

AN ACT concerning public employee benefits.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Pension Code is amended by changing Sections 17-114, 17-132, and 17-149 as follows:

(40 ILCS 5/17-114) (from Ch. 108 1/2, par. 17-114)

Sec. 17-114. Computation of service.

(a) When computing days of validated service, contributors shall receive one day of service credit for each day for which they are paid salary representing a partial or a full day of employment rendered to an Employer or the Board.

(b) When computing months of validated service, 17 or more days of service rendered to an Employer or the Board in a calendar month shall entitle a contributor to one month of service credit for purposes of this Article.

(c) When computing years of validated service rendered, 170 or more days of service in a fiscal year or 10 or more months of service in a fiscal year shall constitute one year of service credit.

(d) Notwithstanding subsections (b) and (c) of this Section, validated service in any fiscal year shall be that fraction of a year equal to the ratio of the number of days of service to 170 days.

(e) For purposes of this Section, no contributor shall earn (i) more than one year of service credit per fiscal year, (ii) more than one day of service credit per calendar day, or (iii) more than 10 days of service credit in a 2 calendar week period as determined by the Fund.

(Source: P.A. 97-30, eff. 7-1-11.)

(40 ILCS 5/17-132) (from Ch. 108 1/2, par. 17-132)

Sec. 17-132. Payments and certification of salary deductions.

(a) An Employer shall cause the Fund to receive all members' payroll records and pension contributions within 30 calendar days after each predesignated payday. For purposes of this Section, the predesignated payday shall be determined in accordance with each Employer's payroll schedule for contributions to the Fund.

(b) An Employer that fails to timely certify and submit payroll records to the Fund is subject to a statutory penalty in the amount of \$100 per day for each day that a required certification and submission is late.

Amounts not received by the 30th calendar day after the predesignated payday shall be deemed delinquent and subject to a penalty consisting of interest, which shall accrue on a monthly basis at the Fund's then effective actuarial rate of return, and liquidated damages in the amount of \$100 per day, not to exceed 20% of the principal contributions due, which

shall be mandatory except for good cause shown and in the discretion of the Board.

An Employer in possession of member contributions deducted from payroll checks is holding Fund assets, and thus becomes a fiduciary over those assets.

(c) The payroll records shall report (1) all pensionable salary earned in that pay period, exclusive of salaries for overtime, special services, or any employment on an optional basis, such as in summer school; (2) adjustments to pensionable salary, exclusive of salaries for overtime, special services, or any employment on an optional basis, such as in summer school, made in a pay period for any prior pay periods; (3) pension contributions attributable to pensionable salary earned in the reported pay period or the adjusted pay period as required by subsection (b) of Section 17-131; and (4) any salary paid by an Employer if that salary is compensation for validated service and is exclusive of salary for overtime, special services, or any employment on an optional basis, such as in summer school. Payroll records required by item (4) of this paragraph shall identify the number of days of service rendered by the member and whether each day of service represents a partial or whole day of service.

(d) The appropriate officers of the Employer shall certify and submit the payroll records no later than 30 calendar days after each predesignated payday. The certification shall constitute a confirmation of the accuracy of such deductions

according to the provisions of this Article.

Each Charter School shall designate an administrator as a "Pension Officer". The Pension Officer shall be responsible for certifying all payroll information, including ~~and~~ contributions due and certified sick days payable pursuant to Section 17-134, and assuring resolution of reported payroll and contribution deficiencies.

(e) The Board has the authority to conduct payroll audits of a charter school to determine the existence of any delinquencies in contributions to the Fund, and such charter school shall be required to provide such books and records and contribution information as the Board or its authorized representative may require. The Board is also authorized to collect delinquent contributions from charter schools and develop procedures for the collection of such delinquencies. Collection procedures may include legal proceedings in the courts of the State of Illinois. Expenses, including reasonable attorneys' fees, incurred in the collection of delinquent contributions may be assessed by the Board against the charter school.

(Source: P.A. 97-30, eff. 7-1-11; 98-427, eff. 8-16-13.)

(40 ILCS 5/17-149) (from Ch. 108 1/2, par. 17-149)

Sec. 17-149. Cancellation of pensions.

(a) If any person receiving a disability retirement pension from the Fund is re-employed as a teacher by an Employer, the

pension shall be cancelled on the date the re-employment begins, or on the first day of a payroll period for which service credit was validated, whichever is earlier.

(b) If any person receiving a service retirement pension from the Fund is re-employed as a teacher on a permanent or annual basis by an Employer, the pension shall be cancelled on the date the re-employment begins, or on the first day of a payroll period for which service credit was validated, whichever is earlier. However, subject to the limitations and requirements of subsection (c-5), the pension shall not be cancelled in the case of a service retirement pensioner who is re-employed on a temporary and non-annual basis or on an hourly basis.

(c) If the date of re-employment on a permanent or annual basis occurs within 5 school months after the date of previous retirement, exclusive of any vacation period, the member shall be deemed to have been out of service only temporarily and not permanently retired. Such person shall be entitled to pension payments for the time he could have been employed as a teacher and received salary, but shall not be entitled to pension for or during the summer vacation prior to his return to service.

When the member again retires on pension, the time of service and the money contributed by him during re-employment shall be added to the time and money previously credited. Such person must acquire 3 consecutive years of additional contributing service before he may retire again on a pension at

a rate and under conditions other than those in force or attained at the time of his previous retirement.

(c-5) The service retirement pension shall not be cancelled in the case of a service retirement pensioner who is re-employed as a teacher on a temporary and non-annual basis or on an hourly basis, so long as the person (1) does not work as a teacher for compensation on more than 100 days in a school year or ~~and~~ (2) does not accept gross compensation for the re-employment in a school year in excess of (i) \$30,000 or (ii) in the case of a person who retires with at least 5 years of service as a principal, an amount that is equal to the daily rate normally paid to retired principals multiplied by 100. These limitations apply only to school years that begin on or after the effective date of this amendatory Act of the 97th General Assembly. Such re-employment does not require contributions, result in service credit, or constitute active membership in the Fund.

To be eligible for such re-employment without cancellation of pension, the pensioner must notify the Fund and the Board of Education of his or her intention to accept re-employment under this subsection (c-5) before beginning that re-employment (or if the re-employment began before the effective date of this amendatory Act, then within 30 days after that effective date).

An Employer ~~The Board of Education~~ must certify to the Fund the temporary and non-annual or hourly status and the compensation of each pensioner re-employed under this

subsection at least quarterly, and when the pensioner is approaching the earnings limitation under this subsection.

If the pensioner works more than 100 days or accepts excess gross compensation for such re-employment in any school year that begins on or after the effective date of this amendatory Act of the 97th General Assembly, the service retirement pension shall thereupon be cancelled.

The Board of the Fund shall adopt rules for the implementation and administration of this subsection.

(d) Notwithstanding Sections 1-103.1 and 17-157, the changes to this Section made by Public Act 90-32 apply without regard to whether termination of service occurred before the effective date of that Act and apply retroactively to August 23, 1989.

Notwithstanding Sections 1-103.1 and 17-157, the changes to this Section and Section 17-106 made by Public Act 92-599 apply without regard to whether termination of service occurred before the effective date of that Act.

Notwithstanding Sections 1-103.1 and 17-157, the changes to this Section made by this amendatory Act of the 97th General Assembly apply without regard to whether termination of service occurred before the effective date of this amendatory Act.

(Source: P.A. 97-912, eff. 8-8-12.)

Section 90. The State Mandates Act is amended by adding Section 8.39 as follows:

(30 ILCS 805/8.39 new)

Sec. 8.39. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 99th General Assembly.

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