



Rep. Michael J. Madigan

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LRB098 08482 EFG 42215 a

1 AMENDMENT TO HOUSE BILL 1154

2 AMENDMENT NO. _____. Amend House Bill 1154, AS AMENDED, by
3 inserting after the end of Section 1 the following:

4 "Section 6. The Illinois Pension Code is amended by
5 changing Sections 2-108, 14-103.10, 15-111, and 16-121 and by
6 adding Sections 2-105.1, 14-103.40, 15-107.1, and 16-106.4 as
7 follows:

8 (40 ILCS 5/2-105.1 new)

9 Sec. 2-105.1. Tier I participant."Tier I participant": A
10 participant who first became a participant before January 1,
11 2011.

12 (40 ILCS 5/2-108) (from Ch. 108 1/2, par. 2-108)

13 Sec. 2-108. Salary. "Salary": (1) For members of the
14 General Assembly, the total compensation paid to the member by
15 the State for one year of service, including the additional

1 amounts, if any, paid to the member as an officer pursuant to
2 Section 1 of "An Act in relation to the compensation and
3 emoluments of the members of the General Assembly", approved
4 December 6, 1907, as now or hereafter amended.

5 (2) For the State executive officers specified in Section
6 2-105, the total compensation paid to the member for one year
7 of service.

8 (3) For members of the System who are participants under
9 Section 2-117.1, or who are serving as Clerk or Assistant Clerk
10 of the House of Representatives or Secretary or Assistant
11 Secretary of the Senate, the total compensation paid to the
12 member for one year of service, but not to exceed the salary of
13 the highest salaried officer of the General Assembly.

14 However, in the event that federal law results in any
15 participant receiving imputed income based on the value of
16 group term life insurance provided by the State, such imputed
17 income shall not be included in salary for the purposes of this
18 Article.

19 Notwithstanding any other provision of this Code, the
20 salary of a Tier I participant for the purposes of this Code
21 shall not exceed, for periods of service in a term of office
22 beginning on or after the effective date of this amendatory Act
23 of the 98th General Assembly, the greater of (i) the annual
24 contribution and benefit base established for the applicable
25 year by the Commissioner of Social Security under the federal
26 Social Security Act or (ii) the annual salary of the

1 participant during the 365 days immediately preceding that
2 effective date.

3 (Source: P.A. 86-27; 86-273; 86-1028; 86-1488.)

4 (40 ILCS 5/14-103.10) (from Ch. 108 1/2, par. 14-103.10)

5 Sec. 14-103.10. Compensation.

6 (a) For periods of service prior to January 1, 1978, the
7 full rate of salary or wages payable to an employee for
8 personal services performed if he worked the full normal
9 working period for his position, subject to the following
10 maximum amounts: (1) prior to July 1, 1951, \$400 per month or
11 \$4,800 per year; (2) between July 1, 1951 and June 30, 1957
12 inclusive, \$625 per month or \$7,500 per year; (3) beginning
13 July 1, 1957, no limitation.

14 In the case of service of an employee in a position
15 involving part-time employment, compensation shall be
16 determined according to the employees' earnings record.

17 (b) For periods of service on and after January 1, 1978,
18 all remuneration for personal services performed defined as
19 "wages" under the Social Security Enabling Act, including that
20 part of such remuneration which is in excess of any maximum
21 limitation provided in such Act, and including any benefits
22 received by an employee under a sick pay plan in effect before
23 January 1, 1981, but excluding lump sum salary payments:

24 (1) for vacation,

25 (2) for accumulated unused sick leave,

1 (3) upon discharge or dismissal,

2 (4) for approved holidays.

3 (c) For periods of service on or after December 16, 1978,
4 compensation also includes any benefits, other than lump sum
5 salary payments made at termination of employment, which an
6 employee receives or is eligible to receive under a sick pay
7 plan authorized by law.

8 (d) For periods of service after September 30, 1985,
9 compensation also includes any remuneration for personal
10 services not included as "wages" under the Social Security
11 Enabling Act, which is deducted for purposes of participation
12 in a program established pursuant to Section 125 of the
13 Internal Revenue Code or its successor laws.

14 (e) For members for which Section 1-160 applies for periods
15 of service on and after January 1, 2011, all remuneration for
16 personal services performed defined as "wages" under the Social
17 Security Enabling Act, excluding remuneration that is in excess
18 of the annual earnings, salary, or wages of a member or
19 participant, as provided in subsection (b-5) of Section 1-160,
20 but including any benefits received by an employee under a sick
21 pay plan in effect before January 1, 1981. Compensation shall
22 exclude lump sum salary payments:

23 (1) for vacation;

24 (2) for accumulated unused sick leave;

25 (3) upon discharge or dismissal; and

26 (4) for approved holidays.

1 (f) Notwithstanding any other provision of this Code, the
2 compensation of a Tier I member for the purposes of this Code
3 shall not exceed, for periods of service on or after the
4 effective date of this amendatory Act of the 98th General
5 Assembly, the greater of (i) the annual contribution and
6 benefit base established for the applicable year by the
7 Commissioner of Social Security under the federal Social
8 Security Act or (ii) the annual compensation of the member
9 during the 365 days immediately preceding that effective date;
10 except that this limitation does not apply to a member's
11 compensation that is determined under an employment contract or
12 collective bargaining agreement that is in effect on the
13 effective date of this amendatory Act of the 98th General
14 Assembly and has not been amended or renewed after that date.

15 (Source: P.A. 96-1490, eff. 1-1-11.)

16 (40 ILCS 5/14-103.40 new)

17 Sec. 14-103.40. Tier I member. "Tier I member": A member of
18 this System who first became a member or participant before
19 January 1, 2011 under any reciprocal retirement system or
20 pension fund established under this Code other than a
21 retirement system or pension fund established under Article 2,
22 3, 4, 5, 6, or 18 of this Code.

23 (40 ILCS 5/15-107.1 new)

24 Sec. 15-107.1. Tier I participant. "Tier I participant": A

1 participant under this Article, other than a participant in the
2 self-managed plan under Section 15-158.2, who first became a
3 member or participant before January 1, 2011 under any
4 reciprocal retirement system or pension fund established under
5 this Code other than a retirement system or pension fund
6 established under Article 2, 3, 4, 5, 6, or 18 of this Code.

7 (40 ILCS 5/15-111) (from Ch. 108 1/2, par. 15-111)

8 Sec. 15-111. Earnings. "Earnings": An amount paid for
9 personal services equal to the sum of the basic compensation
10 plus extra compensation for summer teaching, overtime or other
11 extra service. For periods for which an employee receives
12 service credit under subsection (c) of Section 15-113.1 or
13 Section 15-113.2, earnings are equal to the basic compensation
14 on which contributions are paid by the employee during such
15 periods. Compensation for employment which is irregular,
16 intermittent and temporary shall not be considered earnings,
17 unless the participant is also receiving earnings from the
18 employer as an employee under Section 15-107.

19 With respect to transition pay paid by the University of
20 Illinois to a person who was a participating employee employed
21 in the fire department of the University of Illinois's
22 Champaign-Urbana campus immediately prior to the elimination
23 of that fire department:

24 (1) "Earnings" includes transition pay paid to the
25 employee on or after the effective date of this amendatory

1 Act of the 91st General Assembly.

2 (2) "Earnings" includes transition pay paid to the
3 employee before the effective date of this amendatory Act
4 of the 91st General Assembly only if (i) employee
5 contributions under Section 15-157 have been withheld from
6 that transition pay or (ii) the employee pays to the System
7 before January 1, 2001 an amount representing employee
8 contributions under Section 15-157 on that transition pay.
9 Employee contributions under item (ii) may be paid in a
10 lump sum, by withholding from additional transition pay
11 accruing before January 1, 2001, or in any other manner
12 approved by the System. Upon payment of the employee
13 contributions on transition pay, the corresponding
14 employer contributions become an obligation of the State.

15 Notwithstanding any other provision of this Code, the
16 earnings of a Tier I participant for the purposes of this Code
17 shall not exceed, for periods of service on or after the
18 effective date of this amendatory Act of the 98th General
19 Assembly, the greater of (i) the annual contribution and
20 benefit base established for the applicable year by the
21 Commissioner of Social Security under the federal Social
22 Security Act or (ii) the annual earnings of the participant
23 during the 365 days immediately preceding that effective date;
24 except that this limitation does not apply to a participant's
25 earnings that are determined under an employment contract or
26 collective bargaining agreement that is in effect on the

1 effective date of this amendatory Act of the 98th General
2 Assembly and has not been amended or renewed after that date.

3 (Source: P.A. 91-887, eff. 7-6-00.)

4 (40 ILCS 5/16-106.4 new)

5 Sec. 16-106.4. Tier I member. "Tier I member": A member
6 under this Article who first became a member or participant
7 before January 1, 2011 under any reciprocal retirement system
8 or pension fund established under this Code other than a
9 retirement system or pension fund established under Article 2,
10 3, 4, 5, 6, or 18 of this Code.

11 (40 ILCS 5/16-121) (from Ch. 108 1/2, par. 16-121)

12 Sec. 16-121. Salary. "Salary": The actual compensation
13 received by a teacher during any school year and recognized by
14 the system in accordance with rules of the board. For purposes
15 of this Section, "school year" includes the regular school term
16 plus any additional period for which a teacher is compensated
17 and such compensation is recognized by the rules of the board.

18 Notwithstanding any other provision of this Code, the
19 salary of a Tier I member for the purposes of this Code shall
20 not exceed, for periods of service on or after the effective
21 date of this amendatory Act of the 98th General Assembly, the
22 greater of (i) the annual contribution and benefit base
23 established for the applicable year by the Commissioner of
24 Social Security under the federal Social Security Act or (ii)

1 the annual salary of the member during the 365 days immediately
2 preceding that effective date; except that this limitation does
3 not apply to a member's salary that is determined under an
4 employment contract or collective bargaining agreement that is
5 in effect on the effective date of this amendatory Act of the
6 98th General Assembly and has not been amended or renewed after
7 that date.

8 (Source: P.A. 84-1028.)".