



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

**HB4786**

Introduced 1/12/2010, by Rep. Michael J. Zalewski

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/8-167

from Ch. 108 1/2, par. 8-167

30 ILCS 805/8.34 new

Amends the Chicago Municipal Article of the Illinois Pension Code. In provisions concerning the restoration of rights after receipt of a refund, removes language restricting repayment of the refund within certain periods and provides that, if the employee withdraws from service or dies in service during a specified period, any payments made shall be refunded without interest thereon and in accordance with a refund provisions of the Article. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB096 15813 AMC 31054 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

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 Section 8-167 as follows:

6 (40 ILCS 5/8-167) (from Ch. 108 1/2, par. 8-167)

7 Sec. 8-167. Restoration of rights. An employee who has  
8 withdrawn as a refund the amounts credited for annuity  
9 purposes, and who (i) re-enters service of the employer and  
10 serves for periods comprising at least 90 days after the date  
11 of the last refund paid to him or her or (ii) has completed at  
12 least 2 years of service under a participating system (as  
13 defined in the Retirement Systems Reciprocal Act) other than  
14 this Fund after the date of the last refund, shall have his or  
15 her annuity rights restored by compliance with the following  
16 provisions:

17 (a) The employee ~~After that 90 day or 2 year period,~~  
18 ~~whichever applies, he~~ shall repay in full to the fund,  
19 while in service, all refunds received, together with  
20 interest at the effective rate from the dates of refund to  
21 the date of repayment.

22 (b) If payment is not made in a single sum, the  
23 repayment may be made in installments by deductions from

1 salary or otherwise in such manner and amounts and manner  
2 as the board, by rule, may prescribe, with interest at the  
3 effective rate accruing on unpaid balances.

4 (c) If the employee withdraws from service or dies in  
5 service before full repayment is made, service credit shall  
6 be restored in accordance with Section 8-230.3(b).

7 (d) If the employee withdraws from service or dies in  
8 service during the required 90-day or 2-year period, any  
9 payments made shall be refunded without interest thereon  
10 and in accordance with a refund provisions of this Article.

11 (e) If the employee repays the refund while  
12 participating in a participating system (as defined in the  
13 Retirement Systems Reciprocal Act) other than this Fund,  
14 the service credit restored must be used for a proportional  
15 annuity calculated in accordance with the Retirement  
16 Systems Reciprocal Act. If not so used, the restored  
17 service credit shall be forfeited and the amount of the  
18 repayment shall be refunded, without interest.

19 This Section applies also to any person who received a  
20 refund from any annuity and benefit fund or pension fund which  
21 was merged into and superseded by the annuity and benefit fund  
22 provided for in this Article on or after December 31, 1959.  
23 Upon repayment such person shall receive credit for all annuity  
24 purposes in the annuity and benefit fund provided for in this  
25 Article for the period of service covered by the repayment.

26 The amount of refund repayment is considered as salary

1 deductions for age and service annuity and widow's annuity  
2 purposes in the case of a male person. In the latter case the  
3 amount of refund repayment is allocated in the applicable  
4 proportion for age and service and widow's annuity purposes.  
5 Such person shall also be credited with city contributions for  
6 age and service annuity, and widow's annuity if a male  
7 employee, in the amount which would have been credited and  
8 accrued if such person had been a participant in and  
9 contributor to the annuity and benefit fund provided for in  
10 this Article during the period of such service on the basis of  
11 his salary during such period.

12 (Source: P.A. 93-654, eff. 1-16-04.)

13 Section 90. The State Mandates Act is amended by adding  
14 Section 8.34 as follows:

15 (30 ILCS 805/8.34 new)

16 Sec. 8.34. Exempt mandate. Notwithstanding Sections 6 and 8  
17 of this Act, no reimbursement by the State is required for the  
18 implementation of any mandate created by this amendatory Act of  
19 the 96th General Assembly.

20 Section 99. Effective date. This Act takes effect upon  
21 becoming law.