



Sen. Andy Manar

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1 AMENDMENT TO HOUSE BILL 2884

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 2884 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by  
5 changing Section 7-139 as follows:

6 (40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)

7 Sec. 7-139. Credits and creditable service to employees.

8 (a) Each participating employee shall be granted credits  
9 and creditable service, for purposes of determining the amount  
10 of any annuity or benefit to which he or a beneficiary is  
11 entitled, as follows:

12 1. For prior service: Each participating employee who  
13 is an employee of a participating municipality or  
14 participating instrumentality on the effective date shall  
15 be granted creditable service, but no credits under  
16 paragraph 2 of this subsection (a), for periods of prior

1 service for which credit has not been received under any  
2 other pension fund or retirement system established under  
3 this Code, as follows:

4 If the effective date of participation for the  
5 participating municipality or participating  
6 instrumentality is on or before January 1, 1998, creditable  
7 service shall be granted for the entire period of prior  
8 service with that employer without any employee  
9 contribution.

10 If the effective date of participation for the  
11 participating municipality or participating  
12 instrumentality is after January 1, 1998, creditable  
13 service shall be granted for the last 20% of the period of  
14 prior service with that employer, but no more than 5 years,  
15 without any employee contribution. A participating  
16 employee may establish creditable service for the  
17 remainder of the period of prior service with that employer  
18 by making an application in writing, accompanied by payment  
19 of an employee contribution in an amount determined by the  
20 Fund, based on the employee contribution rates in effect at  
21 the time of application for the creditable service and the  
22 employee's salary rate on the effective date of  
23 participation for that employer, plus interest at the  
24 effective rate from the date of the prior service to the  
25 date of payment. Application for this creditable service  
26 may be made at any time while the employee is still in

1 service.

2 A municipality that (i) has at least 35 employees; (ii)  
3 is located in a county with at least 2,000,000 inhabitants;  
4 and (iii) maintains an independent defined benefit pension  
5 plan for the benefit of its eligible employees may restrict  
6 creditable service in whole or in part for periods of prior  
7 service with the employer if the governing body of the  
8 municipality adopts an irrevocable resolution to restrict  
9 that creditable service and files the resolution with the  
10 board before the municipality's effective date of  
11 participation.

12 Any person who has withdrawn from the service of a  
13 participating municipality or participating  
14 instrumentality prior to the effective date, who reenters  
15 the service of the same municipality or participating  
16 instrumentality after the effective date and becomes a  
17 participating employee is entitled to creditable service  
18 for prior service as otherwise provided in this subdivision  
19 (a)(1) only if he or she renders 2 years of service as a  
20 participating employee after the effective date.  
21 Application for such service must be made while in a  
22 participating status. The salary rate to be used in the  
23 calculation of the required employee contribution, if any,  
24 shall be the employee's salary rate at the time of first  
25 reentering service with the employer after the employer's  
26 effective date of participation.

1           2. For current service, each participating employee  
2 shall be credited with:

3           a. Additional credits of amounts equal to each  
4 payment of additional contributions received from him  
5 under Section 7-173, as of the date the corresponding  
6 payment of earnings is payable to him.

7           b. Normal credits of amounts equal to each payment  
8 of normal contributions received from him, as of the  
9 date the corresponding payment of earnings is payable  
10 to him, and normal contributions made for the purpose  
11 of establishing out-of-state service credits as  
12 permitted under the conditions set forth in paragraph 6  
13 of this subsection (a).

14           c. Municipality credits in an amount equal to 1.4  
15 times the normal credits, except those established by  
16 out-of-state service credits, as of the date of  
17 computation of any benefit if these credits would  
18 increase the benefit.

19           d. Survivor credits equal to each payment of  
20 survivor contributions received from the participating  
21 employee as of the date the corresponding payment of  
22 earnings is payable, and survivor contributions made  
23 for the purpose of establishing out-of-state service  
24 credits.

25           3. For periods of temporary and total and permanent  
26 disability benefits, each employee receiving disability

1 benefits shall be granted creditable service for the period  
2 during which disability benefits are payable. Normal and  
3 survivor credits, based upon the rate of earnings applied  
4 for disability benefits, shall also be granted if such  
5 credits would result in a higher benefit to any such  
6 employee or his beneficiary.

7 4. For authorized leave of absence without pay: A  
8 participating employee shall be granted credits and  
9 creditable service for periods of authorized leave of  
10 absence without pay under the following conditions:

11 a. An application for credits and creditable  
12 service is submitted to the board while the employee is  
13 in a status of active employment.

14 b. Not more than 12 complete months of creditable  
15 service for authorized leave of absence without pay  
16 shall be counted for purposes of determining any  
17 benefits payable under this Article.

18 c. Credits and creditable service shall be granted  
19 for leave of absence only if such leave is approved by  
20 the governing body of the municipality, including  
21 approval of the estimated cost thereof to the  
22 municipality as determined by the fund, and employee  
23 contributions, plus interest at the effective rate  
24 applicable for each year from the end of the period of  
25 leave to date of payment, have been paid to the fund in  
26 accordance with Section 7-173. The contributions shall

1           be computed upon the assumption earnings continued  
2           during the period of leave at the rate in effect when  
3           the leave began.

4           d. Benefits under the provisions of Sections  
5           7-141, 7-146, 7-150 and 7-163 shall become payable to  
6           employees on authorized leave of absence, or their  
7           designated beneficiary, only if such leave of absence  
8           is creditable hereunder, and if the employee has at  
9           least one year of creditable service other than the  
10          service granted for leave of absence. Any employee  
11          contributions due may be deducted from any benefits  
12          payable.

13          e. No credits or creditable service shall be  
14          allowed for leave of absence without pay during any  
15          period of prior service.

16          5. For military service: The governing body of a  
17          municipality or participating instrumentality may elect to  
18          allow creditable service to participating employees who  
19          leave their employment to serve in the armed forces of the  
20          United States for all periods of such service, provided  
21          that the person returns to active employment within 90 days  
22          after completion of full time active duty, but no  
23          creditable service shall be allowed such person for any  
24          period that can be used in the computation of a pension or  
25          any other pay or benefit, other than pay for active duty,  
26          for service in any branch of the armed forces of the United

1 States. If necessary to the computation of any benefit, the  
2 board shall establish municipality credits for  
3 participating employees under this paragraph on the  
4 assumption that the employee received earnings at the rate  
5 received at the time he left the employment to enter the  
6 armed forces. A participating employee in the armed forces  
7 shall not be considered an employee during such period of  
8 service and no additional death and no disability benefits  
9 are payable for death or disability during such period.

10 Any participating employee who left his employment  
11 with a municipality or participating instrumentality to  
12 serve in the armed forces of the United States and who  
13 again became a participating employee within 90 days after  
14 completion of full time active duty by entering the service  
15 of a different municipality or participating  
16 instrumentality, which has elected to allow creditable  
17 service for periods of military service under the preceding  
18 paragraph, shall also be allowed creditable service for his  
19 period of military service on the same terms that would  
20 apply if he had been employed, before entering military  
21 service, by the municipality or instrumentality which  
22 employed him after he left the military service and the  
23 employer costs arising in relation to such grant of  
24 creditable service shall be charged to and paid by that  
25 municipality or instrumentality.

26 Notwithstanding the foregoing, any participating

1 employee shall be entitled to creditable service as  
2 required by any federal law relating to re-employment  
3 rights of persons who served in the United States Armed  
4 Services. Such creditable service shall be granted upon  
5 payment by the member of an amount equal to the employee  
6 contributions which would have been required had the  
7 employee continued in service at the same rate of earnings  
8 during the military leave period, plus interest at the  
9 effective rate.

10 5.1. In addition to any creditable service established  
11 under paragraph 5 of this subsection (a), creditable  
12 service may be granted for up to 48 months of service in  
13 the armed forces of the United States.

14 In order to receive creditable service for military  
15 service under this paragraph 5.1, a participating employee  
16 must (1) apply to the Fund in writing and provide evidence  
17 of the military service that is satisfactory to the Board;  
18 (2) obtain the written approval of the current employer;  
19 and (3) make contributions to the Fund equal to (i) the  
20 employee contributions that would have been required had  
21 the service been rendered as a member, plus (ii) an amount  
22 determined by the board to be equal to the employer's  
23 normal cost of the benefits accrued for that military  
24 service, plus (iii) interest on items (i) and (ii) from the  
25 date of first membership in the Fund to the date of  
26 payment. The required interest shall be calculated at the



1 regular interest rate.

2 The changes made to this paragraph 5.1 by Public Acts  
3 95-483 and 95-486 apply only to participating employees in  
4 service on or after August 28, 2007 (the effective date of  
5 those Public Acts).

6 6. For out-of-state service: Creditable service shall  
7 be granted for service rendered to an out-of-state local  
8 governmental body under the following conditions: The  
9 employee had participated and has irrevocably forfeited  
10 all rights to benefits in the out-of-state public employees  
11 pension system; the governing body of his participating  
12 municipality or instrumentality authorizes the employee to  
13 establish such service; the employee has 2 years current  
14 service with this municipality or participating  
15 instrumentality; the employee makes a payment of  
16 contributions, which shall be computed at 8% (normal) plus  
17 2% (survivor) times length of service purchased times the  
18 average rate of earnings for the first 2 years of service  
19 with the municipality or participating instrumentality  
20 whose governing body authorizes the service established  
21 plus interest at the effective rate on the date such  
22 credits are established, payable from the date the employee  
23 completes the required 2 years of current service to date  
24 of payment. In no case shall more than 120 months of  
25 creditable service be granted under this provision.

26 7. For retroactive service: Any employee who could have

1 but did not elect to become a participating employee, or  
2 who should have been a participant in the Municipal Public  
3 Utilities Annuity and Benefit Fund before that fund was  
4 superseded, may receive creditable service for the period  
5 of service not to exceed 50 months; however, a current or  
6 former elected or appointed official of a participating  
7 municipality may establish credit under this paragraph 7  
8 for more than 50 months of service as an official of that  
9 municipality, if the excess over 50 months is approved by  
10 resolution of the governing body of the affected  
11 municipality filed with the Fund before January 1, 2002.

12 Any employee who is a participating employee on or  
13 after September 24, 1981 and who was excluded from  
14 participation by the age restrictions removed by Public Act  
15 82-596 may receive creditable service for the period, on or  
16 after January 1, 1979, excluded by the age restriction and,  
17 in addition, if the governing body of the participating  
18 municipality or participating instrumentality elects to  
19 allow creditable service for all employees excluded by the  
20 age restriction prior to January 1, 1979, for service  
21 during the period prior to that date excluded by the age  
22 restriction. Any employee who was excluded from  
23 participation by the age restriction removed by Public Act  
24 82-596 and who is not a participating employee on or after  
25 September 24, 1981 may receive creditable service for  
26 service after January 1, 1979. Creditable service under

1           this paragraph shall be granted upon payment of the  
2           employee contributions which would have been required had  
3           he participated, with interest at the effective rate for  
4           each year from the end of the period of service established  
5           to date of payment.

6           8. For accumulated unused sick leave: A participating  
7           employee who is applying for a retirement annuity shall be  
8           entitled to creditable service for that portion of the  
9           employee's accumulated unused sick leave for which payment  
10          is not received, as follows:

11           a. Sick leave days shall be limited to those  
12          accumulated under a sick leave plan established by a  
13          participating municipality or participating  
14          instrumentality which is available to all employees or  
15          a class of employees.

16           b. Except as provided in item b-1, only sick leave  
17          days accumulated with a participating municipality or  
18          participating instrumentality with which the employee  
19          was in service within 60 days of the effective date of  
20          his retirement annuity shall be credited; If the  
21          employee was in service with more than one employer  
22          during this period only the sick leave days with the  
23          employer with which the employee has the greatest  
24          number of unpaid sick leave days shall be considered.

25           b-1. If the employee was in the service of more  
26          than one employer as defined in item (2) of paragraph

1 (a) of subsection (A) of Section 7-132, then the sick  
2 leave days from all such employers shall be credited,  
3 as long as the creditable service attributed to those  
4 sick leave days does not exceed the limitation in item  
5 d ~~f~~ of this paragraph 8. If the employee was in the  
6 service of more than one employer described in  
7 paragraph (c) of subsection (B) of Section 7-132 on or  
8 after the effective date of this amendatory Act of the  
9 101st General Assembly, then the sick leave days from  
10 all such employers, except for employers from which the  
11 employee terminated service before the effective date  
12 of this amendatory Act of the 101st General Assembly,  
13 shall be credited, as long as the creditable service  
14 attributed to those sick leave days does not exceed the  
15 limitation in item d of this paragraph 8. In  
16 calculating the creditable service under this item  
17 b-1, the sick leave days from the last employer shall  
18 be considered first, then the remaining sick leave days  
19 shall be considered until there are no more days or the  
20 maximum creditable sick leave threshold under item d ~~f~~  
21 of this paragraph 8 has been reached.

22 c. The creditable service granted shall be  
23 considered solely for the purpose of computing the  
24 amount of the retirement annuity and shall not be used  
25 to establish any minimum service period required by any  
26 provision of the Illinois Pension Code, the effective

1 date of the retirement annuity, or the final rate of  
2 earnings.

3 d. The creditable service shall be at the rate of  
4 1/20 of a month for each full sick day, provided that  
5 no more than 12 months may be credited under this  
6 subdivision 8.

7 e. Employee contributions shall not be required  
8 for creditable service under this subdivision 8.

9 f. Each participating municipality and  
10 participating instrumentality with which an employee  
11 has service within 60 days of the effective date of his  
12 retirement annuity shall certify to the board the  
13 number of accumulated unpaid sick leave days credited  
14 to the employee at the time of termination of service.

15 9. For service transferred from another system:  
16 Credits and creditable service shall be granted for service  
17 under Article 4, 5, 8, 14, or 16 of this Act, to any active  
18 member of this Fund, and to any inactive member who has  
19 been a county sheriff, upon transfer of such credits  
20 pursuant to Section 4-108.3, 5-235, 8-226.7, 14-105.6, or  
21 16-131.4, and payment by the member of the amount by which  
22 (1) the employer and employee contributions that would have  
23 been required if he had participated in this Fund as a  
24 sheriff's law enforcement employee during the period for  
25 which credit is being transferred, plus interest thereon at  
26 the effective rate for each year, compounded annually, from

1 the date of termination of the service for which credit is  
2 being transferred to the date of payment, exceeds (2) the  
3 amount actually transferred to the Fund. Such transferred  
4 service shall be deemed to be service as a sheriff's law  
5 enforcement employee for the purposes of Section 7-142.1.

6 10. (Blank).

7 11. For service transferred from an Article 3 system  
8 under Section 3-110.3: Credits and creditable service  
9 shall be granted for service under Article 3 of this Act as  
10 provided in Section 3-110.3, to any active member of this  
11 Fund, upon transfer of such credits pursuant to Section  
12 3-110.3. If the board determines that the amount  
13 transferred is less than the true cost to the Fund of  
14 allowing that creditable service to be established, then in  
15 order to establish that creditable service, the member must  
16 pay to the Fund an additional contribution equal to the  
17 difference, as determined by the board in accordance with  
18 the rules and procedures adopted under this paragraph. If  
19 the member does not make the full additional payment as  
20 required by this paragraph prior to termination of his  
21 participation with that employer, then his or her  
22 creditable service shall be reduced by an amount equal to  
23 the difference between the amount transferred under  
24 Section 3-110.3, including any payments made by the member  
25 under this paragraph prior to termination, and the true  
26 cost to the Fund of allowing that creditable service to be

1 established, as determined by the board in accordance with  
2 the rules and procedures adopted under this paragraph.

3 The board shall establish by rule the manner of making  
4 the calculation required under this paragraph 11, taking  
5 into account the appropriate actuarial assumptions; the  
6 member's service, age, and salary history, and any other  
7 factors that the board determines to be relevant.

8 12. For omitted service: Any employee who was employed  
9 by a participating employer in a position that required  
10 participation, but who was not enrolled in the Fund, may  
11 establish such credits under the following conditions:

12 a. Application for such credits is received by the  
13 Board while the employee is an active participant of  
14 the Fund or a reciprocal retirement system.

15 b. Eligibility for participation and earnings are  
16 verified by the Authorized Agent of the participating  
17 employer for which the service was rendered.

18 Creditable service under this paragraph shall be  
19 granted upon payment of the employee contributions that  
20 would have been required had he participated, which shall  
21 be calculated by the Fund using the member contribution  
22 rate in effect during the period that the service was  
23 rendered.

24 (b) Creditable service - amount:

25 1. One month of creditable service shall be allowed for  
26 each month for which a participating employee made

1 contributions as required under Section 7-173, or for which  
2 creditable service is otherwise granted hereunder. Not  
3 more than 1 month of service shall be credited and counted  
4 for 1 calendar month, and not more than 1 year of service  
5 shall be credited and counted for any calendar year. A  
6 calendar month means a nominal month beginning on the first  
7 day thereof, and a calendar year means a year beginning  
8 January 1 and ending December 31.

9 2. A seasonal employee shall be given 12 months of  
10 creditable service if he renders the number of months of  
11 service normally required by the position in a 12-month  
12 period and he remains in service for the entire 12-month  
13 period. Otherwise a fractional year of service in the  
14 number of months of service rendered shall be credited.

15 3. An intermittent employee shall be given creditable  
16 service for only those months in which a contribution is  
17 made under Section 7-173.

18 (c) No application for correction of credits or creditable  
19 service shall be considered unless the board receives an  
20 application for correction while (1) the applicant is a  
21 participating employee and in active employment with a  
22 participating municipality or instrumentality, or (2) while  
23 the applicant is actively participating in a pension fund or  
24 retirement system which is a participating system under the  
25 Retirement Systems Reciprocal Act. A participating employee or  
26 other applicant shall not be entitled to credits or creditable



1 service unless the required employee contributions are made in  
2 a lump sum or in installments made in accordance with board  
3 rule. Payments made to establish service credit under paragraph  
4 1, 4, 5, 5.1, 6, 7, or 12 of subsection (a) of this Section must  
5 be received by the Board while the applicant is an active  
6 participant in the Fund or a reciprocal retirement system,  
7 except that an applicant may make one payment after termination  
8 of active participation in the Fund or a reciprocal retirement  
9 system.

10 (d) Upon the granting of a retirement, surviving spouse or  
11 child annuity, a death benefit or a separation benefit, on  
12 account of any employee, all individual accumulated credits  
13 shall thereupon terminate. Upon the withdrawal of additional  
14 contributions, the credits applicable thereto shall thereupon  
15 terminate. Terminated credits shall not be applied to increase  
16 the benefits any remaining employee would otherwise receive  
17 under this Article.

18 (Source: P.A. 100-148, eff. 8-18-17.)

19 Section 90. The State Mandates Act is amended by adding  
20 Section 8.43 as follows:

21 (30 ILCS 805/8.43 new)

22 Sec. 8.43. Exempt mandate. Notwithstanding Sections 6 and 8  
23 of this Act, no reimbursement by the State is required for the  
24 implementation of any mandate created by this amendatory Act of

1 the 101st General Assembly.

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