



Rep. Kevin A. McCarthy

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1 AMENDMENT TO SENATE BILL 3537

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 3537, AS AMENDED,  
3 with reference to page and line numbers of House Amendment No.  
4 1, on page 1, line 5, after "Sections", by inserting  
5 "2-108.1,"; and

6 on page 1, line 5, after "18-124,", by inserting "18-125,"; and

7 on page 1, immediately below line 6, by inserting the  
8 following:

9 "(40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)

10 (Text of Section after amendment by P.A. 96-889)

11 Sec. 2-108.1. Highest salary for annuity purposes.

12 (a) "Highest salary for annuity purposes" means whichever  
13 of the following is applicable to the participant:

14 For a participant who first becomes a participant of this  
15 System before August 10, 2009 (the effective date of Public Act

1 96-207):

2 (1) For a participant who is a member of the General  
3 Assembly on his or her last day of service: the highest  
4 salary that is prescribed by law, on the participant's last  
5 day of service, for a member of the General Assembly who is  
6 not an officer; plus, if the participant was elected or  
7 appointed to serve as an officer of the General Assembly  
8 for 2 or more years and has made contributions as required  
9 under subsection (d) of Section 2-126, the highest  
10 additional amount of compensation prescribed by law, at the  
11 time of the participant's service as an officer, for  
12 members of the General Assembly who serve in that office.

13 (2) For a participant who holds one of the State  
14 executive offices specified in Section 2-105 on his or her  
15 last day of service: the highest salary prescribed by law  
16 for service in that office on the participant's last day of  
17 service.

18 (3) For a participant who is Clerk or Assistant Clerk  
19 of the House of Representatives or Secretary or Assistant  
20 Secretary of the Senate on his or her last day of service:  
21 the salary received for service in that capacity on the  
22 last day of service, but not to exceed the highest salary  
23 (including additional compensation for service as an  
24 officer) that is prescribed by law on the participant's  
25 last day of service for the highest paid officer of the  
26 General Assembly.

1           (4) For a participant who is a continuing participant  
2           under Section 2-117.1 on his or her last day of service:  
3           the salary received for service in that capacity on the  
4           last day of service, but not to exceed the highest salary  
5           (including additional compensation for service as an  
6           officer) that is prescribed by law on the participant's  
7           last day of service for the highest paid officer of the  
8           General Assembly.

9           For a participant who first becomes a participant of this  
10          System on or after August 10, 2009 (the effective date of  
11          Public Act 96-207) and before January 1, 2011 (the effective  
12          date of Public Act 96-889) ~~this amendatory Act of the 96th~~  
13          ~~General Assembly~~, the average monthly salary obtained by  
14          dividing the total salary of the participant during the period  
15          of: (1) the 48 consecutive months of service within the last  
16          120 months of service in which the total compensation was the  
17          highest, or (2) the total period of service, if less than 48  
18          months, by the number of months of service in that period.

19          For a participant who first becomes a participant of this  
20          System on or after January 1, 2011 (the effective date of  
21          Public Act 96-889) ~~this amendatory Act of the 96th General~~  
22          ~~Assembly~~, the average monthly salary obtained by dividing the  
23          total salary of the participant during the 96 consecutive  
24          months of service within the last 120 months of service in  
25          which the total compensation was the highest by the number of  
26          months of service in that period; however, the highest salary

1 for annuity purposes may not exceed the Social Security Covered  
2 Wage Base for 2010, as automatically increased by the lesser of  
3 3% or one-half of the annual increase in the consumer price  
4 index-u during the preceding 12-month calendar year ~~and shall~~  
5 ~~automatically be increased or decreased, as applicable, by a~~  
6 ~~percentage equal to the percentage change in the consumer price~~  
7 ~~index-u during the preceding 12 month calendar year.~~ "Consumer  
8 price index-u" means the index published by the Bureau of Labor  
9 Statistics of the United States Department of Labor that  
10 measures the average change in prices of goods and services  
11 purchased by all urban consumers, United States city average,  
12 all items, 1982-84 = 100. The new amount resulting from each  
13 annual adjustment shall be determined by the Public Pension  
14 Division of the Department of Insurance and made available to  
15 the Board.

16 (b) The earnings limitations of subsection (a) apply to  
17 earnings under any other participating system under the  
18 Retirement Systems Reciprocal Act that are considered in  
19 calculating a proportional annuity under this Article, except  
20 in the case of a person who first became a member of this  
21 System before August 22, 1994.

22 (c) In calculating the subsection (a) earnings limitation  
23 to be applied to earnings under any other participating system  
24 under the Retirement Systems Reciprocal Act for the purpose of  
25 calculating a proportional annuity under this Article, the  
26 participant's last day of service shall be deemed to mean the

1 last day of service in any participating system from which the  
2 person has applied for a proportional annuity under the  
3 Retirement Systems Reciprocal Act.

4 (Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11.)"; and

5 on page 6, line 14, by replacing "then being paid" with "~~then~~  
6 ~~being paid~~"; and

7 on page 6, line 16, after "less", by inserting ", of the  
8 originally granted retirement annuity"; and

9 on page 10, lines 14 and 15, by replacing "survivor's annuity  
10 then being paid" with "originally granted survivor's annuity  
11 ~~then being paid~~"; and

12 on page 12, immediately below line 18, by inserting the  
13 following:

14 "(40 ILCS 5/18-125) (from Ch. 108 1/2, par. 18-125)

15 (Text of Section after amendment by P.A. 96-889)

16 Sec. 18-125. Retirement annuity amount.

17 (a) The annual retirement annuity for a participant who  
18 terminated service as a judge prior to July 1, 1971 shall be  
19 based on the law in effect at the time of termination of  
20 service.

21 (b) Except as provided in subsection (b-5), effective July

1 1, 1971, the retirement annuity for any participant in service  
2 on or after such date shall be 3 1/2% of final average salary,  
3 as defined in this Section, for each of the first 10 years of  
4 service, and 5% of such final average salary for each year of  
5 service on excess of 10.

6 For purposes of this Section, final average salary for a  
7 participant who first serves as a judge before August 10, 2009  
8 (the effective date of Public Act 96-207) shall be:

9 (1) the average salary for the last 4 years of credited  
10 service as a judge for a participant who terminates service  
11 before July 1, 1975.

12 (2) for a participant who terminates service after June  
13 30, 1975 and before July 1, 1982, the salary on the last  
14 day of employment as a judge.

15 (3) for any participant who terminates service after  
16 June 30, 1982 and before January 1, 1990, the average  
17 salary for the final year of service as a judge.

18 (4) for a participant who terminates service on or  
19 after January 1, 1990 but before the effective date of this  
20 amendatory Act of 1995, the salary on the last day of  
21 employment as a judge.

22 (5) for a participant who terminates service on or  
23 after the effective date of this amendatory Act of 1995,  
24 the salary on the last day of employment as a judge, or the  
25 highest salary received by the participant for employment  
26 as a judge in a position held by the participant for at

1           least 4 consecutive years, whichever is greater.

2           However, in the case of a participant who elects to  
3           discontinue contributions as provided in subdivision (a)(2) of  
4           Section 18-133, the time of such election shall be considered  
5           the last day of employment in the determination of final  
6           average salary under this subsection.

7           For a participant who first serves as a judge on or after  
8           August 10, 2009 (the effective date of Public Act 96-207) and  
9           before January 1, 2011 (the effective date of Public Act  
10          96-889) ~~this amendatory Act of the 96th General Assembly~~, final  
11          average salary shall be the average monthly salary obtained by  
12          dividing the total salary of the participant during the period  
13          of: (1) the 48 consecutive months of service within the last  
14          120 months of service in which the total compensation was the  
15          highest, or (2) the total period of service, if less than 48  
16          months, by the number of months of service in that period.

17          The maximum retirement annuity for any participant shall be  
18          85% of final average salary.

19          (b-5) Notwithstanding any other provision of this Article,  
20          for a participant who first serves as a judge on or after  
21          January 1, 2011 (the effective date of Public Act 96-889) ~~this~~  
22          ~~amendatory Act of the 96th General Assembly~~, the annual  
23          retirement annuity is 3% of the participant's final average  
24          salary for each year of service. The maximum retirement annuity  
25          payable shall be 60% of the participant's final average salary.

26          For a participant who first serves as a judge on or after

1 January 1, 2011 (the effective date of Public Act 96-889) ~~this~~  
2 ~~amendatory Act of the 96th General Assembly,~~ final average  
3 salary shall be the average monthly salary obtained by dividing  
4 the total salary of the judge during the 96 consecutive months  
5 of service within the last 120 months of service in which the  
6 total salary was the highest by the number of months of service  
7 in that period; however, the final average salary may not  
8 exceed the Social Security Covered Wage Base for 2010, as  
9 automatically increased by the lesser of 3% or one-half of the  
10 annual increase in the consumer price index-u during the  
11 preceding 12-month calendar year and ~~shall automatically be~~  
12 ~~increased or decreased, as applicable, by a percentage equal to~~  
13 ~~the percentage change in the consumer price index-u during the~~  
14 ~~preceding 12 month calendar year.~~ "Consumer price index-u"  
15 means the index published by the Bureau of Labor Statistics of  
16 the United States Department of Labor that measures the average  
17 change in prices of goods and services purchased by all urban  
18 consumers, United States city average, all items, 1982-84 =  
19 100. The new amount resulting from each annual adjustment shall  
20 be determined by the Public Pension Division of the Department  
21 of Insurance and made available to the Board.

22 (c) The retirement annuity for a participant who retires  
23 prior to age 60 with less than 28 years of service in the  
24 System shall be reduced 1/2 of 1% for each month that the  
25 participant's age is under 60 years at the time the annuity  
26 commences. However, for a participant who retires on or after

1 the effective date of this amendatory Act of the 91st General  
2 Assembly, the percentage reduction in retirement annuity  
3 imposed under this subsection shall be reduced by 5/12 of 1%  
4 for every month of service in this System in excess of 20  
5 years, and therefore a participant with at least 26 years of  
6 service in this System may retire at age 55 without any  
7 reduction in annuity.

8 The reduction in retirement annuity imposed by this  
9 subsection shall not apply in the case of retirement on account  
10 of disability.

11 (d) Notwithstanding any other provision of this Article,  
12 for a participant who first serves as a judge on or after the  
13 effective date of this amendatory Act of the 96th General  
14 Assembly and who is retiring after attaining age 62, the  
15 retirement annuity shall be reduced by 1/2 of 1% for each month  
16 that the participant's age is under age 67 at the time the  
17 annuity commences.

18 (Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11.)"; and  
19 on page 13, lines 13 and 14, by replacing "retirement annuity  
20 then being paid" with "originally granted retirement annuity  
21 ~~then being paid~~"; and

22 on page 16, line 26, by replacing "survivor's annuity" with  
23 "originally granted survivor's annuity"; and

1 on page 17, line 1, by replacing "then being paid" with "~~then~~  
2 ~~being paid~~".