



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB2497

by Rep. Robert Martwick

SYNOPSIS AS INTRODUCED:

40 ILCS 5/18-125	from Ch. 108 1/2, par. 18-125
40 ILCS 5/18-126.1	from Ch. 108 1/2, par. 18-126.1
40 ILCS 5/18-128.01	from Ch. 108 1/2, par. 18-128.01
40 ILCS 5/18-133	from Ch. 108 1/2, par. 18-133

Amends the Judges Article of the Illinois Pension Code. In provisions concerning the retirement annuity amount, specifies that the maximum annual salary of \$106,800 is for all purposes under the Article; makes a related change in provisions concerning temporary total disability benefits. Provides that if 2 or more persons are eligible to receive survivor's annuities based on the same deceased participant that first serves as a judge after January 1, 2011, the calculation of the survivor's annuities shall be based on the total calculation of the survivor's annuity and divided pro rata. Makes changes in provisions concerning employee contributions to clarify to whom certain provisions apply. Effective immediately.

LRB100 08024 RPS 18107 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

1 AN ACT concerning 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 changing
5 Sections 18-125, 18-126.1, 18-128.01, and 18-133 as follows:

6 (40 ILCS 5/18-125) (from Ch. 108 1/2, par. 18-125)
7 Sec. 18-125. Retirement annuity amount.

8 (a) The annual retirement annuity for a participant who
9 terminated service as a judge prior to July 1, 1971 shall be
10 based on the law in effect at the time of termination of
11 service.

12 (b) Except as provided in subsection (b-5), effective July
13 1, 1971, the retirement annuity for any participant in service
14 on or after such date shall be 3 1/2% of final average salary,
15 as defined in this Section, for each of the first 10 years of
16 service, and 5% of such final average salary for each year of
17 service in ~~on~~ excess of 10.

18 For purposes of this Section, final average salary for a
19 participant who first serves as a judge before August 10, 2009
20 (the effective date of Public Act 96-207) shall be:

21 (1) the average salary for the last 4 years of credited
22 service as a judge for a participant who terminates service
23 before July 1, 1975.

1 (2) for a participant who terminates service after June
2 30, 1975 and before July 1, 1982, the salary on the last
3 day of employment as a judge.

4 (3) for any participant who terminates service after
5 June 30, 1982 and before January 1, 1990, the average
6 salary for the final year of service as a judge.

7 (4) for a participant who terminates service on or
8 after January 1, 1990 but before July 14, 1995 (the
9 effective date of Public Act 89-136) ~~this amendatory Act of~~
10 ~~1995~~, the salary on the last day of employment as a judge.

11 (5) for a participant who terminates service on or
12 after July 14, 1995 (the effective date of Public Act
13 89-136) ~~this amendatory Act of 1995~~, the salary on the last
14 day of employment as a judge, or the highest salary
15 received by the participant for employment as a judge in a
16 position held by the participant for at least 4 consecutive
17 years, whichever is greater.

18 However, in the case of a participant who elects to
19 discontinue contributions as provided in subdivision (a) (2) of
20 Section 18-133, the time of such election shall be considered
21 the last day of employment in the determination of final
22 average salary under this subsection.

23 For a participant who first serves as a judge on or after
24 August 10, 2009 (the effective date of Public Act 96-207) and
25 before January 1, 2011 (the effective date of Public Act
26 96-889), final average salary shall be the average monthly

1 salary obtained by dividing the total salary of the participant
2 during the period of: (1) the 48 consecutive months of service
3 within the last 120 months of service in which the total
4 compensation was the highest, or (2) the total period of
5 service, if less than 48 months, by the number of months of
6 service in that period.

7 The maximum retirement annuity for any participant shall be
8 85% of final average salary.

9 (b-5) Notwithstanding any other provision of this Article,
10 for a participant who first serves as a judge on or after
11 January 1, 2011 (the effective date of Public Act 96-889), the
12 annual retirement annuity is 3% of the participant's final
13 average salary for each year of service. The maximum retirement
14 annuity payable shall be 60% of the participant's final average
15 salary.

16 For a participant who first serves as a judge on or after
17 January 1, 2011 (the effective date of Public Act 96-889),
18 final average salary shall be the average monthly salary
19 obtained by dividing the total salary of the judge during the
20 96 consecutive months of service within the last 120 months of
21 service in which the total salary was the highest by the number
22 of months of service in that period; however, beginning January
23 1, 2011, the annual salary for all purposes under this Article
24 may not exceed \$106,800, except that that amount shall annually
25 thereafter be increased by the lesser of (i) 3% of that amount,
26 including all previous adjustments, or (ii) the annual

1 unadjusted percentage increase (but not less than zero) in the
2 consumer price index-u for the 12 months ending with the
3 September preceding each November 1. "Consumer price index-u"
4 means the index published by the Bureau of Labor Statistics of
5 the United States Department of Labor that measures the average
6 change in prices of goods and services purchased by all urban
7 consumers, United States city average, all items, 1982-84 =
8 100. The new amount resulting from each annual adjustment shall
9 be determined by the Public Pension Division of the Department
10 of Insurance and made available to the Board by November 1st of
11 each year.

12 (c) The retirement annuity for a participant who retires
13 prior to age 60 with less than 28 years of service in the
14 System shall be reduced 1/2 of 1% for each month that the
15 participant's age is under 60 years at the time the annuity
16 commences. However, for a participant who retires on or after
17 December 10, 1999 (the effective date of Public Act 91-653)
18 ~~this amendatory Act of the 91st General Assembly,~~ the
19 percentage reduction in retirement annuity imposed under this
20 subsection shall be reduced by 5/12 of 1% for every month of
21 service in this System in excess of 20 years, and therefore a
22 participant with at least 26 years of service in this System
23 may retire at age 55 without any reduction in annuity.

24 The reduction in retirement annuity imposed by this
25 subsection shall not apply in the case of retirement on account
26 of disability.

1 (d) Notwithstanding any other provision of this Article,
2 for a participant who first serves as a judge on or after
3 January 1, 2011 (the effective date of Public Act 96-889) and
4 who is retiring after attaining age 62, the retirement annuity
5 shall be reduced by 1/2 of 1% for each month that the
6 participant's age is under age 67 at the time the annuity
7 commences.

8 (Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11;
9 96-1000, eff. 7-2-10; 96-1490, eff. 1-1-11; revised 9-9-16.)

10 (40 ILCS 5/18-126.1) (from Ch. 108 1/2, par. 18-126.1)

11 Sec. 18-126.1. Temporary total disability. A participant
12 who has served for at least 2 years as a judge and has at least
13 2 years of service credit shall be entitled to a temporary
14 total disability benefit provided:

15 (1) While in employment as a judge, the participant is
16 found by medical examination to be mentally or physically
17 incompetent to perform his or her duties;

18 (2) The participant does not receive or have a right to
19 receive any salary as a judge;

20 (3) The board has received written certifications by at
21 least 2 licensed and practicing physicians designated by it
22 certifying that the participant is totally disabled and unable
23 to perform the duties of his or her office as a consequence
24 thereof; and

25 (4) The participant is not engaged in any form of gainful

1 occupation during his or her disability.

2 The benefit shall begin as of the day following the
3 removal of the judge from the payroll on account of the
4 disability and be payable during the period of disability but
5 not beyond the term of office for which the participant was
6 last elected or appointed.

7 The benefit shall be 50% of the participant's rate of
8 salary in effect at the date of removal from the payroll and
9 shall be payable monthly. The rate of salary to determine the
10 benefit under this Section payable to a participant who first
11 serves as a judge on or after January 1, 2011 shall be subject
12 to the annual salary limitation prescribed by subsection (b-5)
13 of Section 18-125.

14 A participant shall receive service credit for retirement
15 and survivor's annuity purposes for the period that temporary
16 disability benefits are paid.

17 The board shall prescribe rules and regulations necessary
18 for the administration of this benefit.

19 (Source: P.A. 83-1440.)

20 (40 ILCS 5/18-128.01) (from Ch. 108 1/2, par. 18-128.01)

21 Sec. 18-128.01. Amount of survivor's annuity.

22 (a) Upon the death of an annuitant, his or her surviving
23 spouse shall be entitled to a survivor's annuity of 66 2/3% of
24 the annuity the annuitant was receiving immediately prior to
25 his or her death, inclusive of annual increases in the

1 retirement annuity to the date of death.

2 (b) Upon the death of an active participant, his or her
3 surviving spouse shall receive a survivor's annuity of 66 2/3%
4 of the annuity earned by the participant as of the date of his
5 or her death, determined without regard to whether the
6 participant had attained age 60 as of that time, or 7 1/2% of
7 the last salary of the decedent, whichever is greater.

8 (c) Upon the death of a participant who had terminated
9 service with at least 10 years of service, his or her surviving
10 spouse shall be entitled to a survivor's annuity of 66 2/3% of
11 the annuity earned by the deceased participant at the date of
12 death.

13 (d) Upon the death of an annuitant, active participant, or
14 participant who had terminated service with at least 10 years
15 of service, each surviving child under the age of 18 or
16 disabled as defined in Section 18-128 shall be entitled to a
17 child's annuity in an amount equal to 5% of the decedent's
18 final salary, not to exceed in total for all such children the
19 greater of 20% of the decedent's last salary or 66 2/3% of the
20 annuity received or earned by the decedent as provided under
21 subsections (a) and (b) of this Section. This child's annuity
22 shall be paid whether or not a survivor's annuity was elected
23 under Section 18-123.

24 (e) The changes made in the survivor's annuity provisions
25 by Public Act 82-306 shall apply to the survivors of a deceased
26 participant or annuitant whose death occurs on or after August

1 21, 1981.

2 (f) Beginning January 1, 1990, every survivor's annuity
3 shall be increased (1) on each January 1 occurring on or after
4 the commencement of the annuity if the deceased member died
5 while receiving a retirement annuity, or (2) in other cases, on
6 each January 1 occurring on or after the first anniversary of
7 the commencement of the annuity, by an amount equal to 3% of
8 the current amount of the annuity, including any previous
9 increases under this Article. Such increases shall apply
10 without regard to whether the deceased member was in service on
11 or after the effective date of this amendatory Act of 1991, but
12 shall not accrue for any period prior to January 1, 1990.

13 (g) Notwithstanding any other provision of this Article,
14 the initial survivor's annuity for a survivor of a participant
15 who first serves as a judge after January 1, 2011 (the
16 effective date of Public Act 96-889) shall be in the amount of
17 $66 \frac{2}{3}\%$ of the annuity received or earned by the decedent, and
18 shall be increased (1) on each January 1 occurring on or after
19 the commencement of the annuity if the deceased participant
20 died while receiving a retirement annuity, or (2) in other
21 cases, on each January 1 occurring on or after the first
22 anniversary of the commencement of the annuity, but in no event
23 prior to age 67, by an amount equal to 3% or the annual
24 unadjusted percentage increase in the consumer price index-u as
25 determined by the Public Pension Division of the Department of
26 Insurance under subsection (b-5) of Section 18-125, whichever

1 is less, of the survivor's annuity then being paid. If 2 or
2 more persons are eligible to receive survivor's annuities as
3 provided under this Section based on the same deceased
4 participant that first serves as a judge after January 1, 2011,
5 the calculation of the survivor's annuities shall be based on
6 the total calculation of the survivor's annuity and divided pro
7 rata.

8 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

9 (40 ILCS 5/18-133) (from Ch. 108 1/2, par. 18-133)

10 Sec. 18-133. Financing; employee contributions.

11 (a) Effective July 1, 1967, each participant is required to
12 contribute 7 1/2% of each payment of salary toward the
13 retirement annuity. Such contributions shall continue during
14 the entire time the participant is in service, with the
15 following exceptions:

16 (1) Contributions for the retirement annuity are not
17 required on salary received after 18 years of service by
18 persons who were participants before January 2, 1954.

19 (2) A participant who continues to serve as a judge
20 after becoming eligible to receive the maximum rate of
21 annuity may elect, through a written direction filed with
22 the Board, to discontinue contributing to the System. Any
23 such option elected by a judge shall be irrevocable unless
24 prior to January 1, 2000, and while continuing to serve as
25 judge, the judge (A) files with the Board a letter

1 cancelling the direction to discontinue contributing to
2 the System and requesting that such contributing resume,
3 and (B) pays into the System an amount equal to the total
4 of the discontinued contributions plus interest thereon at
5 5% per annum. Service credits earned in any other
6 "participating system" as defined in Article 20 of this
7 Code shall be considered for purposes of determining a
8 judge's eligibility to discontinue contributions under
9 this subdivision (a) (2).

10 (3) A participant who (i) first serves as a judge
11 before January 1, 2011 and has attained age 60, or first
12 serves as a judge on or after January 1, 2011 and has
13 attained age 67, (ii) continues to serve as a judge after
14 becoming eligible to receive the maximum rate of annuity,
15 and (iii) has not elected to discontinue contributing to
16 the System under subdivision (a) (2) of this Section (or has
17 revoked any such election) may elect, through a written
18 direction filed with the Board, to make contributions to
19 the System based only on the amount of the increases in
20 salary received by the judge on or after the date of the
21 election, rather than the total salary received. If a judge
22 who is making contributions to the System on the effective
23 date of this amendatory Act of the 91st General Assembly
24 makes an election to limit contributions under this
25 subdivision (a) (3) within 90 days after that effective
26 date, the election shall be deemed to become effective on

1 that effective date and the judge shall be entitled to
2 receive a refund of any excess contributions paid to the
3 System during that 90-day period; any other election under
4 this subdivision (a) (3) becomes effective on the first of
5 the month following the date of the election. An election
6 to limit contributions under this subdivision (a) (3) is
7 irrevocable. Service credits earned in any other
8 participating system as defined in Article 20 of this Code
9 shall be considered for purposes of determining a judge's
10 eligibility to make an election under this subdivision
11 (a) (3).

12 (b) Beginning July 1, 1969, each participant is required to
13 contribute 1% of each payment of salary towards the automatic
14 increase in annuity provided in Section 18-125.1. However, such
15 contributions need not be made by any participant who has
16 elected prior to September 15, 1969, not to be subject to the
17 automatic increase in annuity provisions.

18 (c) Effective July 13, 1953, each married participant
19 subject to the survivor's annuity provisions is required to
20 contribute 2 1/2% of each payment of salary, whether or not he
21 or she is required to make any other contributions under this
22 Section. Such contributions shall be made concurrently with the
23 contributions made for annuity purposes.

24 (d) Notwithstanding any other provision of this Article,
25 the required contributions for a participant who first becomes
26 a participant on or after January 1, 2011 shall not exceed the

1 contributions that would be due under this Article if that
2 participant's highest salary for annuity purposes were
3 \$106,800, plus any increase in that amount under Section
4 18-125.

5 (Source: P.A. 96-1490, eff. 1-1-11.)

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