HB4793

96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB4793

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

SYNOPSIS AS INTRODUCED:

40 ILCS 5/11-134.2	from Ch. 108 1/2, par. 11-134.2
30 ILCS 805/8.34 new	

Amends the Chicago Laborers 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 for a widow or any reversionary annuitant, 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 16393 AMC 31658 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   Section 11-134.2 as follows:

6   (40 ILCS 5/11-134.2) (from Ch. 108 1/2, par. 11-134.2)

7   Sec. 11-134.2. 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 per 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 or any reversionary annuitant, when added to the widow's
13   annuity payable under this Article, exceeds 100% of the reduced
14   annuity payable to the 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 11-124.

18   (e) The increases in annuity provided in Section 11-134.1
19   of 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 increases
22   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

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

Employee's Age

Reversionary Annuitant's Age	50-51	52-54	55-57	58-60	61-63	64-66	67-69	70 & Over
30 or more years younger	3.03	2.56	2.18	1.84	1.55	1.29	1.08	0.91
25-29 years younger	3.16	2.68	2.29	1.94	1.63	1.37	1.15	0.97
20-24 years younger	3.35	2.85	2.44	2.07	1.75	1.48	1.25	1.06
15-19 years younger	3.60	3.08	2.65	2.26	1.92	1.63	1.39	1.19
10-14 years younger	3.96	3.40	2.94	2.53	2.16	1.85	1.59	1.37
5-9 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, 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.