



Rep. Karen May

Filed: 3/11/2011

09700HB3475ham001

LRB097 10960 JDS 52827 a

1 AMENDMENT TO HOUSE BILL 3475

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 3475 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by  
5 changing Sections 7-116, 7-172, 14-103.05, 22-101, and 22-103  
6 and by adding Sections 1-161 and 1-162 as follows:

7 (40 ILCS 5/1-161 new)

8 Sec. 1-161. Final average salary provisions for all  
9 members.

10 (a) The provisions of this Section apply to a person who is  
11 a member or participant under any Article of this Code  
12 regardless of the date of participation.

13 (b) "Final average salary" shall be limited to the base  
14 salary or other base compensation paid to the member or  
15 participant for employment by the employer, and shall not  
16 include, without limitation: overtime; commissions; bonuses;

1 payment of any type in anticipation of retirement; termination  
2 or severance pay; lump sum payments for sick, compensatory,  
3 vacation time, or other benefits; indirect or in-kind payments  
4 for items such as housing, vehicles, lodging, travel, or  
5 clothing allowances; or any other type of payment that is a  
6 divergence from the normal progression patterns on which an  
7 individual's benefits should be based. For the purposes of a  
8 person who is a member or participant of any retirement system  
9 or pension fund to which this Section applies on or after the  
10 effective date of this amendatory Act of the 97th General  
11 Assembly, in this Code, "final average salary" shall be  
12 substituted for the following:

13 (1) In Article 2, "highest salary for annuity  
14 purposes".

15 (2) In Articles 7 (except for service as sheriff's law  
16 enforcement employees) and 15, "final rate of earnings".

17 (3) In Articles 8, 9, 10, 11, and 12, "highest average  
18 annual salary for any 4 consecutive years within the last  
19 10 years of service immediately preceding the date of  
20 withdrawal".

21 (4) In Article 13, "average final salary".

22 (5) In Article 14, "final average compensation".

23 (6) In Article 17, "average salary".

24 (7) In Article 18, "final average salary".

25 (8) In Section 22-207, "wages or salary received by him  
26 at the date of retirement or discharge".

1 (40 ILCS 5/1-162 new)

2 Sec. 1-162. Contractual employment following retirement.  
3 If a member or participant of a retirement system or pension  
4 fund under this Code is receiving a retirement annuity or  
5 retirement pension under that system or fund and accepts on a  
6 contractual basis a position to provide services to a  
7 governmental entity from which he or she has retired, then that  
8 person's annuity or retirement pension earned as an active  
9 employee of the employer shall be suspended during that  
10 contractual service. Persons receiving an annuity or  
11 retirement pension under this Code shall notify their  
12 contractual employer of their retirement status before  
13 accepting contractual employment. A person who fails to submit  
14 such notification shall be a guilty of a Class A misdemeanor  
15 and required to pay a fine of \$1,000. Upon termination of that  
16 contractual employment, the person's retirement annuity or  
17 retirement pension payments shall resume and, if appropriate,  
18 be recalculated under the applicable provisions of this Code.

19 (40 ILCS 5/7-116) (from Ch. 108 1/2, par. 7-116)

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

21 (a) For retirement and survivor annuities, the monthly  
22 earnings obtained by dividing the total earnings received by  
23 the employee during the period of either (1) the 48 consecutive  
24 months of service within the last 120 months of service in

1 which his total earnings were the highest or (2) the employee's  
2 total period of service, by the number of months of service in  
3 such period.

4 (b) For death benefits, the higher of the rate determined  
5 under paragraph (a) of this Section or total earnings received  
6 in the last 12 months of service divided by twelve. If the  
7 deceased employee has less than 12 months of service, the  
8 monthly final rate shall be the monthly rate of pay the  
9 employee was receiving when he began service.

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

13 (d) In computing the final rate of earnings: (1) the  
14 earnings rate for all periods of prior service shall be  
15 considered equal to the average earnings rate for the last 3  
16 calendar years of prior service for which creditable service is  
17 received under Section 7-139 or, if there is less than 3 years  
18 of creditable prior service, the average for the total prior  
19 service period for which creditable service is received under  
20 Section 7-139; (2) for out of state service and authorized  
21 leave, the earnings rate shall be the rate upon which service  
22 credits are granted; (3) periods of military leave shall not be  
23 considered; (4) the earnings rate for all periods of disability  
24 shall be considered equal to the rate of earnings upon which  
25 the employee's disability benefits are computed for such  
26 periods; (5) the earnings to be considered for each of the

1 final 24 ~~three~~ months of the final earnings period shall not  
2 exceed 125% of the highest earnings of any other month in the  
3 final earnings period; and (6) the annual amount of final rate  
4 of earnings shall be the monthly amount multiplied by the  
5 number of months of service normally required by the position  
6 in a year.

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

8 (40 ILCS 5/7-172) (from Ch. 108 1/2, par. 7-172)

9 Sec. 7-172. Contributions by participating municipalities  
10 and participating instrumentalities.

11 (a) Each participating municipality and each participating  
12 instrumentality shall make payment to the fund as follows:

13 1. municipality contributions in an amount determined  
14 by applying the municipality contribution rate to each  
15 payment of earnings paid to each of its participating  
16 employees;

17 2. an amount equal to the employee contributions  
18 provided by paragraphs (a) and (b) of Section 7-173,  
19 whether or not the employee contributions are withheld as  
20 permitted by that Section;

21 3. all accounts receivable, together with interest  
22 charged thereon, as provided in Section 7-209;

23 4. if it has no participating employees with current  
24 earnings, an amount payable which, over a closed period of  
25 20 years for participating municipalities and 10 years for

1 participating instrumentalities, will amortize, at the  
2 effective rate for that year, any unfunded obligation. The  
3 unfunded obligation shall be computed as provided in  
4 paragraph 2 of subsection (b);

5 5. if it has fewer than 7 participating employees or a  
6 negative balance in its municipality reserve, the greater  
7 of (A) an amount payable that, over a period of 20 years,  
8 will amortize at the effective rate for that year any  
9 unfunded obligation, computed as provided in paragraph 2 of  
10 subsection (b) or (B) the amount required by paragraph 1 of  
11 this subsection (a).

12 (b) A separate municipality contribution rate shall be  
13 determined for each calendar year for all participating  
14 municipalities together with all instrumentalities thereof.  
15 The municipality contribution rate shall be determined for  
16 participating instrumentalities as if they were participating  
17 municipalities. The municipality contribution rate shall be  
18 the sum of the following percentages:

19 1. The percentage of earnings of all the participating  
20 employees of all participating municipalities and  
21 participating instrumentalities which, if paid over the  
22 entire period of their service, will be sufficient when  
23 combined with all employee contributions available for the  
24 payment of benefits, to provide all annuities for  
25 participating employees, and the \$3,000 death benefit  
26 payable under Sections 7-158 and 7-164, such percentage to

1 be known as the normal cost rate.

2 2. The percentage of earnings of the participating  
3 employees of each participating municipality and  
4 participating instrumentalities necessary to adjust for  
5 the difference between the present value of all benefits,  
6 excluding temporary and total and permanent disability and  
7 death benefits, to be provided for its participating  
8 employees and the sum of its accumulated municipality  
9 contributions and the accumulated employee contributions  
10 and the present value of expected future employee and  
11 municipality contributions pursuant to subparagraph 1 of  
12 this paragraph (b). This adjustment shall be spread over  
13 the remainder of the period that is allowable under  
14 generally accepted accounting principles.

15 3. The percentage of earnings of the participating  
16 employees of all municipalities and participating  
17 instrumentalities necessary to provide the present value  
18 of all temporary and total and permanent disability  
19 benefits granted during the most recent year for which  
20 information is available.

21 4. The percentage of earnings of the participating  
22 employees of all participating municipalities and  
23 participating instrumentalities necessary to provide the  
24 present value of the net single sum death benefits expected  
25 to become payable from the reserve established under  
26 Section 7-206 during the year for which this rate is fixed.

1           5. The percentage of earnings necessary to meet any  
2           deficiency arising in the Terminated Municipality Reserve.

3           (c) A separate municipality contribution rate shall be  
4           computed for each participating municipality or participating  
5           instrumentality for its sheriff's law enforcement employees.

6           A separate municipality contribution rate shall be  
7           computed for the sheriff's law enforcement employees of each  
8           forest preserve district that elects to have such employees.  
9           For the period from January 1, 1986 to December 31, 1986, such  
10          rate shall be the forest preserve district's regular rate plus  
11          2%.

12          In the event that the Board determines that there is an  
13          actuarial deficiency in the account of any municipality with  
14          respect to a person who has elected to participate in the Fund  
15          under Section 3-109.1 of this Code, the Board may adjust the  
16          municipality's contribution rate so as to make up that  
17          deficiency over such reasonable period of time as the Board may  
18          determine.

19          (d) The Board may establish a separate municipality  
20          contribution rate for all employees who are program  
21          participants employed under the federal Comprehensive  
22          Employment Training Act by all of the participating  
23          municipalities and instrumentalities. The Board may also  
24          provide that, in lieu of a separate municipality rate for these  
25          employees, a portion of the municipality contributions for such  
26          program participants shall be refunded or an extra charge



1 assessed so that the amount of municipality contributions  
2 retained or received by the fund for all CETA program  
3 participants shall be an amount equal to that which would be  
4 provided by the separate municipality contribution rate for all  
5 such program participants. Refunds shall be made to prime  
6 sponsors of programs upon submission of a claim therefor and  
7 extra charges shall be assessed to participating  
8 municipalities and instrumentalities. In establishing the  
9 municipality contribution rate as provided in paragraph (b) of  
10 this Section, the use of a separate municipality contribution  
11 rate for program participants or the refund of a portion of the  
12 municipality contributions, as the case may be, may be  
13 considered.

14 (e) Computations of municipality contribution rates for  
15 the following calendar year shall be made prior to the  
16 beginning of each year, from the information available at the  
17 time the computations are made, and on the assumption that the  
18 employees in each participating municipality or participating  
19 instrumentality at such time will continue in service until the  
20 end of such calendar year at their respective rates of earnings  
21 at such time.

22 (f) Any municipality which is the recipient of State  
23 allocations representing that municipality's contributions for  
24 retirement annuity purposes on behalf of its employees as  
25 provided in Section 12-21.16 of the Illinois Public Aid Code  
26 shall pay the allocations so received to the Board for such

1 purpose. Estimates of State allocations to be received during  
2 any taxable year shall be considered in the determination of  
3 the municipality's tax rate for that year under Section 7-171.  
4 If a special tax is levied under Section 7-171, none of the  
5 proceeds may be used to reimburse the municipality for the  
6 amount of State allocations received and paid to the Board. Any  
7 multiple-county or consolidated health department which  
8 receives contributions from a county under Section 11.2 of "An  
9 Act in relation to establishment and maintenance of county and  
10 multiple-county health departments", approved July 9, 1943, as  
11 amended, or distributions under Section 3 of the Department of  
12 Public Health Act, shall use these only for municipality  
13 contributions by the health department.

14 (g) Municipality contributions for the several purposes  
15 specified shall, for township treasurers and employees in the  
16 offices of the township treasurers who meet the qualifying  
17 conditions for coverage hereunder, be allocated among the  
18 several school districts and parts of school districts serviced  
19 by such treasurers and employees in the proportion which the  
20 amount of school funds of each district or part of a district  
21 handled by the treasurer bears to the total amount of all  
22 school funds handled by the treasurer.

23 From the funds subject to allocation among districts and  
24 parts of districts pursuant to the School Code, the trustees  
25 shall withhold the proportionate share of the liability for  
26 municipality contributions imposed upon such districts by this

1 Section, in respect to such township treasurers and employees  
2 and remit the same to the Board.

3 The municipality contribution rate for an educational  
4 service center shall initially be the same rate for each year  
5 as the regional office of education or school district which  
6 serves as its administrative agent. When actuarial data become  
7 available, a separate rate shall be established as provided in  
8 subparagraph (i) of this Section.

9 The municipality contribution rate for a public agency,  
10 other than a vocational education cooperative, formed under the  
11 Intergovernmental Cooperation Act shall initially be the  
12 average rate for the municipalities which are parties to the  
13 intergovernmental agreement. When actuarial data become  
14 available, a separate rate shall be established as provided in  
15 subparagraph (i) of this Section.

16 (h) Each participating municipality and participating  
17 instrumentality shall make the contributions in the amounts  
18 provided in this Section in the manner prescribed from time to  
19 time by the Board and all such contributions shall be  
20 obligations of the respective participating municipalities and  
21 participating instrumentalities to this fund. The failure to  
22 deduct any employee contributions shall not relieve the  
23 participating municipality or participating instrumentality of  
24 its obligation to this fund. Delinquent payments of  
25 contributions due under this Section may, with interest, be  
26 recovered by civil action against the participating

1 municipalities or participating instrumentalities.  
2 Municipality contributions, other than the amount necessary  
3 for employee contributions and Social Security contributions,  
4 for periods of service by employees from whose earnings no  
5 deductions were made for employee contributions to the fund,  
6 may be charged to the municipality reserve for the municipality  
7 or participating instrumentality.

8 (i) Contributions by participating instrumentalities shall  
9 be determined as provided herein except that the percentage  
10 derived under subparagraph 2 of paragraph (b) of this Section,  
11 and the amount payable under subparagraph 4 of paragraph (a) of  
12 this Section, shall be based on an amortization period of 10  
13 years.

14 (j) Notwithstanding the other provisions of this Section,  
15 the additional unfunded liability accruing as a result of this  
16 amendatory Act of the 94th General Assembly shall be amortized  
17 over a period of 30 years beginning on January 1 of the second  
18 calendar year following the calendar year in which this  
19 amendatory Act takes effect, except that the employer may  
20 provide for a longer amortization period by adopting a  
21 resolution or ordinance specifying a 35-year or 40-year period  
22 and submitting a certified copy of the ordinance or resolution  
23 to the fund no later than June 1 of the calendar year following  
24 the calendar year in which this amendatory Act takes effect.

25 (k) If the amount of a participating employee's earnings  
26 for any calendar year used to determine the participating

1 employee's retirement annuity, determined on a full-time  
2 equivalent basis, exceeds the amount of his or her earnings  
3 with the same participating municipality or participating  
4 instrumentality for the previous calendar year, determined on a  
5 full-time equivalent basis, by more than 6%, then the  
6 participating municipality or participating instrumentality  
7 shall pay to the fund, in addition to all other payments  
8 required under this Article and in accordance with guidelines  
9 established by the fund, the present value of the increase in  
10 benefits resulting from the portion of the increase in earnings  
11 that is in excess of 6%. This present value shall be computed  
12 by the fund on the basis of the actuarial assumptions and  
13 tables used in the most recent actuarial valuation of the fund  
14 that is available at the time of the computation. The fund may  
15 require the participating municipality or participating  
16 instrumentality to provide any pertinent information or  
17 documentation.

18 Whenever it determines that a payment is or may be required  
19 under this subsection (k), the fund shall calculate the amount  
20 of the payment and bill the participating municipality or  
21 participating instrumentality for that amount. The bill shall  
22 specify the calculations used to determine the amount due. If  
23 the participating municipality or participating  
24 instrumentality disputes the amount of the bill, it may, within  
25 30 days after receipt of the bill, apply to the fund in writing  
26 for a recalculation. The application must specify in detail the

1 grounds of the dispute. Upon receiving a timely application for  
2 recalculation, the fund shall review the application and, if  
3 appropriate, recalculate the amount due. The participating  
4 municipality and participating instrumentality contributions  
5 required under this subsection (k) may be paid in the form of a  
6 lump sum within 90 days after receipt of the bill. If the  
7 participating municipality and participating instrumentality  
8 contributions are not paid within 90 days after receipt of the  
9 bill, then interest will be charged at a rate equal to the  
10 fund's annual actuarially assumed rate of return on investment  
11 compounded annually from the 91st day after receipt of the  
12 bill. Payments must be concluded within 3 years after receipt  
13 of the bill by the participating municipality or participating  
14 instrumentality.

15 When assessing payment for any amount due under this  
16 subsection (k), the fund shall exclude earnings increases  
17 resulting from overload or overtime earnings.

18 When assessing payment for any amount due under this  
19 subsection (k), the fund shall also exclude earnings increases  
20 attributable to standard employment promotions resulting in  
21 increased responsibility and workload.

22 (Source: P.A. 96-1084, eff. 7-16-10; 96-1140, eff. 7-21-10;  
23 revised 9-16-10.)

24 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)

25 Sec. 14-103.05. Employee.

1           (a) Any person employed by a Department who receives salary  
2 for personal services rendered to the Department on a warrant  
3 issued pursuant to a payroll voucher certified by a Department  
4 and drawn by the State Comptroller upon the State Treasurer,  
5 including an elected official described in subparagraph (d) of  
6 Section 14-104, shall become an employee for purpose of  
7 membership in the Retirement System on the first day of such  
8 employment.

9           A person entering service on or after January 1, 1972 and  
10 prior to January 1, 1984 shall become a member as a condition  
11 of employment and shall begin making contributions as of the  
12 first day of employment.

13           A person entering service on or after January 1, 1984  
14 shall, upon completion of 6 months of continuous service which  
15 is not interrupted by a break of more than 2 months, become a  
16 member as a condition of employment. Contributions shall begin  
17 the first of the month after completion of the qualifying  
18 period.

19           A person employed by the Chicago Metropolitan Agency for  
20 Planning on the effective date of this amendatory Act of the  
21 95th General Assembly who was a member of this System as an  
22 employee of the Chicago Area Transportation Study and makes an  
23 election under Section 14-104.13 to participate in this System  
24 for his or her employment with the Chicago Metropolitan Agency  
25 for Planning.

26           The qualifying period of 6 months of service is not

1 applicable to: (1) a person who has been granted credit for  
2 service in a position covered by the State Universities  
3 Retirement System, the Teachers' Retirement System of the State  
4 of Illinois, the General Assembly Retirement System, or the  
5 Judges Retirement System of Illinois unless that service has  
6 been forfeited under the laws of those systems; (2) a person  
7 entering service on or after July 1, 1991 in a noncovered  
8 position; (3) a person to whom Section 14-108.2a or 14-108.2b  
9 applies; or (4) a person to whom subsection (a-5) of this  
10 Section applies.

11 (a-5) A person entering service on or after December 1,  
12 2010 shall become a member as a condition of employment and  
13 shall begin making contributions as of the first day of  
14 employment. A person serving in the qualifying period on  
15 December 1, 2010 will become a member on December 1, 2010 and  
16 shall begin making contributions as of December 1, 2010.

17 (b) The term "employee" does not include the following:

18 (1) members of the State Legislature, and persons  
19 electing to become members of the General Assembly  
20 Retirement System pursuant to Section 2-105;

21 (2) incumbents of offices normally filled by vote of  
22 the people;

23 (3) except as otherwise provided in this Section, any  
24 person appointed by the Governor with the advice and  
25 consent of the Senate unless that person elects to  
26 participate in this system;



1           (3.1) any person serving as a commissioner of an ethics  
2           commission created under the State Officials and Employees  
3           Ethics Act unless that person elects to participate in this  
4           system with respect to that service as a commissioner;

5           (3.2) any person serving as a part-time employee in any  
6           of the following positions: Legislative Inspector General,  
7           Special Legislative Inspector General, employee of the  
8           Office of the Legislative Inspector General, Executive  
9           Director of the Legislative Ethics Commission, or staff of  
10          the Legislative Ethics Commission, regardless of whether  
11          he or she is in active service on or after July 8, 2004  
12          (the effective date of Public Act 93-685), unless that  
13          person elects to participate in this System with respect to  
14          that service; in this item (3.2), a "part-time employee" is  
15          a person who is not required to work at least 35 hours per  
16          week;

17          (3.3) any person who has made an election under Section  
18          1-123 and who is serving either as legal counsel in the  
19          Office of the Governor or as Chief Deputy Attorney General;

20          (4) except as provided in Section 14-108.2 or  
21          14-108.2c, any person who is covered or eligible to be  
22          covered by the Teachers' Retirement System of the State of  
23          Illinois, the State Universities Retirement System, or the  
24          Judges Retirement System of Illinois;

25          (5) an employee of a municipality or any other  
26          political subdivision of the State;

1           (6) any person who becomes an employee after June 30,  
2           1979 as a public service employment program participant  
3           under the Federal Comprehensive Employment and Training  
4           Act and whose wages or fringe benefits are paid in whole or  
5           in part by funds provided under such Act;

6           (7) enrollees of the Illinois Young Adult Conservation  
7           Corps program, administered by the Department of Natural  
8           Resources, authorized grantee pursuant to Title VIII of the  
9           "Comprehensive Employment and Training Act of 1973", 29 USC  
10          993, as now or hereafter amended;

11          (8) enrollees and temporary staff of programs  
12          administered by the Department of Natural Resources under  
13          the Youth Conservation Corps Act of 1970;

14          (9) any person who is a member of any professional  
15          licensing or disciplinary board created under an Act  
16          administered by the Department of Professional Regulation  
17          or a successor agency or created or re-created after the  
18          effective date of this amendatory Act of 1997, and who  
19          receives per diem compensation rather than a salary,  
20          notwithstanding that such per diem compensation is paid by  
21          warrant issued pursuant to a payroll voucher; such persons  
22          have never been included in the membership of this System,  
23          and this amendatory Act of 1987 (P.A. 84-1472) is not  
24          intended to effect any change in the status of such  
25          persons;

26          (10) any person who is a member of the Illinois Health

1 Care Cost Containment Council, and receives per diem  
2 compensation rather than a salary, notwithstanding that  
3 such per diem compensation is paid by warrant issued  
4 pursuant to a payroll voucher; such persons have never been  
5 included in the membership of this System, and this  
6 amendatory Act of 1987 is not intended to effect any change  
7 in the status of such persons;

8 (11) any person who is a member of the Oil and Gas  
9 Board created by Section 1.2 of the Illinois Oil and Gas  
10 Act, and receives per diem compensation rather than a  
11 salary, notwithstanding that such per diem compensation is  
12 paid by warrant issued pursuant to a payroll voucher; ~~or~~

13 (12) a person employed by the State Board of Higher  
14 Education in a position with the Illinois Century Network  
15 as of June 30, 2004, who remains continuously employed  
16 after that date by the Department of Central Management  
17 Services in a position with the Illinois Century Network  
18 and participates in the Article 15 system with respect to  
19 that employment; ~~or~~

20 (13) any person who first becomes a member of the Civil  
21 Service Commission on or after the effective date of this  
22 amendatory Act of the 97th General Assembly;

23 (14) any person, other than the Director of Employment  
24 Security, who first becomes a member of the Board of Review  
25 of the Department of Employment Security on or after the  
26 effective date of this amendatory Act of the 97th General

1 Assembly;

2 (15) any person who first becomes a member of the Civil  
3 Service Commission on or after the effective date of this  
4 amendatory Act of the 97th General Assembly;

5 (16) any person who first becomes a member of the  
6 Illinois Liquor Control Commission on or after the  
7 effective date of this amendatory Act of the 97th General  
8 Assembly;

9 (17) any person who first becomes a member of the  
10 Secretary of State Merit Commission on or after the  
11 effective date of this amendatory Act of the 97th General  
12 Assembly;

13 (18) any person who first becomes a member of the Human  
14 Rights Commission on or after the effective date of this  
15 amendatory Act of the 97th General Assembly;

16 (19) any person who first becomes a member of the State  
17 Mining Board on or after the effective date of this  
18 amendatory Act of the 97th General Assembly;

19 (20) any person who first becomes a member of the  
20 Property Tax Appeal Board on or after the effective date of  
21 this amendatory Act of the 97th General Assembly;

22 (21) any person who first becomes a member of the  
23 Illinois Racing Board on or after the effective date of  
24 this amendatory Act of the 97th General Assembly;

25 (22) any person who first becomes a member of the  
26 Department of State Police Merit Board on or after the

1 effective date of this amendatory Act of the 97th General  
2 Assembly;

3 (23) any person who first becomes a member of the  
4 Illinois State Toll Highway Authority on or after the  
5 effective date of this amendatory Act of the 97th General  
6 Assembly; or

7 (24) any person who first becomes a member of the  
8 Illinois State Board of Elections on or after the effective  
9 date of this amendatory Act of the 97th General Assembly.

10 (c) An individual who represents or is employed as an  
11 officer or employee of a statewide labor organization that  
12 represents members of this System may participate in the System  
13 and shall be deemed an employee, provided that (1) the  
14 individual has previously earned creditable service under this  
15 Article, (2) the individual files with the System an  
16 irrevocable election to become a participant within 6 months  
17 after the effective date of this amendatory Act of the 94th  
18 General Assembly, and (3) the individual does not receive  
19 credit for that employment under any other provisions of this  
20 Code. An employee under this subsection (c) is responsible for  
21 paying to the System both (i) employee contributions based on  
22 the actual compensation received for service with the labor  
23 organization and (ii) employer contributions based on the  
24 percentage of payroll certified by the board; all or any part  
25 of these contributions may be paid on the employee's behalf or  
26 picked up for tax purposes (if authorized under federal law) by

1 the labor organization.

2 A person who is an employee as defined in this subsection  
3 (c) may establish service credit for similar employment prior  
4 to becoming an employee under this subsection by paying to the  
5 System for that employment the contributions specified in this  
6 subsection, plus interest at the effective rate from the date  
7 of service to the date of payment. However, credit shall not be  
8 granted under this subsection (c) for any such prior employment  
9 for which the applicant received credit under any other  
10 provision of this Code or during which the applicant was on a  
11 leave of absence.

12 (Source: P.A. 95-677, eff. 10-11-07; 96-1490, eff. 1-1-11.)

13 (40 ILCS 5/22-101) (from Ch. 108 1/2, par. 22-101)

14 Sec. 22-101. Retirement Plan for Chicago Transit Authority  
15 Employees.

16 (a) There shall be established and maintained by the  
17 Authority created by the "Metropolitan Transit Authority Act",  
18 approved April 12, 1945, as amended, (referred to in this  
19 Section as the "Authority") a financially sound pension and  
20 retirement system adequate to provide for all payments when due  
21 under such established system or as modified from time to time  
22 by ordinance of the Chicago Transit Board or collective  
23 bargaining agreement. For this purpose, the Board must make  
24 contributions to the established system as required under this  
25 Section and may make any additional contributions provided for

1 by Board ordinance or collective bargaining agreement. The  
2 participating employees shall make such periodic payments to  
3 the established system as required under this Section and may  
4 make any additional contributions provided for by Board  
5 ordinance or collective bargaining agreement.

6 Provisions shall be made by the Board for all officers,  
7 except trustees who first become members on after the effective  
8 date of this amendatory Act of the 97th General Assembly, and  
9 employees of the Authority appointed pursuant to the  
10 "Metropolitan Transit Authority Act" to become, subject to  
11 reasonable rules and regulations, participants of the pension  
12 or retirement system with uniform rights, privileges,  
13 obligations and status as to the class in which such officers  
14 and employees belong. The terms, conditions and provisions of  
15 any pension or retirement system or of any amendment or  
16 modification thereof affecting employees who are members of any  
17 labor organization may be established, amended or modified by  
18 agreement with such labor organization, provided the terms,  
19 conditions and provisions must be consistent with this Act, the  
20 annual funding levels for the retirement system established by  
21 law must be met and the benefits paid to future participants in  
22 the system may not exceed the benefit ceilings set for future  
23 participants under this Act and the contribution levels  
24 required by the Authority and its employees may not be less  
25 than the contribution levels established under this Act.

26 (b) The Board of Trustees shall consist of 11 members

1 appointed as follows: (i) 5 trustees shall be appointed by the  
2 Chicago Transit Board; (ii) 3 trustees shall be appointed by an  
3 organization representing the highest number of Chicago  
4 Transit Authority participants; (iii) one trustee shall be  
5 appointed by an organization representing the second-highest  
6 number of Chicago Transit Authority participants; (iv) one  
7 trustee shall be appointed by the recognized coalition  
8 representatives of participants who are not represented by an  
9 organization with the highest or second-highest number of  
10 Chicago Transit Authority participants; and (v) one trustee  
11 shall be selected by the Regional Transportation Authority  
12 Board of Directors, and the trustee shall be a professional  
13 fiduciary who has experience in the area of collectively  
14 bargained pension plans. Trustees shall serve until a successor  
15 has been appointed and qualified, or until resignation, death,  
16 incapacity, or disqualification.

17 Any person appointed as a trustee of the board shall  
18 qualify by taking an oath of office that he or she will  
19 diligently and honestly administer the affairs of the system  
20 and will not knowingly violate or willfully permit the  
21 violation of any of the provisions of law applicable to the  
22 Plan, including Sections 1-109, 1-109.1, 1-109.2, 1-110,  
23 1-111, 1-114, and 1-115 of the Illinois Pension Code.

24 Each trustee shall cast individual votes, and a majority  
25 vote shall be final and binding upon all interested parties,  
26 provided that the Board of Trustees may require a supermajority



1 vote with respect to the investment of the assets of the  
2 Retirement Plan, and may set forth that requirement in the  
3 Retirement Plan documents, by-laws, or rules of the Board of  
4 Trustees. Each trustee shall have the rights, privileges,  
5 authority, and obligations as are usual and customary for such  
6 fiduciaries.

7 The Board of Trustees may cause amounts on deposit in the  
8 Retirement Plan to be invested in those investments that are  
9 permitted investments for the investment of moneys held under  
10 any one or more of the pension or retirement systems of the  
11 State, any unit of local government or school district, or any  
12 agency or instrumentality thereof. The Board, by a vote of at  
13 least two-thirds of the trustees, may transfer investment  
14 management to the Illinois State Board of Investment, which is  
15 hereby authorized to manage these investments when so requested  
16 by the Board of Trustees.

17 Notwithstanding any other provision of this Article or any  
18 law to the contrary, any person who first becomes a trustee on  
19 or after the effective date of this Act shall not be eligible  
20 to participate in this Retirement Plan.

21 (c) All individuals who were previously participants in the  
22 Retirement Plan for Chicago Transit Authority Employees shall  
23 remain participants, and shall receive the same benefits  
24 established by the Retirement Plan for Chicago Transit  
25 Authority Employees, except as provided in this amendatory Act  
26 or by subsequent legislative enactment or amendment to the

1 Retirement Plan. For Authority employees hired on or after the  
2 effective date of this amendatory Act of the 95th General  
3 Assembly, the Retirement Plan for Chicago Transit Authority  
4 Employees shall be the exclusive retirement plan and such  
5 employees shall not be eligible for any supplemental plan,  
6 except for a deferred compensation plan funded only by employee  
7 contributions.

8 For all Authority employees who are first hired on or after  
9 the effective date of this amendatory Act of the 95th General  
10 Assembly and are participants in the Retirement Plan for  
11 Chicago Transit Authority Employees, the following terms,  
12 conditions and provisions with respect to retirement shall be  
13 applicable:

14 (1) Such participant shall be eligible for an unreduced  
15 retirement allowance for life upon the attainment of age 64  
16 with 25 years of continuous service.

17 (2) Such participant shall be eligible for a reduced  
18 retirement allowance for life upon the attainment of age 55  
19 with 10 years of continuous service.

20 (3) For the purpose of determining the retirement  
21 allowance to be paid to a retiring employee, the term  
22 "Continuous Service" as used in the Retirement Plan for  
23 Chicago Transit Authority Employees shall also be deemed to  
24 include all pension credit for service with any retirement  
25 system established under Article 8 or Article 11 of this  
26 Code, provided that the employee forfeits and relinquishes

1 all pension credit under Article 8 or Article 11 of this  
2 Code, and the contribution required under this subsection  
3 is made by the employee. The Retirement Plan's actuary  
4 shall determine the contribution paid by the employee as an  
5 amount equal to the normal cost of the benefit accrued, had  
6 the service been rendered as an employee, plus interest per  
7 annum from the time such service was rendered until the  
8 date the payment is made.

9 (d) From the effective date of this amendatory Act through  
10 December 31, 2008, all participating employees shall  
11 contribute to the Retirement Plan in an amount not less than 6%  
12 of compensation, and the Authority shall contribute to the  
13 Retirement Plan in an amount not less than 12% of compensation.

14 (e) (1) Beginning January 1, 2009 the Authority shall make  
15 contributions to the Retirement Plan in an amount equal to  
16 twelve percent (12%) of compensation and participating  
17 employees shall make contributions to the Retirement Plan in an  
18 amount equal to six percent (6%) of compensation. These  
19 contributions may be paid by the Authority and participating  
20 employees on a payroll or other periodic basis, but shall in  
21 any case be paid to the Retirement Plan at least monthly.

22 (2) For the period ending December 31, 2040, the amount  
23 paid by the Authority in any year with respect to debt service  
24 on bonds issued for the purposes of funding a contribution to  
25 the Retirement Plan under Section 12c of the Metropolitan  
26 Transit Authority Act, other than debt service paid with the

1 proceeds of bonds or notes issued by the Authority for any year  
2 after calendar year 2008, shall be treated as a credit against  
3 the amount of required contribution to the Retirement Plan by  
4 the Authority under subsection (e)(1) for the following year up  
5 to an amount not to exceed 6% of compensation paid by the  
6 Authority in that following year.

7 (3) By September 15 of each year beginning in 2009 and  
8 ending on December 31, 2039, on the basis of a report prepared  
9 by an enrolled actuary retained by the Plan, the Board of  
10 Trustees of the Retirement Plan shall determine the estimated  
11 funded ratio of the total assets of the Retirement Plan to its  
12 total actuarially determined liabilities. A report containing  
13 that determination and the actuarial assumptions on which it is  
14 based shall be filed with the Authority, the representatives of  
15 its participating employees, the Auditor General of the State  
16 of Illinois, and the Regional Transportation Authority. If the  
17 funded ratio is projected to decline below 60% in any year  
18 before 2040, the Board of Trustees shall also determine the  
19 increased contribution required each year as a level percentage  
20 of payroll over the years remaining until 2040 using the  
21 projected unit credit actuarial cost method so the funded ratio  
22 does not decline below 60% and include that determination in  
23 its report. If the actual funded ratio declines below 60% in  
24 any year prior to 2040, the Board of Trustees shall also  
25 determine the increased contribution required each year as a  
26 level percentage of payroll during the years after the then

1 current year using the projected unit credit actuarial cost  
2 method so the funded ratio is projected to reach at least 60%  
3 no later than 10 years after the then current year and include  
4 that determination in its report. Within 60 days after  
5 receiving the report, the Auditor General shall review the  
6 determination and the assumptions on which it is based, and if  
7 he finds that the determination and the assumptions on which it  
8 is based are unreasonable in the aggregate, he shall issue a  
9 new determination of the funded ratio, the assumptions on which  
10 it is based and the increased contribution required each year  
11 as a level percentage of payroll over the years remaining until  
12 2040 using the projected unit credit actuarial cost method so  
13 the funded ratio does not decline below 60%, or, in the event  
14 of an actual decline below 60%, so the funded ratio is  
15 projected to reach 60% by no later than 10 years after the then  
16 current year. If the Board of Trustees or the Auditor General  
17 determine that an increased contribution is required to meet  
18 the funded ratio required by the subsection, effective January  
19 1 following the determination or 30 days after such  
20 determination, whichever is later, one-third of the increased  
21 contribution shall be paid by participating employees and  
22 two-thirds by the Authority, in addition to the contributions  
23 required by this subsection (1).

24 (4) For the period beginning 2040, the minimum contribution  
25 to the Retirement Plan for each fiscal year shall be an amount  
26 determined by the Board of Trustees of the Retirement Plan to

1 be sufficient to bring the total assets of the Retirement Plan  
2 up to 90% of its total actuarial liabilities by the end of  
3 2059. Participating employees shall be responsible for  
4 one-third of the required contribution and the Authority shall  
5 be responsible for two-thirds of the required contribution. In  
6 making these determinations, the Board of Trustees shall  
7 calculate the required contribution each year as a level  
8 percentage of payroll over the years remaining to and including  
9 fiscal year 2059 using the projected unit credit actuarial cost  
10 method. A report containing that determination and the  
11 actuarial assumptions on which it is based shall be filed by  
12 September 15 of each year with the Authority, the  
13 representatives of its participating employees, the Auditor  
14 General of the State of Illinois and the Regional  
15 Transportation Authority. If the funded ratio is projected to  
16 fail to reach 90% by December 31, 2059, the Board of Trustees  
17 shall also determine the increased contribution required each  
18 year as a level percentage of payroll over the years remaining  
19 until December 31, 2059 using the projected unit credit  
20 actuarial cost method so the funded ratio will meet 90% by  
21 December 31, 2059 and include that determination in its report.  
22 Within 60 days after receiving the report, the Auditor General  
23 shall review the determination and the assumptions on which it  
24 is based and if he finds that the determination and the  
25 assumptions on which it is based are unreasonable in the  
26 aggregate, he shall issue a new determination of the funded

1 ratio, the assumptions on which it is based and the increased  
2 contribution required each year as a level percentage of  
3 payroll over the years remaining until December 31, 2059 using  
4 the projected unit credit actuarial cost method so the funded  
5 ratio reaches no less than 90% by December 31, 2059. If the  
6 Board of Trustees or the Auditor General determine that an  
7 increased contribution is required to meet the funded ratio  
8 required by this subsection, effective January 1 following the  
9 determination or 30 days after such determination, whichever is  
10 later, one-third of the increased contribution shall be paid by  
11 participating employees and two-thirds by the Authority, in  
12 addition to the contributions required by subsection (e) (1).

13 (5) Beginning in 2060, the minimum contribution for each  
14 year shall be the amount needed to maintain the total assets of  
15 the Retirement Plan at 90% of the total actuarial liabilities  
16 of the Plan, and the contribution shall be funded two-thirds by  
17 the Authority and one-third by the participating employees in  
18 accordance with this subsection.

19 (f) The Authority shall take the steps necessary to comply  
20 with Section 414(h) (2) of the Internal Revenue Code of 1986, as  
21 amended, to permit the pick-up of employee contributions under  
22 subsections (d) and (e) on a tax-deferred basis.

23 (g) The Board of Trustees shall certify to the Governor,  
24 the General Assembly, the Auditor General, the Board of the  
25 Regional Transportation Authority, and the Authority at least  
26 90 days prior to the end of each fiscal year the amount of the

1 required contributions to the retirement system for the next  
2 retirement system fiscal year under this Section. The  
3 certification shall include a copy of the actuarial  
4 recommendations upon which it is based. In addition, copies of  
5 the certification shall be sent to the Commission on Government  
6 Forecasting and Accountability and the Mayor of Chicago.

7 (h) (1) As to an employee who first becomes entitled to a  
8 retirement allowance commencing on or after November 30, 1989,  
9 the retirement allowance shall be the amount determined in  
10 accordance with the following formula:

11 (A) One percent (1%) of his "Average Annual  
12 Compensation in the highest four (4) completed Plan Years"  
13 for each full year of continuous service from the date of  
14 original employment to the effective date of the Plan; plus

15 (B) One and seventy-five hundredths percent (1.75%) of  
16 his "Average Annual Compensation in the highest four (4)  
17 completed Plan Years" for each year (including fractions  
18 thereof to completed calendar months) of continuous  
19 service as provided for in the Retirement Plan for Chicago  
20 Transit Authority Employees.

21 Provided, however that:

22 (2) As to an employee who first becomes entitled to a  
23 retirement allowance commencing on or after January 1, 1993,  
24 the retirement allowance shall be the amount determined in  
25 accordance with the following formula:

26 (A) One percent (1%) of his "Average Annual



1 Compensation in the highest four (4) completed Plan Years"  
2 for each full year of continuous service from the date of  
3 original employment to the effective date of the Plan; plus

4 (B) One and eighty hundredths percent (1.80%) of his  
5 "Average Annual Compensation in the highest four (4)  
6 completed Plan Years" for each year (including fractions  
7 thereof to completed calendar months) of continuous  
8 service as provided for in the Retirement Plan for Chicago  
9 Transit Authority Employees.

10 Provided, however that:

11 (3) As to an employee who first becomes entitled to a  
12 retirement allowance commencing on or after January 1, 1994,  
13 the retirement allowance shall be the amount determined in  
14 accordance with the following formula:

15 (A) One percent (1%) of his "Average Annual  
16 Compensation in the highest four (4) completed Plan Years"  
17 for each full year of continuous service from the date of  
18 original employment to the effective date of the Plan; plus

19 (B) One and eighty-five hundredths percent (1.85%) of  
20 his "Average Annual Compensation in the highest four (4)  
21 completed Plan Years" for each year (including fractions  
22 thereof to completed calendar months) of continuous  
23 service as provided for in the Retirement Plan for Chicago  
24 Transit Authority Employees.

25 Provided, however that:

26 (4) As to an employee who first becomes entitled to a

1 retirement allowance commencing on or after January 1, 2000,  
2 the retirement allowance shall be the amount determined in  
3 accordance with the following formula:

4 (A) One percent (1%) of his "Average Annual  
5 Compensation in the highest four (4) completed Plan Years"  
6 for each full year of continuous service from the date of  
7 original employment to the effective date of the Plan; plus

8 (B) Two percent (2%) of his "Average Annual  
9 Compensation in the highest four (4) completed Plan Years"  
10 for each year (including fractions thereof to completed  
11 calendar months) of continuous service as provided for in  
12 the Retirement Plan for Chicago Transit Authority  
13 Employees.

14 Provided, however that:

15 (5) As to an employee who first becomes entitled to a  
16 retirement allowance commencing on or after January 1, 2001,  
17 the retirement allowance shall be the amount determined in  
18 accordance with the following formula:

19 (A) One percent (1%) of his "Average Annual  
20 Compensation in the highest four (4) completed Plan Years"  
21 for each full year of continuous service from the date of  
22 original employment to the effective date of the Plan; plus

23 (B) Two and fifteen hundredths percent (2.15%) of his  
24 "Average Annual Compensation in the highest four (4)  
25 completed Plan Years" for each year (including fractions  
26 thereof to completed calendar months) of continuous

1 service as provided for in the Retirement Plan for Chicago  
2 Transit Authority Employees.

3 The changes made by this amendatory Act of the 95th General  
4 Assembly, to the extent that they affect the rights or  
5 privileges of Authority employees that are currently the  
6 subject of collective bargaining, have been agreed to between  
7 the authorized representatives of these employees and of the  
8 Authority prior to enactment of this amendatory Act, as  
9 evidenced by a Memorandum of Understanding between these  
10 representatives that will be filed with the Secretary of State  
11 Index Department and designated as "95-GA-C05". The General  
12 Assembly finds and declares that those changes are consistent  
13 with 49 U.S.C. 5333(b) (also known as Section 13(c) of the  
14 Federal Transit Act) because of this agreement between  
15 authorized representatives of these employees and of the  
16 Authority, and that any future amendments to the provisions of  
17 this amendatory Act of the 95th General Assembly, to the extent  
18 those amendments would affect the rights and privileges of  
19 Authority employees that are currently the subject of  
20 collective bargaining, would be consistent with 49 U.S.C.  
21 5333(b) if and only if those amendments were agreed to between  
22 these authorized representatives prior to enactment.

23 (i) Early retirement incentive plan; funded ratio.

24 (1) Beginning on the effective date of this Section, no  
25 early retirement incentive shall be offered to  
26 participants of the Plan unless the Funded Ratio of the

1 Plan is at least 80% or more.

2 (2) For the purposes of this Section, the Funded Ratio  
3 shall be the Adjusted Assets divided by the Actuarial  
4 Accrued Liability developed in accordance with Statement  
5 #25 promulgated by the Government Accounting Standards  
6 Board and the actuarial assumptions described in the Plan.  
7 The Adjusted Assets shall be calculated based on the  
8 methodology described in the Plan.

9 (j) Nothing in this amendatory Act of the 95th General  
10 Assembly shall impair the rights or privileges of Authority  
11 employees under any other law.

12 (Source: P.A. 94-839, eff. 6-6-06; 95-708, eff. 1-18-08.)

13 (40 ILCS 5/22-103)

14 Sec. 22-103. Regional Transportation Authority and related  
15 pension plans.

16 (a) As used in this Section:

17 "Affected pension plan" means a defined-benefit pension  
18 plan supported in whole or in part by employer contributions  
19 and maintained by the Regional Transportation Authority, the  
20 Suburban Bus Division, or the Commuter Rail Division, or any  
21 combination thereof, under the general authority of the  
22 Regional Transportation Authority Act, including but not  
23 limited to any such plan that has been established under or is  
24 subject to a collective bargaining agreement or is limited to  
25 employees covered by a collective bargaining agreement.

1 "Affected pension plan" does not include any pension fund or  
2 retirement system subject to Section 22-101 of this Section.

3 "Authority" means the Regional Transportation Authority  
4 created under the Regional Transportation Authority Act.

5 "Contributing employer" means an employer that is required  
6 to make contributions to an affected pension plan under the  
7 terms of that plan.

8 "Funding ratio" means the ratio of an affected pension  
9 plan's assets to the present value of its actuarial  
10 liabilities, as determined at its latest actuarial valuation in  
11 accordance with applicable actuarial assumptions and  
12 recommendations.

13 "Under-funded pension plan" or "under-funded" means an  
14 affected pension plan that, at the time of its last actuarial  
15 valuation, has a funding ratio of less than 90%.

16 (b) The contributing employers of each affected pension  
17 plan have a general duty to make the required employer  
18 contributions to the affected pension plan in a timely manner  
19 in accordance with the terms of the plan. A contributing  
20 employer must make contributions to the affected pension plan  
21 as required under this subsection and, if applicable,  
22 subsection (c); a contributing employer may make any additional  
23 contributions provided for by the board of the employer or  
24 collective bargaining agreement.

25 (c) In the case of an affected pension plan that is  
26 under-funded on January 1, 2009 or becomes under-funded at any

1 time after that date, the contributing employers shall  
2 contribute to the affected pension plan, in addition to all  
3 amounts otherwise required, amounts sufficient to bring the  
4 funding ratio of the affected pension plan up to 90% in  
5 accordance with an amortization schedule adopted jointly by the  
6 contributing employers and the trustee of the affected pension  
7 plan. The amortization schedule may extend for any period up to  
8 a maximum of 50 years and shall provide for additional employer  
9 contributions in substantially equal annual amounts over the  
10 selected period. If the contributing employers and the trustee  
11 of the affected pension plan do not agree on an appropriate  
12 period for the amortization schedule within 6 months of the  
13 date of determination that the plan is under-funded, then the  
14 amortization schedule shall be based on a period of 50 years.

15 In the case of an affected pension plan that has more than  
16 one contributing employer, each contributing employer's share  
17 of the total additional employer contributions required under  
18 this subsection shall be determined: (i) in proportion to the  
19 amounts, if any, by which the respective contributing employers  
20 have failed to meet their contribution obligations under the  
21 terms of the affected pension plan; or (ii) if all of the  
22 contributing employers have met their contribution obligations  
23 under the terms of the affected pension plan, then in the same  
24 proportion as they are required to contribute under the terms  
25 of that plan. In the case of an affected pension plan that has  
26 only one contributing employer, that contributing employer is

1 responsible for all of the additional employer contributions  
2 required under this subsection.

3 If an under-funded pension plan is determined to have  
4 achieved a funding ratio of at least 90% during the period when  
5 an amortization schedule is in force under this Section, the  
6 contributing employers and the trustee of the affected pension  
7 plan, acting jointly, may cancel the amortization schedule and  
8 the contributing employers may cease making additional  
9 contributions under this subsection for as long as the affected  
10 pension plan retains a funding ratio of at least 90%.

11 (d) Beginning January 1, 2009, if the Authority fails to  
12 pay to an affected pension fund within 30 days after it is due  
13 (i) any employer contribution that it is required to make as a  
14 contributing employer, (ii) any additional employer  
15 contribution that it is required to pay under subsection (c),  
16 or (iii) any payment that it is required to make under Section  
17 4.02a or 4.02b of the Regional Transportation Authority Act,  
18 the trustee of the affected pension fund shall promptly so  
19 notify the Commission on Government Forecasting and  
20 Accountability, the Mayor of Chicago, the Governor, and the  
21 General Assembly.

22 (e) For purposes of determining employer contributions,  
23 assets, and actuarial liabilities under this subsection,  
24 contributions, assets, and liabilities relating to health care  
25 benefits shall not be included.

26 (f) This amendatory Act of the 94th General Assembly does

1 not affect or impair the right of any contributing employer or  
2 its employees to collectively bargain the amount or level of  
3 employee contributions to an affected pension plan, to the  
4 extent that the plan includes employees subject to collective  
5 bargaining.

6 (g) Notwithstanding any other provision of this Article or  
7 any law to the contrary, a person who, on or after the  
8 effective date of this amendatory Act of the 97th General  
9 Assembly, first becomes a director on the Suburban Bus Board,  
10 the Commuter Rail Board, or the Board of Directors of the  
11 Regional Transportation Authority shall not be eligible to  
12 participate in an affected pension plan.

13 (Source: P.A. 94-839, eff. 6-6-06.)

14 Section 10. The Illinois Municipal Code is amended by  
15 adding Section 3.1-50-30 as follows:

16 (65 ILCS 5/3.1-50-30 new)

17 Sec. 3.1-50-30. Increases in salary; pension impact  
18 statement. Before increasing the salary of a municipal officer,  
19 executive, or manager:

20 (1) the authorities of the respective municipality who  
21 are authorizing the increase must contact the Illinois  
22 Municipal Retirement Fund as to the effect of that increase  
23 in salary on the pension benefits of that participant;

24 (2) the Illinois Municipal Retirement Fund must



1       respond with a written "Pension Impact Statement" stating  
2       the effect of that increase in salary on the pension  
3       benefits of that participant, and any other relevant effect  
4       of the increase, including payment of the present value of  
5       the increase in benefits resulting from the portion of any  
6       increase in salary that is in excess of 6% as provided  
7       under subsection (k) of Section 7-172, if applicable; and  
8       (3) the authorities authorizing this increase must  
9       sign the Pension Impact Statement, acknowledging receipt  
10       and understanding of the effects of the increase.

11       Section 15. The State Mandates Act is amended by adding  
12       Section 8.35 as follows:

13       (30 ILCS 805/8.35 new)

14       Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8  
15       of this Act, no reimbursement by the State is required for the  
16       implementation of any mandate created by this amendatory Act of  
17       the 97th General Assembly."