



## 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 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.