



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

**HB4641**

Introduced 2/5/2020, by Rep. Kelly M. Burke

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/5-163

from Ch. 108 1/2, par. 5-163

30 ILCS 805/8.44 new

Amends the Chicago Police Article of the Illinois Pension Code. Removes an age limitation on eligibility for a refund of contributions. Deletes language providing that a policeman may receive a refund until the annuity to which he is entitled has been fixed. Provides that any refund under the Article shall be calculated based on the policeman's contributions to the fund, less the amount of any annuity benefit previously received by the policeman and his beneficiaries. Provides that a policeman shall have no such right of refund if the sum of the annuity benefits the policeman and his beneficiaries have received exceeds the sum to which the policeman has contributed to the fund. Amends the State Mandates Act to require implementation without reimbursement.

LRB101 18805 RPS 68262 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

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 5-163 as follows:

6 (40 ILCS 5/5-163) (from Ch. 108 1/2, par. 5-163)

7 Sec. 5-163. Refund - General.

8 (a) A policeman, without regard to his period of service,  
9 ~~who withdraws before age 50, and a policeman with less than 10~~  
10 ~~years of service who withdraws before age 57,~~ is entitled to a  
11 refund of the amount deducted from his salary for age and  
12 service annuity or Tier 2 monthly retirement annuity, for  
13 automatic annual increase in annuity as provided in Section  
14 5-167.1, and for widow's annuity or Tier 2 surviving spouse's  
15 annuity, together with interest at 1-1/2% per year on each  
16 deduction from the date of each deduction until the date of his  
17 withdrawal from the service.

18 (b) Any refund under this Article shall be calculated based  
19 on the policeman's contributions to the fund, less the amount  
20 of any annuity benefit previously received by the policeman and  
21 his beneficiaries. A policeman shall have no such right of  
22 refund if the sum of the annuity benefits the policeman and his  
23 beneficiaries have received exceeds the sum to which the

1 policeman has contributed to the fund. ~~A policeman may receive~~  
2 ~~a refund until the annuity to which he is entitled has been~~  
3 ~~fixed. Thereafter, he shall have no such right of refund.~~

4 (c) A policeman who withdraws the amount credited to him  
5 surrenders and forfeits all rights to any annuity or other  
6 benefit from the fund, for himself and for any other person or  
7 persons who might otherwise have benefited through him. The  
8 rights so forfeited shall be restored to him, his wife or widow  
9 and his children upon full repayment as provided in Section  
10 5-164.

11 If the policeman subsequently re-enters service before age  
12 57, and has not so repaid in full the amounts refunded the  
13 rights forfeited shall not be restored, but the policeman shall  
14 retain the right (which is also secured to the widow) to have  
15 the period of service represented by the refunds counted in the  
16 compensation of length of service, except as otherwise provided  
17 in Section 5-164.

18 (d) A policeman who has served less than 10 years who has  
19 not received a refund shall have all amounts to his credit for  
20 purposes on the date of his withdrawal improved by interest  
21 while he is out of service until he attains age 57, if he  
22 subsequently re-enters the service and attains a right to  
23 annuity.

24 (e) If a policeman elects to make additional contribution  
25 for past service as provided in Section 5-174 and fails to pay  
26 such contributions in full within the time specified in said

1 section, a refund of the amount so paid, with interest at  
2 1-1/2% per year, compounded annually, shall be refunded as  
3 provided in said section.

4 (f) If a policeman makes contributions in accordance with  
5 the provisions of Section 5-174(b) and subsequently returns to  
6 the position he holds by certification and appointment as the  
7 result of competitive civil service examination, he shall  
8 receive a refund of such contributions, upon application  
9 therefor, together with interest at 1-1/2% per year on each  
10 such deduction from the date it was made to the date of refund.  
11 Application for refund must be made before the annuity to which  
12 he has a right has been fixed.

13 (Source: P.A. 99-905, eff. 11-29-16.)

14 Section 90. The State Mandates Act is amended by adding  
15 Section 8.44 as follows:

16 (30 ILCS 805/8.44 new)

17 Sec. 8.44. Exempt mandate. Notwithstanding Sections 6 and 8  
18 of this Act, no reimbursement by the State is required for the  
19 implementation of any mandate created by this amendatory Act of  
20 the 101st General Assembly.