



Executive Committee

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09500SB1653ham001

LRB095 10854 AMC 36164 a

1 AMENDMENT TO SENATE BILL 1653

2 AMENDMENT NO. _____. Amend Senate Bill 1653 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 13-215, 13-216, 13-309, 13-502, 13-601, and
6 13-706 as follows:

7 (40 ILCS 5/13-215) (from Ch. 108 1/2, par. 13-215)

8 Sec. 13-215. "Retirement annuity": A benefit payable as an
9 annuity for service as an employee. The annuity shall be
10 payable in equal monthly installments for life, except as
11 otherwise provided in this Article, beginning in the ~~one~~ month
12 after the effective date of the annuity ~~as fixed by the Board,~~
13 which shall not be prior to the date of withdrawal nor more
14 than one year prior to the date of the employee's application
15 for the annuity. A pro rata amount of the annuity shall be paid
16 for part of a month when the annuity begins after the first day

1 of the month or ends before the last day of the month.

2 Notwithstanding the above, all retirement annuity payments
3 first payable on or after January 1, 2008, shall begin the
4 first of the month following the effective date of retirement.

5 Effective January 1, 2008, benefits are payable for the
6 full month if the annuitant was alive on the first day of the
7 month.

8 (Source: P.A. 87-794.)

9 (40 ILCS 5/13-216) (from Ch. 108 1/2, par. 13-216)

10 Sec. 13-216. "Surviving spouse's annuity": The amount
11 payable as a surviving spouse annuity commencing on the date of
12 the employee's or retiree's death. The annuity shall be payable
13 in equal monthly installments for life, except as otherwise
14 provided in this Article, in the month after the effective date
15 of the annuity ~~beginning one month after the effective date of~~
16 ~~the annuity~~. A pro rata amount of the annuity shall be paid for
17 part of a month when the annuity begins after the first day of
18 the month or ends before the last day of the month.

19 Notwithstanding the above, all surviving spouse annuity
20 payments first payable on or after January 1, 2008, shall begin
21 the first of the month following the employee's or annuitant's
22 date of death.

23 Effective January 1, 2008, benefits are payable for the
24 full month if the annuitant was alive on the first day of the
25 month.

1 (Source: P.A. 87-794.)

2 (40 ILCS 5/13-309) (from Ch. 108 1/2, par. 13-309)

3 Sec. 13-309. Duty disability benefit.

4 (a) Any employee who becomes disabled, which disability is
5 the result of an injury or illness compensable under the
6 Illinois Workers' Compensation Act or the Illinois Workers'
7 Occupational Diseases Act, is entitled to a duty disability
8 benefit during the period of disability for which the employee
9 does not receive any part of salary, or any part of a
10 retirement annuity under this Article; except that in the case
11 of an employee who first enters service on or after June 13,
12 1997 and becomes disabled before the effective date of this
13 amendatory Act of the 94th General Assembly, a duty disability
14 benefit is not payable for the first 3 days of disability that
15 would otherwise be payable under this Section if the disability
16 does not continue for at least 11 additional days. The changes
17 made to this Section by this amendatory Act of the 94th General
18 Assembly are prospective only and do not entitle an employee to
19 a duty disability benefit for the first 3 days of any
20 disability that occurred before that effective date and did not
21 continue for at least 11 additional days. This benefit shall be
22 75% of salary at the date disability begins. However, if the
23 disability in any measure resulted from any physical defect or
24 disease which existed at the time such injury was sustained or
25 such illness commenced, the duty disability benefit shall be

1 50% of salary.

2 Unless the employer acknowledges that the disability is a
3 result of injury or illness compensable under the Workers'
4 Compensation Act or the Workers' Occupational Diseases Act, the
5 duty disability benefit shall not be payable until the issue of
6 compensability under those Acts is finally adjudicated. The
7 period of disability shall be as determined by the Illinois
8 Workers' Compensation Commission or acknowledged by the
9 employer.

10 An employee in service before June 13, 1997 shall also
11 receive a child's disability benefit during the period of
12 disability of \$10 per month for each unmarried natural or
13 adopted child of the employee under 18 years of age.

14 The first payment shall be made not later than one month
15 after the benefit is granted, and subsequent payments shall be
16 made at least monthly. The Board shall by rule prescribe for
17 the payment of such benefits on the basis of the amount of
18 salary lost during the period of disability.

19 (b) The benefit shall be allowed only if the following
20 requirements are met by the employee:

21 (1) Application is made to the Board within 90 days
22 from the date disability begins;

23 (2) A medical report is submitted by at least one
24 licensed and practicing physician as part of the employee's
25 application; and

26 (3) The employee is examined by at least one licensed

1 and practicing physician appointed by the Board and found
2 to be in a disabled physical condition, and shall be
3 re-examined at least annually thereafter during the
4 continuance of disability. The employee need not be
5 re-examined by a licensed and practicing physician if the
6 attorney for the district certifies in writing that the
7 employee is entitled to receive compensation under the
8 Workers' Compensation Act or the Workers' Occupational
9 Diseases Act.

10 (c) The benefit shall terminate when:

11 (1) The employee returns to work or receives a
12 retirement annuity paid wholly or in part under this
13 Article;

14 (2) The disability ceases;

15 (3) The employee attains age 65, but if the employee
16 becomes disabled at age 60 or later, benefits may be
17 extended for a period of no more than 5 years after
18 disablement;

19 (4) The employee (i) refuses to submit to reasonable
20 examinations by physicians or other health professionals
21 appointed by the Board, (ii) fails or refuses to consent to
22 and sign an authorization allowing the Board to receive
23 copies of or to examine the employee's medical and hospital
24 records, or (iii) fails or refuses to provide complete
25 information regarding any other employment for
26 compensation he or she has received since becoming

1 disabled; or

2 (5) The employee willfully and continuously refuses to
3 follow medical advice and treatment to enable the employee
4 to return to work. However this provision does not apply to
5 an employee who relies in good faith on treatment by prayer
6 through spiritual means alone in accordance with the tenets
7 and practice of a recognized church or religious
8 denomination, by a duly accredited practitioner thereof.

9 In the case of a duty disability recipient who returns to
10 work, the employee must make application to the Retirement
11 Board within 2 years from the date the employee last received
12 duty disability benefits in order to become again entitled to
13 duty disability benefits based on the injury for which a duty
14 disability benefit was theretofore paid.

15 (Source: P.A. 93-721, eff. 1-1-05; 94-621, eff. 8-18-05.)

16 (40 ILCS 5/13-502) (from Ch. 108 1/2, par. 13-502)

17 Sec. 13-502. Employee contributions; deductions from
18 salary.

19 (a) Retirement annuity and child's annuity. There shall be
20 deducted from each payment of salary an amount equal to 7% ~~7~~
21 ~~1/2%~~ of salary as the employee's contribution for the
22 retirement annuity, including ~~annual increases therefore and~~
23 child's annuity, and 0.5% of salary as the employee's
24 contribution for annual increases to the retirement annuity.

25 (b) Surviving spouse's annuity. There shall be deducted

1 from each payment of salary an amount equal to 1 1/2% of salary
2 as the employee's contribution for the surviving spouse's
3 annuity and annual increases therefor.

4 (c) Pickup of employee contributions. The Employer may pick
5 up employee contributions required under subsections (a) and
6 (b) of this Section. If contributions are picked up they shall
7 be treated as Employer contributions in determining tax
8 treatment under the United States Internal Revenue Code, and
9 shall not be included as gross income of the employee until
10 such time as they are distributed. The Employer shall pay these
11 employee contributions from the same source of funds used in
12 paying salary to the employee. The Employer may pick up these
13 contributions by a reduction in the cash salary of the employee
14 or by an offset against a future salary increase or by a
15 combination of a reduction in salary and offset against a
16 future salary increase. If employee contributions are picked up
17 they shall be treated for all purposes of this Article 13,
18 including Sections 13-503 and 13-601, in the same manner and to
19 the same extent as employee contributions made prior to the
20 date picked up.

21 (d) Subject to the requirements of federal law, the
22 Employer shall pick up optional contributions that the employee
23 has elected to pay to the Fund under Section 13-304.1, and the
24 contributions so picked up shall be treated as employer
25 contributions for the purposes of determining federal tax
26 treatment. The Employer shall pick up the contributions by a

1 reduction in the cash salary of the employee and shall pay the
2 contributions from the same fund that is used to pay earnings
3 to the employee. The Employer shall, however, continue to
4 withhold federal and State income taxes based upon
5 contributions made under Section 13-304.1 until the Internal
6 Revenue Service or the federal courts rule that pursuant to
7 Section 414(h) of the U.S. Internal Revenue Code of 1986, as
8 amended, these contributions shall not be included as gross
9 income of the employee until such time as they are distributed
10 or made available.

11 (e) Each employee is deemed to consent and agree to the
12 deductions from compensation provided for in this Article.

13 (f) Subject to the requirements of federal law, the
14 Employer shall pick up contributions that a commissioner has
15 elected to pay to the Fund under Section 13-314, and the
16 contributions so picked up shall be treated as Employer
17 contributions for the purposes of determining federal tax
18 treatment. The Employer shall pick up the contributions by a
19 reduction in the cash salary of the commissioner and shall pay
20 the contributions from the same fund as is used to pay earnings
21 to the commissioner. The Employer shall, however, continue to
22 withhold federal and State income taxes based upon
23 contributions made under Section 13-314 until the U.S. Internal
24 Revenue Service or the federal courts rule that pursuant to
25 Section 414(h) of the Internal Revenue Code of 1986, as
26 amended, these contributions shall not be included as gross

1 income of the employee until such time as they are distributed
2 or made available.

3 (Source: P.A. 94-621, eff. 8-18-05.)

4 (40 ILCS 5/13-601) (from Ch. 108 1/2, par. 13-601)
5 Sec. 13-601. Refunds.

6 (a) Withdrawal from service. Upon withdrawal from service,
7 an employee under age 55 (age 50 if the employee first entered
8 service before June 13, 1997), or an employee age 55 (age 50 if
9 the employee first entered service before June 13, 1997) or
10 over but less than 60 having less than 20 years of service, or
11 an employee age 60 or over having less than 5 years of service
12 shall be entitled, upon application, to a refund of total
13 contributions from salary deductions or amounts otherwise paid
14 under this Article by the employee. The refund shall not
15 include interest credited to the contributions. The Board may,
16 in its discretion, withhold payment of a refund for a period
17 not to exceed one year from the date of filing an application
18 for refund.

19 (b) Surviving spouse's annuity contributions. A refund of
20 all amounts deducted from salary or otherwise contributed by an
21 employee for the surviving spouse's annuity shall be paid upon
22 retirement to any employee who on the date of retirement is
23 either not married or is married but whose spouse is not
24 eligible for a surviving spouse's annuity paid wholly or in
25 part under this Article. The refund shall include interest on

1 each contribution at the rate of 3% per annum compounded
2 annually from the date of the contribution to the date of the
3 refund.

4 (c) Payment of Refunds After Death. Whenever any refund is
5 payable after the death of the annuitant as provided for in
6 this Article, the refund shall be paid as follows: to the
7 employee's surviving spouse, but if there is no surviving
8 spouse then in accordance with the employee's written
9 designation of beneficiary filed with the Board on the
10 prescribed form before the employee's death. If there is no
11 such designation of beneficiary, then to the employee's
12 surviving children in equal parts to each. If there are no such
13 children, the refund shall be paid to the heirs of the employee
14 according to the law of descent and distribution of the State
15 of Illinois. When paid to children, estate or beneficiary.
16 ~~Whenever the total accumulations, to the account of an employee~~
17 ~~from employee contributions, including interest to the~~
18 ~~employee's date of withdrawal, have not been paid to the~~
19 ~~employee and surviving spouse as a retirement or spouse's~~
20 ~~annuity before the death of the survivor of the employee and~~
21 ~~spouse, a refund shall be paid as follows: an amount equal to~~
22 ~~the excess of such amounts over the amounts paid on such~~
23 ~~annuities without interest on either such amount, shall be paid~~
24 ~~to the children of the employee, in equal parts to each, unless~~
25 ~~the employee has directed in writing, signed by him before an~~
26 ~~officer authorized to administer oaths, and filed with the~~

1 ~~Board before the employee's death, that any such amount shall~~
2 ~~be refunded and paid to any one or more of such children; and~~
3 ~~if there are not children, such other beneficiary or~~
4 ~~beneficiaries as might be designated by the employee. If there~~
5 ~~are no such children or designation of beneficiary, the refund~~
6 ~~shall be paid to the personal representative of the employee's~~
7 ~~estate.~~

8 If a personal representative of the estate has not been
9 appointed within 90 days from the date on which a refund became
10 payable, the refund may be applied, in the discretion of the
11 Board, toward the payment of the employee's or the surviving
12 spouse's burial expenses. Any remaining balance shall be paid
13 to the heirs of the employee according to the law of descent
14 and distribution of the State of Illinois.

15 Whenever the total accumulations to the account of an
16 employee from employee contributions other than the
17 contribution for the cost of living increase, including
18 interest to the employee's date of withdrawal, have not been
19 paid to the employee and surviving spouse as a retirement or
20 spouse's annuity before the death of the employee and spouse, a
21 refund shall be paid as follows: an amount equal to the excess
22 of such amounts over the amounts paid on such annuities without
23 interest on either such amount.

24 If a reversionary annuity becomes payable under Section
25 13-303, the refund provided in this section shall not be paid
26 until the death of the reversionary annuitant and the refund

1 otherwise payable under this section shall be then further
2 reduced by the amount of the reversionary annuity paid.

3 (d) In lieu of annuity. Notwithstanding the provisions set
4 forth in subsection (a) of this section, whenever an employee's
5 or surviving spouse's annuity will be less than \$200 per month,
6 the employee or surviving spouse, as the case may be, may elect
7 to receive a refund of accumulated employee contributions;
8 provided, however, that if the election is made by a surviving
9 spouse the refund shall be reduced by any amounts theretofore
10 paid to the employee in the form of an annuity.

11 (e) Forfeiture of rights. An employee or surviving spouse
12 who receives a refund forfeits the right to receive an annuity
13 or any other benefit payable under this Article except that if
14 the refund is to a surviving spouse, any child or children of
15 the employee shall not be deprived of the right to receive a
16 child's annuity as provided in Section 13-308 of this Article,
17 and the payment of a child's annuity shall not reduce the
18 amount refundable to the surviving spouse.

19 (Source: P.A. 94-621, eff. 8-18-05.)

20 (40 ILCS 5/13-706) (from Ch. 108 1/2, par. 13-706)

21 Sec. 13-706. Board powers and duties. The Board shall have
22 the powers and duties set forth in this Section, in addition to
23 such other powers and duties as may be provided in this Article
24 and in this Code:

25 (a) To supervise collections. To see that all amounts

1 specified in this Article to be applied to the Fund, from
2 any source, are collected and applied.

3 (b) To notify of deductions. To notify the Clerk of the
4 Water Reclamation District of the deductions to be made
5 from the salaries of employees.

6 (c) To accept gifts. To accept by gift, grant, bequest
7 or otherwise any money or property of any kind and use the
8 same for the purposes of the Fund.

9 (d) To invest the reserves. To invest the reserves of
10 the Fund in accordance with the provisions set forth in
11 Section 1-109, 1-109.1, 1-109.2, 1-110, 1-111, 1-114, and
12 1-115 of this Code. Investments made in accordance with
13 Section 1-113 of Article 1 of this Code shall be deemed
14 prudent. The Board is also authorized to transfer
15 securities to the Illinois State Board of Investment for
16 the purpose of participation in any commingled investment
17 fund as provided in Article 22A of this Code.

18 (e) To authorize payments. To consider and pass upon
19 all applications for annuities and benefits; to authorize
20 or suspend the payment of any annuity or benefit; to
21 inquire into the validity and legality of any grant of
22 annuity or benefit paid from or payable out of the Fund; to
23 increase, reduce, or suspend any such annuity or benefit
24 whenever the annuity or benefit, or any part thereof, was
25 secured or granted, or the amount thereof fixed, as the
26 result of misrepresentation, fraud, or error. No such

1 annuity or benefit shall be permanently reduced or
2 suspended until the affected annuitant or beneficiary is
3 first notified of the proposed action and given an
4 opportunity to be heard. No trustee of the Board shall vote
5 upon that trustee's own personal claim for annuity, benefit
6 or refund, or participate in the deliberations of the Board
7 as to the validity of any such claim. The Board shall have
8 exclusive original jurisdiction in all matters of claims
9 for annuities, benefits and refunds.

10 (f) To submit an annual report. To submit a report in
11 July of each year to the Board of Commissioners of the
12 Water Reclamation District as of the close of business on
13 December 31st of the preceding year. The report shall
14 include the following:

15 (1) A balance sheet, showing the financial and
16 actuarial condition of the Fund as of the end of the
17 calendar year;

18 (2) A statement of receipts and disbursements
19 during such year;

20 (3) A statement showing changes in the asset,
21 liability, reserve and surplus accounts during such
22 year;

23 (4) A detailed statement of investments as of the
24 end of the year; and

25 (5) Any additional information as is deemed
26 necessary for proper interpretation of the condition

1 of the Fund.

2 (g) To subpoena witnesses. To compel witnesses to
3 attend and testify before it upon any matter concerning the
4 Fund and allow witness fees not in excess of \$6 for
5 attendance upon any one day. The President and other
6 members of the Board may administer oaths to witnesses.

7 (h) To appoint employees and consultants. To appoint
8 such actuarial, medical, legal, investigational, clerical
9 or financial employees and consultants as are necessary,
10 and fix their compensation.

11 (i) To make rules. To make rules and regulations
12 necessary for the administration of the affairs of the
13 Fund.

14 (j) To waive guardianship. To waive the requirement of
15 legal guardianship of any minor unmarried beneficiary of
16 the Fund living with a parent or grandparent, and legal
17 guardianship of any beneficiary under legal disability
18 whose husband, wife, or parent is managing such
19 beneficiary's affairs, whenever the Board deems such
20 waiver to be in the best interest of the beneficiary.

21 (k) To collect amounts due. To collect any amounts due
22 to the Fund from any participant or beneficiary prior to
23 payment of any annuity, benefit or refund.

24 (l) To invoke rule of offset. To offset against any
25 amount payable to an employee or to any other person such
26 sums as may be due to the Fund or may have been paid by the

1 Fund due to misrepresentation, fraud or error.

2 (m) To assess and collect interest on amounts due to
3 the Fund using the annual rate as shall from time to time
4 be determined by the Board, compounded annually from the
5 date of notification to the date of payment.

6 (Source: P.A. 94-621, eff. 8-18-05.)

7 Section 90. The State Mandates Act is amended by adding
8 Section 8.31 as follows:

9 (30 ILCS 805/8.31 new)

10 Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8
11 of this Act, no reimbursement by the State is required for the
12 implementation of any mandate created by this amendatory Act of
13 the 95th General Assembly.

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