



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB0965

Introduced 2/10/2009, by Rep. Dan Brady

SYNOPSIS AS INTRODUCED:

40 ILCS 5/3-124.1	from Ch. 108 1/2, par. 3-124.1
40 ILCS 5/4-117	from Ch. 108 1/2, par. 4-117
40 ILCS 5/5-159	from Ch. 108 1/2, par. 5-159
40 ILCS 5/6-156	from Ch. 108 1/2, par. 6-156
40 ILCS 5/7-144	from Ch. 108 1/2, par. 7-144
40 ILCS 5/14-111	from Ch. 108 1/2, par. 14-111
40 ILCS 5/14-152.1	
30 ILCS 805/8.33 new	

Amends the Downstate Police, Downstate Firefighter, Chicago Police, Chicago Firefighter, Illinois Municipal Retirement Fund, and State Employee Articles of the Illinois Pension Fund. Allows an annuitant to re-enter service for a total of 2 years to fill positions vacated because persons are serving on active duty in the military, naval, or air forces of the State or federal government without impairing his or her pension benefits. In provisions amending the State Employee Article, exempts the changes from provisions concerning new benefit increases. Effective immediately.

LRB096 10331 AMC 20501 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by changing
5 Sections 3-124.1, 4-117, 5-159, 6-156, 7-144, 14-111, and
6 14-152.1 as follows:

7 (40 ILCS 5/3-124.1) (from Ch. 108 1/2, par. 3-124.1)

8 Sec. 3-124.1. Re-entry into active service. Except as
9 otherwise provided in this Section, if ~~if~~ a police officer who
10 is receiving pension payments other than as provided in Section
11 3-109.3 re-enters active service, pension payment shall be
12 suspended while he or she is in service. When he or she again
13 retires, pension payments shall be resumed. If the police
14 officer remains in service after re-entry for a period of less
15 than 5 years, the pension shall be the same as upon first
16 retirement. If the officer's service after re-entry is at least
17 5 years and the officer makes the required contributions during
18 the period of re-entry, his or her pension shall be recomputed
19 by taking into account the additional period of service and
20 salary.

21 A police officer who is receiving pension payments other
22 than as provided in Section 3-109.3 may re-enter under this
23 Article for a total of 2 years to fill positions vacated

1 because police officers are serving on active duty in the
2 military, naval, or air forces of the State or federal
3 government without impairing his or her pension payments.

4 (Source: P.A. 91-939, eff. 2-1-01.)

5 (40 ILCS 5/4-117) (from Ch. 108 1/2, par. 4-117)

6 Sec. 4-117. Reentry into active service.

7 (a) Except as otherwise provided in this Section, if ~~if~~ a
8 firefighter receiving pension payments reenters active
9 service, pension payments shall be suspended while he or she is
10 in service. If the firefighter again retires or is discharged,
11 his or her monthly pension shall be resumed in the same amount
12 as was paid upon first retirement or discharge unless he or she
13 remained in active service 3 or more years after re-entry in
14 which case the monthly pension shall be based on the salary
15 attached to the firefighter's rank at the date of last
16 retirement.

17 A firefighter who is receiving pension payments may reenter
18 active service under this Article for a total of 2 years to
19 fill positions vacated because firefighters are serving on
20 active duty in the military, naval, or air forces of the State
21 or federal government without impairing his or her pension
22 payments.

23 (b) If a deferred pensioner re-enters active service, and
24 again retires or is discharged from the fire service, his or
25 her pension shall be based on the salary attached to the rank

1 held in the fire service at the date of earlier retirement,
2 unless the firefighter remains in active service for 3 or more
3 years after re-entry, in which case the monthly pension shall
4 be based on the salary attached to the firefighter's rank at
5 the date of last retirement.

6 (c) If a pensioner or deferred pensioner re-enters or is
7 recalled to active service and is thereafter injured, and the
8 injury is not related to an injury for which he or she was
9 previously receiving a disability pension, the 3 year service
10 requirement shall not apply in order for the firefighter to
11 qualify for the increased pension based on the rate of pay at
12 the time of the new injury.

13 (Source: P.A. 83-1440.)

14 (40 ILCS 5/5-159) (from Ch. 108 1/2, par. 5-159)

15 Sec. 5-159. Re-entry of pensioner or annuitant into
16 service. Except as otherwise provided in this Section, when
17 ~~when~~ a policeman who has withdrawn after the effective date
18 re-enters service, any annuity previously granted to him and
19 any annuity fixed for his wife shall be cancelled. The
20 policeman shall be credited for annuity purposes with sums
21 sufficient to provide annuities equal to those cancelled for
22 him and his wife, as of their respective ages on the date of
23 re-entrance into service.

24 A policeman who is receiving pension payments or an annuity
25 under this Article may re-enter service under this Article for

1 a total of 2 years to fill positions vacated because policemen
2 are serving on active duty in the military, naval, or air
3 forces of the State or federal government without impairing his
4 or her pension payments or annuity.

5 Deductions from salary and contributions by the city for
6 all purposes of this Article shall be made, and upon subsequent
7 retirement new annuities based upon the amount then to his
8 credit for annuity purposes and the entire term of his service
9 shall be fixed for the policeman and his wife.

10 If such policeman's wife, for whom annuity has been fixed
11 prior to his re-entrance into service, has died or her marriage
12 to such policeman has been dissolved or declared invalid before
13 he re-entered service, no part, of any sum or sums to the
14 credit of such policeman for widow's annuity or for widow's
15 prior service annuity at the time annuity for such wife was
16 fixed shall be credited to such policeman at the time of
17 re-entry. No part of any such sum or sums shall be used to
18 provide annuity for any wife of such policeman who is his wife
19 at any time after his re-entry into service unless she was his
20 wife at the time of his withdrawal.

21 However, the payment of the pension or annuity shall
22 continue if re-entry into service is for the purpose of serving
23 on a part time basis as a street crossing guard.

24 (Source: P.A. 86-272.)

25 (40 ILCS 5/6-156) (from Ch. 108 1/2, par. 6-156)

1 Sec. 6-156. Re-entry of pensioner or annuitant into
2 service.

3 (a) Except as otherwise provided in this Section, when ~~When~~
4 a fireman who has withdrawn after the effective date re-enters
5 the service before age 63, any annuity previously granted to
6 him and any annuity fixed for his wife shall be cancelled. The
7 fireman shall be credited with the actuarial value of the
8 annuities cancelled for him and his wife as of their respective
9 ages on the date of his re-entry into service; provided, that
10 for present employees and future entrants who entered service
11 prior to July 1, 1953, the maximum age of a wife for this
12 purpose shall not be more than 5 years less than his age, and
13 for future entrants who entered service after June 30, 1953,
14 the age, for annuity purposes, of a wife who is older than her
15 husband shall be assumed to be equal to his age. Such sums
16 shall be credited to the fireman to provide for annuities in
17 the future.

18 A fireman who is receiving an annuity under this Article
19 may re-enter service under this Article for a total of 2 years
20 to fill positions vacated because firemen are serving on active
21 duty in the military, naval, or air forces of the State or
22 federal government without impairing his or her annuity.

23 Deductions from salary and contributions by the city for
24 all purposes of this Article shall be made as provided herein,
25 and upon subsequent retirement, new annuities based upon the
26 amount then to his credit for annuity purposes and the entire

1 term of his service shall be fixed for him and his wife.

2 If such fireman's wife, for whom annuity has been fixed
3 prior to his re-entrance into service, has died, or the
4 marriage was dissolved before he re-entered service, no part of
5 any sum or sums to the credit of such fireman for widow's prior
6 service annuity at the time annuity for such wife was fixed
7 shall be credited to such fireman at the time of re-entry. No
8 part of any such sum or sums shall be used to provide annuity
9 for any wife of such fireman who is his wife at any time after
10 his re-entry into service.

11 (b) If a fireman re-enters service after age 63, payments
12 of pension or annuity previously granted shall be suspended.
13 When he again withdraws, payments upon such pension or annuity
14 shall be resumed. If the fireman dies in service, his widow
15 shall receive the annuity previously fixed for her.

16 (Source: P.A. 81-1536.)

17 (40 ILCS 5/7-144) (from Ch. 108 1/2, par. 7-144)

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

20 (a) (1) Except as otherwise provided in this Section, if ~~if~~
21 any person described in clause (i) of subsection (a) 2 of
22 Section 7-141 receiving any annuity again becomes an employee
23 and receives earnings from employment in a position normally
24 requiring performance of duty during 600 hours or more per year
25 for any participating municipality and instrumentalities

1 thereof or participating instrumentality; or (2) if any person
2 described in clause (ii) of subsection (a) 2 of Section 7-141
3 receiving any annuity returns to employment in a position
4 requiring him, or entitling him to elect, to become a
5 participating employee; then the annuity payable to such
6 employee shall be suspended as of the 1st day of the month
7 coincidental with or next following the date upon which such
8 person becomes such an employee. Upon proper qualification of
9 the participating employee payment of such annuity may be
10 resumed on the 1st day of the month following such
11 qualification and upon proper application therefor. The
12 participating employee in such case shall be entitled to a
13 supplemental annuity arising from service and credits earned
14 subsequent to such re-entry as a participating employee.

15 A person receiving an annuity may return to employment as a
16 participating employee for a total of 2 years to fill positions
17 vacated because persons are serving on active duty in the
18 military, naval, or air forces of the State or federal
19 government without having his or her annuity suspended and
20 shall be entitled to a supplemental annuity arising from
21 service and credits earned subsequent to such re-entry as a
22 participating employee.

23 (b) Supplemental annuities to persons who return to service
24 for less than 48 months shall be computed under the provisions
25 of Sections 7-141, 7-142 and 7-143. In determining whether an
26 employee is eligible for an annuity which requires a minimum

1 period of service, his entire period of service shall be taken
2 into consideration but the supplemental annuity shall be based
3 on earnings and service in the supplemental period only. The
4 effective date of the suspended and supplemental annuity for
5 the purpose of increases after retirement shall be considered
6 to be the effective date of the suspended annuity.

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

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

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

17 (3) The monthly amount of the suspended annuity, with
18 any applicable increases after retirement computed from
19 the effective date to the date of reinstatement, shall be
20 subtracted from the amount determined in (2) above and the
21 remainder shall be the amount of the supplemental annuity
22 provided that this amount shall not be less than the amount
23 computed under subsection (b) of this Section.

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

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

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

6 (40 ILCS 5/14-111) (from Ch. 108 1/2, par. 14-111)
7 Sec. 14-111. Re-entry After retirement.

8 (a) An annuitant who re-enters the service of a department
9 and receives compensation on a regular payroll shall receive no
10 payments of the retirement annuity during the time he is so
11 employed, with the following exceptions:

12 (1) An annuitant who is employed by a department while
13 he or she is a continuing participant in the General
14 Assembly Retirement System under Sections 2-117.1 and
15 14-105.4 will not be considered to have made a re-entry
16 after retirement within the meaning of this Section for the
17 duration of such continuing participation. Any person who
18 is a continuing participant under Sections 2-117.1 and
19 14-105.4 on the effective date of this amendatory Act of
20 1991 and whose retirement annuity has been suspended under
21 this Section shall be entitled to receive from the System a
22 sum equal to the annuity payments that have been withheld
23 under this Section, and shall receive the benefit of this
24 amendment without regard to Section 1-103.1.

25 (2) An annuitant who accepts temporary employment from

1 such a department for a period not exceeding 75 working
2 days in any calendar year is not considered to make a
3 re-entry after retirement within the meaning of this
4 Section. Any part of a day on temporary employment is
5 considered a full day of employment.

6 (3) An annuitant who accepts employment from a
7 department for a total of 2 years to fill positions vacated
8 because employees are serving on active duty in the
9 military, naval, or air forces of the State or federal
10 government is not considered to make a re-entry after
11 retirement within the meaning of this Section.

12 (b) If such person re-enters the service of a department,
13 not as a temporary employee, contributions to the system shall
14 begin as of the date of re-employment and additional creditable
15 service shall begin to accrue. He shall assume the status of a
16 member entitled to all rights and privileges in the system,
17 including death and disability benefits, excluding a refund of
18 contributions.

19 Upon subsequent retirement, his retirement annuity shall
20 consist of:

21 (1) the amounts of the annuities terminated by re-entry
22 into service; and

23 (2) the amount of the additional retirement annuity
24 earned by the member during the period of additional
25 membership service which shall not be subject to
26 reversionary annuity if any.

1 The total retirement annuity shall not, however, exceed the
2 maximum applicable to the member at the time of original
3 retirement. In the computation of any such retirement annuity,
4 the time that the member was on retirement shall not interrupt
5 the continuity of service for the computation of final average
6 compensation and the additional membership service shall be
7 considered, together with service rendered before the previous
8 retirement, in establishing final average compensation.

9 A person who re-enters the service of a department within 3
10 years after retiring may qualify to have the retirement annuity
11 computed as though the member had not previously retired by
12 paying to the System, within 5 years after re-entry and prior
13 to subsequent retirement, in a lump sum or in installment
14 payments in accordance with such rules as may be adopted by the
15 Board, an amount equal to all retirement payments received,
16 including any payments received in accordance with subsection
17 (c) or (d) of Section 14-130, plus regular interest from the
18 date retirement payments were suspended to the date of
19 repayment.

20 (Source: P.A. 86-1488; 87-794.)

21 (40 ILCS 5/14-152.1)

22 Sec. 14-152.1. Application and expiration of new benefit
23 increases.

24 (a) As used in this Section, "new benefit increase" means
25 an increase in the amount of any benefit provided under this

1 Article, or an expansion of the conditions of eligibility for
2 any benefit under this Article, that results from an amendment
3 to this Code that takes effect after June 1, 2005 (the
4 effective date of Public Act 94-4) ~~this amendatory Act of the~~
5 ~~94th General Assembly~~. "New benefit increase", however, does
6 not include any benefit increase resulting from the changes
7 made to this Article by this amendatory Act of the 96th General
8 Assembly.

9 (b) Notwithstanding any other provision of this Code or any
10 subsequent amendment to this Code, every new benefit increase
11 is subject to this Section and shall be deemed to be granted
12 only in conformance with and contingent upon compliance with
13 the provisions of this Section.

14 (c) The Public Act enacting a new benefit increase must
15 identify and provide for payment to the System of additional
16 funding at least sufficient to fund the resulting annual
17 increase in cost to the System as it accrues.

18 Every new benefit increase is contingent upon the General
19 Assembly providing the additional funding required under this
20 subsection. The Commission on Government Forecasting and
21 Accountability shall analyze whether adequate additional
22 funding has been provided for the new benefit increase and
23 shall report its analysis to the Public Pension Division of the
24 Department of Financial and Professional Regulation. A new
25 benefit increase created by a Public Act that does not include
26 the additional funding required under this subsection is null

1 and void. If the Public Pension Division determines that the
2 additional funding provided for a new benefit increase under
3 this subsection is or has become inadequate, it may so certify
4 to the Governor and the State Comptroller and, in the absence
5 of corrective action by the General Assembly, the new benefit
6 increase shall expire at the end of the fiscal year in which
7 the certification is made.

8 (d) Every new benefit increase shall expire 5 years after
9 its effective date or on such earlier date as may be specified
10 in the language enacting the new benefit increase or provided
11 under subsection (c). This does not prevent the General
12 Assembly from extending or re-creating a new benefit increase
13 by law.

14 (e) Except as otherwise provided in the language creating
15 the new benefit increase, a new benefit increase that expires
16 under this Section continues to apply to persons who applied
17 and qualified for the affected benefit while the new benefit
18 increase was in effect and to the affected beneficiaries and
19 alternate payees of such persons, but does not apply to any
20 other person, including without limitation a person who
21 continues in service after the expiration date and did not
22 apply and qualify for the affected benefit while the new
23 benefit increase was in effect.

24 (Source: P.A. 94-4, eff. 6-1-05.)

25 Section 90. The State Mandates Act is amended by adding

1 Section 8.33 as follows:

2 (30 ILCS 805/8.33 new)

3 Sec. 8.33. Exempt mandate. Notwithstanding Sections 6 and 8
4 of this Act, no reimbursement by the State is required for the
5 implementation of any mandate created by this amendatory Act of
6 the 96th General Assembly.

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