



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

**HB2766**

Introduced 2/19/2021, by Rep. Nicholas K. Smith

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/8-244.1

from Ch. 108 1/2, par. 8-244.1

Amends the Chicago Municipal Article of the Illinois Pension Code. Provides that an annuitant formerly employed by the City of Chicago may authorize the withholding of a portion of his or her annuity for payment of dues to a labor organization (instead of the labor organization that formerly represented the annuitant when the annuitant was an active employee). Provides that at the request and at the expense of the labor organization (instead of the labor organization that formerly represented the annuitant when the annuitant was an active employee), the City of Chicago shall coordinate mailings no more than twice in any 12-month period to such annuitants and the Board shall supply current annuitant addresses to the City of Chicago upon request.

LRB102 14738 RPS 20091 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  
5 changing Section 8-244.1 as follows:

6 (40 ILCS 5/8-244.1) (from Ch. 108 1/2, par. 8-244.1)

7 Sec. 8-244.1. Payment of annuity other than direct.

8 (a) The board, at the written direction and request of any  
9 annuitant, may, solely as an accommodation to such annuitant,  
10 pay the annuity due him to a bank, savings and loan association  
11 or any other financial institution insured by an agency of the  
12 federal government, for deposit to his account, or to a bank or  
13 trust company for deposit in a trust established by him for his  
14 benefit with such bank, savings and loan association or trust  
15 company, and such annuitant may withdraw such direction at any  
16 time. An annuitant who directs the board to pay the annuity due  
17 him or her to a financial institution shall hold the board and  
18 Fund harmless from any claim or loss related to any error as to  
19 whether the financial institution is or continues to be  
20 federally insured. The board may also, in the case of any  
21 disability beneficiary or annuitant for whom no estate  
22 guardian has been appointed and who is confined in a publicly  
23 owned and operated mental institution, pay such disability

1 benefit or annuity due such person to the superintendent or  
2 other head of such institution or hospital for deposit to such  
3 person's trust fund account maintained for him by such  
4 institution or hospital, if by law such trust fund accounts  
5 are authorized or recognized.

6 (b) An annuitant formerly employed by the City of Chicago  
7 may authorize the withholding of a portion of his or her  
8 annuity for payment of dues to a ~~the~~ labor organization ~~which~~  
9 ~~formerly represented the annuitant when the annuitant was an~~  
10 ~~active employee~~; however, no withholding shall be required  
11 under this subsection for payment to one labor organization  
12 unless a minimum of 25 annuitants authorize such withholding.  
13 The Board shall prescribe a form for the authorization of  
14 withholding of dues, release of name, social security number  
15 and address and shall provide such forms to employees,  
16 annuitants and labor organizations upon request. Amounts  
17 withheld by the Board under this subsection shall be promptly  
18 paid over to the designated organizations, indicating the  
19 names, social security numbers and addresses of annuitants on  
20 whose behalf dues were withheld.

21 At the request and at the expense of the labor  
22 organization ~~that formerly represented the annuitant~~, the City  
23 of Chicago shall coordinate mailings no more than twice in any  
24 twelve-month period to such annuitants and the Board shall  
25 supply current annuitant addresses to the City of Chicago upon  
26 request. These mailings shall be limited to informing the

1 annuitants of their rights under this subsection (b), the form  
2 authorizing the withholding of dues from their annuity and  
3 information supplied by the labor organization pertinent to  
4 the decision of whether to exercise the rights of this  
5 subsection.

6 (Source: P.A. 100-23, eff. 7-6-17; 101-69, eff. 7-12-19.)