



**94TH GENERAL ASSEMBLY**  
**State of Illinois**  
**2005 and 2006**  
**HB4136**

Introduced 10/21/2005, by Rep. Gary Hannig

**SYNOPSIS AS INTRODUCED:**

40 ILCS 5/16-128

from Ch. 108 1/2, par. 16-128

Amends the Downstate Teacher Article of the Illinois Pension Code. Provides that employer contributions for days granted by an employer in excess of the member's normal annual sick leave allotment shall be paid in the form of a lump sum within 30 days after receipt of the bill after the teacher begins receiving benefits under this Article. Effective immediately.

LRB094 14747 AMC 49724 b

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 16-128 as follows:

6 (40 ILCS 5/16-128) (from Ch. 108 1/2, par. 16-128)

7 Sec. 16-128. Creditable service - required contributions.

8 (a) In order to receive the creditable service specified  
9 under subsection (b) of Section 16-127, a member is required to  
10 make the following contributions: (i) an amount equal to the  
11 contributions which would have been required had such service  
12 been rendered as a member under this System; (ii) for military  
13 service not immediately following employment and for service  
14 established under subdivision (b)(10) of Section 16-127, an  
15 amount determined by the Board to be equal to the employer's  
16 normal cost of the benefits accrued for such service; and (iii)  
17 interest from the date the contributions would have been due  
18 (or, in the case of a person establishing credit for military  
19 service under subdivision (b)(3) of Section 16-127, the date of  
20 first membership in the System, if that date is later) to the  
21 date of payment, at the following rate of interest, compounded  
22 annually: for periods prior to July 1, 1965, regular interest;  
23 from July 1, 1965 to June 30, 1977, 4% per year; on and after  
24 July 1, 1977, regular interest.

25 (b) In order to receive creditable service under paragraph  
26 (2) of subsection (b) of Section 16-127 for those who were not  
27 members on June 30, 1963, the minimum required contribution  
28 shall be \$420 per year of service together with interest at 4%  
29 per year compounded annually from July 1, preceding the date of  
30 membership until June 30, 1977 and at regular interest  
31 compounded annually thereafter to the date of payment.

32 (c) In determining the contribution required in order to

1 receive creditable service under paragraph (3) of subsection  
2 (b) of Section 16-127, the salary rate for the remainder of the  
3 school term in which a member enters military service shall be  
4 assumed to be equal to the member's salary rate at the time of  
5 entering military service. However, for military service not  
6 immediately following employment, the salary rate on the last  
7 date as a participating teacher prior to such military service,  
8 or on the first date as a participating teacher after such  
9 military service, whichever is greater, shall be assumed to be  
10 equal to the member's salary rate at the time of entering  
11 military service. For each school term thereafter, the member's  
12 salary rate shall be assumed to be 5% higher than the salary  
13 rate in the previous school term.

14 (d) In determining the contribution required in order to  
15 receive creditable service under paragraph (5) of subsection  
16 (b) of Section 16-127, a member's salary rate during the period  
17 for which credit is being established shall be assumed to be  
18 equal to the member's last salary rate immediately preceding  
19 that period.

20 (d-5) For each year of service credit to be established  
21 under subsection (b-1) of Section 16-127, a member is required  
22 to contribute to the System (i) 16.5% of the annual salary rate  
23 during the first year of full-time employment as a teacher  
24 under this Article following the private school service, plus  
25 (ii) interest thereon from the date of first full-time  
26 employment as a teacher under this Article following the  
27 private school service to the date of payment, compounded  
28 annually, at the rate of 8.5% per year for periods before the  
29 effective date of this amendatory Act of the 92nd General  
30 Assembly, and for subsequent periods at a rate equal to the  
31 System's actuarially assumed rate of return on investments.

32 (d-10) For service credit established under paragraph (6)  
33 of subsection (b) of Section 16-127 for days granted by an  
34 employer in excess of the member's normal annual sick leave  
35 allotment, the employer is required to pay the normal cost of  
36 benefits based upon such service credit. This subsection (d-10)

1 does not apply to sick leave granted to teachers under  
2 contracts or collective bargaining agreements entered into,  
3 amended, or renewed before June 1, 2005 (the effective date of  
4 Public Act 94-4) ~~this amendatory Act of the 94th General~~  
5 ~~Assembly.~~ The employer contributions required under this  
6 subsection (d-10) shall be paid in the form of a lump sum  
7 within 30 days after receipt of the bill after the teacher  
8 begins receiving benefits under this Article.

9 (e) Except for contributions under subsection (d-10), the  
10 ~~The~~ contributions required under this Section may be made from  
11 the date the statement for such creditable service is issued  
12 until retirement date. All such required contributions must be  
13 made before any retirement annuity is granted.

14 (Source: P.A. 94-4, eff. 6-1-05.)

15 Section 99. Effective date. This Act takes effect upon  
16 becoming law.