



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB2921

Introduced 2/23/2011, by Rep. Jack D. Franks

SYNOPSIS AS INTRODUCED:

40 ILCS 5/2-101	from Ch. 108 1/2, par. 2-101
40 ILCS 5/2-105	from Ch. 108 1/2, par. 2-105
40 ILCS 5/2-110	from Ch. 108 1/2, par. 2-110

Amends the General Assembly Retirement System (GARS) Article of the Illinois Pension Code. Provides that current participants cannot establish service credit in the system after the effective date of the amendatory Act. Prohibits persons from becoming a member of GARS after the effective date of the amendatory Act. Effective January 1, 2012.

LRB097 08441 JDS 48568 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 2-101, 2-105, and 2-110 as follows:

6 (40 ILCS 5/2-101) (from Ch. 108 1/2, par. 2-101)

7 Sec. 2-101. Creation of system. A retirement system is
8 created to provide retirement annuities, survivor's annuities,
9 and other benefits for certain members of the General Assembly,
10 certain elected state officials, and their beneficiaries.

11 The system shall be known as the "General Assembly
12 Retirement System". All its funds and property shall be a trust
13 separate from all other entities, maintained for the purpose of
14 securing payment of annuities and benefits under this Article.

15 (Source: P.A. 83-1440.)

16 (40 ILCS 5/2-105) (from Ch. 108 1/2, par. 2-105)

17 Sec. 2-105. Member. "Member": Members of the General
18 Assembly of this State who are elected before the effective
19 date of this amendatory Act of the 97th General Assembly,
20 including persons who enter military service while a member of
21 the General Assembly, and any person serving as Governor,
22 Lieutenant Governor, Secretary of State, Treasurer,

1 Comptroller, or Attorney General but only for service before
2 the effective date of this amendatory Act of the 97th General
3 Assembly ~~for the period of service in such office.~~

4 Any person who has served for 10 or more years as Clerk or
5 Assistant Clerk of the House of Representatives, Secretary or
6 Assistant Secretary of the Senate, or any combination thereof ,
7 may elect to become a member of this system while thenceforth
8 engaged in such service by filing a written election with the
9 board before the effective date of this amendatory Act of the
10 97th General Assembly. Any person so electing shall be deemed
11 an active member of the General Assembly for the purpose of
12 validating and transferring any service credits earned under
13 any of the funds and systems established under Articles 3
14 through 18 of this Code.

15 (Source: P.A. 85-1008.)

16 (40 ILCS 5/2-110) (from Ch. 108 1/2, par. 2-110)

17 Sec. 2-110. Service.

18 (A) "Service" means the period beginning on the day when a
19 person first became a member, and ending on the earlier of
20 either (i) the date under consideration, excluding all
21 intervening periods of nonmembership following resignation or
22 expiration of any term of office (ii) the effective date of
23 this amendatory Act of the 97th General Assembly.

24 (B) "Service" includes:

25 (a) Military service during war by a person who entered

1 such service while a member, whether rendered before or
2 after the expiration of any term of office; plus up to 2
3 years of military service that need not have immediately
4 followed service as a member, and need not have been served
5 during wartime, provided that the member makes
6 contributions to the System for such service (1) at the
7 rates provided in Section 2-126 based upon the member's
8 rate of compensation on the last date as a participant
9 prior to such military service, or on the first date as a
10 participant after such military service, whichever is
11 greater, plus (2) if payment is made on or after May 1,
12 1993, an amount determined by the Board to be equal to the
13 employer's normal cost of the benefits accrued for such
14 military service, plus (3) interest at the effective rate
15 from the date of first membership in the System to the date
16 of payment.

17 The amendment to this subdivision (B) (a) made by this
18 amendatory Act of 1993 shall apply to persons who are
19 active contributors to the System on or after November 30,
20 1992. A person who was an active contributor to the System
21 on November 30, 1992 but is no longer an active contributor
22 may apply to purchase military credit under this
23 subdivision (B) (a) within 60 days after the effective date
24 of this amendatory Act of 1993; if the person is an
25 annuitant, the resulting increase in annuity shall begin to
26 accrue on the first day of the month following the month in

1 which the required payment is received by the System. The
2 change in the required contribution for purchased military
3 credit made by this amendatory Act of 1993 shall not
4 entitle any person to a refund of contributions already
5 paid.

6 (b) Service as a judge of a court of this State, but
7 credit for such service is subject to the following
8 conditions: (1) such person shall have been a member for at
9 least 4 years and contributed to the system for service as
10 a judge subsequent to July 8, 1947, at the rates herein
11 provided, including interest at 2% per annum to the date of
12 payment based on the salary in effect during such service;
13 (2) the member was not an eligible member of nor entitled
14 to credit for such service in any other retirement system
15 in the State maintained in whole or in part by public
16 contributions; and (3) the last 4 years of service prior to
17 retirement on annuity was rendered while a member.

18 (c) Service as a participating employee under Articles
19 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 or 18 of
20 the Illinois Pension Code. Credit for such service may be
21 established by a member and, if permitted by the credit
22 transfer Section of the appropriate Article, by a former
23 member who is not yet an annuitant, and is subject to the
24 following conditions: (1) that the credits accrued under
25 the above mentioned Articles have been transferred to this
26 system; and (2) that the member has contributed to this

1 system an amount equal to (i) the contribution rate in
2 effect for participants at the date of membership in this
3 system multiplied by the salary then in effect for members
4 of the General Assembly for each year of service for which
5 credit is being transferred, plus (ii) the State's share of
6 the normal cost of benefits under this system expressed as
7 a percent of payroll, as determined by the system's actuary
8 as of the date of the participant's membership in this
9 system, multiplied by the salary then in effect for members
10 of the General Assembly, for each year of service for which
11 credit is being transferred, plus (iii) interest on items
12 (i) and (ii) above at 6% per annum compounded annually,
13 from the date of membership to the date of payment by the
14 participant, less (iv) the amount transferred to this
15 system on behalf of the participant on account of service
16 rendered while a participant under the above mentioned
17 Articles.

18 (d) Service, before October 1, 1975, as an officer
19 elected by the people of Illinois, for which creditable
20 service is required to be transferred from the State
21 Employees' Retirement System to this system by this
22 amendatory Act of 1975.

23 (e) Service rendered prior to January 1, 1964, as a
24 justice of the peace or police magistrate or as a civil
25 referee in the Municipal Court of Chicago, but credit for
26 such service may not be granted until the member has paid

1 to the system an amount equal to (1) the contribution rate
2 for participants at the date of membership in this system
3 multiplied by the salary then in effect for members of the
4 General Assembly for each year of service for which credit
5 is being transferred, plus (2) the State's share of the
6 normal cost of benefits under this system expressed as a
7 percent of payroll, as determined by the system's actuary
8 as of the date of the participant's membership in this
9 system, multiplied by the salary then in effect for members
10 of the General Assembly, for each year of service for which
11 credit is allowed, plus, (3) interest on (1) and (2) above
12 at 6% per annum compounded annually from the date of
13 membership to the date of payment by the member. However, a
14 participant may not receive more than 6 years of credit for
15 such service nor may any member receive credit under this
16 paragraph for service for which credit has been granted in
17 any other public pension fund or retirement system in the
18 State.

19 (f) Service before January 16, 1981, as an officer
20 elected by the people of Illinois, for which creditable
21 service is transferred from the State Employees'
22 Retirement System to this system.

23 (B-5) Notwithstanding any other provision of this Article,
24 "service" excludes service rendered on or after the effective
25 date of this amendatory Act of the 97th General Assembly.

26 (C) Service during any fraction of a month shall be

1 considered as a month of service.

2 Service includes the total period of time for which a
3 participant is elected as a member or officer, even though he
4 or she does not complete the term because of death,
5 resignation, judicial decision, or operation of law, provided
6 that the contributions required under this Article for such
7 entire period of office have been made by or on behalf of the
8 participant. In the case of a participant appointed or elected
9 to fill a vacancy, service includes the total period from
10 January 1 of the year in which his or her service commences to
11 the end of the term in which the vacancy occurs, provided the
12 participant contributes in the year of appointment an amount
13 equal to the contributions that would have been required had
14 the participant received salary for the entire year. The
15 foregoing provisions relating to a participant appointed or
16 elected to fill a vacancy shall not apply if the participant
17 was a member of the other legislative chamber at the time of
18 appointment or election.

19 (D) Notwithstanding the other provisions of this Section,
20 if application to transfer or establish service credit under
21 paragraph (c) or (e) of subsection (B) of this Section is made
22 between January 1, 1992 and February 1, 1993, the contribution
23 required for such credit shall be an amount equal to (1) the
24 contribution rate in effect for participants at the date of
25 membership in this system multiplied by the salary then in
26 effect for members of the General Assembly for each year of

1 service for which credit is being granted, plus (2) interest
2 thereon at 6% per annum compounded annually, from the date of
3 membership to the date of payment by the member, less (3) any
4 amount transferred to this system on behalf of the member on
5 account of such service credit.

6 (Source: P.A. 86-27; 86-1028; 87-794; 87-1265.)

7 Section 99. Effective date. This Act takes effect on
8 January 1, 2012.