



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2884

by Rep. Will Guzzardi

SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-119.1
40 ILCS 5/17-116.1 rep.
40 ILCS 5/17-116.3 rep.
40 ILCS 5/17-116.4 rep.
40 ILCS 5/17-116.5 rep.
40 ILCS 5/17-116.6 rep.

Amends the Chicago Teacher Article of the Illinois Pension Code. Removes a provision concerning a reduction in a specified contribution for certain members who retire before July 1, 1998. Repeals obsolete provisions concerning early retirement incentives. Effective immediately.

LRB101 08812 RPS 53901 b

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 Section 17-119.1 as follows:

6 (40 ILCS 5/17-119.1)

7 Sec. 17-119.1. Optional increase in retirement annuity.

8 (a) A member of the Fund may qualify for the augmented rate
9 under subdivision (b) (3) of Section 17-116 for all years of
10 creditable service earned before July 1, 1998 by making the
11 optional contribution specified in subsection (b); except that
12 a member who retires on or after July 1, 1998 with at least 30
13 years of creditable service at retirement qualifies for the
14 augmented rate without making any contribution under
15 subsection (b). Any member who retires on or after July 1, 1998
16 and before the effective date of this amendatory Act of the
17 92nd General Assembly with at least 30 years of creditable
18 service shall be paid a lump sum equal to the amount he or she
19 would have received under the augmented rate minus the amount
20 he or she actually received. A member may not elect to qualify
21 for the augmented rate for only a portion of his or her
22 creditable service earned before July 1, 1998.

23 (b) The contribution shall be an amount equal to 1.0% of

1 the member's highest salary rate in the 4 consecutive school
2 years immediately prior to but not including the school year in
3 which the application occurs, multiplied by the number of years
4 of creditable service earned by the member before July 1, 1998
5 or 20, whichever is less. ~~This contribution shall be reduced by~~
6 ~~1.0% of that salary rate for every 3 full years of creditable~~
7 ~~service earned by the member after June 30, 1998. The~~
8 ~~contribution shall be further reduced at the rate of 25% of the~~
9 ~~contribution (as reduced for service after June 30, 1998) for~~
10 ~~each year of the member's total creditable service in excess of~~
11 ~~34 years. The contribution shall not in any event exceed 20% of~~
12 ~~that salary rate.~~

13 The member shall pay to the Fund the amount of the
14 contribution as calculated at the time of application under
15 this Section. The amount of the contribution determined under
16 this subsection shall be recalculated at the time of
17 retirement, and if the Fund determines that the amount paid by
18 the member exceeds the recalculated amount, the Fund shall
19 refund the difference to the member with regular interest from
20 the date of payment to the date of refund.

21 The contribution required by this subsection shall be paid
22 in one of the following ways or in a combination of the
23 following ways that does not extend over more than 5 years:

24 (i) in a lump sum on or before the date of retirement;

25 (ii) in substantially equal installments over a period
26 of time not to exceed 5 years, as a deduction from salary

1 in accordance with Section 17-130.2;

2 (iii) in substantially equal monthly installments over
3 a 24-month period, by a deduction from the annuitant's
4 monthly benefit.

5 (c) If the member fails to make the full contribution under
6 this Section in a timely fashion, the payments made under this
7 Section shall be refunded to the member, without interest. If
8 the member (including a member who has become an annuitant)
9 dies before making the full contribution, the payments made
10 under this Section shall be refunded to the member's designated
11 beneficiary if there is no survivor's or children's pension
12 benefit payable. If there is a survivor's or children's benefit
13 payable, then all payments made under this Section shall be
14 retained by the Fund and all such survivor's or children's
15 benefits payable shall be calculated as if all contributions
16 required under this Section have been paid in full.

17 (d) For purposes of this Section and subsection (b) of
18 Section 17-116, optional creditable service established by a
19 member shall be deemed to have been earned at the time of the
20 employment or other qualifying event upon which the service is
21 based, rather than at the time the credit was established in
22 this Fund.

23 (e) The contributions required under this Section are the
24 responsibility of the teacher and not the teacher's employer.
25 However, an employer of teachers may, after the effective date
26 of this amendatory Act of 1998, specifically agree, through

1 collective bargaining or otherwise, to make the contributions
2 required by this Section on behalf of those teachers.

3 (Source: P.A. 91-17, eff. 6-4-99; 92-416, eff. 8-17-01; 92-599,
4 eff. 6-28-02; 92-651, eff. 7-11-02.)

5 (40 ILCS 5/17-116.1 rep.)

6 (40 ILCS 5/17-116.3 rep.)

7 (40 ILCS 5/17-116.4 rep.)

8 (40 ILCS 5/17-116.5 rep.)

9 (40 ILCS 5/17-116.6 rep.)

10 Section 10. The Illinois Pension Code is amended by
11 repealing Sections 17-116.1, 17-116.3, 17-116.4, 17-116.5, and
12 17-116.6.

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.