

1 AMENDMENT TO HOUSE BILL 2662

2 AMENDMENT NO. _____. Amend House Bill 2662 by replacing
3 the title with the following:

4 "AN ACT in relation to public employee benefits."; and
5 by replacing everything after the enacting clause with the
6 following:

7 "Section 5. The Illinois Pension Code is amended by
8 changing Section 17-119.1 as follows:

9 (40 ILCS 5/17-119.1)

10 Sec. 17-119.1. Optional increase in retirement annuity.

11 (a) A member of the Fund may qualify for the augmented
12 rate under subdivision (b)(3) of Section 17-116 for all years
13 of creditable service earned before July 1, 1998 by making
14 the optional contribution specified in subsection (b); except
15 that a member who retires on or after July 1, 1998 with at
16 least 30 years of creditable service at retirement qualifies
17 for the augmented rate without making any contribution under
18 subsection (b). Any member who retires on or after July 1,
19 1998 and before the effective date of this amendatory Act of
20 the 92nd General Assembly with at least 30 years of
21 creditable service shall be paid a lump sum equal to the

1 amount he or she would have received under the augmented rate
2 minus the amount he or she actually received. A member may
3 not elect to qualify for the augmented rate for only a
4 portion of his or her creditable service earned before July
5 1, 1998.

6 (b) The contribution shall be an amount equal to 1.0% of
7 the member's highest salary rate in the 4 consecutive school
8 years immediately prior to but not including the school year
9 in which the application occurs, multiplied by the number of
10 years of creditable service earned by the member before July
11 1, 1998 or 20, whichever is less. This contribution shall be
12 reduced by 1.0% of that salary rate for every 3 full years of
13 creditable service earned by the member after June 30, 1998.
14 The contribution shall be further reduced at the rate of 25%
15 of the contribution (as reduced for service after June 30,
16 1998) for each year of the member's total creditable service
17 in excess of 34 years. The contribution shall not in any
18 event exceed 20% of that salary rate.

19 The member shall pay to the Fund the amount of the
20 contribution as calculated at the time of application under
21 this Section. The amount of the contribution determined
22 under this subsection shall be recalculated at the time of
23 retirement, and if the Fund determines that the amount paid
24 by the member exceeds the recalculated amount, the Fund shall
25 refund the difference to the member with regular interest
26 from the date of payment to the date of refund.

27 The contribution required by this subsection shall be
28 paid in one of the following ways or in a combination of the
29 following ways that does not extend over more than 5 years:

30 (i) in a lump sum on or before the date of
31 retirement;

32 (ii) in substantially equal installments over a
33 period of time not to exceed 5 years, as a deduction from
34 salary in accordance with Section 17-130.2;

1 (iii) if the member becomes an annuitant before
2 June 30, 2003, in substantially equal monthly
3 installments over a 24-month period, by a deduction from
4 the annuitant's monthly benefit.

5 (c) If the member fails to make the full contribution
6 under this Section in a timely fashion, the payments made
7 under this Section shall be refunded to the member, without
8 interest. If the member dies before making the full
9 contribution, the payments made under this Section shall be
10 refunded to the member's designated beneficiary.

11 (d) For purposes of this Section and subsection (b) of
12 Section 17-116, optional creditable service established by a
13 member shall be deemed to have been earned at the time of the
14 employment or other qualifying event upon which the service
15 is based, rather than at the time the credit was established
16 in this Fund.

17 (e) The contributions required under this Section are
18 the responsibility of the teacher and not the teacher's
19 employer. However, an employer of teachers may, after the
20 effective date of this amendatory Act of 1998, specifically
21 agree, through collective bargaining or otherwise, to make
22 the contributions required by this Section on behalf of those
23 teachers.

24 (Source: P.A. 90-582, eff. 5-27-98; 91-17, eff. 6-4-99.)

25 Section 90. The State Mandates Act is amended by adding
26 Section 8.25 as follows:

27 (30 ILCS 805/8.25 new)

28 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6
29 and 8 of this Act, no reimbursement by the State is required
30 for the implementation of any mandate created by this
31 amendatory Act of the 92nd General Assembly.

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