



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB1443

Introduced 2/10/2005, by Rep. Raymond Poe

SYNOPSIS AS INTRODUCED:

40 ILCS 5/14-104

from Ch. 108 1/2, par. 14-104

Amends the State Employees Article of the Illinois Pension Code. Provides that a member who is laid off and later returns to service may establish service credit for a period of up to 2 years of that layoff during which he or she was not recalled to service. Requires the applicant to pay both employee and employer contributions, plus interest. Effective immediately.

LRB094 06771 EFG 36873 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 Section 14-104 as follows:

6 (40 ILCS 5/14-104) (from Ch. 108 1/2, par. 14-104)

7 Sec. 14-104. Service for which contributions permitted.
8 Contributions provided for in this Section shall cover the
9 period of service granted. Except as otherwise provided in this
10 Section, the contributions shall be based upon the employee's
11 compensation and contribution rate in effect on the date he
12 last became a member of the System; provided that for all
13 employment prior to January 1, 1969 the contribution rate shall
14 be that in effect for a noncovered employee on the date he last
15 became a member of the System. Except as otherwise provided in
16 this Section, contributions permitted under this Section shall
17 include regular interest from the date an employee last became
18 a member of the System to the date of payment.

19 These contributions must be paid in full before retirement
20 either in a lump sum or in installment payments in accordance
21 with such rules as may be adopted by the board.

22 (a) Any member may make contributions as required in this
23 Section for any period of service, subsequent to the date of
24 establishment, but prior to the date of membership.

25 (b) Any employee who had been previously excluded from
26 membership because of age at entry and subsequently became
27 eligible may elect to make contributions as required in this
28 Section for the period of service during which he was
29 ineligible.

30 (c) An employee of the Department of Insurance who, after
31 January 1, 1944 but prior to becoming eligible for membership,
32 received salary from funds of insurance companies in the

1 process of rehabilitation, liquidation, conservation or
2 dissolution, may elect to make contributions as required in
3 this Section for such service.

4 (d) Any employee who rendered service in a State office to
5 which he was elected, or rendered service in the elective
6 office of Clerk of the Appellate Court prior to the date he
7 became a member, may make contributions for such service as
8 required in this Section. Any member who served by appointment
9 of the Governor under the Civil Administrative Code of Illinois
10 and did not participate in this System may make contributions
11 as required in this Section for such service.

12 (e) Any person employed by the United States government or
13 any instrumentality or agency thereof from January 1, 1942
14 through November 15, 1946 as the result of a transfer from
15 State service by executive order of the President of the United
16 States shall be entitled to prior service credit covering the
17 period from January 1, 1942 through December 31, 1943 as
18 provided for in this Article and to membership service credit
19 for the period from January 1, 1944 through November 15, 1946
20 by making the contributions required in this Section. A person
21 so employed on January 1, 1944 but whose employment began after
22 January 1, 1942 may qualify for prior service and membership
23 service credit under the same conditions.

24 (f) An employee of the Department of Labor of the State of
25 Illinois who performed services for and under the supervision
26 of that Department prior to January 1, 1944 but who was
27 compensated for those services directly by federal funds and
28 not by a warrant of the Auditor of Public Accounts paid by the
29 State Treasurer may establish credit for such employment by
30 making the contributions required in this Section. An employee
31 of the Department of Agriculture of the State of Illinois, who
32 performed services for and under the supervision of that
33 Department prior to June 1, 1963, but was compensated for those
34 services directly by federal funds and not paid by a warrant of
35 the Auditor of Public Accounts paid by the State Treasurer, and
36 who did not contribute to any other public employee retirement

1 system for such service, may establish credit for such
2 employment by making the contributions required in this
3 Section.

4 (g) Any employee who executed a waiver of membership within
5 60 days prior to January 1, 1944 may, at any time while in the
6 service of a department, file with the board a rescission of
7 such waiver. Upon making the contributions required by this
8 Section, the member shall be granted the creditable service
9 that would have been received if the waiver had not been
10 executed.

11 (h) Until May 1, 1990, an employee who was employed on a
12 full-time basis by a regional planning commission for at least
13 5 continuous years may establish creditable service for such
14 employment by making the contributions required under this
15 Section, provided that any credits earned by the employee in
16 the commission's retirement plan have been terminated.

17 (i) Any person who rendered full time contractual services
18 to the General Assembly as a member of a legislative staff may
19 establish service credit for up to 8 years of such services by
20 making the contributions required under this Section, provided
21 that application therefor is made not later than July 1, 1991.

22 (j) By paying the contributions otherwise required under
23 this Section, plus an amount determined by the Board to be
24 equal to the employer's normal cost of the benefit plus
25 interest, but with all of the interest calculated from the date
26 the employee last became a member of the System or November 19,
27 1991, whichever is later, to the date of payment, an employee
28 may establish service credit for a period of up to 2 years
29 spent in active military service for which he does not qualify
30 for credit under Section 14-105, provided that (1) he was not
31 dishonorably discharged from such military service, and (2) the
32 amount of service credit established by a member under this
33 subsection (j), when added to the amount of military service
34 credit granted to the member under subsection (b) of Section
35 14-105, shall not exceed 5 years. The change in the manner of
36 calculating interest under this subsection (j) made by this

1 amendatory Act of the 92nd General Assembly applies to credit
2 purchased by an employee on or after its effective date and
3 does not entitle any person to a refund of contributions or
4 interest already paid.

5 (k) An employee who was employed on a full-time basis by
6 the Illinois State's Attorneys Association Statewide Appellate
7 Assistance Service LEAA-ILEC grant project prior to the time
8 that project became the State's Attorneys Appellate Service
9 Commission, now the Office of the State's Attorneys Appellate
10 Prosecutor, an agency of State government, may establish
11 creditable service for not more than 60 months service for such
12 employment by making contributions required under this
13 Section.

14 (l) By paying the contributions otherwise required under
15 this Section, plus an amount determined by the Board to be
16 equal to the employer's normal cost of the benefit plus
17 interest, a member may establish service credit for periods of
18 less than one year spent on authorized leave of absence from
19 service, provided that (1) the period of leave began on or
20 after January 1, 1982 and (2) any credit established by the
21 member for the period of leave in any other public employee
22 retirement system has been terminated. A member may establish
23 service credit under this subsection for more than one period
24 of authorized leave, and in that case the total period of
25 service credit established by the member under this subsection
26 may exceed one year. In determining the contributions required
27 for establishing service credit under this subsection, the
28 interest shall be calculated from the beginning of the leave of
29 absence to the date of payment.

30 (m) Any person who rendered contractual services to a
31 member of the General Assembly as a worker in the member's
32 district office may establish creditable service for up to 3
33 years of those contractual services by making the contributions
34 required under this Section. The System shall determine a
35 full-time salary equivalent for the purpose of calculating the
36 required contribution. To establish credit under this

1 subsection, the applicant must apply to the System by March 1,
2 1998.

3 (n) Any person who rendered contractual services to a
4 member of the General Assembly as a worker providing
5 constituent services to persons in the member's district may
6 establish creditable service for up to 8 years of those
7 contractual services by making the contributions required
8 under this Section. The System shall determine a full-time
9 salary equivalent for the purpose of calculating the required
10 contribution. To establish credit under this subsection, the
11 applicant must apply to the System by March 1, 1998.

12 (o) A member who participated in the Illinois Legislative
13 Staff Internship Program may establish creditable service for
14 up to one year of that participation by making the contribution
15 required under this Section. The System shall determine a
16 full-time salary equivalent for the purpose of calculating the
17 required contribution. Credit may not be established under this
18 subsection for any period for which service credit is
19 established under any other provision of this Code.

20 (p) By paying the contributions otherwise required under
21 this Section, plus an amount determined by the Board to be
22 equal to the employer's normal cost of the benefit plus
23 interest, a member who is laid off from employment for which he
24 or she participates in the System and thereafter returns to
25 employment (not necessarily in the same position or for the
26 same department) for which he or she participates in the System
27 may establish creditable service for a period of up to 2 years
28 of that layoff during which he or she was not recalled to
29 service. Credit may not be established under this subsection
30 for any period for which service credit has been established or
31 is available under any other provision of this Code.

32 (Source: P.A. 92-54, eff. 7-12-01.)

33 Section 99. Effective date. This Act takes effect upon
34 becoming law.