



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3426

Introduced 2/24/2011, by Rep. David Harris

SYNOPSIS AS INTRODUCED:

40 ILCS 5/7-116

from Ch. 108 1/2, par. 7-116

30 ILCS 805/8.35 new

Amends the Illinois Municipal Retirement Fund (IMRF) Article of the Illinois Pension Code. Provides that lump sum payments for retirement, severance, or sick or vacation time may not be used to calculate the final rate of earnings. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB097 06259 JDS 46335 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 Section 7-116 as follows:

6 (40 ILCS 5/7-116) (from Ch. 108 1/2, par. 7-116)

7 Sec. 7-116. "Final rate of earnings":

8 (a) For retirement and survivor annuities, the monthly
9 earnings obtained by dividing the total earnings received by
10 the employee during the period of either (1) the 48 consecutive
11 months of service within the last 120 months of service in
12 which his total earnings were the highest or (2) the employee's
13 total period of service, by the number of months of service in
14 such period.

15 (b) For death benefits, the higher of the rate determined
16 under paragraph (a) of this Section or total earnings received
17 in the last 12 months of service divided by twelve. If the
18 deceased employee has less than 12 months of service, the
19 monthly final rate shall be the monthly rate of pay the
20 employee was receiving when he began service.

21 (c) For disability benefits, the total earnings of a
22 participating employee in the last 12 calendar months of
23 service prior to the date he becomes disabled divided by 12.

1 (d) In computing the final rate of earnings: (1) the
2 earnings rate for all periods of prior service shall be
3 considered equal to the average earnings rate for the last 3
4 calendar years of prior service for which creditable service is
5 received under Section 7-139 or, if there is less than 3 years
6 of creditable prior service, the average for the total prior
7 service period for which creditable service is received under
8 Section 7-139; (2) for out of state service and authorized
9 leave, the earnings rate shall be the rate upon which service
10 credits are granted; (3) periods of military leave shall not be
11 considered; (4) the earnings rate for all periods of disability
12 shall be considered equal to the rate of earnings upon which
13 the employee's disability benefits are computed for such
14 periods; (5) the earnings to be considered for each of the
15 final three months of the final earnings period shall not
16 exceed 125% of the highest earnings of any other month in the
17 final earnings period; ~~and~~ (6) the annual amount of final rate
18 of earnings shall be the monthly amount multiplied by the
19 number of months of service normally required by the position
20 in a year; and (7) lump sum payments for retirement, severance,
21 or sick or vacation time shall not be considered.

22 (Source: P.A. 90-448, eff. 8-16-97.)

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

1 (30 ILCS 805/8.35 new)

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

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