



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB3054

by Rep. Jaime M. Andrade, Jr.

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/7-144  
30 ILCS 805/8.43 new

from Ch. 108 1/2, par. 7-144

Amends the Illinois Municipal Retirement Fund (IMRF) Article of the Illinois Pension Code. Provides that a participating municipality or participating instrumentality that (i) employs or re-employs an annuitant who must be considered a participating employee under specified provisions or whose age enhancement and creditable service under an early retirement program is subject to forfeiture (currently, an annuitant who must be considered a participating employee under specified provisions) and (ii) knowingly fails to notify the Board to suspend the annuity may be required to reimburse the Fund for an amount up to the total (instead of one-half of the total) of any annuity payments made to the annuitant after the date the annuity should have been suspended. Amends the State Mandates Act to require implementation without reimbursement.

LRB101 09915 RPS 55017 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

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 Section 7-144 as follows:

6 (40 ILCS 5/7-144) (from Ch. 108 1/2, par. 7-144)

7 Sec. 7-144. Retirement annuities - suspended during  
8 employment.

9 (a) If any person receiving any annuity again becomes an  
10 employee and receives earnings from employment in a position  
11 requiring him, or entitling him to elect, to become a  
12 participating employee, then the annuity payable to such  
13 employee shall be suspended as of the 1st day of the month  
14 coincidental with or next following the date upon which such  
15 person becomes such an employee, unless the person is  
16 authorized under subsection (b) of Section 7-137.1 of this Code  
17 to continue receiving a retirement annuity during that period.  
18 Upon proper qualification of the participating employee  
19 payment of such annuity may be resumed on the 1st day of the  
20 month following such qualification and upon proper application  
21 therefor. The participating employee in such case shall be  
22 entitled to a supplemental annuity arising from service and  
23 credits earned subsequent to such re-entry as a participating

1 employee.

2 Notwithstanding any other provision of this Article, an  
3 annuitant shall be considered a participating employee if he or  
4 she returns to work as an employee with a participating  
5 employer and works more than 599 hours annually (or 999 hours  
6 annually with a participating employer that has adopted a  
7 resolution pursuant to subsection (e) of Section 7-137 of this  
8 Code). Each of these annual periods shall commence on the month  
9 and day upon which the annuitant is first employed with the  
10 participating employer following the effective date of the  
11 annuity.

12 (a-5) If any annuitant under this Article must be  
13 considered a participating employee per the provisions of  
14 subsection (a) of this Section or if the annuitant's age  
15 enhancement and creditable service under Section 7-141.1 is  
16 subject to forfeiture under subsection (g) of Section 7-141.1,  
17 and the participating municipality or participating  
18 instrumentality that employs or re-employs that annuitant  
19 knowingly fails to notify the Board to suspend the annuity, the  
20 participating municipality or participating instrumentality  
21 may be required to reimburse the Fund for an amount up to  
22 ~~one-half of~~ the total of any annuity payments made to the  
23 annuitant after the date the annuity should have been  
24 suspended, as determined by the Board. In no case shall the  
25 total amount repaid by the annuitant plus any amount reimbursed  
26 by the employer to the Fund be more than the total of all

1 annuity payments made to the annuitant after the date the  
2 annuity should have been suspended. This subsection shall not  
3 apply if the annuitant returned to work for the employer for  
4 less than 12 months.

5 The Fund shall notify all annuitants that they must notify  
6 the Fund immediately if they return to work for any  
7 participating employer. The notification by the Fund shall  
8 occur upon retirement and no less than annually thereafter in a  
9 format determined by the Fund. The Fund shall also develop and  
10 maintain a system to track annuitants who have returned to work  
11 and notify the participating employer and annuitant at least  
12 annually of the limitations on returning to work under this  
13 Section.

14 (b) Supplemental annuities to persons who return to service  
15 for less than 48 months shall be computed under the provisions  
16 of Sections 7-141, 7-142 and 7-143. In determining whether an  
17 employee is eligible for an annuity which requires a minimum  
18 period of service, his entire period of service shall be taken  
19 into consideration but the supplemental annuity shall be based  
20 on earnings and service in the supplemental period only. The  
21 effective date of the suspended and supplemental annuity for  
22 the purpose of increases after retirement shall be considered  
23 to be the effective date of the suspended annuity.

24 (c) Supplemental annuities to persons who return to service  
25 for 48 months or more shall be a monthly amount determined as  
26 follows:

1           (1) An amount shall be computed under subparagraph b of  
2 paragraph (1) of subsection (a) of Section 7-142,  
3 considering all of the service credits of the employee;

4           (2) The actuarial value in monthly payments for life of  
5 the annuity payments made before suspension shall be  
6 determined and subtracted from the amount determined in (1)  
7 above;

8           (3) The monthly amount of the suspended annuity, with  
9 any applicable increases after retirement computed from  
10 the effective date to the date of reinstatement, shall be  
11 subtracted from the amount determined in (2) above and the  
12 remainder shall be the amount of the supplemental annuity  
13 provided that this amount shall not be less than the amount  
14 computed under subsection (b) of this Section.

15           (4) The suspended annuity shall be reinstated at an  
16 amount including any increases after retirement from the  
17 effective date to date of reinstatement.

18           (5) The effective date of the combined suspended and  
19 supplemental annuities for the purposes of increases after  
20 retirement shall be considered to be the effective date of  
21 the supplemental annuity.

22 (Source: P.A. 98-389, eff. 8-16-13; 99-745, eff. 8-5-16.)

23           Section 90. The State Mandates Act is amended by adding  
24 Section 8.43 as follows:

1 (30 ILCS 805/8.43 new)

2 Sec. 8.43. Exempt mandate. Notwithstanding Sections 6 and 8  
3 of this Act, no reimbursement by the State is required for the  
4 implementation of any mandate created by this amendatory Act of  
5 the 101st General Assembly.