this System before August 22, 1994 if, on or after the effective date of this amendatory Act of the 97th General Assembly, that member irrevocably elects to have those limitations apply.

(c) In calculating the subsection (a) earnings limitation to be applied to earnings under any other participating system under the Retirement Systems Reciprocal Act for the purpose of calculating a proportional annuity under this Article, the participant's last day of service shall be deemed to mean the last day of service in any participating system from which the person has applied for a proportional annuity under the Retirement Systems Reciprocal Act.

(Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

Section 99. Effective date. This Act takes effect upon

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becoming law.