

1 AMENDMENT TO HOUSE BILL 2663

2 AMENDMENT NO. _____. Amend House Bill 2663 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 Sections 17-106, 17-116.3, 17-116.4, 17-119.1,
9 17-121, and 17-149 as follows:

10 (40 ILCS 5/17-106) (from Ch. 108 1/2, par. 17-106)
11 Sec. 17-106. Contributor, member or teacher.
12 "Contributor", "member" or "teacher": All members of the
13 teaching force of the city, including principals, assistant
14 principals, the general superintendent of schools, deputy
15 superintendents of schools, associate superintendents of
16 schools, assistant and district superintendents of schools,
17 members of the Board of Examiners, all other persons whose
18 employment requires a teaching certificate issued under the
19 laws governing the certification of teachers, any
20 educational, administrative, professional, or other staff
21 employed in a charter school operating in compliance with the

1 Charter Schools Law who is certified under the law governing
 2 the certification of teachers, and employees of the Board,
 3 but excluding persons contributing concurrently to any other
 4 public employee pension system in Illinois for the same
 5 employment or receiving retirement pensions under another
 6 Article of this Code for that same employment, persons
 7 employed on an hourly basis, and persons receiving pensions
 8 from the Fund who are employed temporarily by an Employer for
 9 150 ~~100~~ days or less in any school year and not on an annual
 10 basis.

11 In the case of a person who has been making contributions
 12 and otherwise participating in this Fund prior to the
 13 effective date of this amendatory Act of the 91st General
 14 Assembly, and whose right to participate in the Fund is
 15 established or confirmed by this amendatory Act, such prior
 16 participation in the Fund, including all contributions
 17 previously made and service credits previously earned by the
 18 person, are hereby validated.

19 The changes made to this Section and Section 17-149 by
 20 this amendatory Act of the 92nd General Assembly apply
 21 without regard to whether the person was in service on or
 22 after the effective date of this amendatory Act,
 23 notwithstanding Sections 1-103.1 and 17-157.

24 (Source: P.A. 90-32, eff. 6-27-97; 90-566, eff. 1-2-98;
 25 91-887, eff. 7-6-00.)

26 (40 ILCS 5/17-116.3)

27 Sec. 17-116.3. Early retirement incentives.

28 (a) A teacher who is covered by a collective bargaining
 29 agreement shall not be eligible for the early retirement
 30 incentives provided under this Section unless the collective
 31 bargaining agent and the Board of Education have entered into
 32 an agreement under which the agent agrees that any payment
 33 for accumulated unused sick days to which the employee is

1 entitled upon withdrawal from service may be paid by the
2 Board of Education in installments over a period of up to 5
3 years, and a copy of this agreement has been filed with the
4 Board of the Fund.

5 To be eligible for the benefits provided in this Section,
6 a person must:

7 (1) be a member of this Fund who, on or after May
8 1, 1993, is (i) in active payroll status as a teacher, or
9 (ii) on layoff status from such a position with a right
10 of re-employment or recall to service, or (iii) on leave
11 of absence from such a position, but only if the member
12 on leave has not been receiving a disability benefit
13 under this Article for a continuous period of 2 years or
14 more as of the date of application;

15 (2) have not previously received a retirement
16 pension under this Article;

17 (3) file with the Board and the Board of Education,
18 before August 15, 1993, a written application requesting
19 the benefits provided in this Section and a notice of
20 resignation from employment, which resignation must take
21 effect before September 1, 1993 unless the applicant's
22 retirement is delayed under subsection (e), (f), or (f-5)
23 of this Section;

24 (4) be eligible to receive a retirement pension
25 under this Article (for which purpose any age enhancement
26 or creditable service received under this Section may be
27 used) and elect to receive the retirement pension
28 beginning no earlier than June 1, 1993 and no later than
29 September 1, 1993 or the date established under
30 subsection (e), (f), or (f-5) of this Section, if
31 applicable;

32 (5) have attained age 50 (without the use of any
33 age enhancement or creditable service received under this
34 Section) by the effective date of the retirement pension;

1 (6) have at least 5 years of creditable service
2 under this Fund or any of the participating systems under
3 the Retirement Systems Reciprocal Act (without the use of
4 any creditable service received under this Section) by
5 the effective date of the retirement pension.

6 (b) An eligible person may establish up to 5 years of
7 creditable service under this Section. In addition, for each
8 period of creditable service established under this Section,
9 a person's age at retirement shall be deemed to be increased
10 by an equal period.

11 The creditable service established under this Section may
12 be used for all purposes under this Article and the
13 Retirement Systems Reciprocal Act, except for the purposes of
14 Section 17-116.1, and the determination of average salary or
15 compensation under this or any other Article 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 pension payable by this Fund
19 under the Retirement Systems Reciprocal Act), except for
20 purposes of the reversionary pension under Section 17-120,
21 and distributions required by federal law on account of age.
22 However, age enhancement established under this Section shall
23 not be used in determining benefits payable under other
24 Articles of this Code under the Retirement Systems Reciprocal
25 Act.

26 (c) For all creditable service established under this
27 Section, the employer must pay to the Fund an employer
28 contribution consisting of 12% of the member's highest annual
29 full-time rate of compensation for each year of creditable
30 service granted under this Section.

31 The employer contribution shall be paid to the Fund in
32 one of the following ways: (i) in a single sum at the time
33 of the member's retirement, (ii) in equal quarterly
34 installments over a period of 5 years from the date of

1 retirement, or (iii) subject to the approval of the Board of
2 the Fund, in unequal installments over a period of no more
3 than 5 years from the date of retirement, as provided in a
4 payment plan designed by the Fund to accommodate the needs of
5 the employer. The employer's failure to make the required
6 contributions in a timely manner shall not affect the payment
7 of the retirement pension.

8 For all creditable service established under this
9 Section, the employee must pay to the Fund an employee
10 contribution consisting of 4% of the member's highest annual
11 salary rate used in the determination of the retirement
12 pension for each year of creditable service granted under
13 this Section. The employee contribution shall be deducted
14 from the retirement annuity in 24 monthly installments.

15 (d) An annuitant who has received any age enhancement or
16 creditable service under this Section and whose pension is
17 suspended or cancelled under Section 17-149 or 17-150 shall
18 thereby forfeit the age enhancement and creditable service.
19 The forfeiture of creditable service under this subsection
20 shall not entitle the employer to a refund of the employer
21 contribution paid under this Section, nor to forgiveness of
22 any part of that contribution that remains unpaid. The
23 forfeiture of creditable service under this subsection shall
24 not entitle the employee to a refund of the employee
25 contribution paid under this Section.

26 (e) If the number of employees of an employer that apply
27 for early retirement under this Section exceeds 30% of those
28 eligible, the employer may require that, for any or all of
29 the number of applicants in excess of that 30%, the starting
30 date of the retirement pension enhanced under this Section be
31 no earlier than June 1, 1994 and no later than September 1,
32 1994. The right to have the retirement pension begin before
33 June 1, 1994 shall be allocated among the applicants on the
34 basis of seniority in the service of that employer.

1 This delay applies only to persons who are applying for
2 early retirement incentives under this Section, and does not
3 prevent a person whose application for early retirement
4 incentives has been withdrawn from beginning to receive a
5 retirement pension on the earliest date upon which the person
6 is otherwise eligible under this Article.

7 (f) For a member who is notified after July 30, 1993,
8 but before November 29, 1993, that he or she will become a
9 supernumerary or reserve teacher in the 1993-1994 school
10 year: (1) the August 15, 1993 application deadline in
11 subdivision (a)(3) of this Section is extended to December
12 14, 1993, (2) the September 1, 1993 deadline in subdivision
13 (a)(4) of this Section is extended to December 14, 1993, and
14 (3) the member shall not be included in the calculation of
15 the 30% under subsection (e) and is not subject to delay in
16 retirement under that subsection.

17 (f-5) For a member who is notified after January 1,
18 1994, but before March 1, 1994, that he or she will become a
19 reserve teacher in the 1993-1994 school year: (1) the August
20 15, 1993 application deadline in subdivision (a)(3) of this
21 Section is extended to April 1, 1994; (2) the September 1,
22 1993 deadline in subdivision (a)(4) of this Section is
23 extended to April 1, 1994; and (3) the member shall not be
24 included in the calculation of the 30% under subsection (e)
25 and is not subject to delay in retirement under that
26 subsection.

27 (g) A member who receives any early retirement incentive
28 under Section 17-116.4, 17-116.5 or 17-116.6 may not receive
29 any early retirement incentive under this Section.

30 (h) The version of this Section included in Public Act
31 88-85 is intended to and shall control over the version of
32 this Section included in Public Act 88-89, notwithstanding
33 Section 6 of the Statute on Statutes. All persons qualifying
34 for early retirement incentives under this Section shall be

1 subject to the limitations and restrictions provided in the
2 version of this Section included in Public Act 88-85, as
3 amended by Public Act 88-511.

4 (i) In addition to the benefits provided under the other
5 provisions of this Section, every person who receives early
6 retirement benefits under this Section is entitled to one
7 additional year of creditable service and a corresponding
8 year of additional age enhancement, for which no additional
9 contribution is required. Every person who receives early
10 retirement benefits under this Section whose retirement
11 annuity has been calculated on the basis of a 4-year average
12 salary is also entitled to have the annuity recalculated on
13 the basis of the average salary for the 3 highest consecutive
14 years within the last 10 years of service.

15 The additional benefits provided by this subsection (i)
16 shall begin to accrue on the date the retirement annuity
17 began, notwithstanding Section 17-157. The Fund shall
18 recalculate all annuities originally calculated under this
19 Section to reflect the additional benefits provided under
20 this subsection and shall pay to the annuitant in a lump sum
21 the difference between the annuity payments paid before the
22 date of the recalculation and the recalculated amount of
23 those payments.

24 (Source: P.A. 88-85; 88-89; 88-511; 88-670, eff. 12-2-94.)

25 (40 ILCS 5/17-116.4)

26 Sec. 17-116.4. Early retirement incentives.

27 (a) A teacher who is covered by a collective bargaining
28 agreement shall not be eligible for the early retirement
29 incentives provided under this Section unless the collective
30 bargaining agent and the Board of Education have entered into
31 an agreement under which the agent agrees that any payment
32 for accumulated unused sick days to which the employee is
33 entitled upon withdrawal from service may be paid by the

1 Board of Education in installments over a period of up to 5
2 years, and a copy of this agreement has been filed with the
3 Board of the Fund.

4 To be eligible for the benefits provided in this Section,
5 a person must:

6 (1) be a member of this Fund who, on or after May
7 1, 1994, is (i) in active payroll status as a teacher, or
8 (ii) on layoff status from such a position with a right
9 of re-employment or recall to service, or (iii) on leave
10 of absence from such a position, but only if the member
11 on leave has not been receiving a disability benefit
12 under this Article for a continuous period of 2 years or
13 more as of the date of application;

14 (2) have not previously received a retirement
15 pension under this Article;

16 (3) file with the Board and the Board of Education,
17 before March 1, 1994, a written application requesting
18 the benefits provided in this Section and a notice of
19 resignation from employment, which resignation must take
20 effect no earlier than June 1, 1994 and no later than
21 September 1, 1994 unless the applicant's retirement is
22 delayed under subsection (e) of this Section;

23 (4) be eligible to receive a retirement pension
24 under this Article (for which purpose any age enhancement
25 or creditable service received under this Section may be
26 used) and elect to receive the retirement pension
27 beginning no earlier than June 1, 1994 and no later than
28 September 1, 1994 or the date established under
29 subsection (e) of this Section, if applicable;

30 (5) have attained age 50 (without the use of any
31 age enhancement or creditable service received under this
32 Section) after September 1, 1993 and no later than
33 September 1, 1994;

34 (6) have at least 5 years of creditable service

1 under this Fund or any of the participating systems under
2 the Retirement Systems Reciprocal Act (without the use of
3 any creditable service received under this Section) by
4 the effective date of the retirement pension.

5 (b) An eligible person may establish up to 5 years of
6 creditable service under this Section. In addition, for each
7 period of creditable service established under this Section,
8 a person's age at retirement shall be deemed to be increased
9 by an equal period.

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 purposes of
13 Section 17-116.1, and the determination of average salary or
14 compensation under this or any other Article of this Code.

15 The age enhancement established under this Section may be
16 used for all purposes under this Article (including
17 calculation of a proportionate pension payable by this Fund
18 under the Retirement Systems Reciprocal Act), except for
19 purposes of the reversionary pension under Section 17-120,
20 and distributions required by federal law on account of age.
21 However, age enhancement established under this Section shall
22 not be used in determining benefits payable under other
23 Articles of this Code under the Retirement Systems Reciprocal
24 Act.

25 (c) For all creditable service established under this
26 Section, the employer must pay to the Fund an employer
27 contribution consisting of 12% of the member's highest annual
28 full-time rate of compensation for each year of creditable
29 service granted under this Section.

30 The employer contribution shall be paid to the Fund in
31 one of the following ways: (i) in a single sum at the time
32 of the member's retirement, (ii) in equal quarterly
33 installments over a period of 5 years from the date of
34 retirement, or (iii) subject to the approval of the Board of

1 the Fund, in unequal installments over a period of no more
2 than 5 years from the date of retirement, as provided in a
3 payment plan designed by the Fund to accommodate the needs of
4 the employer. The employer's failure to make the required
5 contributions in a timely manner shall not affect the payment
6 of the retirement pension.

7 For all creditable service established under this
8 Section, the employee must pay to the Fund an employee
9 contribution consisting of 4% of the member's highest annual
10 salary rate used in the determination of the retirement
11 pension for each year of creditable service granted under
12 this Section. The employee contribution shall be deducted
13 from the retirement annuity in 24 monthly installments.

14 (d) An annuitant who has received any age enhancement or
15 creditable service under this Section and whose pension is
16 suspended or cancelled under Section 17-149 or 17-150 shall
17 thereby forfeit the age enhancement and creditable service.
18 The forfeiture of creditable service under this subsection
19 shall not entitle the employer to a refund of the employer
20 contribution paid under this Section, nor to forgiveness of
21 any part of that contribution that remains unpaid. The
22 forfeiture of creditable service under this subsection shall
23 not entitle the employee to a refund of the employee
24 contribution paid under this Section.

25 (e) If the number of employees of an employer that apply
26 for early retirement under this Section exceeds 30% of those
27 eligible, the employer may require that, for any or all of
28 the number of applicants in excess of that 30%, the starting
29 date of the retirement pension enhanced under this Section be
30 no earlier than June 1, 1995 and no later than September 1,
31 1995. The right to have the retirement pension begin before
32 June 1, 1995 shall be allocated among the applicants on the
33 basis of seniority in the service of that employer.

34 This delay applies only to persons who are applying for

1 early retirement incentives under this Section, and does not
2 prevent a person whose application for early retirement
3 incentives has been withdrawn from beginning to receive a
4 retirement pension on the earliest date upon which the person
5 is otherwise eligible under this Article.

6 (f) A member who receives any early retirement incentive
7 under Section 17-116.3 may not receive any early retirement
8 incentive under this Section.

9 (g) Notwithstanding Section 17-157, a person who is
10 receiving early retirement benefits under this Section may
11 establish service credit for a period of up to 3 weeks during
12 the month of January, 1968, during which the person was
13 prevented from working due to civil unrest or a wildcat
14 strike. A person wishing to establish this credit must apply
15 in writing to the Board within 30 days after the effective
16 date of this amendatory Act of the 92nd General Assembly and
17 pay to the Fund an employee contribution calculated at the
18 rate and salary applicable to the employee at the time for
19 which credit is being established, without interest. When a
20 person establishes additional service credit under this
21 subsection, the Fund shall recalculate the annuity originally
22 granted under this Section to reflect the additional credit
23 and shall pay to the annuitant in a lump sum the difference
24 between the annuity payments paid before the date of the
25 recalculation and the recalculated amount of those payments.

26 (Source: P.A. 88-85.)

27 (40 ILCS 5/17-119.1)

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

29 (a) A member of the Fund may qualify for the augmented
30 rate under subdivision (b)(3) of Section 17-116 for all years
31 of creditable service earned before July 1, 1998 by making
32 the optional contribution specified in subsection (b); except
33 that a member who retires on or after July 1, 1998 with at

1 least 30 years of creditable service at retirement qualifies
2 for the augmented rate without making any contribution under
3 subsection (b). Any member who retires on or after July 1,
4 1998 and before the effective date of this amendatory Act of
5 the 92nd General Assembly with at least 30 years of
6 creditable service shall be paid a lump sum equal to the
7 amount he or she would have received under the augmented rate
8 minus the amount he or she actually received. A member may
9 not elect to qualify for the augmented rate for only a
10 portion of his or her creditable service earned before July
11 1, 1998.

12 (b) The contribution shall be an amount equal to 1.0% of
13 the member's highest salary rate in the 4 consecutive school
14 years immediately prior to but not including the school year
15 in which the application occurs, multiplied by the number of
16 years of creditable service earned by the member before July
17 1, 1998 or 20, whichever is less. This contribution shall be
18 reduced by 1.0% of that salary rate for every 3 full years of
19 creditable service earned by the member after June 30, 1998.
20 The contribution shall be further reduced at the rate of 25%
21 of the contribution (as reduced for service after June 30,
22 1998) for each year of the member's total creditable service
23 in excess of 34 years. The contribution shall not in any
24 event exceed 20% of that salary rate.

25 The member shall pay to the Fund the amount of the
26 contribution as calculated at the time of application under
27 this Section. The amount of the contribution determined
28 under this subsection shall be recalculated at the time of
29 retirement, and if the Fund determines that the amount paid
30 by the member exceeds the recalculated amount, the Fund shall
31 refund the difference to the member with regular interest
32 from the date of payment to the date of refund.

33 The contribution required by this subsection shall be
34 paid in one of the following ways or in a combination of the

1 following ways that does not extend over more than 5 years:

2 (i) in a lump sum on or before the date of
3 retirement;

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

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

11 (c) If the member fails to make the full contribution
12 under this Section in a timely fashion, the payments made
13 under this Section shall be refunded to the member, without
14 interest. If the member dies before making the full
15 contribution, the payments made under this Section shall be
16 refunded to the member's designated beneficiary.

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

23 (e) The contributions required under this Section are
24 the responsibility of the teacher and not the teacher's
25 employer. However, an employer of teachers may, after the
26 effective date of this amendatory Act of 1998, specifically
27 agree, through collective bargaining or otherwise, to make
28 the contributions required by this Section on behalf of those
29 teachers.

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

31 (40 ILCS 5/17-121) (from Ch. 108 1/2, par. 17-121)

32 Sec. 17-121. Survivor's and Children's pensions -
33 Eligibility. A surviving spouse of a teacher shall be

1 entitled to a survivor's pension only if he was married to
2 the contributor for at least 1 1/2 years immediately prior to
3 his death or retirement, whichever first occurs, and also on
4 the date of the last termination of his service.

5 If the surviving spouse is under age 50 and there are no
6 eligible minor children born to or legally adopted by the
7 contributor and his surviving spouse, payment of the
8 survivor's pension shall begin when the surviving spouse
9 attains age 50.

10 Remarriage of the surviving spouse prior to September 1,
11 1983 while in receipt of a survivor's pension shall
12 permanently terminate payment thereof, regardless of any
13 subsequent change in marital status; however, beginning
14 September 1, 1983, remarriage of a surviving spouse after
15 attainment of age 55 shall not terminate the survivor's
16 pension.

17 A surviving spouse whose pension was terminated on or
18 after September 1, 1983 due to remarriage after attainment of
19 age 55, and who applies for reinstatement of that pension
20 before January 1, 1990, shall be entitled to have the pension
21 reinstated effective January 1, 1990.

22 A surviving spouse of a member or annuitant under this
23 Fund who is also a dependent beneficiary under the provisions
24 of Section 16-140 is eligible for a reciprocal survivor's
25 pension, provided that any refund of survivor's pension
26 contributions is repaid to the Fund and application is made
27 within 30 days after the effective date of this amendatory
28 Act of the 92nd General Assembly.

29 (Source: P.A. 86-273.)

30 (40 ILCS 5/17-149) (from Ch. 108 1/2, par. 17-149)

31 Sec. 17-149. Cancellation of pensions. If any person
32 receiving a service or disability retirement pension from the
33 Fund is re-employed as a teacher by an Employer, the pension

1 shall be cancelled on the date the re-employment begins, or
2 on the first day of a payroll period for which service credit
3 was validated, whichever is earlier. However, beginning
4 August--23,--1989, the pension shall not be cancelled in case
5 of a service retirement pensioner who is temporarily
6 re-employed for not more than 150 100 days during any school
7 year or on an hourly basis, provided the pensioner does not
8 receive salary in any school year of an amount more than that
9 payable to a substitute teacher for 150 100 days' employment.
10 A service retirement pensioner who is temporarily re-employed
11 for not more than 150 100 days during any school year or on
12 an hourly basis shall be entitled, at the end of the school
13 year, to a refund of any contributions made to the Fund
14 during that school year.

15 If the pensioner does receive salary from an Employer in
16 any school year for more than 150 100 days' employment, the
17 pensioner shall be deemed to have returned to service on the
18 first day of employment as a pensioner-substitute. The
19 pensioner shall reimburse the Fund for pension payments
20 received after the return to service and shall pay to the
21 Fund the participant's contributions prescribed in Section
22 17-130 of this Article.

23 If the date of re-employment occurs within 5 school
24 months after the date of previous retirement, exclusive of
25 any vacation period, the member shall be deemed to have been
26 out of service only temporarily and not permanently retired.
27 Such person shall be entitled to pension payments for the
28 time he could have been employed as a teacher and received
29 salary, but shall not be entitled to pension for or during
30 the summer vacation prior to his return to service.

31 When the member again retires on pension, the time of
32 service and the money contributed by him during re-employment
33 shall be added to the time and money previously credited.
34 Such person must acquire 3 consecutive years of additional

1 contributing service before he may retire again on a pension
2 at a rate and under conditions other than those in force or
3 attained at the time of his previous retirement.

4 Notwithstanding Sections 1-103.1 and 17-157, the changes
5 to this Section made by this amendatory Act of 1997 shall
6 apply without regard to whether termination of service
7 occurred before the effective date of this amendatory Act and
8 shall apply retroactively to August 23, 1989.

9 (Source: P.A. 90-32, eff. 6-27-97; 90-566, eff. 1-2-98.)

10 Section 90. The State Mandates Act is amended by adding
11 Section 8.25 as follows:

12 (30 ILCS 805/8.25 new)

13 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6
14 and 8 of this Act, no reimbursement by the State is required
15 for the implementation of any mandate created by this
16 amendatory Act of the 92nd General Assembly.

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