

AN ACT concerning public employee benefits.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Pension Code is amended by changing Section 7-173 as follows:

(40 ILCS 5/7-173) (from Ch. 108 1/2, par. 7-173)

Sec. 7-173. Contributions by employees.

(a) Each participating employee shall make contributions to the fund as follows:

1. For retirement annuity purposes, normal contributions of 3 3/4% of earnings.

2. Additional contributions of such percentages of each payment of earnings, as shall be elected by the employee for retirement annuity purposes, but not in excess of 10%. The selected rate shall be applicable to all earnings paid ~~beginning on the first day of the second month~~ following receipt by the Board of written notice of election to make such contributions. Additional contributions at the selected rate shall be made concurrently with normal contributions.

3. Survivor contributions, by each participating employee, of 3/4% of each payment of earnings.

(b) Each employee shall make contributions to the fund for

Federal Social Security taxes, for periods during which he is a covered employee, as required by the Social Security Enabling Act. For participating employees, such contributions shall be in addition to those required under paragraph (a) of this Section.

(c) Contributions shall be deducted from each corresponding payment of earnings paid to each employee and shall be remitted to the board by the participating municipality or participating instrumentality making such payment. The remittance, together with a report of the earnings and contributions shall be made as directed by the board. For township treasurers and employees of township treasurers qualifying as employees hereunder, the contributions herein required as deductions from salary shall be withheld by the school township trustees from funds available for the payment of the compensation of such treasurers and employees as provided in the School Code and remitted to the board.

(d) An employee who has made additional contributions under paragraph (a)2 of this Section may upon retirement or at any time prior thereto, elect to withdraw the total of such additional contributions including interest credited thereon to the end of the preceding calendar year.

(e) Failure to make the deductions for employee contributions provided in paragraph (c) of this Section shall not relieve the employee from liability for such contributions. The amount of such liability may be deducted, with interest

charged under Section 7-209, from any annuities or benefits payable hereunder to the employee or any other person receiving an annuity or benefit by reason of such employee's participation.

(f) A participating employee who has at least 40 years of creditable service in the Fund may elect to cease making the contributions required under this Section. The status of the employee under this Article shall be unaffected by this election, except that the employee shall not receive any additional creditable service for the periods of employment following the election. An election under this subsection relieves the employer from making additional employer contributions in relation to that employee.

(Source: P.A. 87-1265.)

Section 90. The State Mandates Act is amended by adding Section 8.34 as follows:

(30 ILCS 805/8.34 new)

Sec. 8.34. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 96th General Assembly.

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