



Rep. Stephanie A. Kifowit

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09900HB3408ham001

LRB099 10200 RPS 46861 a

1 AMENDMENT TO HOUSE BILL 3408

2 AMENDMENT NO. _____. Amend House Bill 3408 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 15-110 and 15-111 and by adding Section
6 15-111.5 as follows:

7 (40 ILCS 5/15-110) (from Ch. 108 1/2, par. 15-110)

8 Sec. 15-110. Basic compensation. "Basic compensation":
9 Subject to Section 15-111.5, the ~~The~~ gross basic rate of salary
10 or wages payable by an employer, including:

11 (1) the value of maintenance, board, living quarters,
12 personal laundry or other allowances furnished in lieu of
13 salary which are considered gross income under the federal
14 ~~Federal~~ Internal Revenue Code of 1986, as amended;~~;~~

15 (2) the employee contributions required under Section
16 15-157;~~;~~ and

1 (3) the amount paid by any employer to a custodial
2 account for investment in regulated investment company
3 stocks for the benefit of the employee pursuant to the
4 University Employees Custodial Accounts Act; "An Act in
5 relation to payments to custodial accounts for the benefit
6 of employees of public institutions of higher education",
7 approved September 9, 1983, and

8 (4) the amount of the premium payable by any employer
9 to an insurance company or companies on an annuity
10 contract, pursuant to the employee's election to accept a
11 reduction in earnings or forego an increase in earnings
12 under Section 30c of the State Finance Act "An Act in
13 relation to State Finance," approved June 10, 1919, as
14 amended, or a tax-sheltered annuity plan approved by any
15 employer; and

16 (5) the amount of any elective deferral to a deferred
17 compensation plan established under Article 24 of this Code
18 pursuant to Section 457(b) of the federal Internal Revenue
19 Code of 1986, as amended.

20 Basic compensation does not include (1) salary or wages for
21 overtime or other extra service; (2) prospective salary or
22 wages under a summer teaching contract not yet entered upon;
23 and (3) overseas differential allowances, quarters allowances,
24 post allowances, educational allowances and transportation
25 allowances paid by an employer under a contract with the
26 federal government or its agencies for services rendered in

1 other countries. If an employee elects to receive in lieu of
2 cash salary or wages, fringe benefits which are not taxable
3 under the federal ~~Federal~~ Internal Revenue Code of 1986, as
4 amended, the amount of the cash salary or wages which is waived
5 shall be included in determining basic compensation.

6 (Source: P.A. 84-1308.)

7 (40 ILCS 5/15-111) (from Ch. 108 1/2, par. 15-111)

8 (Text of Section WITHOUT the changes made by P.A. 98-599,
9 which has been held unconstitutional)

10 Sec. 15-111. Earnings.

11 (a) "Earnings": Subject to Section 15-111.5, an ~~An~~ amount
12 paid for personal services equal to the sum of the basic
13 compensation plus extra compensation for summer teaching,
14 overtime or other extra service. For periods for which an
15 employee receives service credit under subsection (c) of
16 Section 15-113.1 or Section 15-113.2, earnings are equal to the
17 basic compensation on which contributions are paid by the
18 employee during such periods. Compensation for employment
19 which is irregular, intermittent and temporary shall not be
20 considered earnings, unless the participant is also receiving
21 earnings from the employer as an employee under Section 15-107.

22 With respect to transition pay paid by the University of
23 Illinois to a person who was a participating employee employed
24 in the fire department of the University of Illinois's
25 Champaign-Urbana campus immediately prior to the elimination

1 of that fire department:

2 (1) "Earnings" includes transition pay paid to the
3 employee on or after the effective date of this amendatory
4 Act of the 91st General Assembly.

5 (2) "Earnings" includes transition pay paid to the
6 employee before the effective date of this amendatory Act
7 of the 91st General Assembly only if (i) employee
8 contributions under Section 15-157 have been withheld from
9 that transition pay or (ii) the employee pays to the System
10 before January 1, 2001 an amount representing employee
11 contributions under Section 15-157 on that transition pay.
12 Employee contributions under item (ii) may be paid in a
13 lump sum, by withholding from additional transition pay
14 accruing before January 1, 2001, or in any other manner
15 approved by the System. Upon payment of the employee
16 contributions on transition pay, the corresponding
17 employer contributions become an obligation of the State.

18 (b) For a Tier 2 member, the annual earnings shall not
19 exceed \$106,800; however, that amount shall annually
20 thereafter be increased by the lesser of (i) 3% of that amount,
21 including all previous adjustments, or (ii) one half the annual
22 unadjusted percentage increase (but not less than zero) in the
23 consumer price index-u for the 12 months ending with the
24 September preceding each November 1, including all previous
25 adjustments.

26 For the purposes of this Section, "consumer price index u"

1 means the index published by the Bureau of Labor Statistics of
2 the United States Department of Labor that measures the average
3 change in prices of goods and services purchased by all urban
4 consumers, United States city average, all items, 1982-84 =
5 100. The new amount resulting from each annual adjustment shall
6 be determined by the Public Pension Division of the Department
7 of Insurance and made available to the boards of the retirement
8 systems and pension funds by November 1 of each year.

9 (Source: P.A. 98-92, eff. 7-16-13.)

10 (40 ILCS 5/15-111.5 new)

11 Sec. 15-111.5. Basic compensation and earnings
12 restrictions. For an employee who first becomes a participant
13 on or after the effective date of this amendatory Act of the
14 99th General Assembly, basic compensation under Section 15-110
15 and earnings under Section 15-111 shall not include housing
16 allowances or vehicle allowances.

17 Section 99. Effective date. This Act takes effect upon
18 becoming law."