



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB1643

Introduced 2/8/2023, by Sen. Robert F. Martwick

SYNOPSIS AS INTRODUCED:

40 ILCS 5/15-134.1	from Ch. 108 1/2, par. 15-134.1
40 ILCS 5/15-175	from Ch. 108 1/2, par. 15-175
40 ILCS 5/15-181	from Ch. 108 1/2, par. 15-181
40 ILCS 5/15-186.1	from Ch. 108 1/2, par. 15-186.1
40 ILCS 5/15-198	

Amends the State Universities Article of the Illinois Pension Code. Provides that in computing service: one day of service in a calendar month shall constitute a full month of service. For a participant who teaches a course or courses, a participant is deemed to be in service until the date on which the employer requires grades to be submitted for that course or courses, and that date shall be deemed to constitute a day of service. Provides that the changes made by the amendatory Act are retroactive to 2 years before the effective date of the amendatory Act. Provides that a participant may request a recalculation of his or her service based on the changes made by the amendatory Act. Requires an employer to annually provide to each of its participating employees a statement of the amount of service the employer reported to the System for that participating employee during the preceding academic year. Provides that if a person disputes the amount of any benefit payment, the amount of service credit the benefit was based on, the formula used to calculate the benefit, the calculation of the benefit, or the information provided to the System by the employer, he or she may, within 90 days after the commencement of the benefit, apply to the System in writing for a recalculation. Provides that any benefit increase that results from the amendatory Act is excluded from the definition of "new benefit increase". Makes other changes. Effective immediately.

LRB103 27808 RPS 54186 b

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
5 changing Sections 15-134.1, 15-175, 15-181, 15-186.1, and
6 15-198 as follows:

7 (40 ILCS 5/15-134.1) (from Ch. 108 1/2, par. 15-134.1)

8 Sec. 15-134.1. Service calculation and adjustment.

9 (a) In computing service, the following schedule shall
10 govern: one month of service means a calendar month during
11 which a participant (i) qualifies as an employee under Section
12 15-107 for at least 15 or more days, and (ii) receives any
13 earnings as an employee; 8 or more months of service during an
14 academic year shall constitute a year of service; 6 or more but
15 less than 8 months of service during an academic year shall
16 constitute 3/4 of a year of service; 3 or more but less than 6
17 months of service during an academic year shall constitute 1/2
18 of a year of service; and one or more but less than 3 months of
19 service during an academic year shall constitute 1/4 of a year
20 of service. No more than one year of service may be granted per
21 academic year, regardless of the number of hours or percentage
22 of time worked.

23 (a-5) Notwithstanding subsection (a), for the purposes of

1 computing service, one day of service in a calendar month
2 shall constitute a full month of service. For a participant
3 who teaches a course or courses, a participant is deemed to be
4 in service until the date on which the employer requires
5 grades for that course or courses to be submitted, and that
6 date shall be deemed to constitute a day of service. No more
7 than one year of service may be granted per academic year,
8 regardless of the number of hours or percentage of time
9 worked.

10 (b) In calculating a retirement annuity, if a participant
11 has been employed at 1/2 time or less for 3 or more years after
12 September 1, 1959, service shall be granted for such
13 employment in excess of 3 years, in the proportion that the
14 percentage of time employed for each such year of employment
15 bears to the average annual percentage of time employed during
16 the period on which the final rate of earnings is based. This
17 adjustment shall not be made, however, in determining the
18 eligibility for a retirement annuity, disability benefits,
19 additional death benefits, or survivors' insurance. The
20 percentage of time employed shall be as reported by the
21 employer.

22 (c) The changes made by this amendatory Act of the 103rd
23 General Assembly apply retroactively to 2 years before the
24 effective date of this amendatory Act of the 103rd General
25 Assembly. A participant may request that the System
26 recalculate his or her service based on the changes made by

1 this amendatory Act of the 103rd General Assembly.

2 (Source: P.A. 87-8.)

3 (40 ILCS 5/15-175) (from Ch. 108 1/2, par. 15-175)

4 Sec. 15-175. To provide statements.

5 To make available to the participants and annuitants a
6 financial statement including a summary of the report of the
7 certified public accountant; ~~and~~ to submit an individual
8 statement specifying the accumulations to the credit, as of
9 the latest date practicable, of any participant so requesting;
10 and to annually provide the formula for calculating pension
11 benefits to any employee who is not a full-time employee.

12 (Source: Laws 1963, p. 161.)

13 (40 ILCS 5/15-181) (from Ch. 108 1/2, par. 15-181)

14 Sec. 15-181. Duties of employers.

15 (a) Each employer, in preparing payroll vouchers for
16 participating employees, shall indicate, in addition to other
17 information: (1) the amount of employee contributions and
18 survivors insurance contributions required under Section
19 15-157, (2) the gross earnings payable to each employee, and
20 (3) the total of all contributions required under Section
21 15-157.

22 (b) Each employer, in drawing warrants or checks against
23 trust or federal funds for items of salary on payroll vouchers
24 certified by employers, shall draw such warrants or checks to

1 participating employees for the amount of cash salary or wages
2 specified for the period, and shall draw a warrant or check to
3 this system for the total of the contributions required under
4 Section 15-157. The warrant or check drawn to this system,
5 together with the additional copy of the payroll supplied by
6 the employer, shall be transmitted immediately to the board.

7 (c) The City of Champaign and the City of Urbana, as
8 employers of persons who participate in this System pursuant
9 to subsection (h) of Section 15-107, shall each collect and
10 transmit to the System from each payroll the employee
11 contributions required under Section 15-157, together with
12 such payroll documentation as the Board may require, at the
13 time that the payroll is paid.

14 (d) Each employer shall annually provide to its
15 participating employees a statement of the amount of service
16 the employer reported to the System for that participating
17 employee during the preceding academic year.

18 (Source: P.A. 90-576, eff. 3-31-98; 91-887, eff. 7-6-00.)

19 (40 ILCS 5/15-186.1) (from Ch. 108 1/2, par. 15-186.1)

20 Sec. 15-186.1. Mistake in benefit calculation and
21 overpayment recovery.

22 (a) Mistake in benefit calculation. If the System
23 mistakenly sets any benefit at an incorrect amount, it shall
24 recalculate the benefit as soon as may be practicable after
25 the mistake is discovered. If the benefit was mistakenly set

1 too low, the System shall make a lump sum payment to the
2 recipient of an amount equal to the difference between the
3 benefits that should have been paid and those actually paid,
4 plus interest at the effective rate from the date the unpaid
5 amounts accrued to the date of payment.

6 If the benefit was mistakenly set too high, the System may
7 recover the amount overpaid from the recipient thereof, plus
8 interest at the effective rate from the date of overpayment to
9 the date of recovery, either directly or by deducting such
10 amount from the remaining benefits payable to the recipient.
11 However, if (1) the amount of the benefit was mistakenly set
12 too high, and (2) the error was undiscovered for 3 years or
13 longer, and (3) the error was not the result of incorrect
14 information supplied or information omitted by the affected
15 member or beneficiary, then upon discovery of the mistake the
16 benefit shall be adjusted to the correct level, but the
17 recipient of the benefit need not repay to the System the
18 excess amounts received in error.

19 (b) Overpayment recovery. Regardless of the date an
20 overpayment is discovered, if the System determines that the
21 overpayment has occurred for any reason other than those
22 specified in subsection (a) of this Section, the System may
23 recover the overpayment from the recipient thereof or the
24 recipient's estate, plus interest at the effective rate from
25 the date of the overpayment to the date of recovery, either
26 directly or by deducting such amount from the remaining

1 benefits payable to the recipient or the recipient's estate,
2 or by any other means available to the System. This subsection
3 (b) applies to overpayments occurring before, on, or after the
4 effective date of this amendatory Act of the 102nd General
5 Assembly.

6 If a person disputes the amount of any benefit payment,
7 the amount of service credit the benefit was based on, the
8 formula used to calculate the benefit, the calculation of the
9 benefit, or the information provided to the System by the
10 employer, he or she may, within 90 days after the commencement
11 of the benefit, apply to the System in writing for a
12 recalculation.

13 (Source: P.A. 102-746, eff. 5-6-22.)

14 (40 ILCS 5/15-198)

15 Sec. 15-198. Application and expiration of new benefit
16 increases.

17 (a) As used in this Section, "new benefit increase" means
18 an increase in the amount of any benefit provided under this
19 Article, or an expansion of the conditions of eligibility for
20 any benefit under this Article, that results from an amendment
21 to this Code that takes effect after June 1, 2005 (the
22 effective date of Public Act 94-4). "New benefit increase",
23 however, does not include any benefit increase resulting from
24 the changes made to Article 1 or this Article by Public Act
25 100-23, Public Act 100-587, Public Act 100-769, Public Act

1 101-10, Public Act 101-610, Public Act 102-16, or this
2 amendatory Act of the 103rd General Assembly ~~or this~~
3 ~~amendatory Act of the 102nd General Assembly.~~

4 (b) Notwithstanding any other provision of this Code or
5 any subsequent amendment to this Code, every new benefit
6 increase is subject to this Section and shall be deemed to be
7 granted only in conformance with and contingent upon
8 compliance with the provisions of this Section.

9 (c) The Public Act enacting a new benefit increase must
10 identify and provide for payment to the System of additional
11 funding at least sufficient to fund the resulting annual
12 increase in cost to the System as it accrues.

13 Every new benefit increase is contingent upon the General
14 Assembly providing the additional funding required under this
15 subsection. The Commission on Government Forecasting and
16 Accountability shall analyze whether adequate additional
17 funding has been provided for the new benefit increase and
18 shall report its analysis to the Public Pension Division of
19 the Department of Insurance. A new benefit increase created by
20 a Public Act that does not include the additional funding
21 required under this subsection is null and void. If the Public
22 Pension Division determines that the additional funding
23 provided for a new benefit increase under this subsection is
24 or has become inadequate, it may so certify to the Governor and
25 the State Comptroller and, in the absence of corrective action
26 by the General Assembly, the new benefit increase shall expire

1 at the end of the fiscal year in which the certification is
2 made.

3 (d) Every new benefit increase shall expire 5 years after
4 its effective date or on such earlier date as may be specified
5 in the language enacting the new benefit increase or provided
6 under subsection (c). This does not prevent the General
7 Assembly from extending or re-creating a new benefit increase
8 by law.

9 (e) Except as otherwise provided in the language creating
10 the new benefit increase, a new benefit increase that expires
11 under this Section continues to apply to persons who applied
12 and qualified for the affected benefit while the new benefit
13 increase was in effect and to the affected beneficiaries and
14 alternate payees of such persons, but does not apply to any
15 other person, including, without limitation, a person who
16 continues in service after the expiration date and did not
17 apply and qualify for the affected benefit while the new
18 benefit increase was in effect.

19 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
20 101-610, eff. 1-1-20; 102-16, eff. 6-17-21.)

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.