



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB0118

Introduced 2/3/2021, by Sen. Sara Feigenholtz

SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-140

from Ch. 108 1/2, par. 17-140

40 ILCS 5/17-151.1

Amends the Chicago Teacher Article of the Illinois Pension Code. Provides that in case any officer whose signature appears upon any check or draft, issued pursuant to the Article, ceases to hold office, the signature nevertheless shall be valid and sufficient for all purposes. Removes language concerning checks or drafts signed by an officer who ceases to hold office before the delivery of the check to the payee. Provides that if the Fund mistakenly sets any benefit at an incorrect amount, the Fund shall recalculate the benefit as soon as may be practicable after the mistake is discovered. Provides that if the benefit was mistakenly set too low, the Fund shall make a lump sum payment to the recipient of an amount equal to the difference between the benefits that should have been paid and those actually paid, plus interest at the rate of 3% from the date the unpaid amounts accrued to the date of payment. Provides that if the benefit was mistakenly set too high, the Fund may recover the amount overpaid from the recipient plus interest at 3% from the date of overpayment to the date of recovery. Contains provisions concerning repayment of the overpaid amount. Provides that if (1) the amount of the benefit was mistakenly set too high, (2) the error was undiscovered for 3 years or longer from the date of the first mistaken benefit payment, and (3) the error was not the result of incorrect information supplied by the affected member, then upon discovery of the mistake the benefit shall be adjusted to the correct level, but the recipient of the benefit shall not be required to repay to the Fund the excess amounts received in error. Makes other changes.

LRB102 10030 RPS 15350 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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 17-140 and 17-151.1 as follows:

6 (40 ILCS 5/17-140) (from Ch. 108 1/2, par. 17-140)

7 Sec. 17-140. Board officers. The president, recording
8 secretary and other officers of the Board shall be elected by
9 and from the members of the Board ~~board~~ at the first meeting of
10 the Board after the election of trustees.

11 In case any officer whose signature appears upon any check
12 or draft, issued pursuant to this Article, ceases ~~(after~~
13 ~~attaching his signature)~~ to hold his office, the ~~before the~~
14 ~~delivery thereof to the payee,~~ his signature nevertheless
15 shall be valid and sufficient for all purposes ~~with the same~~
16 ~~effect as if he had remained in office until delivery thereof.~~

17 (Source: P.A. 90-566, eff. 1-2-98.)

18 (40 ILCS 5/17-151.1)

19 Sec. 17-151.1. Recovery of amount paid in error.

20 (a) The Board may retain out of any annuity or benefit
21 payable to any person any amount that the Board determines is
22 owing to the Fund because (i) required employee contributions

1 were not made in whole or in part, (ii) employee or member
2 obligations to return refunds were not met, or (iii) money was
3 paid to any employee, member, or annuitant through
4 misrepresentation, fraud, or error.

5 If the Fund mistakenly sets any benefit at an incorrect
6 amount, the Fund shall recalculate the benefit as soon as may
7 be practicable after the mistake is discovered. The Fund shall
8 provide the recipient, or the survivor or beneficiary of the
9 recipient, as the case may be, with at least 60 days' notice of
10 the corrected amount.

11 If the benefit was mistakenly set too low, the Fund shall
12 make a lump sum payment to the recipient, or the survivor or
13 beneficiary of the recipient, as the case may be, of an amount
14 equal to the difference between the benefits that should have
15 been paid and those actually paid, plus interest at the rate of
16 3% from the date the unpaid amounts accrued to the date of
17 payment.

18 If the benefit was mistakenly set too high, the Fund may
19 recover the amount overpaid from the recipient, or the
20 survivor or beneficiary of the recipient, as the case may be,
21 plus interest at 3% from the date of overpayment to the date of
22 recovery. The recipient, or the survivor or beneficiary of the
23 recipient, as the case may be, may elect to repay the sum owed
24 either directly by a lump sum payment, in agreed-upon monthly
25 payments over a period not to exceed 5 years, or through an
26 actuarial equivalent reduction of the corrected benefit.

1 However, if (1) the amount of the benefit was mistakenly set
2 too high, (2) the error was undiscovered for 3 years or longer
3 from the date of the first mistaken benefit payment, and (3)
4 the error was not the result of incorrect information supplied
5 by the affected member, then upon discovery of the mistake the
6 benefit shall be adjusted to the correct level, but the
7 recipient of the benefit shall not be required to repay to the
8 Fund the excess amounts received in error.

9 (b) The Board and the Fund shall be held free from any
10 liability for any money retained or paid in accordance with
11 this Section, and the employee, member, or pensioner shall be
12 assumed to have assented and agreed to the disposition of
13 money due.

14 (c) The changes made by this amendatory Act of the 94th
15 General Assembly are not limited to persons in service on or
16 after the effective date of this amendatory Act.

17 (Source: P.A. 94-425, eff. 8-2-05.)