

1 AN ACT in relation to 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
5 adding Sections 7-139.10, 9-121.14, 14-103.40, and 14-104.12
6 and changing Sections 14-108 and 14-133 as follows:

7 (40 ILCS 5/7-139.10 new)

8 Sec. 7-139.10. Transfer to Article 14 retirement system.

9 (a) Any employee under the Article 14 retirement system
10 who is an eligible attorney as defined in Section 14-103.40
11 may apply for transfer to that Article 14 retirement system
12 of up to 10 years of his or her credits and creditable
13 service accumulated under this Fund for service as a State's
14 Attorney, Assistant State's Attorney, Public Defender, or
15 Assistant Public Defender. The creditable service shall be
16 transferred forthwith. Payment by this Fund to the Article
17 14 retirement system shall be made at the same time and shall
18 consist of:

19 (1) the amounts accumulated to the credit of the
20 applicant for the service to be transferred, including
21 interest; and

22 (2) municipality credits based on that service,
23 including interest; and

24 (3) any interest paid by the applicant in order to
25 reinstate that service.

26 Participation in this System as to the credits transferred
27 under this Section shall terminate on the date of transfer.

28 (b) A person transferring credit under this Section may
29 reinstate any credits and creditable service terminated upon
30 receipt of a refund by paying to the Fund the amount of the
31 refund plus interest at the effective rate from the date of

1 the refund to the date of repayment.

2 (40 ILCS 5/9-121.14 new)

3 Sec. 9-121.14. Transfer to Article 14 retirement system.

4 (a) Any employee under the Article 14 retirement system
5 who is an eligible attorney as defined in Section 14-103.40
6 may apply for transfer to that Article 14 retirement system
7 of up to 10 years of his or her credits and creditable
8 service accumulated under this Fund for service as a State's
9 Attorney, Assistant State's Attorney, Public Defender, or
10 Assistant Public Defender. The creditable service shall be
11 transferred forthwith. Payment by this Fund to the Article
12 14 retirement system shall be made at the same time and shall
13 consist of:

14 (1) the amounts accumulated to the credit of the
15 applicant on the books of the Fund on the date of
16 transfer for the service to be transferred, including
17 interest; and

18 (2) the corresponding employer credits based on
19 that service, including interest; and

20 (3) any interest paid by the applicant in order to
21 reinstate that service.

22 Participation in this System as to the credits transferred
23 under this Section shall terminate on the date of transfer.

24 (b) A person transferring credit under this Section may
25 reinstate any credits and creditable service terminated upon
26 receipt of a refund by paying to the Fund the amount of the
27 refund plus interest at the rate of 6% per year, compounded
28 annually, from the date of the refund to the date of
29 repayment.

30 (40 ILCS 5/14-103.40 new)

31 Sec. 14-103.40. Eligible attorney. "Eligible attorney"
32 means any of the following:

1 (i) An attorney employed full-time by the
2 Office of the State's Attorneys Appellate
3 Prosecutor.

4 (ii) An attorney employed full-time by the
5 Office of the State Appellate Defender.

6 (iii) A full-time Assistant Attorney General,
7 including full-time Special Assistant Attorneys
8 General who are on a Code Department payroll but are
9 under the full-time exclusive direction of the
10 Attorney General, but not including any other
11 Special Assistant Attorneys General.

12 (40 ILCS 5/14-104.12 new)

13 Sec. 14-104.12. Eligible attorney service credit. An
14 eligible attorney may elect to transfer to this System
15 credits for up to 10 years of service as a State's Attorney,
16 Assistant State's Attorney, Public Defender, or Assistant
17 Public Defender under Section 7-139.10 or 9-121.14. The
18 eligible attorney must file a written election with the
19 Board, and must pay to the System before retirement an amount
20 to be determined by the System, equal to (i) the difference
21 between the amount of employee and employer contributions
22 transferred to the System under Section 7-139.10 or 9-121.14
23 and the amounts that would have been contributed under this
24 Article had those contributions been made at the rates
25 applicable to eligible attorneys, plus (ii) interest thereon
26 at the effective rate for each year, compounded annually,
27 from the date of the service to the date of payment.
28 Creditable service established under this subsection shall be
29 deemed service as an eligible attorney.

30 (40 ILCS 5/14-108) (from Ch. 108 1/2, par. 14-108)

31 Sec. 14-108. Amount of retirement annuity. A member who
32 has contributed to the System for at least 12 months shall be

1 entitled to a prior service annuity for each year of
2 certified prior service credited to him, except that a member
3 shall receive 1/3 of the prior service annuity for each year
4 of service for which contributions have been made and all of
5 such annuity shall be payable after the member has made
6 contributions for a period of 3 years. Proportionate amounts
7 shall be payable for service of less than a full year after
8 completion of at least 12 months.

9 The total period of service to be considered in
10 establishing the measure of prior service annuity shall
11 include service credited in the Teachers' Retirement System
12 of the State of Illinois and the State Universities
13 Retirement System for which contributions have been made by
14 the member to such systems; provided that at least 1 year of
15 the total period of 3 years prescribed for the allowance of a
16 full measure of prior service annuity shall consist of
17 membership service in this system for which credit has been
18 granted.

19 (a) In the case of a member who retires on or after
20 January 1, 1998 and is a noncovered employee, the retirement
21 annuity for membership service and prior service shall be
22 2.2% of final average compensation for each year of service.
23 Any service credit established as a covered employee shall be
24 computed as stated in paragraph (b).

25 (b) In the case of a member who retires on or after
26 January 1, 1998 and is a covered employee, the retirement
27 annuity for membership service and prior service shall be
28 computed as stated in paragraph (a) for all service credit
29 established as a noncovered employee; for service credit
30 established as a covered employee it shall be 1.67% of final
31 average compensation for each year of service.

32 (c) For a member retiring after attaining age 55 but
33 before age 60 with at least 30 but less than 35 years of
34 creditable service if retirement is before January 1, 2001,

1 or with at least 25 but less than 30 years of creditable
2 service if retirement is on or after January 1, 2001, the
3 retirement annuity shall be reduced by 1/2 of 1% for each
4 month that the member's age is under age 60 at the time of
5 retirement.

6 (d) A retirement annuity shall not exceed 75% of final
7 average compensation, subject to such extension as may result
8 from the application of Section 14-114 or Section 14-115.

9 (e) The retirement annuity payable to any covered
10 employee who is a member of the System and in service on
11 January 1, 1969, or in service thereafter in 1969 as a result
12 of legislation enacted by the Illinois General Assembly
13 transferring the member to State employment from county
14 employment in a county Department of Public Aid in counties
15 of 3,000,000 or more population, under a plan of coordination
16 with the Old Age, Survivors and Disability provisions
17 thereof, if not fully insured for Old Age Insurance payments
18 under the Federal Old Age, Survivors and Disability Insurance
19 provisions at the date of acceptance of a retirement annuity,
20 shall not be less than the amount for which the member would
21 have been eligible if coordination were not applicable.

22 (f) The retirement annuity payable to any covered
23 employee who is a member of the System and in service on
24 January 1, 1969, or in service thereafter in 1969 as a result
25 of the legislation designated in the immediately preceding
26 paragraph, if fully insured for Old Age Insurance payments
27 under the Federal Social Security Act at the date of
28 acceptance of a retirement annuity, shall not be less than an
29 amount which when added to the Primary Insurance Benefit
30 payable to the member upon attainment of age 65 under such
31 Federal Act, will equal the annuity which would otherwise be
32 payable if the coordinated plan of coverage were not
33 applicable.

34 (g) In the case of a member who is a noncovered

1 employee, the retirement annuity for membership service as a
2 security employee of the Department of Corrections or
3 security employee of the Department of Human Services shall
4 be 1.9% of final average compensation for each of the first
5 10 years of service, 2.1% for each of the next 10 years of
6 service, 2.25% for each year of service in excess of 20 but
7 not exceeding 30, and 2.5% for each year in excess of 30;
8 except that the annuity may be calculated under subsection
9 (a) rather than this subsection (g) if the resulting annuity
10 is greater.

11 (h) In the case of a member who is a covered employee,
12 the retirement annuity for membership service as a security
13 employee of the Department of Corrections or security
14 employee of the Department of Human Services shall be 1.67%
15 of final average compensation for each of the first 10 years
16 of service, 1.90% for each of the next 10 years of service,
17 2.10% for each year of service in excess of 20 but not
18 exceeding 30, and 2.30% for each year in excess of 30.

19 (i) For the purposes of this Section and Section 14-133
20 of this Act, the term "security employee of the Department of
21 Corrections" and the term "security employee of the
22 Department of Human Services" shall have the meanings
23 ascribed to them in subsection (c) of Section 14-110.

24 (j) The retirement annuity computed pursuant to
25 paragraphs (g) or (h) shall be applicable only to those
26 security employees of the Department of Corrections and
27 security employees of the Department of Human Services who
28 have at least 20 years of membership service and who are not
29 eligible for the alternative retirement annuity provided
30 under Section 14-110. However, persons transferring to this
31 System under Section 14-108.2 who have service credit under
32 Article 16 of this Code may count such service toward
33 establishing their eligibility under the 20-year service
34 requirement of this subsection; but such service may be used

1 only for establishing such eligibility, and not for the
2 purpose of increasing or calculating any benefit.

3 (k) For service as an eligible attorney, the annuity
4 formula provided in paragraphs (a) and (b) shall be increased
5 to 2.5% of final average compensation for each year of
6 noncovered service as an eligible attorney and 2.2% of final
7 average compensation for each year of covered service as an
8 eligible attorney. This paragraph (k) applies only to
9 persons who have at least 15 years of service as an eligible
10 attorney. {Blank}-

11 (l) The changes to this Section made by this amendatory
12 Act of 1997 (changing certain retirement annuity formulas
13 from a stepped rate to a flat rate) apply to members who
14 retire on or after January 1, 1998, without regard to whether
15 employment terminated before the effective date of this
16 amendatory Act of 1997. An annuity shall not be calculated
17 in steps by using the new flat rate for some steps and the
18 superseded stepped rate for other steps of the same type of
19 service.

20 (Source: P.A. 90-65, eff. 7-7-97; 90-448, eff. 8-16-97;
21 90-655, eff. 7-30-98; 91-927, eff. 12-14-00.)

22 (40 ILCS 5/14-133) (from Ch. 108 1/2, par. 14-133)
23 Sec. 14-133. Contributions on behalf of members.

24 (a) Each participating employee shall make contributions
25 to the System, based on the employee's compensation, as
26 follows:

27 (1) Covered employees, except as indicated below,
28 3.5% for retirement annuity, and 0.5% for a widow or
29 survivors annuity.

30 (2) Noncovered employees, except as indicated
31 below, 7% for retirement annuity and 1% for a widow or
32 survivors annuity.

33 (3) Noncovered employees serving in a position in

1 which "eligible creditable service" as defined in Section
2 14-110 may be earned, 8.5% for retirement annuity and 1%
3 for a widow or survivors annuity.

4 (4) Covered employees serving in a position in
5 which "eligible creditable service" as defined in Section
6 14-110 may be earned, 5% for retirement annuity and 0.5%
7 for a widow or survivors annuity.

8 (5) Each security employee of the Department of
9 Corrections or of the Department of Human Services who is
10 a covered employee, 5% for retirement annuity and 0.5%
11 for a widow or survivors annuity.

12 (6) Each security employee of the Department of
13 Corrections or of the Department of Human Services who is
14 not a covered employee, 8.5% for retirement annuity and
15 1% for a widow or survivors annuity.

16 (7) Each eligible attorney who is a covered
17 employee, 7.5% for retirement annuity and 0.5% for a
18 widow or survivors annuity.

19 (8) Each eligible attorney who is not a covered
20 employee, 9% for retirement annuity and 1% for a widow or
21 survivors annuity.

22 (b) Contributions shall be in the form of a deduction
23 from compensation and shall be made notwithstanding that the
24 compensation paid in cash to the employee shall be reduced
25 thereby below the minimum prescribed by law or regulation.
26 Each member is deemed to consent and agree to the deductions
27 from compensation provided for in this Article, and shall
28 receipt in full for salary or compensation.

29 (Source: P.A. 89-507, eff. 7-1-97; 90-448, eff. 8-16-97.)

30 Section 99. Effective date. This Act takes effect upon
31 becoming law.