



## 100TH GENERAL ASSEMBLY

### State of Illinois

### 2017 and 2018

### HB0368

by Rep. Elaine Nekritz

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/15-113	from Ch. 108 1/2, par. 15-113
40 ILCS 5/15-135	from Ch. 108 1/2, par. 15-135
40 ILCS 5/15-152	from Ch. 108 1/2, par. 15-152
40 ILCS 5/15-153.2	from Ch. 108 1/2, par. 15-153.2
40 ILCS 5/15-168.1	

Amends the State Universities Article of the Illinois Pension Code. Changes the definition of "service" to include periods where earnings credits were established for periods of voluntary pay reduction in lieu of furlough. In a provision concerning retirement annuity payment periods, provides that for a recipient of a disability retirement annuity, the date on which a retirement annuity payment period begins shall not be prior to the discontinuation of the disability retirement annuity. Provides for the discontinuation of a disability retirement annuity when the recipient refuses to submit to a reasonable physical examination by a physician approved by the board or when the recipient fails to provide an earnings verification necessary to determine continuance of benefits. Requires the board to prescribe rules governing the filing, investigation, control, and supervision of disability retirement annuity claims. Adds provisions concerning costs incurred in connection with completing a claim for a disability retirement annuity. Authorizes the secretary of the board to issue subpoenas to obtain information to assist in the collection of sums due to the System, the determination of the death of a benefit recipient or a potential benefit recipient, or obtaining personal identifying information necessary for the administration of benefits. Makes other changes. Effective immediately.

LRB100 05689 RPS 15708 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

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 Sections 15-113, 15-135, 15-152, 15-153.2, and 15-168.1 as  
6 follows:

7 (40 ILCS 5/15-113) (from Ch. 108 1/2, par. 15-113)

8 Sec. 15-113. Service. "Service": The periods defined in  
9 Sections 15-113.1 through 15-113.9 and Sections 15-113.11  
10 through 15-113.12.

11 (Source: P.A. 97-933, eff. 8-10-12; 97-968, eff. 8-16-12.)

12 (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)

13 Sec. 15-135. Retirement annuities - Conditions.

14 (a) This subsection (a) applies only to a Tier 1 member. A  
15 participant who retires in one of the following specified years  
16 with the specified amount of service is entitled to a  
17 retirement annuity at any age under the retirement program  
18 applicable to the participant:

19 35 years if retirement is in 1997 or before;

20 34 years if retirement is in 1998;

21 33 years if retirement is in 1999;

22 32 years if retirement is in 2000;

1           31 years if retirement is in 2001;

2           30 years if retirement is in 2002 or later.

3           A participant with 8 or more years of service after  
4           September 1, 1941, is entitled to a retirement annuity on or  
5           after attainment of age 55.

6           A participant with at least 5 but less than 8 years of  
7           service after September 1, 1941, is entitled to a retirement  
8           annuity on or after attainment of age 62.

9           A participant who has at least 25 years of service in this  
10          system as a police officer or firefighter is entitled to a  
11          retirement annuity on or after the attainment of age 50, if  
12          Rule 4 of Section 15-136 is applicable to the participant.

13          (a-5) A Tier 2 member is entitled to a retirement annuity  
14          upon written application if he or she has attained age 67 and  
15          has at least 10 years of service credit and is otherwise  
16          eligible under the requirements of this Article. A Tier 2  
17          member who has attained age 62 and has at least 10 years of  
18          service credit and is otherwise eligible under the requirements  
19          of this Article may elect to receive the lower retirement  
20          annuity provided in subsection (b-5) of Section 15-136 of this  
21          Article.

22          (b) The annuity payment period shall begin on the date  
23          specified by the participant or the recipient of a disability  
24          retirement annuity submitting a written application. For a  
25          participant, the date on which the annuity payment period  
26          begins, ~~which date~~ shall not be prior to termination of

1 employment or more than one year before the application is  
2 received by the board; however, if the participant is not an  
3 employee of an employer participating in this System or in a  
4 participating system as defined in Article 20 of this Code on  
5 April 1 of the calendar year next following the calendar year  
6 in which the participant attains age 70 1/2, the annuity  
7 payment period shall begin on that date regardless of whether  
8 an application has been filed. For a recipient of a disability  
9 retirement annuity, the date on which the annuity payment  
10 period begins shall not be prior to the discontinuation of the  
11 disability retirement annuity under Section 15-153.2.

12 (c) An annuity is not payable if the amount provided under  
13 Section 15-136 is less than \$10 per month.

14 (Source: P.A. 97-933, eff. 8-10-12; 97-968, eff. 8-16-12;  
15 98-92, eff. 7-16-13.)

16 (40 ILCS 5/15-152) (from Ch. 108 1/2, par. 15-152)

17 Sec. 15-152. Disability benefits - Duration. Disability  
18 benefits shall be discontinued when the earliest of the  
19 following occurs: (1) when disability ceases, (2) upon refusal  
20 of the participant to submit to a reasonable physical  
21 examination by a physician approved by the board, (3) upon  
22 refusal of the participant to accept any position, assigned in  
23 good faith by an employer, the duties of which could reasonably  
24 be performed by the participant and the earnings of which would  
25 be at least equal to the disability benefit payable under this

1 Article, (4) upon September 1, following the participant's 70th  
2 birthday, if the disability benefit commenced prior to  
3 attainment of age 65, (5) the end of the month following the  
4 fifth anniversary of the date disability benefits commenced, if  
5 such benefits began after the attainment of age 65, ~~or~~ (6) when  
6 the total disability benefits paid equal 50% of the  
7 participant's total earnings for the entire period of  
8 employment for which service has been granted prior to the date  
9 disability benefits began to accrue, or (7) upon failure of the  
10 participant to provide an earnings verification necessary to  
11 determine continuance of benefits. If the disability was caused  
12 by an on-the-job accident, and the participant is granted  
13 workers' compensation or occupational disease payments from  
14 the employer or the State of Illinois, the limitation in clause  
15 (6) shall not be applicable.

16 Service and earnings credits under the State Employees'  
17 Retirement System of Illinois and the Teachers' Retirement  
18 System of the State of Illinois shall be considered in  
19 determining the employee's eligibility for, and the duration of  
20 disability benefits.

21 If, by law, a function of a governmental unit, as defined  
22 by Section 20-107 is transferred in whole or in part to an  
23 employer and an employee transfers employment from the  
24 governmental unit to such employer within 6 months after the  
25 transfer of this function, the pension credits in the  
26 governmental unit's retirement system which have been

1 validated under Section 20-109, shall be treated the same as  
2 pension credits in this Section in determining an employee's  
3 eligibility for, and the duration of disability benefits.

4 (Source: P.A. 86-273.)

5 (40 ILCS 5/15-153.2) (from Ch. 108 1/2, par. 15-153.2)

6 Sec. 15-153.2. Disability retirement annuity. A  
7 participant whose disability benefits are discontinued under  
8 the provisions of clause (6) of Section 15-152 and who is not a  
9 participant in the optional retirement plan established under  
10 Section 15-158.2 is entitled to a disability retirement annuity  
11 of 35% of the basic compensation which was payable to the  
12 participant at the time that disability began, provided that  
13 the board determines that the participant has a medically  
14 determinable physical or mental impairment that prevents him or  
15 her from engaging in any substantial gainful activity, and  
16 which can be expected to result in death or which has lasted or  
17 can be expected to last for a continuous period of not less  
18 than 12 months.

19 The board's determination of whether a participant is  
20 disabled shall be based upon:

21 (i) a written certificate from one or more licensed and  
22 practicing physicians appointed by or acceptable to the  
23 board, stating that the participant is unable to engage in  
24 any substantial gainful activity; and

25 (ii) any other medical examinations, hospital records,

1 laboratory results, or other information necessary for  
2 determining the employment capacity and condition of the  
3 participant.

4 The terms "medically determinable physical or mental  
5 impairment" and "substantial gainful activity" shall have the  
6 meanings ascribed to them in the federal Social Security Act,  
7 as now or hereafter amended, and the regulations issued  
8 thereunder.

9 The disability retirement annuity payment period shall  
10 begin immediately following the expiration of the disability  
11 benefit payments under clause (6) of Section 15-152 and shall  
12 be discontinued for a recipient of a disability retirement  
13 annuity when (1) the physical or mental impairment no longer  
14 prevents the recipient ~~participant~~ from engaging in any  
15 substantial gainful activity, (2) the recipient ~~participant~~  
16 dies, ~~or~~ (3) the recipient ~~participant~~ elects to receive a  
17 retirement annuity under Sections 15-135 and 15-136, (4) the  
18 recipient refuses to submit to a reasonable physical  
19 examination by a physician approved by the board, or (5) the  
20 recipient fails to provide an earnings verification necessary  
21 to determine continuance of benefits. If a person's disability  
22 retirement annuity is discontinued under clause (1), all rights  
23 and credits accrued in the system on the date that the  
24 disability retirement annuity began shall be restored, and the  
25 disability retirement annuity paid shall be considered as  
26 disability payments under clause (6) of Section 15-152.

1       The board shall prescribe rules governing the filing,  
2       investigation, control, and supervision of disability  
3       retirement annuity claims. Costs incurred by a claimant in  
4       connection with completing a claim for a disability retirement  
5       annuity shall be paid (A) by the claimant, in the case of the  
6       one required medical examination, medical certificate, and any  
7       other requirements generally imposed by the board on all  
8       disability retirement annuity claimants; and (B) by the System,  
9       in the case of any additional medical examination or other  
10       additional requirement imposed on a particular claimant that is  
11       not imposed generally on all disability retirement annuity  
12       claimants.

13       (Source: P.A. 97-933, eff. 8-10-12; 97-968, eff. 8-16-12.)

14             (40 ILCS 5/15-168.1)

15             Sec. 15-168.1. Testimony and the production of records. The  
16       secretary of the Board shall have the power to issue subpoenas  
17       to compel the attendance of witnesses and the production of  
18       documents and records, including law enforcement records  
19       maintained by law enforcement agencies, in conjunction with:

20             (1) the determination of employer payments required  
21       under subsection (g) of Section 15-155;IT

22             (2) a disability claim;IT

23             (3) an administrative review proceeding;IT

24             (4) an attempt to obtain information to assist in the  
25       collection of sums due to the System, including, but not



- 1       limited to, bank and other financial records;  
2       (5) obtaining any and all personal identifying  
3       information necessary for the administration of benefits;  
4       (6) the determination of the death of a benefit  
5       recipient or a potential benefit recipient; or  
6       (7) a felony forfeiture investigation.

7       The fees of witnesses for attendance and travel shall be  
8       the same as the fees of witnesses before the circuit courts of  
9       this State and shall be paid by the party seeking the subpoena.  
10      The Board may apply to any circuit court in the State for an  
11      order requiring compliance with a subpoena issued under this  
12      Section. Subpoenas issued under this Section shall be subject  
13      to applicable provisions of the Code of Civil Procedure.

14      (Source: P.A. 94-1057, eff. 7-31-06.)

15      Section 99. Effective date. This Act takes effect upon  
16      becoming law.