



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB4789

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

SYNOPSIS AS INTRODUCED:

40 ILCS 5/8-139

from Ch. 108 1/2, par. 8-139

30 ILCS 805/8.34 new

Amends the Chicago Municipal Article of the Illinois Pension Code. Allows an employee annuitant who has elected the reversionary annuity to cancel the election. Prohibits the option for a reversionary annuity if the reversionary annuity (was a reversionary annuity of a widow), when added to the widow's annuity payable under the Article, exceeds 100% of the reduced annuity payable to the employee. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB096 15810 AMC 31051 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 8-139 as follows:

6 (40 ILCS 5/8-139) (from Ch. 108 1/2, par. 8-139)

7 Sec. 8-139. Reversionary annuity.

8 (a) An employee, prior to retirement on annuity, may elect
9 to take a lesser amount of annuity and provide, with the
10 actuarial value of the amount by which his annuity is reduced,
11 a reversionary annuity for a wife, husband, parent, child,
12 brother or sister. The option shall be exercised by filing a
13 written designation with the board prior to retirement, and may
14 be revoked by the employee at any time before retirement. The
15 death of the employee prior to his retirement shall
16 automatically void the option.

17 (b) The death of the designated reversionary annuitant
18 prior to the employee's retirement shall automatically void the
19 option. If the reversionary annuitant dies after the employee's
20 retirement, and before the death of the employee annuitant, the
21 reduced annuity being paid to the retired employee annuitant
22 shall be increased to the amount of annuity before reduction
23 for the reversionary annuity and no reversionary annuity shall

1 be payable.

2 The option is subject to the further condition that no
3 reversionary annuity shall be paid to a parent, child, brother,
4 or sister if the employee dies before the expiration of 365
5 days from the date his written designation was filed with the
6 board, even though he has retired and is receiving a reduced
7 annuity.

8 (c) The employee exercising this option shall not reduce
9 his retirement annuity by more than \$400 a month, or elect to
10 provide a reversionary annuity of less than \$50 per month. No
11 option shall be permitted if the reversionary annuity ~~for a~~
12 ~~widow~~, when added to the widow's annuity payable under this
13 Article, exceeds 100% of the reduced annuity payable to the
14 employee.

15 (d) A reversionary annuity shall begin on the day following
16 the death of the annuitant and shall be paid as provided in
17 Section 8-125.

18 (e) The increases in annuity provided in Section 8-137 of
19 this Article shall, as to an employee so electing a reduced
20 annuity relate to the amount of the original annuity, and such
21 amount shall constitute the annuity on which such automatic
22 increases shall be based.

23 (f) For annuities elected after June 30, 1983, the amount
24 of the monthly reversionary annuity shall be determined by
25 multiplying the amount of the monthly reduction in the
26 employee's annuity by the factor in the following table based

1 on the age of the employee and the difference in the age of the
 2 employee and the age of the reversionary annuitant at the
 3 starting date of the employee's annuity:

4 Employee's Age

5 Reversionary

6 Annuitant's

7 Age 50-51 52-54 55-57 58-60 61-63 64-66 67-69 70 &
 8 Over

9 30 or

10 more

11 years

12 younger 3.03 2.56 2.18 1.84 1.55 1.29 1.08 0.91

13 25-29

14 years

15 younger 3.16 2.68 2.29 1.94 1.63 1.37 1.15 0.97

16 20-24

17 years

18 younger 3.35 2.85 2.44 2.07 1.75 1.48 1.25 1.06

19 15-19

20 years

21 younger 3.60 3.08 2.65 2.26 1.92 1.63 1.39 1.19

22 10-14

23 years

24 younger 3.96 3.40 2.94 2.53 2.16 1.85 1.59 1.37

25 5-9

26 years

1	younger	4.46	3.84	3.35	2.90	2.51	2.16	1.88	1.64
2	0-4								
3	years								
4	younger	5.15	4.47	3.93	3.44	3.00	2.61	2.29	2.02
5	1-5								
6	years								
7	older	6.12	5.36	4.76	4.21	3.71	3.26	2.88	2.56
8	6-10								
9	years								
10	older	7.48	6.61	5.93	5.30	4.71	4.16	3.70	3.29
11	11-15								
12	years								
13	older	9.37	8.35	7.58	6.83	6.11	5.40	4.82	4.32
14	16-20								
15	years								
16	older	11.99	10.78	9.84	8.93	8.02	7.13	6.43	5.87
17	21-25								
18	years								
19	older	15.59	14.06	12.91	11.82	10.73	9.66	8.88	8.35
20	26-30								
21	years								
22	older	20.42	18.49	17.15	15.96	14.80	13.65	12.97	12.82
23	31 or								
24	more								
25	years								
26	older	27.07	24.72	23.34	22.32	21.45	20.62	20.85	23.28

1 (g) Beginning January 1, 2010, an employee annuitant who
2 has elected the reversionary annuity may cancel the election.
3 The cancellation must be in writing with the employee's
4 signature notarized. The cancellation shall be effective upon
5 its being filed with the Board and may not be revoked after it
6 is executed and filed. The reduction in annuity shall be
7 restored with the first annuity payment made at least 30 days
8 after the receipt of the cancellation by the Fund. There shall
9 be no refund of money previously deducted from the employee's
10 annuity to provide the reversionary annuity.

11 (Source: P.A. 90-31, eff. 6-27-97; 90-766, eff. 8-14-98;
12 91-887, eff. 7-6-00.)

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.