

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 17-116.1 as follows:

6 (40 ILCS 5/17-116.1) (from Ch. 108 1/2, par. 17-116.1)
7 Sec. 17-116.1. Early retirement without discount.

8 (a) A member retiring after June 1, 1980 and before June
9 30, 1995 and within 6 months of the last day of teaching for
10 which retirement contributions were required, may elect at
11 the time of application to make a one time employee
12 contribution to the system and thereby avoid the early
13 retirement reduction in allowance specified in paragraph (4)
14 of Section 17-116 of this Article. The exercise of the
15 election shall obligate the last Employer to also make a one
16 time non-refundable contribution to the Fund.

17 (a-5) A member retiring after June 1, 2002 and before
18 June 30, 2007 and within 6 months of the last day of teaching
19 for which retirement contributions were required, may elect
20 at the time of application to make a one time employee
21 contribution to the system and thereby avoid the early
22 retirement reduction in allowance specified in paragraph (4)
23 of Section 17-116. The exercise of the election shall
24 obligate the last Employer to also make a one time
25 non-refundable contribution to the Fund.

26 (b) Subject to authorization by the Employer as provided
27 in subsection (c), a member retiring on or after June 30,
28 1995 and on or before June 1, 2002 ~~June-30,-2005~~ and within 6
29 months of the last day of teaching for which retirement
30 contributions were required may elect at the time of
31 application to make a one-time employee contribution to the

1 Fund and thereby avoid the early retirement reduction in
 2 allowance specified in paragraph (4) of Section 17-116. The
 3 exercise of the election shall obligate the last Employer to
 4 also make a one-time nonrefundable contribution to the Fund.

5 (c) The benefits provided in subsection (b) are
 6 available only to members who retire, during a specified
 7 period, from employment with an Employer that has adopted and
 8 filed with the Board a resolution expressly providing for the
 9 creation of an early retirement without discount program
 10 under this Section for that period.

11 The Employer has the full discretion and authority to
 12 determine whether an early retirement without discount
 13 program is in its best interest and to provide such a program
 14 to its eligible employees in accordance with this Section.
 15 The Employer may decide to authorize such a program for one
 16 or more of the following periods: for the period beginning
 17 July 1, 1997 and ending June 30, 1998, in which case the
 18 resolution must be adopted by January 1, 1998; for the period
 19 beginning July 1, 1998 and ending June 30, 1999, in which
 20 case the resolution must be adopted by March 31, 1998; for
 21 the period beginning July 1, 1999 and ending June 30, 2000,
 22 in which case the resolution must be adopted by March 31,
 23 1999; for the period beginning July 1, 2000 and ending June
 24 1, 2000 ~~June-30-2001~~, in which case the resolution must be
 25 adopted by March 31, 2000 ~~;-for-the-period-beginning-July-1-~~
 26 ~~2001-and-ending-June-30-2002;-in-which-case--the--resolution~~
 27 ~~must--be--adopted-by-March-31-2001;-for-the-period-beginning~~
 28 ~~July-1-2002-and-ending-June-30-2003;-in-which--case--the~~
 29 ~~resolution--must-be-adopted-by-March-31-2002;-for-the-period~~
 30 ~~beginning-July-1-2003-and-ending-June--30--2004;-in--which~~
 31 ~~case--the--resolution--must-be-adopted-by-March-31-2003;-and~~
 32 ~~for-the-period-beginning-July-1-2004--and--ending--June--30-~~
 33 ~~2005;-in--which-case-the-resolution-must-be-adopted-by-March~~
 34 ~~31-2004.~~ The resolution must be filed with the Board

1 within 10 days after it is adopted. A single resolution may
2 authorize an early retirement without discount program as
3 provided in this Section for more than one period.

4 Notwithstanding Section 17-157, the Employer shall also
5 have full discretion and authority to determine whether to
6 allow its employees who withdrew from service on or after
7 June 30, 1995 and before June 27, 1997 to participate in an
8 early retirement without discount program under subsection
9 (b). An early retirement without discount program for those
10 who withdrew from service on or after June 30, 1995 and
11 before June 27, 1997 may be authorized only by a resolution
12 of the Employer that is adopted by January 1, 1998 and filed
13 with the Board within 10 days after its adoption. If such a
14 resolution is duly adopted and filed, a person who (i)
15 withdrew from service with the Employer on or after June 30,
16 1995 and before June 27, 1997, (ii) qualifies for early
17 retirement without discount under subsection (b), (iii)
18 applies to the Fund within 90 days after the authorizing
19 resolution is adopted, and (iv) pays the required employee
20 contribution shall have his or her retirement pension
21 recalculated in accordance with subsection (b). The
22 resulting increase shall be effective retroactively to the
23 starting date of the retirement pension.

24 (d) The one-time employee contribution shall be equal to
25 7% of the retiring member's highest full-time annual salary
26 rate used in the determination of the average salary rate for
27 retirement pension, or if not full-time then the full-time
28 equivalent, multiplied by (1) the number of years the teacher
29 is under age 60, or (2) the number of years the employee's
30 creditable service is less than 34 years, whichever is less.

31 The Employer contribution shall be 20% of such salary
32 multiplied by such number of years.

33 (e) Upon receipt of the application and election, the
34 Board shall determine the one time employee and Employer

1 contributions. The provisions of this Section shall not be
2 applicable until the employee contribution, if any, has been
3 received by the Fund; however, the date that contribution is
4 received shall not be considered in determining the effective
5 date of retirement.

6 (f) The number of employees who may retire under this
7 Section in any year may be limited at the option of the
8 Employer to a specified percentage of those eligible, not
9 lower than 30%, with the right to participate to be allocated
10 among those applying on the basis of seniority in the service
11 of the Employer.

12 (Source: P.A. 90-32, eff. 6-27-97; 90-448, eff. 8-16-97;
13 90-566, eff. 1-2-98; 91-17, eff. 6-4-99.)

14 Section 90. The State Mandates Act is amended by adding
15 Section 8.25 as follows:

16 (30 ILCS 805/8.25 new)

17 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6
18 and 8 of this Act, no reimbursement by the State is required
19 for the implementation of any mandate created by this
20 amendatory Act of the 92nd General Assembly.

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