

HB2617



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2617

by Rep. Robert Martwick

SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-131
40 ILCS 5/17-132

from Ch. 108 1/2, par. 17-131
from Ch. 108 1/2, par. 17-132

Amends the Chicago Teacher Article of the Illinois Pension Code. Provides that an Employer or the Board of Trustees shall make pension deductions in each pay period on the basis of the salary earned in that period, exclusive of salaries for overtime, extracurricular activities (instead of special services), or any employment on an optional basis, such as summer school. Makes conforming changes. Effective immediately.

LRB101 08807 RPS 53895 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

A BILL FOR

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 17-131 and 17-132 as follows:

6 (40 ILCS 5/17-131) (from Ch. 108 1/2, par. 17-131)

7 Sec. 17-131. Administration of payroll deductions.

8 (a) An Employer or the Board shall make pension deductions
9 in each pay period on the basis of the salary earned in that
10 period, exclusive of salaries for overtime, extracurricular
11 activities ~~special services~~, or any employment on an optional
12 basis, such as in summer school.

13 (b) If a salary paid in a pay period includes adjustments
14 on account of errors or omissions in prior pay periods, then
15 salary amounts and related pension deductions shall be
16 separately identified as to the adjusted pay period and
17 deductions by the Employer or the Board shall be at rates in
18 force during the applicable adjusted pay period.

19 (c) If members earn salaries for the school year, as
20 established by an Employer, or if they earn annual salaries
21 over more than a 10-calendar month period, or if they earn
22 annual salaries over more than 170 calendar days, the required
23 contribution amount shall be deducted by the Employer in

1 installments on the basis of salary earned in each pay period.
2 The total amounts for each pay period shall be deducted
3 whenever salary payments represent a partial or whole day's
4 pay.

5 (d) If an Employer or the Board pays a salary to a member
6 for vacation periods, then the salary shall be considered part
7 of the member's pensionable salary, shall be subject to the
8 standard deductions for pension contributions, and shall be
9 considered to represent pay for the number of whole days of
10 vacation.

11 (e) If deductions from salaries result in amounts of less
12 than one cent, the fractional sums shall be increased to the
13 next higher cent. Any excess of these fractional increases over
14 the prescribed annual contributions shall be credited to the
15 members' accounts.

16 (f) In the event that, pursuant to Section 17-130.1,
17 employee contributions are picked up or made by the Board of
18 Education on behalf of its employees, then the amount of the
19 employee contributions which are picked up or made in that
20 manner shall not be deducted from the salaries of such
21 employees.

22 (Source: P.A. 97-30, eff. 7-1-11.)

23 (40 ILCS 5/17-132) (from Ch. 108 1/2, par. 17-132)

24 Sec. 17-132. Payments and certification of salary
25 deductions.

1 (a) An Employer shall cause the Fund to receive all
2 members' payroll records and pension contributions within 30
3 calendar days after each predesignated payday. For purposes of
4 this Section, the predesignated payday shall be determined in
5 accordance with each Employer's payroll schedule for
6 contributions to the Fund.

7 (b) An Employer that fails to timely certify and submit
8 payroll records to the Fund is subject to a statutory penalty
9 in the amount of \$100 per day for each day that a required
10 certification and submission is late.

11 Amounts not received by the 30th calendar day after the
12 predesignated payday shall be deemed delinquent and subject to
13 a penalty consisting of interest, which shall accrue on a
14 monthly basis at the Fund's then effective actuarial rate of
15 return, and liquidated damages in the amount of \$100 per day,
16 not to exceed 20% of the principal contributions due, which
17 shall be mandatory except for good cause shown and in the
18 discretion of the Board.

19 An Employer in possession of member contributions deducted
20 from payroll checks is holding Fund assets, and thus becomes a
21 fiduciary over those assets.

22 (c) The payroll records shall report (1) all pensionable
23 salary earned in that pay period, exclusive of salaries for
24 overtime, extracurricular activities ~~special services~~, or any
25 employment on an optional basis, such as in summer school; (2)
26 adjustments to pensionable salary, exclusive of salaries for

1 overtime, extracurricular activities ~~special services~~, or any
2 employment on an optional basis, such as in summer school, made
3 in a pay period for any prior pay periods; (3) pension
4 contributions attributable to pensionable salary earned in the
5 reported pay period or the adjusted pay period as required by
6 subsection (b) of Section 17-131; and (4) any salary paid by an
7 Employer if that salary is compensation for validated service
8 and is exclusive of salary for overtime, extracurricular
9 activities ~~special services~~, or any employment on an optional
10 basis, such as in summer school. Payroll records required by
11 item (4) of this paragraph shall identify the number of days of
12 service rendered by the member and whether each day of service
13 represents a partial or whole day of service.

14 (d) The appropriate officers of the Employer shall certify
15 and submit the payroll records no later than 30 calendar days
16 after each predesignated payday. The certification shall
17 constitute a confirmation of the accuracy of such deductions
18 according to the provisions of this Article.

19 Each Charter School shall designate an administrator as a
20 "Pension Officer". The Pension Officer shall be responsible for
21 certifying all payroll information, including contributions
22 due and certified sick days payable pursuant to Section 17-134,
23 and assuring resolution of reported payroll and contribution
24 deficiencies.

25 (e) The Board has the authority to conduct payroll audits
26 of a charter school to determine the existence of any

1 delinquencies in contributions to the Fund, and such charter
2 school shall be required to provide such books and records and
3 contribution information as the Board or its authorized
4 representative may require. The Board is also authorized to
5 collect delinquent contributions from charter schools and
6 develop procedures for the collection of such delinquencies.
7 Collection procedures may include legal proceedings in the
8 courts of the State of Illinois. Expenses, including reasonable
9 attorneys' fees, incurred in the collection of delinquent
10 contributions may be assessed by the Board against the charter
11 school.

12 (Source: P.A. 98-427, eff. 8-16-13; 99-176, eff. 7-29-15.)

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.