



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB2465

Introduced 2/19/2021, by Rep. Deanne M. Mazzochi

SYNOPSIS AS INTRODUCED:

40 ILCS 5/14-103.05	from Ch. 108 1/2, par. 14-103.05
40 ILCS 5/15-134	from Ch. 108 1/2, par. 15-134
40 ILCS 5/16-123	from Ch. 108 1/2, par. 16-123

Amends the State Employees, State Universities, and Downstate Teachers Articles of the Illinois Pension Code. Provides that a person who first becomes an employee after the effective date of the amendatory Act is not required to participate in the System as a condition of employment. Provides that an employee may elect not to participate in the System by notifying the System in writing no later than 30 days after first becoming an employee. Effective immediately.

LRB102 13351 RPS 18695 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

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
5 changing Sections 14-103.05, 15-134, and 16-123 as follows:

6 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)
7 Sec. 14-103.05. Employee.

8 (a) Except as provided in subsection (e), any ~~Any~~ person
9 employed by a Department who receives salary for personal
10 services rendered to the Department on a warrant issued
11 pursuant to a payroll voucher certified by a Department and
12 drawn by the State Comptroller upon the State Treasurer,
13 including an elected official described in subparagraph (d) of
14 Section 14-104, shall become an employee for purpose of
15 membership in the Retirement System on the first day of such
16 employment.

17 A person entering service on or after January 1, 1972 and
18 prior to January 1, 1984 shall become a member as a condition
19 of employment and shall begin making contributions as of the
20 first day of employment.

21 A person entering service on or after January 1, 1984
22 shall, upon completion of 6 months of continuous service which
23 is not interrupted by a break of more than 2 months, become a

1 member as a condition of employment. Contributions shall begin
2 the first of the month after completion of the qualifying
3 period.

4 A person employed by the Chicago Metropolitan Agency for
5 Planning on the effective date of this amendatory Act of the
6 95th General Assembly who was a member of this System as an
7 employee of the Chicago Area Transportation Study and makes an
8 election under Section 14-104.13 to participate in this System
9 for his or her employment with the Chicago Metropolitan Agency
10 for Planning.

11 The qualifying period of 6 months of service is not
12 applicable to: (1) a person who has been granted credit for
13 service in a position covered by the State Universities
14 Retirement System, the Teachers' Retirement System of the
15 State of Illinois, the General Assembly Retirement System, or
16 the Judges Retirement System of Illinois unless that service
17 has been forfeited under the laws of those systems; (2) a
18 person entering service on or after July 1, 1991 in a
19 noncovered position; (3) a person to whom Section 14-108.2a or
20 14-108.2b applies; or (4) a person to whom subsection (a-5) of
21 this Section applies.

22 (a-5) Except as provided in subsection (e), a ~~A~~ person
23 entering service on or after December 1, 2010 and before the
24 effective date of this amendatory Act of the 102nd General
25 Assembly shall become a member as a condition of employment
26 and shall begin making contributions as of the first day of

1 employment. A person serving in the qualifying period on
2 December 1, 2010 will become a member on December 1, 2010 and
3 shall begin making contributions as of December 1, 2010.

4 (b) The term "employee" does not include the following:

5 (1) members of the State Legislature, and persons
6 electing to become members of the General Assembly
7 Retirement System pursuant to Section 2-105;

8 (2) incumbents of offices normally filled by vote of
9 the people;

10 (3) except as otherwise provided in this Section, any
11 person appointed by the Governor with the advice and
12 consent of the Senate unless that person elects to
13 participate in this system;

14 (3.1) any person serving as a commissioner of an
15 ethics commission created under the State Officials and
16 Employees Ethics Act unless that person elects to
17 participate in this system with respect to that service as
18 a commissioner;

19 (3.2) any person serving as a part-time employee in
20 any of the following positions: Legislative Inspector
21 General, Special Legislative Inspector General, employee
22 of the Office of the Legislative Inspector General,
23 Executive Director of the Legislative Ethics Commission,
24 or staff of the Legislative Ethics Commission, regardless
25 of whether he or she is in active service on or after July
26 8, 2004 (the effective date of Public Act 93-685), unless

1 that person elects to participate in this System with
2 respect to that service; in this item (3.2), a "part-time
3 employee" is a person who is not required to work at least
4 35 hours per week;

5 (3.3) any person who has made an election under
6 Section 1-123 and who is serving either as legal counsel
7 in the Office of the Governor or as Chief Deputy Attorney
8 General;

9 (4) except as provided in Section 14-108.2 or
10 14-108.2c, any person who is covered or eligible to be
11 covered by the Teachers' Retirement System of the State of
12 Illinois, the State Universities Retirement System, or the
13 Judges Retirement System of Illinois;

14 (5) an employee of a municipality or any other
15 political subdivision of the State;

16 (6) any person who becomes an employee after June 30,
17 1979 as a public service employment program participant
18 under the Federal Comprehensive Employment and Training
19 Act and whose wages or fringe benefits are paid in whole or
20 in part by funds provided under such Act;

21 (7) enrollees of the Illinois Young Adult Conservation
22 Corps program, administered by the Department of Natural
23 Resources, authorized grantee pursuant to Title VIII of
24 the "Comprehensive Employment and Training Act of 1973",
25 29 USC 993, as now or hereafter amended;

26 (8) enrollees and temporary staff of programs

1 administered by the Department of Natural Resources under
2 the Youth Conservation Corps Act of 1970;

3 (9) any person who is a member of any professional
4 licensing or disciplinary board created under an Act
5 administered by the Department of Professional Regulation
6 or a successor agency or created or re-created after the
7 effective date of this amendatory Act of 1997, and who
8 receives per diem compensation rather than a salary,
9 notwithstanding that such per diem compensation is paid by
10 warrant issued pursuant to a payroll voucher; such persons
11 have never been included in the membership of this System,
12 and this amendatory Act of 1987 (P.A. 84-1472) is not
13 intended to effect any change in the status of such
14 persons;

15 (10) any person who is a member of the Illinois Health
16 Care Cost Containment Council, and receives per diem
17 compensation rather than a salary, notwithstanding that
18 such per diem compensation is paid by warrant issued
19 pursuant to a payroll voucher; such persons have never
20 been included in the membership of this System, and this
21 amendatory Act of 1987 is not intended to effect any
22 change in the status of such persons;

23 (11) any person who is a member of the Oil and Gas
24 Board created by Section 1.2 of the Illinois Oil and Gas
25 Act, and receives per diem compensation rather than a
26 salary, notwithstanding that such per diem compensation is

1 paid by warrant issued pursuant to a payroll voucher;

2 (12) a person employed by the State Board of Higher
3 Education in a position with the Illinois Century Network
4 as of June 30, 2004, who remains continuously employed
5 after that date by the Department of Central Management
6 Services in a position with the Illinois Century Network
7 and participates in the Article 15 system with respect to
8 that employment;

9 (13) any person who first becomes a member of the
10 Civil Service Commission on or after January 1, 2012;

11 (14) any person, other than the Director of Employment
12 Security, who first becomes a member of the Board of
13 Review of the Department of Employment Security on or
14 after January 1, 2012;

15 (15) any person who first becomes a member of the
16 Civil Service Commission on or after January 1, 2012;

17 (16) any person who first becomes a member of the
18 Illinois Liquor Control Commission on or after January 1,
19 2012;

20 (17) any person who first becomes a member of the
21 Secretary of State Merit Commission on or after January 1,
22 2012;

23 (18) any person who first becomes a member of the
24 Human Rights Commission on or after January 1, 2012 unless
25 he or she is eligible to participate in accordance with
26 subsection (d) of this Section;

1 (19) any person who first becomes a member of the
2 State Mining Board on or after January 1, 2012;

3 (20) any person who first becomes a member of the
4 Property Tax Appeal Board on or after January 1, 2012;

5 (21) any person who first becomes a member of the
6 Illinois Racing Board on or after January 1, 2012;

7 (22) any person who first becomes a member of the
8 Department of State Police Merit Board on or after January
9 1, 2012;

10 (23) any person who first becomes a member of the
11 Illinois State Toll Highway Authority on or after January
12 1, 2012; or

13 (24) any person who first becomes a member of the
14 Illinois State Board of Elections on or after January 1,
15 2012.

16 (c) An individual who represents or is employed as an
17 officer or employee of a statewide labor organization that
18 represents members of this System may participate in the
19 System and shall be deemed an employee, provided that (1) the
20 individual has previously earned creditable service under this
21 Article, (2) the individual files with the System an
22 irrevocable election to become a participant within 6 months
23 after the effective date of this amendatory Act of the 94th
24 General Assembly, and (3) the individual does not receive
25 credit for that employment under any other provisions of this
26 Code. An employee under this subsection (c) is responsible for

1 paying to the System both (i) employee contributions based on
2 the actual compensation received for service with the labor
3 organization and (ii) employer contributions based on the
4 percentage of payroll certified by the board; all or any part
5 of these contributions may be paid on the employee's behalf or
6 picked up for tax purposes (if authorized under federal law)
7 by the labor organization.

8 A person who is an employee as defined in this subsection
9 (c) may establish service credit for similar employment prior
10 to becoming an employee under this subsection by paying to the
11 System for that employment the contributions specified in this
12 subsection, plus interest at the effective rate from the date
13 of service to the date of payment. However, credit shall not be
14 granted under this subsection (c) for any such prior
15 employment for which the applicant received credit under any
16 other provision of this Code or during which the applicant was
17 on a leave of absence.

18 (d) A person appointed as a member of the Human Rights
19 Commission on or after June 1, 2019 may elect to participate in
20 the System and shall be deemed an employee. Service and
21 contributions shall begin on the first payroll period
22 immediately following the employee's election to participate
23 in the System.

24 A person who is an employee as described in this
25 subsection (d) may establish service credit for employment as
26 a Human Rights Commissioner that occurred on or after June 1,

1 2019 and before establishing service under this subsection by
2 paying to the System for that employment the contributions
3 specified in paragraph (1) of subsection (a) of Section
4 14-133, plus regular interest from the date of service to the
5 date of payment.

6 (e) Notwithstanding any other provision of this Article, a
7 person who first becomes an employee after the effective date
8 of this amendatory Act of the 102nd General Assembly is not
9 required, as a condition of employment or otherwise, to
10 participate in this System. An employee may elect not to
11 participate in this System by notifying the System in writing
12 no later than 30 days after first becoming an employee.

13 (Source: P.A. 101-10, eff. 6-5-19.)

14 (40 ILCS 5/15-134) (from Ch. 108 1/2, par. 15-134)

15 Sec. 15-134. Participant.

16 (a) Except as provided in subsection (a-5), each ~~Each~~
17 person shall, as a condition of employment, become a
18 participant and be subject to this Article on the date that he
19 or she becomes an employee, makes an election to participate
20 in, or otherwise becomes a participant in one of the
21 retirement programs offered under this Article, whichever date
22 is later.

23 An employee who becomes a participant shall continue to be
24 a participant until he or she becomes an annuitant, dies or
25 accepts a refund of contributions.

1 (a-5) Notwithstanding any other provision of this Article,
2 a person who first becomes an employee after the effective
3 date of this amendatory Act of the 102nd General Assembly is
4 not required, as a condition of employment or otherwise, to
5 participate in this System. An employee may elect not to
6 participate in this System by notifying the System in writing
7 no later than 30 days after first becoming an employee.

8 (b) A person employed concurrently by 2 or more employers
9 is eligible to participate in the system on compensation
10 received from all employers.

11 (Source: P.A. 98-92, eff. 7-16-13.)

12 (40 ILCS 5/16-123) (from Ch. 108 1/2, par. 16-123)

13 Sec. 16-123. Membership of System.

14 (a) Except as provided in subsection (c), the ~~The~~
15 membership of this System shall be composed of all teachers
16 employed after June 30, 1939 who become members as a condition
17 of employment on the date they become teachers. Membership
18 shall continue until the date a member becomes an annuitant,
19 dies, accepts a single-sum retirement benefit, accepts a
20 refund, or forfeits the rights to a refund.

21 (b) This Article does not apply to any person first
22 employed after June 30, 1979 as a public service employment
23 program participant under the Federal Comprehensive Employment
24 and Training Act and whose wages or fringe benefits are paid in
25 whole or in part by funds provided under such Act.

1 (c) Notwithstanding any other provision of this Article, a
2 person who first becomes a teacher after the effective date of
3 this amendatory Act of the 102nd General Assembly is not
4 required, as a condition of employment or otherwise, to
5 participate in this System. A teacher may elect not to
6 participate in this System by notifying the System in writing
7 no later than 30 days after first becoming a teacher.

8 (Source: P.A. 87-11.)

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.