



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB4164

Introduced 2/27/2009, by Rep. Ron Stephens

SYNOPSIS AS INTRODUCED:

40 ILCS 5/16-143
40 ILCS 5/16-203

from Ch. 108 1/2, par. 16-143

Amends the Downstate Teacher Article of the Illinois Pension Code. Removes language terminating survivors' benefits for remarriage of a surviving spouse prior to attainment of age 55. Exempts the changes from new benefit increase provisions. Effective immediately.

LRB096 07897 AMC 18000 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 changing
5 Sections 16-143 and 16-203 as follows:

6 (40 ILCS 5/16-143) (from Ch. 108 1/2, par. 16-143)

7 Sec. 16-143. Survivors' benefits - other conditions and
8 limitations. The benefits provided under Sections 16-141 and
9 16-142, shall be subject to the following further conditions
10 and limitations:

11 (1) The period during which a member was in receipt of a
12 disability or occupational disability benefit shall be
13 considered as creditable service at the annual salary rate on
14 which the member last made contributions.

15 (2) All service prior to July 24, 1959, for which
16 creditable service is granted towards a retirement annuity
17 shall be considered as creditable service.

18 (3) No benefits shall be payable unless a member, or a
19 disabled member, returning to service, has made contributions
20 to the system for at least one month after July 24, 1959,
21 except that an annuitant must have contributed to the system
22 for at least 1 year of creditable service after July 24, 1959.

23 (4) Creditable service under the State Employees'

1 Retirement System of Illinois, the State Universities
2 Retirement System and the Public School Teachers' Pension and
3 Retirement Fund of Chicago shall be considered in determining
4 whether the member has met the creditable service requirement.

5 (5) If an eligible beneficiary qualifies for a survivors'
6 benefit because of pension credits established by the
7 participant or annuitant in another system covered by Article
8 20, and the combined survivors' benefits exceed the highest
9 survivors' benefit payable by either system based upon the
10 combined pension credits, the survivors' benefit payable by
11 this system shall be reduced to that amount which when added to
12 the survivors' benefit payable by the other system would equal
13 this highest survivors' benefit. If the other system has a
14 similar provision for adjustment of the survivors' benefit, the
15 respective proportional survivors' benefits shall be reduced
16 proportionately according to the ratio which the amount of each
17 proportional survivors' benefit bears to the aggregate of all
18 proportional survivors' benefits. If a survivors' benefit is
19 payable by another system covered by Article 20, and the
20 survivor elects to waive the monthly survivors' benefit and
21 accept a lump sum payment or death benefit in lieu of the
22 monthly survivors' benefit, this system shall, for the purpose
23 of adjusting the monthly survivors' benefit under this
24 paragraph, assume that the survivor had been entitled to a
25 monthly survivors' benefit which, in accordance with actuarial
26 tables of this system, is the actuarial equivalent of the

1 amount of the lump sum payment or death benefit.

2 (6) (Blank). ~~Remarriage of a surviving spouse prior to~~
3 ~~attainment of age 55 that occurs before the effective date of~~
4 ~~this amendatory Act of the 91st General Assembly shall~~
5 ~~terminate his or her survivors' benefits.~~

6 ~~The change made to this item (6) by this amendatory Act of~~
7 ~~the 91st General Assembly applies without regard to whether the~~
8 ~~deceased member or annuitant was in service on or after the~~
9 ~~effective date of this amendatory Act of the 91st General~~
10 ~~Assembly.~~

11 (7) The benefits payable to an eligible child shall
12 terminate when the eligible child marries, dies, or attains age
13 18 (age 22 if a full-time student); except that benefits
14 payable to a dependent disabled eligible child shall terminate
15 only when the eligible child dies or ceases to be disabled.

16 (Source: P.A. 90-448, eff. 8-16-97; 91-887, eff. 7-6-00.)

17 (40 ILCS 5/16-203)

18 Sec. 16-203. Application and expiration of new benefit
19 increases.

20 (a) As used in this Section, "new benefit increase" means
21 an increase in the amount of any benefit provided under this
22 Article, or an expansion of the conditions of eligibility for
23 any benefit under this Article, that results from an amendment
24 to this Code that takes effect after June 1, 2005 (the
25 effective date of Public Act 94-4). "New benefit increase",

1 however, does not include any benefit increase resulting from
2 the changes made to this Article by Public Act 95-910 or this
3 amendatory Act of the 96th ~~95th~~ General Assembly.

4 (b) Notwithstanding any other provision of this Code or any
5 subsequent amendment to this Code, every new benefit increase
6 is subject to this Section and shall be deemed to be granted
7 only in conformance with and contingent upon compliance with
8 the provisions of this Section.

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

13 Every new benefit increase is contingent upon the General
14 Assembly providing the additional funding required under this
15 subsection. The Commission on Government Forecasting and
16 Accountability shall analyze whether adequate additional
17 funding has been provided for the new benefit increase and
18 shall report its analysis to the Public Pension Division of the
19 Department of Financial and Professional Regulation. A new
20 benefit increase created by a Public Act that does not include
21 the additional funding required under this subsection is null
22 and void. If the Public Pension Division determines that the
23 additional funding provided for a new benefit increase under
24 this subsection is or has become inadequate, it may so certify
25 to the Governor and the State Comptroller and, in the absence
26 of corrective action by the General Assembly, the new benefit

1 increase shall expire at the end of the fiscal year in which
2 the certification is made.

3 (d) Every new benefit increase shall expire 5 years after
4 its effective date or on such earlier date as may be specified
5 in the language enacting the new benefit increase or provided
6 under subsection (c). This does not prevent the General
7 Assembly from extending or re-creating a new benefit increase
8 by law.

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

19 (Source: P.A. 94-4, eff. 6-1-05; 95-910, eff. 8-26-08.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.