



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3856

Introduced 10/24/2011, by Rep. Timothy L. Schmitz

SYNOPSIS AS INTRODUCED:

40 ILCS 5/2-122

from Ch. 108 1/2, par. 2-122

Amends the General Assembly Article of the Illinois Pension Code. Provides that, beginning on the effective date of the amendatory Act, if a member is receiving a retirement annuity under the Article and is elected or appointed to a position that is subject to election under the Election Code and if the annual salary the member is to receive in that position exceeds the lowest annual salary paid to a General Assembly member for service in the General Assembly, as calculated on the date of election or appointment, then the person's retirement annuity under the Article shall be suspended during that employment. Provides that, upon termination of that employment, the person's retirement annuity shall resume and, if appropriate, be recalculated. Effective immediately.

LRB097 14042 JDS 58677 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 Section 2-122 as follows:

6 (40 ILCS 5/2-122) (from Ch. 108 1/2, par. 2-122)

7 Sec. 2-122. Re-entry after retirement. An annuitant who
8 re-enters service as a member shall become a participant on the
9 date of re-entry and retirement annuity payments shall cease at
10 that time. The participant shall resume contributions to the
11 system on the date of re-entry at the rates then in effect and
12 shall begin to accrue additional service credit. He or she
13 shall be entitled to all rights and privileges in the system,
14 including death and disability benefits, subject to the
15 limitations herein provided, except refund of retirement
16 annuity contributions.

17 Upon subsequent retirement, the participant shall be
18 entitled to a retirement annuity consisting of: (1) the amount
19 of retirement annuity previously granted and terminated by
20 re-entry into service; and (2) the amount of additional
21 retirement annuity earned during the additional service based
22 on the provisions in effect at the date of such subsequent
23 retirement. However, the total retirement annuity shall not

1 exceed the maximum retirement annuity applicable at the date of
2 the participant's last retirement. If the salary of the
3 participant following the latest re-entry into service is
4 higher than that in effect at the date of the previous
5 retirement and the participant restores to the system all
6 amounts previously received as retirement annuity payments,
7 upon subsequent retirement, the retirement annuity shall be
8 recalculated for all service credited under the system as
9 though the participant had not previously retired.

10 The repayment of retirement annuity payments must be made
11 by the participant in a single sum or by a withholding from
12 salary within a period of 6 years from date of re-entry and in
13 any event before subsequent retirement. If previous annuity
14 payments have not been repaid to the system at the date of
15 death of the participant, any remaining balance must be fully
16 repaid to the system before any further annuity shall be
17 payable.

18 Such member, if unmarried at date of his last retirement,
19 shall also be entitled to a refund of widow's and widower's
20 annuity contributions, without interest, covering the period
21 from the date of re-entry into service to the date of last
22 retirement.

23 Notwithstanding any other provision of this Article, if a
24 person who first becomes a participant under this System on or
25 after January 1, 2011 (the effective date of Public Act 96-889)
26 is receiving a retirement annuity under this Article and

1 becomes a member or participant under this Article or any other
2 Article of this Code and is employed on a full-time basis, then
3 the person's retirement annuity under this System shall be
4 suspended during that employment. Upon termination of that
5 employment, the person's retirement annuity shall resume and,
6 if appropriate, be recalculated under the applicable
7 provisions of this Article.

8 Notwithstanding any other provision of this Article,
9 beginning on the effective date of this amendatory Act of the
10 97th General Assembly, if a member is receiving a retirement
11 annuity under this Article and is elected or appointed to a
12 position that is subject to election under the Election Code
13 and if the annual salary the member is to receive in that
14 position exceeds the lowest annual salary paid to a General
15 Assembly member for service in the General Assembly, as
16 calculated on the date of election or appointment, then the
17 member's retirement annuity under this Article shall be
18 suspended during employment in that position. Upon termination
19 of employment in that position, the member's retirement annuity
20 shall resume and, if appropriate, be recalculated under the
21 applicable provisions of this Article.

22 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

23 Section 99. Effective date. This Act takes effect upon
24 becoming law.