

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 7-173 as follows:

6 (40 ILCS 5/7-173) (from Ch. 108 1/2, par. 7-173)

7 Sec. 7-173. Contributions by employees.

8 (a) Each participating employee shall make contributions
9 to the fund as follows:

10 1. For retirement annuity purposes, normal
11 contributions of 3 3/4% of earnings.

12 2. Additional contributions of such percentages of
13 each payment of earnings, as shall be elected by the
14 employee for retirement annuity purposes, but not in excess
15 of 10%. The selected rate shall be applicable to all
16 earnings paid ~~beginning on the first day of the second~~
17 ~~month~~ following receipt by the Board of written notice of
18 election to make such contributions. Additional
19 contributions at the selected rate shall be made
20 concurrently with normal contributions.

21 3. Survivor contributions, by each participating
22 employee, of 3/4% of each payment of earnings.

23 (b) Each employee shall make contributions to the fund for

1 Federal Social Security taxes, for periods during which he is a
2 covered employee, as required by the Social Security Enabling
3 Act. For participating employees, such contributions shall be
4 in addition to those required under paragraph (a) of this
5 Section.

6 (c) Contributions shall be deducted from each
7 corresponding payment of earnings paid to each employee and
8 shall be remitted to the board by the participating
9 municipality or participating instrumentality making such
10 payment. The remittance, together with a report of the earnings
11 and contributions shall be made as directed by the board. For
12 township treasurers and employees of township treasurers
13 qualifying as employees hereunder, the contributions herein
14 required as deductions from salary shall be withheld by the
15 school township trustees from funds available for the payment
16 of the compensation of such treasurers and employees as
17 provided in the School Code and remitted to the board.

18 (d) An employee who has made additional contributions under
19 paragraph (a)2 of this Section may upon retirement or at any
20 time prior thereto, elect to withdraw the total of such
21 additional contributions including interest credited thereon
22 to the end of the preceding calendar year.

23 (e) Failure to make the deductions for employee
24 contributions provided in paragraph (c) of this Section shall
25 not relieve the employee from liability for such contributions.
26 The amount of such liability may be deducted, with interest

1 charged under Section 7-209, from any annuities or benefits
2 payable hereunder to the employee or any other person receiving
3 an annuity or benefit by reason of such employee's
4 participation.

5 (f) A participating employee who has at least 40 years of
6 creditable service in the Fund may elect to cease making the
7 contributions required under this Section. The status of the
8 employee under this Article shall be unaffected by this
9 election, except that the employee shall not receive any
10 additional creditable service for the periods of employment
11 following the election. An election under this subsection
12 relieves the employer from making additional employer
13 contributions in relation to that employee.

14 (Source: P.A. 87-1265.)

15 Section 90. The State Mandates Act is amended by adding
16 Section 8.34 as follows:

17 (30 ILCS 805/8.34 new)

18 Sec. 8.34. Exempt mandate. Notwithstanding Sections 6 and 8
19 of this Act, no reimbursement by the State is required for the
20 implementation of any mandate created by this amendatory Act of
21 the 96th General Assembly.

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