

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 15-112 and adding Section 15-113.11 as follows:

6 (40 ILCS 5/15-112) (from Ch. 108 1/2, par. 15-112)

7 Sec. 15-112. Final rate of earnings. "Final rate of
8 earnings": For an employee who is paid on an hourly basis or
9 who receives an annual salary in installments during 12 months
10 of each academic year, the average annual earnings during the
11 48 consecutive calendar month period ending with the last day
12 of final termination of employment or the 4 consecutive
13 academic years of service in which the employee's earnings were
14 the highest, whichever is greater. For any other employee, the
15 average annual earnings during the 4 consecutive academic years
16 of service in which his or her earnings were the highest. For
17 an employee with less than 48 months or 4 consecutive academic
18 years of service, the average earnings during his or her entire
19 period of service. The earnings of an employee with more than
20 36 months of service prior to the date of becoming a
21 participant are, for such period, considered equal to the
22 average earnings during the last 36 months of such service. For
23 an employee on leave of absence with pay, or on leave of

1 absence without pay who makes contributions during such leave,
2 earnings are assumed to be equal to the basic compensation on
3 the date the leave began. For an employee on disability leave,
4 earnings are assumed to be equal to the basic compensation on
5 the date disability occurs or the average earnings during the
6 24 months immediately preceding the month in which disability
7 occurs, whichever is greater.

8 For a participant who retires on or after the effective
9 date of this amendatory Act of 1997 with at least 20 years of
10 service as a firefighter or police officer under this Article,
11 the final rate of earnings shall be the annual rate of earnings
12 received by the participant on his or her last day as a
13 firefighter or police officer under this Article, if that is
14 greater than the final rate of earnings as calculated under the
15 other provisions of this Section.

16 If a participant is an employee for at least 6 months
17 during the academic year in which his or her employment is
18 terminated, the annual final rate of earnings shall be 25% of
19 the sum of (1) the annual basic compensation for that year, and
20 (2) the amount earned during the 36 months immediately
21 preceding that year, if this is greater than the final rate of
22 earnings as calculated under the other provisions of this
23 Section.

24 In the determination of the final rate of earnings for an
25 employee, that part of an employee's earnings for any academic
26 year beginning after June 30, 1997, which exceeds the

1 employee's earnings with that employer for the preceding year
2 by more than 20 percent shall be excluded; in the event that an
3 employee has more than one employer this limitation shall be
4 calculated separately for the earnings with each employer. In
5 making such calculation, only the basic compensation of
6 employees shall be considered, without regard to vacation or
7 overtime or to contracts for summer employment.

8 The following are not considered as earnings in determining
9 final rate of earnings: (1) severance or separation pay, (2)
10 retirement pay, (3) payment for unused sick leave, and (4)
11 payments from an employer for the period used in determining
12 final rate of earnings for any purpose other than (i) services
13 rendered, (ii) leave of absence or vacation granted during that
14 period, and (iii) vacation of up to 56 work days allowed upon
15 termination of employment; except that, if the benefit has been
16 collectively bargained between the employer and the recognized
17 collective bargaining agent pursuant to the Illinois
18 Educational Labor Relations Act, payment received during a
19 period of up to 2 academic years for unused sick leave may be
20 considered as earnings in accordance with the applicable
21 collective bargaining agreement, subject to the 20% increase
22 limitation of this Section. Any unused sick leave considered as
23 earnings under this Section shall not be taken into account in
24 calculating service credit under Section 15-113.4.

25 Intermittent periods of service shall be considered as
26 consecutive in determining final rate of earnings.

1 Compensation that would have been paid to the employee but
2 for a mandatory furlough is credited to the employee for the
3 purpose of defining final rate of earnings under this Article.

4 (Source: P.A. 92-599, eff. 6-28-02; 93-347, eff. 7-24-03.)

5 (40 ILCS 5/15-113.11 new)

6 Sec. 15-113.11. Service for periods of voluntary or
7 involuntary furlough. A participant may establish creditable
8 service and earnings credit for periods of furlough beginning
9 on or after July 1, 2009 and ending on or before June 30, 2011.
10 To receive this credit, the participant must (i) apply in
11 writing to the System before December 31, 2011; (ii) not
12 receive compensation from an employer for any furlough period;
13 and (iii) make employee contributions required under Section
14 15-157 based on the rate of basic compensation during the
15 periods of furlough, plus an amount determined by the Board to
16 be equal to the employer's normal cost of the benefit, plus
17 compounded interest at the actuarially assumed rate from the
18 date of voluntary or involuntary furlough to the date of
19 payment. The participant shall provide, at the time of
20 application, written certification from the employer providing
21 the total number of furlough days a participant has been
22 required to take.

23 Section 99. Effective date. This Act takes effect upon
24 becoming law.