



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

SB0044

Introduced 1/29/2021, by Sen. Robert F. Martwick

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the State Universities Article of the Illinois Pension Code. Provides that in computing service: if a participant's first day of service begins with less than 15 days remaining in the month, the participant shall be deemed to have qualified as an employee for that entire month; and if a participant's last day of service occurs before the 15th day of the month, the participant shall be deemed to have qualified as an employee for that entire month. Provides that teaching a course or courses totaling 3 or more credit hours or lecture hours equivalent in one semester or 2 quarters shall constitute 4 months of service. Provides that the changes made by the amendatory Act are retroactive to 2 years before the effective date of the amendatory Act. Provides that a participant may request a recalculation of his or her service based on the changes made by the amendatory Act. Requires an employer to annually provide to each of its participating employees a statement of the amount of service the employer reported to the System for that participating employee during the preceding academic year. Provides that if a person disputes the amount of any benefit payment, the amount of service credit the benefit was based on, the formula used to calculate the benefit, the calculation of the benefit, or the information provided to the System by the employer, he or she may, within 90 days after the commencement of the benefit, apply to the System in writing for a recalculation. Provides that any benefit increase that results from the amendatory Act is excluded from the definition of "new benefit increase". Makes other changes. Effective immediately.

LRB102 00988 RPS 10990 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  
5 changing Sections 15-134.1, 15-175, 15-181, 15-186.1, and  
6 15-198 as follows:

7 (40 ILCS 5/15-134.1) (from Ch. 108 1/2, par. 15-134.1)

8 Sec. 15-134.1. Service calculation and adjustment.

9 (a) In computing service, the following schedule shall  
10 govern: one month of service means a calendar month during  
11 which a participant (i) qualifies as an employee under Section  
12 15-107 for at least 15 or more days, and (ii) receives any  
13 earnings as an employee; 8 or more months of service during an  
14 academic year shall constitute a year of service; 6 or more but  
15 less than 8 months of service during an academic year shall  
16 constitute 3/4 of a year of service; 3 or more but less than 6  
17 months of service during an academic year shall constitute 1/2  
18 of a year of service; and one or more but less than 3 months of  
19 service during an academic year shall constitute 1/4 of a year  
20 of service. In computing service: if a participant's first day  
21 of service begins with less than 15 days remaining in the  
22 month, the participant shall be deemed to have qualified as an  
23 employee for that entire month; and if a participant's last

1 day of service occurs before the 15th day of the month, the  
2 participant shall be deemed to have qualified as an employee  
3 for that entire month. No more than one year of service may be  
4 granted per academic year, regardless of the number of hours  
5 or percentage of time worked.

6 (a-5) Notwithstanding subsection (a), teaching a course or  
7 courses totaling 3 or more credit hours or lecture hours  
8 equivalent in one semester or 2 quarters shall constitute 4  
9 months of service, regardless of the number of hours worked or  
10 whether the dates on which the person taught the course  
11 equaled 4 months. If the application of this subsection would  
12 result in a lesser benefit to a participant, then this  
13 subsection does not apply. No more than one year of service may  
14 be granted per academic year, regardless of the number of  
15 hours or percentage of time worked or the number of credit  
16 hours or lecture hours equivalent taught.

17 (b) In calculating a retirement annuity, if a participant  
18 has been employed at 1/2 time or less for 3 or more years after  
19 September 1, 1959, service shall be granted for such  
20 employment in excess of 3 years, in the proportion that the  
21 percentage of time employed for each such year of employment  
22 bears to the average annual percentage of time employed during  
23 the period on which the final rate of earnings is based. This  
24 adjustment shall not be made, however, in determining the  
25 eligibility for a retirement annuity, disability benefits,  
26 additional death benefits, or survivors' insurance. The

1 percentage of time employed shall be as reported by the  
2 employer.

3 (c) The changes made by this amendatory Act of the 102nd  
4 General Assembly apply retroactively to 2 years before the  
5 effective date of this amendatory Act of the 102nd General  
6 Assembly. A participant may request that the System  
7 recalculate his or her service based on the changes made by  
8 this amendatory Act of the 102nd General Assembly.

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

10 (40 ILCS 5/15-175) (from Ch. 108 1/2, par. 15-175)

11 Sec. 15-175. To provide statements.

12 To make available to the participants and annuitants a  
13 financial statement including a summary of the report of the  
14 certified public accountant; ~~and~~ to submit an individual  
15 statement specifying the accumulations to the credit, as of  
16 the latest date practicable, of any participant so requesting;  
17 and to annually provide the formula for calculating pension  
18 benefits to any employee who is not a full-time employee.

19 (Source: Laws 1963, p. 161.)

20 (40 ILCS 5/15-181) (from Ch. 108 1/2, par. 15-181)

21 Sec. 15-181. Duties of employers.

22 (a) Each employer, in preparing payroll vouchers for  
23 participating employees, shall indicate, in addition to other  
24 information: (1) the amount of employee contributions and

1 survivors insurance contributions required under Section  
2 15-157, (2) the gross earnings payable to each employee, and  
3 (3) the total of all contributions required under Section  
4 15-157.

5 (b) Each employer, in drawing warrants or checks against  
6 trust or federal funds for items of salary on payroll vouchers  
7 certified by employers, shall draw such warrants or checks to  
8 participating employees for the amount of cash salary or wages  
9 specified for the period, and shall draw a warrant or check to  
10 this system for the total of the contributions required under  
11 Section 15-157. The warrant or check drawn to this system,  
12 together with the additional copy of the payroll supplied by  
13 the employer, shall be transmitted immediately to the board.

14 (c) The City of Champaign and the City of Urbana, as  
15 employers of persons who participate in this System pursuant  
16 to subsection (h) of Section 15-107, shall each collect and  
17 transmit to the System from each payroll the employee  
18 contributions required under Section 15-157, together with  
19 such payroll documentation as the Board may require, at the  
20 time that the payroll is paid.

21 (d) Each employer shall annually provide to its  
22 participating employees a statement of the amount of service  
23 the employer reported to the System for that participating  
24 employee during the preceding academic year.

25 (Source: P.A. 90-576, eff. 3-31-98; 91-887, eff. 7-6-00.)

1 (40 ILCS 5/15-186.1) (from Ch. 108 1/2, par. 15-186.1)

2 Sec. 15-186.1. Mistake in benefit. If the System  
3 mistakenly sets any benefit at an incorrect amount, it shall  
4 recalculate the benefit as soon as may be practicable after  
5 the mistake is discovered.

6 If the benefit was mistakenly set too low, the System  
7 shall make a lump sum payment to the recipient of an amount  
8 equal to the difference between the benefits that should have  
9 been paid and those actually paid, plus interest at the  
10 effective rate from the date the unpaid amounts accrued to the  
11 date of payment.

12 If the benefit was mistakenly set too high, the System may  
13 recover the amount overpaid from the recipient thereof, plus  
14 interest at the effective rate from the date of overpayment to  
15 the date of recovery, either directly or by deducting such  
16 amount from the remaining benefits payable to the recipient.  
17 However, if (1) the amount of the benefit was mistakenly set  
18 too high, and (2) the error was undiscovered for 3 years or  
19 longer, and (3) the error was not the result of incorrect  
20 information supplied by the affected member or beneficiary,  
21 then upon discovery of the mistake the benefit shall be  
22 adjusted to the correct level, but the recipient of the  
23 benefit need not repay to the System the excess amounts  
24 received in error.

25 If a person disputes the amount of any benefit payment,  
26 the amount of service credit the benefit was based on, the

1 formula used to calculate the benefit, the calculation of the  
2 benefit, or the information provided to the System by the  
3 employer, he or she may, within 90 days after the commencement  
4 of the benefit, apply to the System in writing for a  
5 recalculation.

6 (Source: P.A. 93-347, eff. 7-24-03.)

7 (40 ILCS 5/15-198)

8 Sec. 15-198. Application and expiration of new benefit  
9 increases.

10 (a) As used in this Section, "new benefit increase" means  
11 an increase in the amount of any benefit provided under this  
12 Article, or an expansion of the conditions of eligibility for  
13 any benefit under this Article, that results from an amendment  
14 to this Code that takes effect after June 1, 2005 (the  
15 effective date of Public Act 94-4). "New benefit increase",  
16 however, does not include any benefit increase resulting from  
17 the changes made to Article 1 or this Article by Public Act  
18 100-23, Public Act 100-587, Public Act 100-769, Public Act  
19 101-10, Public Act 101-610, or this amendatory Act of the  
20 102nd General Assembly ~~this amendatory Act of the 101st~~  
21 ~~General Assembly.~~

22 (b) Notwithstanding any other provision of this Code or  
23 any subsequent amendment to this Code, every new benefit  
24 increase is subject to this Section and shall be deemed to be  
25 granted only in conformance with and contingent upon

1 compliance with the provisions of this Section.

2 (c) The Public Act enacting a new benefit increase must  
3 identify and provide for payment to the System of additional  
4 funding at least sufficient to fund the resulting annual  
5 increase in cost to the System as it accrues.

6 Every new benefit increase is contingent upon the General  
7 Assembly providing the additional funding required under this  
8 subsection. The Commission on Government Forecasting and  
9 Accountability shall analyze whether adequate additional  
10 funding has been provided for the new benefit increase and  
11 shall report its analysis to the Public Pension Division of  
12 the Department of Insurance. A new benefit increase created by  
13 a Public Act that does not include the additional funding  
14 required under this subsection is null and void. If the Public  
15 Pension Division determines that the additional funding  
16 provided for a new benefit increase under this subsection is  
17 or has become inadequate, it may so certify to the Governor and  
18 the State Comptroller and, in the absence of corrective action  
19 by the General Assembly, the new benefit increase shall expire  
20 at the end of the fiscal year in which the certification is  
21 made.

22 (d) Every new benefit increase shall expire 5 years after  
23 its effective date or on such earlier date as may be specified  
24 in the language enacting the new benefit increase or provided  
25 under subsection (c). This does not prevent the General  
26 Assembly from extending or re-creating a new benefit increase



1 by law.

2 (e) Except as otherwise provided in the language creating  
3 the new benefit increase, a new benefit increase that expires  
4 under this Section continues to apply to persons who applied  
5 and qualified for the affected benefit while the new benefit  
6 increase was in effect and to the affected beneficiaries and  
7 alternate payees of such persons, but does not apply to any  
8 other person, including, without limitation, a person who  
9 continues in service after the expiration date and did not  
10 apply and qualify for the affected benefit while the new  
11 benefit increase was in effect.

12 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
13 100-769, eff. 8-10-18; 101-10, eff. 6-5-19; 101-81, eff.  
14 7-12-19; 101-610, eff. 1-1-20.)

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

1

INDEX

2

Statutes amended in order of appearance

3

40 ILCS 5/15-134.1

from Ch. 108 1/2, par. 15-134.1

4

40 ILCS 5/15-175

from Ch. 108 1/2, par. 15-175

5

40 ILCS 5/15-181

from Ch. 108 1/2, par. 15-181

6

40 ILCS 5/15-186.1

from Ch. 108 1/2, par. 15-186.1

7

40 ILCS 5/15-198