



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB3253

Introduced 2/24/2011, by Rep. Karen May

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/7-142.1 from Ch. 108 1/2, par. 7-142.1  
40 ILCS 5/7-145.1  
30 ILCS 805/8.35 new

Amends the Illinois Municipal Retirement Fund (IMRF) Article of the Illinois Pension Code. Prohibits a sheriff's law enforcement employee who begins service in that capacity after the effective date of the amendatory Act from being able to convert up to 10 years of service in any other capacity into service as a sheriff's law enforcement employee. Provides that, on and after the effective date of the amendatory Act, an elected county officer will not be able to elect to establish alternative credits for an alternative annuity. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB097 10456 JDS 50688 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

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 7-142.1 and 7-145.1 as follows:

6 (40 ILCS 5/7-142.1) (from Ch. 108 1/2, par. 7-142.1)

7 Sec. 7-142.1. Sheriff's law enforcement employees.

8 (a) In lieu of the retirement annuity provided by  
9 subparagraph 1 of paragraph (a) of Section 7-142:

10 Any sheriff's law enforcement employee who has 20 or more  
11 years of service in that capacity and who terminates service  
12 prior to January 1, 1988 shall be entitled at his option to  
13 receive a monthly retirement annuity for his service as a  
14 sheriff's law enforcement employee computed by multiplying 2%  
15 for each year of such service up to 10 years, 2 1/4% for each  
16 year of such service above 10 years and up to 20 years, and 2  
17 1/2% for each year of such service above 20 years, by his  
18 annual final rate of earnings and dividing by 12.

19 Any sheriff's law enforcement employee who has 20 or more  
20 years of service in that capacity and who terminates service on  
21 or after January 1, 1988 and before July 1, 2004 shall be  
22 entitled at his option to receive a monthly retirement annuity  
23 for his service as a sheriff's law enforcement employee

1 computed by multiplying 2.5% for each year of such service up  
2 to 20 years, 2% for each year of such service above 20 years  
3 and up to 30 years, and 1% for each year of such service above  
4 30 years, by his annual final rate of earnings and dividing by  
5 12.

6 Any sheriff's law enforcement employee who has 20 or more  
7 years of service in that capacity and who terminates service on  
8 or after July 1, 2004 shall be entitled at his or her option to  
9 receive a monthly retirement annuity for service as a sheriff's  
10 law enforcement employee computed by multiplying 2.5% for each  
11 year of such service by his annual final rate of earnings and  
12 dividing by 12.

13 If a sheriff's law enforcement employee has service in any  
14 other capacity, his retirement annuity for service as a  
15 sheriff's law enforcement employee may be computed under this  
16 Section and the retirement annuity for his other service under  
17 Section 7-142.

18 In no case shall the total monthly retirement annuity for  
19 persons who retire before July 1, 2004 exceed 75% of the  
20 monthly final rate of earnings. In no case shall the total  
21 monthly retirement annuity for persons who retire on or after  
22 July 1, 2004 exceed 80% of the monthly final rate of earnings.

23 (b) Whenever continued group insurance coverage is elected  
24 in accordance with the provisions of Section 367h of the  
25 Illinois Insurance Code, as now or hereafter amended, the total  
26 monthly premium for such continued group insurance coverage or

1 such portion thereof as is not paid by the municipality shall,  
2 upon request of the person electing such continued group  
3 insurance coverage, be deducted from any monthly pension  
4 benefit otherwise payable to such person pursuant to this  
5 Section, to be remitted by the Fund to the insurance company or  
6 other entity providing the group insurance coverage.

7 (c) A sheriff's law enforcement employee who began service  
8 in that capacity prior to the effective date of this amendatory  
9 Act of the 97th General Assembly and who has service in any  
10 other capacity may convert up to 10 years of that service into  
11 service as a sheriff's law enforcement employee by paying to  
12 the Fund an amount equal to (1) the additional employee  
13 contribution required under Section 7-173.1, plus (2) the  
14 additional employer contribution required under Section 7-172,  
15 plus (3) interest on items (1) and (2) at the prescribed rate  
16 from the date of the service to the date of payment.

17 (d) The changes to subsections (a) and (b) of this Section  
18 made by this amendatory Act of the 94th General Assembly apply  
19 only to persons in service on or after July 1, 2004. In the  
20 case of such a person who begins to receive a retirement  
21 annuity before the effective date of this amendatory Act of the  
22 94th General Assembly, the annuity shall be recalculated  
23 prospectively to reflect those changes, with the resulting  
24 increase beginning to accrue on the first annuity payment date  
25 following the effective date of this amendatory Act.

26 (e) Any elected county officer who was entitled to receive

1 a stipend from the State on or after July 1, 2009 and on or  
2 before June 30, 2010 may establish earnings credit for the  
3 amount of stipend not received, if the elected county official  
4 applies in writing to the fund within 6 months after the  
5 effective date of this amendatory Act of the 96th General  
6 Assembly and pays to the fund an amount equal to (i) employee  
7 contributions on the amount of stipend not received, (ii)  
8 employer contributions determined by the Board equal to the  
9 employer's normal cost of the benefit on the amount of stipend  
10 not received, plus (iii) interest on items (i) and (ii) at the  
11 actuarially assumed rate.

12 (f) Notwithstanding any other provision of this Article,  
13 the provisions of this subsection (f) apply to a person who  
14 first becomes a sheriff's law enforcement employee under this  
15 Article on or after January 1, 2011.

16 A sheriff's law enforcement employee age 55 or more who has  
17 10 or more years of service in that capacity shall be entitled  
18 at his option to receive a monthly retirement annuity for his  
19 or her service as a sheriff's law enforcement employee computed  
20 by multiplying 2.5% for each year of such service by his or her  
21 final rate of earnings.

22 The retirement annuity of a sheriff's law enforcement  
23 employee who is retiring after attaining age 50 with 10 or more  
24 years of creditable service shall be reduced by one-half of 1%  
25 for each month that the sheriff's law enforcement employee's  
26 age is under age 55.

1           The maximum retirement annuity under this subsection (f)  
2 shall be 75% of final rate of earnings.

3           For the purposes of this subsection (f), "final rate of  
4 earnings" means the average monthly earnings obtained by  
5 dividing the total salary of the sheriff's law enforcement  
6 employee during the 96 consecutive months of service within the  
7 last 120 months of service in which the total earnings was the  
8 highest by the number of months of service in that period.

9           Notwithstanding any other provision of this Article,  
10 beginning on January 1, 2011, for all purposes under this Code  
11 (including without limitation the calculation of benefits and  
12 employee contributions), the annual earnings of a sheriff's law  
13 enforcement employee to whom this Section applies shall not  
14 include overtime and shall not exceed \$106,800; however, that  
15 amount shall annually thereafter be increased by the lesser of  
16 (i) 3% of that amount, including all previous adjustments, or  
17 (ii) one-half the annual unadjusted percentage increase (but  
18 not less than zero) in the consumer price index-u for the 12  
19 months ending with the September preceding each November 1,  
20 including all previous adjustments.

21           (g) Notwithstanding any other provision of this Article,  
22 the monthly annuity of a person who first becomes a sheriff's  
23 law enforcement employee under this Article on or after January  
24 1, 2011 shall be increased on the January 1 occurring either on  
25 or after the attainment of age 60 or the first anniversary of  
26 the annuity start date, whichever is later. Each annual

1 increase shall be calculated at 3% or one-half the annual  
2 unadjusted percentage increase (but not less than zero) in the  
3 consumer price index-u for the 12 months ending with the  
4 September preceding each November 1, whichever is less, of the  
5 originally granted retirement annuity. If the annual  
6 unadjusted percentage change in the consumer price index-u for  
7 a 12-month period ending in September is zero or, when compared  
8 with the preceding period, decreases, then the annuity shall  
9 not be increased.

10 (h) Notwithstanding any other provision of this Article,  
11 for a person who first becomes a sheriff's law enforcement  
12 employee under this Article on or after January 1, 2011, the  
13 annuity to which the surviving spouse, children, or parents are  
14 entitled under this subsection (h) shall be in the amount of 66  
15 2/3% of the sheriff's law enforcement employee's earned annuity  
16 at the date of death.

17 (i) Notwithstanding any other provision of this Article,  
18 the monthly annuity of a survivor of a person who first becomes  
19 a sheriff's law enforcement employee under this Article on or  
20 after January 1, 2011 shall be increased on the January 1 after  
21 attainment of age 60 by the recipient of the survivor's annuity  
22 and each January 1 thereafter by 3% or one-half the annual  
23 unadjusted percentage increase in the consumer price index-u  
24 for the 12 months ending with the September preceding each  
25 November 1, whichever is less, of the originally granted  
26 pension. If the annual unadjusted percentage change in the

1 consumer price index-u for a 12-month period ending in  
2 September is zero or, when compared with the preceding period,  
3 decreases, then the annuity shall not be increased.

4 (j) For the purposes of this Section, "consumer price  
5 index-u" means the index published by the Bureau of Labor  
6 Statistics of the United States Department of Labor that  
7 measures the average change in prices of goods and services  
8 purchased by all urban consumers, United States city average,  
9 all items, 1982-84 = 100. The new amount resulting from each  
10 annual adjustment shall be determined by the Public Pension  
11 Division of the Department of Insurance and made available to  
12 the boards of the pension funds.

13 (Source: P.A. 96-961, eff. 7-2-10; 96-1495, eff. 1-1-11.)

14 (40 ILCS 5/7-145.1)

15 Sec. 7-145.1. Alternative annuity for county officers.

16 (a) The benefits provided in this Section and Section  
17 7-145.2 are available only if, prior to the effective date of  
18 this amendatory Act of the 97th General Assembly, the county  
19 board has filed with the Board of the Fund a resolution or  
20 ordinance expressly consenting to the availability of these  
21 benefits for its elected county officers. The county board's  
22 consent is irrevocable with respect to persons participating in  
23 the program, but may be revoked at any time with respect to  
24 persons who have not paid an additional optional contribution  
25 under this Section before the date of revocation.



1 An elected county officer may elect to establish  
2 alternative credits for an alternative annuity by electing in  
3 writing before the effective date of this amendatory Act of the  
4 97th General Assembly to make additional optional  
5 contributions in accordance with this Section and procedures  
6 established by the board. These alternative credits are  
7 available only for periods of service as an elected county  
8 officer. The elected county officer may discontinue making the  
9 additional optional contributions by notifying the Fund in  
10 writing in accordance with this Section and procedures  
11 established by the board.

12 Additional optional contributions for the alternative  
13 annuity shall be as follows:

14 (1) For service as an elected county officer after the  
15 option is elected, an additional contribution of 3% of  
16 salary shall be contributed to the Fund on the same basis  
17 and under the same conditions as contributions required  
18 under Section 7-173.

19 (2) For service as an elected county officer before the  
20 option is elected, an additional contribution of 3% of the  
21 salary for the applicable period of service, plus interest  
22 at the effective rate from the date of service to the date  
23 of payment, plus any additional amount required by the  
24 county board under paragraph (3). All payments for past  
25 service must be paid in full before credit is given.

26 (3) With respect to service as an elected county

1 officer before the option is elected, if payment is made  
2 after the county board has filed with the Board of the Fund  
3 a resolution or ordinance requiring an additional  
4 contribution under this paragraph, then the contribution  
5 required under paragraph (2) shall include an amount to be  
6 determined by the Fund, equal to the actuarial present  
7 value of the additional employer cost that would otherwise  
8 result from the alternative credits being established for  
9 that service. A county board's resolution or ordinance  
10 requiring additional contributions under this paragraph  
11 (3) is irrevocable.

12 No additional optional contributions may be made for any  
13 period of service for which credit has been previously  
14 forfeited by acceptance of a refund, unless the refund is  
15 repaid in full with interest at the effective rate from the  
16 date of refund to the date of repayment.

17 (b) In lieu of the retirement annuity otherwise payable  
18 under this Article, an elected county officer who (1) has  
19 elected to participate in the Fund and make additional optional  
20 contributions in accordance with this Section, (2) has held and  
21 made additional optional contributions with respect to the same  
22 elected county office for at least 8 years, and (3) has  
23 attained age 55 with at least 8 years of service credit (or has  
24 attained age 50 with at least 20 years of service as a  
25 sheriff's law enforcement employee) may elect to have his  
26 retirement annuity computed as follows: 3% of the participant's

1 salary for each of the first 8 years of service credit, plus 4%  
2 of that salary for each of the next 4 years of service credit,  
3 plus 5% of that salary for each year of service credit in  
4 excess of 12 years, subject to a maximum of 80% of that salary.

5 This formula applies only to service in an elected county  
6 office that the officer held for at least 8 years, and only to  
7 service for which additional optional contributions have been  
8 paid under this Section. If an elected county officer qualifies  
9 to have this formula applied to service in more than one  
10 elected county office, the qualifying service shall be  
11 accumulated for purposes of determining the applicable accrual  
12 percentages, but the salary used for each office shall be the  
13 separate salary calculated for that office, as defined in  
14 subsection (g).

15 To the extent that the elected county officer has service  
16 credit that does not qualify for this formula, his retirement  
17 annuity will first be determined in accordance with this  
18 formula with respect to the service to which this formula  
19 applies, and then in accordance with the remaining Sections of  
20 this Article with respect to the service to which this formula  
21 does not apply.

22 (c) In lieu of the disability benefits otherwise payable  
23 under this Article, an elected county officer who (1) has  
24 elected to participate in the Fund, and (2) has become  
25 permanently disabled and as a consequence is unable to perform  
26 the duties of his office, and (3) was making optional

1 contributions in accordance with this Section at the time the  
2 disability was incurred, may elect to receive a disability  
3 annuity calculated in accordance with the formula in subsection  
4 (b). For the purposes of this subsection, an elected county  
5 officer shall be considered permanently disabled only if: (i)  
6 disability occurs while in service as an elected county officer  
7 and is of such a nature as to prevent him from reasonably  
8 performing the duties of his office at the time; and (ii) the  
9 board has received a written certification by at least 2  
10 licensed physicians appointed by it stating that the officer is  
11 disabled and that the disability is likely to be permanent.

12 (d) Refunds of additional optional contributions shall be  
13 made on the same basis and under the same conditions as  
14 provided under Section 7-166, 7-167 and 7-168. Interest shall  
15 be credited at the effective rate on the same basis and under  
16 the same conditions as for other contributions.

17 If an elected county officer fails to hold that same  
18 elected county office for at least 8 years, he or she shall be  
19 entitled after leaving office to receive a refund of the  
20 additional optional contributions made with respect to that  
21 office, plus interest at the effective rate.

22 (e) The plan of optional alternative benefits and  
23 contributions shall be available to persons who are elected  
24 county officers and active contributors to the Fund on or after  
25 November 15, 1994 and elected to establish alternative credit  
26 before the effective date of this amendatory Act of the 97th

1 General Assembly. A person who was an elected county officer  
2 and an active contributor to the Fund on November 15, 1994 but  
3 is no longer an active contributor may apply to make additional  
4 optional contributions under this Section at any time within 90  
5 days after the effective date of this amendatory Act of 1997;  
6 if the person is an annuitant, the resulting increase in  
7 annuity shall begin to accrue on the first day of the month  
8 following the month in which the required payment is received  
9 by the Fund.

10 (f) For the purposes of this Section and Section 7-145.2,  
11 the terms "elected county officer" and "elected county office"  
12 include, but are not limited to: (1) the county clerk,  
13 recorder, treasurer, coroner, assessor (if elected), auditor,  
14 sheriff, and State's Attorney; members of the county board; and  
15 the clerk of the circuit court; and (2) a person who has been  
16 appointed to fill a vacancy in an office that is normally  
17 filled by election on a countywide basis, for the duration of  
18 his or her service in that office. The terms "elected county  
19 officer" and "elected county office" do not include any officer  
20 or office of a county that has not consented to the  
21 availability of benefits under this Section and Section  
22 7-145.2.

23 (g) For the purposes of this Section and Section 7-145.2,  
24 the term "salary" means the final rate of earnings for the  
25 elected county office held, calculated in a manner consistent  
26 with Section 7-116, but for that office only. If an elected

1 county officer qualifies to have the formula in subsection (b)  
2 applied to service in more than one elected county office, a  
3 separate salary shall be calculated and applied with respect to  
4 each such office.

5 (h) The changes to this Section made by this amendatory Act  
6 of the 91st General Assembly apply to persons who first make an  
7 additional optional contribution under this Section on or after  
8 the effective date of this amendatory Act.

9 (i) Any elected county officer who was entitled to receive  
10 a stipend from the State on or after July 1, 2009 and on or  
11 before June 30, 2010 may establish earnings credit for the  
12 amount of stipend not received, if the elected county official  
13 applies in writing to the fund within 6 months after the  
14 effective date of this amendatory Act of the 96th General  
15 Assembly and pays to the fund an amount equal to (i) employee  
16 contributions on the amount of stipend not received, (ii)  
17 employer contributions determined by the Board equal to the  
18 employer's normal cost of the benefit on the amount of stipend  
19 not received, plus (iii) interest on items (i) and (ii) at the  
20 actuarially assumed rate.

21 (Source: P.A. 96-961, eff. 7-2-10.)

22 Section 90. The State Mandates Act is amended by adding  
23 Section 8.35 as follows:

24 (30 ILCS 805/8.35 new)

1       Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8  
2       of this Act, no reimbursement by the State is required for the  
3       implementation of any mandate created by this amendatory Act of  
4       the 97th General Assembly.

5       Section 99. Effective date. This Act takes effect upon  
6       becoming law.