

1 AN ACT in relation to 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  
5 changing Section 14-108.3 as follows:

6 (40 ILCS 5/14-108.3) (from Ch. 108 1/2, par. 14-108.3)  
7 Sec. 14-108.3. Early retirement incentives.

8 (a) To be eligible for the incentives benefits provided  
9 in this Section, a person must:

10 (1) be a member of this System who, on any day  
11 during May, 1991, is (i) in active payroll status in a  
12 position of employment with a department, or (ii) on  
13 layoff status from such a position with a right of  
14 re-employment or recall to service, or (iii) on leave of  
15 absence from such a position, but only if the member on  
16 leave has not been receiving benefits under Section  
17 14-123, 14-123.1 or 14-124 for a continuous period of 2  
18 years or more as of the date of application;

19 (2) have not retired under this Article;

20 (3) file with the Board before December 1, 1991, a  
21 written application requesting the benefits provided in  
22 this Section;

23 (4) establish eligibility to receive a retirement  
24 annuity under this Article (for which purpose any age  
25 enhancement or creditable service received under this  
26 Section may be used) and elect to receive the retirement  
27 annuity beginning not earlier than the first day of the  
28 month following the month in which this amendatory Act of  
29 1991 takes effect, and not later than January 1, 1992 (or  
30 the date established under subsection (e) if applicable);

31 (5) have attained age 50 or accumulated 30 or more

1 years of creditable service (without the use of any age  
2 enhancement or creditable service received under this  
3 Section) by December 31, 1991.

4 (b) An eligible person may establish up to 5 years of  
5 creditable service under this Article, in increments of one  
6 month, by making the contributions specified in subsection  
7 (c). In addition, for each month of creditable service  
8 established under this Section, a person's age at retirement  
9 shall be deemed to be one month older than it actually is.

10 The creditable service established under this Section may  
11 be used for all purposes under this Article and the  
12 Retirement Systems Reciprocal Act, except for the computation  
13 of final average compensation under Section 14-103.12, or the  
14 determination of compensation under this or any other Article  
15 of this Code.

16 The age enhancement established under this Section may be  
17 used for all purposes under this Article (including  
18 calculation of a proportionate annuity payable by this System  
19 under the Retirement Systems Reciprocal Act), except for  
20 purposes of the level income option in Section 14-112, the  
21 reversionary annuity under Section 14-113, and the required  
22 distributions under Section 14-121.1. However, age  
23 enhancement established under this Section shall not be used  
24 in determining benefits payable under other Articles of this  
25 Code under the Retirement Systems Reciprocal Act.

26 (c) For all creditable service established under this  
27 Section, a person must pay to the System an employee  
28 contribution to be determined by the System, based on the  
29 member's final rate of compensation and one-half of the  
30 retirement contribution rate in effect for the member on the  
31 date of withdrawal.

32 If the member receives a lump sum payment for accumulated  
33 vacation, sick leave and personal leave upon withdrawal from  
34 service, and the net amount of that lump sum payment is at

1 least as great as the amount of the contribution required  
2 under this Section, the entire contribution (or so much of it  
3 as does not exceed the contribution limitations of Section  
4 415 of the Internal Revenue Code of 1986) must be paid by the  
5 employee before the retirement annuity may become payable.  
6 If there is no such lump sum payment, or if it is less than  
7 the contribution required under this Section the member may  
8 either pay the entire contribution before the retirement  
9 annuity becomes payable, or may instead make an initial  
10 payment before the retirement annuity becomes payable, equal  
11 to the net amount of the lump sum payment for accumulated  
12 vacation, sick leave and personal leave (or so much of it as  
13 does not exceed the contribution limitations of Section 415  
14 of the Internal Revenue Code of 1986), and have the remaining  
15 amount due deducted from the retirement annuity in 24 equal  
16 monthly installments beginning in January of 1992 or in the  
17 month in which the retirement annuity takes effect, whichever  
18 is later.

19 However, if the net amount of the lump sum payment for  
20 accumulated vacation, sick leave and personal leave equals or  
21 exceeds the contribution required under this Section, but the  
22 required contribution exceeds an applicable contribution  
23 limitation contained in Section 415 of the Internal Revenue  
24 Code of 1986, then the amount of the contribution in excess  
25 of the Section 415 limitation shall instead be paid by the  
26 annuitant in January of 1992 or in the month in which the  
27 retirement annuity takes effect, whichever is later. If this  
28 additional amount is not paid as required, the retirement  
29 annuity shall be suspended until the required contribution is  
30 received.

31 (d) In the event that the age enhancement or creditable  
32 service received under this Section result in a retirement  
33 benefit that exceeds any applicable benefit limitation  
34 contained in Section 415 of the Internal Revenue Code of

1 1986, the amount of the retirement benefit that exceeds the  
2 Section 415 limitation shall not be paid for any period to  
3 which the limitation is applicable. If no contributions are  
4 otherwise due in 1992 and 1993 under subsection (c) from an  
5 annuitant whose retirement benefits are subject to limitation  
6 under this subsection, then 10% of the contribution otherwise  
7 required under subsection (c) to be paid before the  
8 retirement annuity becomes payable shall instead be  
9 contributed to the System by the annuitant in January of  
10 1993.

11 (e) In order to ensure that the public health and safety  
12 are not jeopardized by the simultaneous retirement of large  
13 numbers of critical personnel, the Director of State Police  
14 (for State police officers under the Department of State  
15 Police) and the Director of Corrections (for security staff  
16 at adult and juvenile institutions under the Department of  
17 Corrections) may extend the January 1, 1992 deadline for the  
18 effective date of a retirement annuity established in  
19 subdivision (a)(4) of this Section to a date not later than  
20 May 1, 1992, by so notifying the System in writing no later  
21 than December 31, 1991.

22 In order to ensure that the efficient operation of the  
23 courts of this State is not jeopardized by the simultaneous  
24 retirement of large numbers of court reporters, the Chief  
25 Justice of the Illinois Supreme Court may, for official court  
26 reporters employed in the courts of this State, extend the  
27 January 1, 1992 deadline for the effective date of a  
28 retirement annuity established in subdivision (a)(4) of this  
29 Section to a date not later than May 1, 1992, by so notifying  
30 the System in writing no later than December 31, 1991.

31 (f) Notwithstanding Section 14-111, an annuitant who has  
32 received any age enhancement or creditable service under this  
33 Section and who reenters service under this Article other  
34 than as a temporary employee shall thereby forfeit such age

1 enhancement and creditable service, and become entitled to a  
2 refund of the contributions made pursuant to this Section.  
3 (Source: P.A. 87-14.)

4 Section 99. Effective date. This Act takes effect upon  
5 becoming law.