

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 2-108.1 and by adding Sections 1-166 and 2-126.2 as  
6 follows:

7 (40 ILCS 5/1-166 new)

8 Sec. 1-166. Proportional annuity liability.

9 (a) If a participant's final average salary in a  
10 participating system under the Retirement Systems Reciprocal  
11 Act, other than the General Assembly Retirement System, is used  
12 to calculate a proportional retirement annuity for that  
13 participant under the General Assembly Retirement System, if  
14 that final average salary is higher than the highest salary for  
15 annuity purposes of that person under the General Assembly  
16 Retirement System, and if the participant retires after the  
17 effective date of this Section with less than 2 years of  
18 service that has accrued in that participating system since his  
19 or her last day of active participation in the General Assembly  
20 Retirement System, then the increased cost of the proportional  
21 annuity paid by the General Assembly Retirement System that is  
22 attributable to that higher level of compensation shall be paid  
23 by the employer of the participant under that other

1 participating system to the General Assembly Retirement System  
2 in the form of a lump sum payment determined by the General  
3 Assembly Retirement System in accordance with its annuity  
4 tables and other actuarial assumptions.

5 (b) For the purposes of this Section, "final average salary  
6 in a participating system under the Retirement Systems  
7 Reciprocal Act, other than the General Assembly Retirement  
8 System," includes:

9 (1) In Section 1-160 and Articles 16 and 18, "final  
10 average salary".

11 (2) In Articles 7 and 15, "final rate of earnings".

12 (3) In Articles 8, 9, 10, 11, and 12, "highest average  
13 annual salary for any 4 consecutive years within the last  
14 10 years of service immediately preceding the date of  
15 withdrawal".

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

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

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

19 (7) In Section 22-207, "wages or salary received by him  
20 at the date of retirement or discharge".

21 (c) If an employer fails to pay the amount required under  
22 this Section to the General Assembly Retirement System for more  
23 than 90 days after the payment is due, the System, after giving  
24 notice to the employer, may certify to the State Comptroller  
25 the amount of the delinquent payment and the Comptroller shall  
26 deduct the amount so certified or any part thereof from any

1 payment of State funds to the employer and shall pay the amount  
2 so deducted to the System. If State funds from which such  
3 deductions may be made are not available, then the System may  
4 proceed against the employer to recover the amount of the  
5 delinquent payment in the appropriate circuit court.

6 (40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)

7 Sec. 2-108.1. Highest salary for annuity purposes.

8 (a) "Highest salary for annuity purposes" means whichever  
9 of the following is applicable to the participant:

10 For a participant who first becomes a participant of this  
11 System before August 10, 2009 (the effective date of Public Act  
12 96-207):

13 (1) For a participant who is a member of the General  
14 Assembly on his or her last day of service: the highest  
15 salary that is prescribed by law, on the participant's last  
16 day of service, for a member of the General Assembly who is  
17 not an officer; plus, if the participant was elected or  
18 appointed to serve as an officer of the General Assembly  
19 for 2 or more years and has made contributions as required  
20 under subsection (d) of Section 2-126, the highest  
21 additional amount of compensation prescribed by law, at the  
22 time of the participant's service as an officer, for  
23 members of the General Assembly who serve in that office.

24 (2) For a participant who holds one of the State  
25 executive offices specified in Section 2-105 on his or her

1 last day of service: the highest salary prescribed by law  
2 for service in that office on the participant's last day of  
3 service.

4 (3) For a participant who is Clerk or Assistant Clerk  
5 of the House of Representatives or Secretary or Assistant  
6 Secretary of the Senate on his or her last day of service:  
7 the salary received for service in that capacity on the  
8 last day of service, but not to exceed the highest salary  
9 (including additional compensation for service as an  
10 officer) that is prescribed by law on the participant's  
11 last day of service for the highest paid officer of the  
12 General Assembly.

13 (4) For a participant who is a continuing participant  
14 under Section 2-117.1 on his or her last day of service:  
15 the salary received for service in that capacity on the  
16 last day of service, but not to exceed the highest salary  
17 (including additional compensation for service as an  
18 officer) that is prescribed by law on the participant's  
19 last day of service for the highest paid officer of the  
20 General Assembly.

21 For a participant who first becomes a participant of this  
22 System on or after August 10, 2009 (the effective date of  
23 Public Act 96-207) and before January 1, 2011 (the effective  
24 date of Public Act 96-889), the average monthly salary obtained  
25 by dividing the total salary of the participant during the  
26 period of: (1) the 48 consecutive months of service within the

1 last 120 months of service in which the total compensation was  
2 the highest, or (2) the total period of service, if less than  
3 48 months, by the number of months of service in that period.

4 For a participant who first becomes a participant of this  
5 System on or after January 1, 2011 (the effective date of  
6 Public Act 96-889), the average monthly salary obtained by  
7 dividing the total salary of the participant during the 96  
8 consecutive months of service within the last 120 months of  
9 service in which the total compensation was the highest by the  
10 number of months of service in that period; however, beginning  
11 January 1, 2011, the highest salary for annuity purposes may  
12 not exceed \$106,800, except that that amount shall annually  
13 thereafter be increased by the lesser of (i) 3% of that amount,  
14 including all previous adjustments, or (ii) the annual  
15 unadjusted percentage increase (but not less than zero) in the  
16 consumer price index-u for the 12 months ending with the  
17 September preceding each November 1. "Consumer price index-u"  
18 means the index published by the Bureau of Labor Statistics of  
19 the United States Department of Labor that measures the average  
20 change in prices of goods and services purchased by all urban  
21 consumers, United States city average, all items, 1982-84 =  
22 100. The new amount resulting from each annual adjustment shall  
23 be determined by the Public Pension Division of the Department  
24 of Insurance and made available to the Board by November 1 of  
25 each year.

26 (b) The earnings limitations of subsection (a) apply to

1 earnings under any other participating system under the  
2 Retirement Systems Reciprocal Act that are considered in  
3 calculating a proportional annuity under this Article, except  
4 in the case of a person who first became a member of this  
5 System before August 22, 1994 and has not, on or after the  
6 effective date of this amendatory Act of the 97th General  
7 Assembly, irrevocably elected to have those limitations apply.  
8 The limitations of subsection (a) shall apply, however, to  
9 earnings under any other participating system under the  
10 Retirement Systems Reciprocal Act that are considered in  
11 calculating the proportional annuity of a person who first  
12 became a member of this System before August 22, 1994 if, on or  
13 after the effective date of this amendatory Act of the 97th  
14 General Assembly, that member irrevocably elects to have those  
15 limitations apply.

16 (c) In calculating the subsection (a) earnings limitation  
17 to be applied to earnings under any other participating system  
18 under the Retirement Systems Reciprocal Act for the purpose of  
19 calculating a proportional annuity under this Article, the  
20 participant's last day of service shall be deemed to mean the  
21 last day of service in any participating system from which the  
22 person has applied for a proportional annuity under the  
23 Retirement Systems Reciprocal Act.

24 (Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11;  
25 96-1490, eff. 1-1-11.)

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.