



Personnel and Pensions Committee

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09500HB0857ham001

LRB095 06238 AMC 32132 a

1 AMENDMENT TO HOUSE BILL 857

2 AMENDMENT NO. _____. Amend House Bill 857 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 15-113.6, 15-113.7, 15-141, 15-158.3, and
6 15-178 as follows:

7 (40 ILCS 5/15-113.6) (from Ch. 108 1/2, par. 15-113.6)

8 Sec. 15-113.6. Service for employment in public schools.

9 "Service for employment in public schools": Includes those
10 periods not exceeding the lesser of 10 years or 2/3 of the
11 service granted under other Sections of this Article dealing
12 with service credit, during which a person who entered the
13 system after September 1, 1974 was employed full time by a
14 public common school, public college and public university, or
15 by an agency or instrumentality of any of the foregoing, of any
16 state, territory, dependency or possession of the United States

1 of America, including the Philippine Islands, or a school
2 operated by or under the auspices of any agency or department
3 of any other state, if the person (1) cannot qualify for a
4 retirement pension or other benefit based upon employer
5 contributions from another retirement system, exclusive of
6 federal social security, based in whole or in part upon this
7 employment, and (2) pays the lesser of (A) an amount equal to
8 8% of his or her annual basic compensation on the date of
9 becoming a participating employee subsequent to this service
10 multiplied by the number of years of such service, together
11 with compound interest from the date participation begins to
12 the date payment is received by the board at the rate of 6% per
13 annum through August 31, 1982, and at the effective rates after
14 that date, and (B) 50% of the actuarial value of the increase
15 in the retirement annuity provided by this service, and (3)
16 contributes for at least 5 years subsequent to this employment
17 to one or more of the following systems: the State Universities
18 Retirement System, the Teachers' Retirement System of the State
19 of Illinois, and the Public School Teachers' Pension and
20 Retirement Fund of Chicago.

21 The service granted under this Section shall not be
22 considered in determining whether the person has the minimum of
23 8 years of service required to qualify for a retirement annuity
24 at age 55 or the 5 years of service required to qualify for a
25 retirement annuity at age 62, as provided in Section 15-135.
26 The maximum allowable service of 10 years for this governmental

1 employment shall be reduced by the service credit which is
2 validated under paragraph (2) of subsection (b) ~~(3)~~ of Section
3 16-127 and paragraph 1 of Section 17-133.

4 (Source: P.A. 91-357, eff. 7-29-99.)

5 (40 ILCS 5/15-113.7) (from Ch. 108 1/2, par. 15-113.7)

6 Sec. 15-113.7. Service for other public employment.
7 "Service for other public employment": Includes those periods
8 not exceeding the lesser of 10 years or 2/3 of the service
9 granted under other Sections of this Article dealing with
10 service credit, during which a person was employed full time by
11 the United States government, or by the government of a state,
12 or by a political subdivision of a state, or by an agency or
13 instrumentality of any of the foregoing, if the person (1)
14 cannot qualify for a retirement pension or other benefit based
15 upon employer contributions from another retirement system,
16 exclusive of federal social security, based in whole or in part
17 upon this employment, and (2) pays the lesser of (A) an amount
18 equal to 8% of his or her annual basic compensation on the date
19 of becoming a participating employee subsequent to this service
20 multiplied by the number of years of such service, together
21 with compound interest from the date participation begins to
22 the date payment is received by the board at the rate of 6% per
23 annum through August 31, 1982, and at the effective rates after
24 that date, and (B) 50% of the actuarial value of the increase
25 in the retirement annuity provided by this service, and (3)

1 contributes for at least 5 years subsequent to this employment
2 to one or more of the following systems: the State Universities
3 Retirement System, the Teachers' Retirement System of the State
4 of Illinois, and the Public School Teachers' Pension and
5 Retirement Fund of Chicago. If a function of a governmental
6 unit as defined by Section 20-107 is transferred by law, in
7 whole or in part to an employer, and an employee transfers
8 employment from this governmental unit to such employer within
9 6 months of the transfer of the function, the payment for
10 service authorized under this Section shall not exceed the
11 amount which would have been payable for this service to the
12 retirement system covering the governmental unit from which the
13 function was transferred.

14 The service granted under this Section shall not be
15 considered in determining whether the person has the minimum of
16 8 years of service required to qualify for a retirement annuity
17 at age 55 or the 5 years of service required to qualify for a
18 retirement annuity at age 62, as provided in Section 15-135.
19 The maximum allowable service of 10 years for this governmental
20 employment shall be reduced by the service credit which is
21 validated under paragraph (2) of subsection (b) ~~(3)~~ of Section
22 16-127 and paragraph one of Section 17-133.

23 Except as hereinafter provided, this Section shall not
24 apply to persons who become participants in the system after
25 September 1, 1974.

26 (Source: P.A. 90-65, eff. 7-7-97; 90-511, eff. 8-22-97.)

1 (40 ILCS 5/15-141) (from Ch. 108 1/2, par. 15-141)

2 Sec. 15-141. Death benefits - Death of participant.

3 (a) The beneficiary of a participant under the traditional
4 benefit package is entitled to a death benefit equal to the sum
5 of (1) the employee's accumulated normal and additional
6 contributions on the date of death, (2) the employee's
7 accumulated survivors insurance contributions on the date of
8 death, if a survivors insurance benefit is not payable, (3) an
9 amount equal to the employee's final rate of earnings, but not
10 more than \$5,000, if (i) the beneficiary, under rules of the
11 board, was dependent upon the participant, (ii) the participant
12 was a participating employee immediately prior to his or her
13 death, and (iii) a survivors insurance benefit is not payable,
14 and (4) \$2,500 if (i) the beneficiary was not dependent upon
15 the participant, (ii) the participant was a participating
16 employee immediately prior to his or her death, and (iii) a
17 survivors insurance benefit is not payable.

18 (b) If the participant has elected to participate in the
19 portable benefit package and has completed the one-year waiting
20 period required under subsection (e) of Section 15-134.5, the
21 death benefit shall be equal to the employee's accumulated
22 normal and additional contributions on the date of death plus,
23 if the employee died with 1.5 or more years of service for
24 employment as defined in Section 15-113.1, employer
25 contributions in an amount equal to the sum of the accumulated

1 normal and additional contributions; except that if a
2 pre-retirement survivor annuity is payable under Section
3 15-136.4, the death benefit payable under this paragraph shall
4 be reduced, but to not less than zero, by the actuarial value
5 of the benefit payable to the surviving spouse. If the
6 recipient of a pre-retirement survivor annuity dies before an
7 amount equal to all accumulated normal and additional
8 contributions as of the date of death have been paid out, the
9 remaining difference shall be paid to the member's beneficiary.
10 The primary beneficiary of the participant must be his or her
11 spouse unless the spouse has consented to the designation of
12 another beneficiary in the manner described in subsection (d)
13 of Section 15-136.4.

14 (c) If payments are made under any State or federal
15 workers' compensation or occupational diseases law because of
16 the death of an employee, the portion of the death benefit
17 payable from employer contributions shall be reduced by the
18 total amount of the payments.

19 (Source: P.A. 90-448, eff. 8-16-97; 90-766, eff. 8-14-98;
20 91-877, eff. 7-6-00.)

21 (40 ILCS 5/15-158.3)

22 Sec. 15-158.3. Reports on cost reduction; effect on
23 retirement at any age with 30 years of service.

24 (a) On or before November 15, 2001 and on or before
25 November 15th of each year thereafter, the Board shall have the

1 System's actuary prepare a report showing, on a fiscal year by
2 fiscal year basis, the actual rate of participation in the
3 self-managed plan authorized by Section 15-158.2, (i) by
4 employees of the System's covered higher educational
5 institutions who were hired on or after the implementation date
6 of the self-managed plan and (ii) by other System participants.

7 ~~The actuary's report must also quantify the extent to which~~
8 ~~employee optional retirement plan participation has reduced~~
9 ~~the State's required contributions to the System, expressed~~
10 ~~both in dollars and as a percentage of covered payroll, in~~
11 ~~relation to what the State's contributions to the System would~~
12 ~~have been (1) if the self-managed plan had not been~~
13 ~~implemented, and (2) if 45% of employees of the System's~~
14 ~~covered higher educational institutions who were hired on or~~
15 ~~after the implementation date of the self-managed plan had~~
16 ~~elected to participate in the self-managed plan and 10% of~~
17 ~~other System participants had transferred to the self-managed~~
18 ~~plan following its implementation.~~

19 (b) On or before November 15th of 2001 and on or before
20 November 15th of each year thereafter, the Illinois Board of
21 Higher Education, in conjunction with the Bureau of the Budget
22 (now Governor's Office of Management and Budget) shall prepare
23 a report showing, on a fiscal year by fiscal year basis, the
24 amount by which the costs associated with compensable sick
25 leave have been reduced as a result of the termination of
26 compensable sick leave accrual on and after January 1, 1998 by

1 employees of higher education institutions who are
2 participants in the System.

3 (c) On or before November 15 of 2001 and on or before
4 November 15th of each year thereafter, the Department of
5 Central Management Services shall prepare a report showing, on
6 a fiscal year by fiscal year basis, the amount by which the
7 State's cost for health insurance coverage under the State
8 Employees Group Insurance Act of 1971 for retirees of the
9 State's universities and their survivors has declined as a
10 result of requiring some of those retirees and survivors to
11 contribute to the cost of their basic health insurance. These
12 year-by-year reductions in cost must be quantified both in
13 dollars and as a level percentage of payroll covered by the
14 System.

15 (d) The reports required under subsections ~~(a)~~ (b) and
16 (c) shall be disseminated to the Board, the Pension Laws
17 Commission (until it ceases to exist), the Commission on
18 Government Forecasting and Accountability, the Illinois Board
19 of Higher Education, and the Governor.

20 (e) The reports required under subsections ~~(a)~~ (b) and
21 (c) shall be taken into account by the Pension Laws Commission
22 (or its successor, the Commission on Government Forecasting and
23 Accountability) in making any recommendation to extend by
24 legislation beyond December 31, 2002 the provision that allows
25 a System participant to retire at any age with 30 or more years
26 of service as authorized in Section 15-135. ~~If that provision~~

1 ~~is extended beyond December 31, 2002, and if the most recent~~
2 ~~report under subsection (a) indicates that actual State~~
3 ~~contributions to the System for the period during which the~~
4 ~~self-managed plan has been in operation have exceeded the~~
5 ~~projected State contributions under the assumptions in clause~~
6 ~~(2) of subsection (a), then any extension of the provision~~
7 ~~beyond December 31, 2002 must require that the System's higher~~
8 ~~educational institutions and agencies cover any funding~~
9 ~~deficiency through an annual payment to the System out of~~
10 ~~appropriate resources of their own.~~

11 (Source: P.A. 93-632, eff. 2-1-04; 93-1067, eff. 1-15-05.)

12 (40 ILCS 5/15-178) (from Ch. 108 1/2, par. 15-178)

13 Sec. 15-178. Duties of the State Comptroller and payroll
14 officers. The State Comptroller and employer payroll officers,
15 in drawing warrants and checks for items of salary on payroll
16 vouchers certified by employers, shall draw such warrants and
17 checks to participating employees for the amount of salary or
18 wages specified for the period, and shall draw a warrant, ~~or~~
19 check, or electronic funds transfer to this system for the
20 total of the contributions required under Section 15-157. All
21 warrants and electronic funds transfers covering such
22 contributions, and ~~together with~~ a deduction register
23 pertaining to the payroll supplied by the employer, shall be
24 transmitted immediately to the board.

25 The Comptroller shall draw warrants or prepare direct

1 deposit transmittals upon the State Treasurer payable from
2 funds appropriated for the purposes specified in this Article
3 upon the presentation of vouchers approved by the board.

4 (Source: P.A. 87-8.)

5 (40 ILCS 5/15-167.3 rep.)

6 Section 10. The Illinois Pension Code is amended by
7 repealing Section 15-167.3.

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