



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB4256

by Rep. Jeanne M Ives

SYNOPSIS AS INTRODUCED:

40 ILCS 5/15-110

from Ch. 108 1/2, par. 15-110

Amends the State Universities Article of the Illinois Pension Code. Provides that for an employee who becomes a participant on or after the effective date of the amendatory Act, "basic compensation" does not include (1) the value of maintenance, board, living quarters, personal laundry, or other allowances furnished in lieu of salary which are considered gross income under the Internal Revenue Code; (2) certain employee contributions to the System; (3) certain employer contributions to a custodial account; and (4) fringe benefits that an employee elects to receive, in lieu of cash salary or wages, that are not taxable under the Internal Revenue Code. Effective immediately.

LRB099 13263 RPS 37173 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 15-110 as follows:

6 (40 ILCS 5/15-110) (from Ch. 108 1/2, par. 15-110)

7 Sec. 15-110. Basic compensation. "Basic compensation":

8 (a) For an employee who first became a participant before
9 the effective date of this amendatory Act of the 99th General
10 Assembly, "basic compensation" means the ~~The~~ gross basic rate
11 of salary or wages payable by an employer, including the value
12 of maintenance, board, living quarters, personal laundry or
13 other allowances furnished in lieu of salary which are
14 considered gross income under the Federal Internal Revenue
15 Code, the employee contributions required under Section
16 15-157, and the amount paid by any employer to a custodial
17 account for investment in regulated investment company stocks
18 for the benefit of the employee pursuant to "An Act in relation
19 to payments to custodial accounts for the benefit of employees
20 of public institutions of higher education", approved
21 September 9, 1983, and the amount of the premium payable by any
22 employer to an insurance company or companies on an annuity
23 contract, pursuant to the employee's election to accept a

1 reduction in earnings or forego an increase in earnings under
2 Section 30c of "An Act in relation to State Finance," approved
3 June 10, 1919, as amended, or a tax-sheltered annuity plan
4 approved by any employer. Basic compensation does not include
5 (1) salary or wages for overtime or other extra service; (2)
6 prospective salary or wages under a summer teaching contract
7 not yet entered upon; and (3) overseas differential allowances,
8 quarters allowances, post allowances, educational allowances
9 and transportation allowances paid by an employer under a
10 contract with the federal government or its agencies for
11 services rendered in other countries. If an employee elects to
12 receive in lieu of cash salary or wages, fringe benefits which
13 are not taxable under the Federal Internal Revenue Code, the
14 amount of the cash salary or wages which is waived shall be
15 included in determining basic compensation.

16 (b) For an employee who first becomes a participant on or
17 after the effective date of this amendatory Act of the 99th
18 General Assembly, "basic compensation" means the gross basic
19 rate of salary or wages payable by an employer. Basic
20 compensation does not include (1) salary or wages for overtime
21 or other extra service; (2) prospective salary or wages under a
22 summer teaching contract not yet entered upon; (3) overseas
23 differential allowances, quarters allowances, post allowances,
24 educational allowances, and transportation allowances paid by
25 an employer under a contract with the federal government or its
26 agencies for services rendered in other countries; (4) the

1 value of maintenance, board, living quarters, personal
2 laundry, or other allowances furnished in lieu of salary which
3 are considered gross income under the federal Internal Revenue
4 Code; (5) the employee contributions required under Section
5 15-157; and (6) the amount paid by any employer to a custodial
6 account for investment in regulated investment company stocks
7 for the benefit of the employee pursuant to "An Act in relation
8 to payments to custodial accounts for the benefit of employees
9 of public institutions of higher education", approved
10 September 9, 1983, and the amount of the premium payable by any
11 employer to an insurance company or companies on an annuity
12 contract, pursuant to the employee's election to accept a
13 reduction in earnings or forego an increase in earnings under
14 Section 30c of "An Act in relation to State Finance", approved
15 June 10, 1919, as amended, or a tax-sheltered annuity plan
16 approved by any employer. If an employee elects to receive in
17 lieu of cash salary or wages, fringe benefits which are not
18 taxable under the federal Internal Revenue Code, the amount of
19 the cash salary or wages which is waived shall not be included
20 in determining basic compensation.

21 (Source: P.A. 84-1308.)

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