

104TH GENERAL ASSEMBLY**State of Illinois****2025 and 2026****HB4096**

Introduced 10/15/2025, by Rep. Nicole La Ha

SYNOPSIS AS INTRODUCED:

40 ILCS 5/15-139

from Ch. 108 1/2, par. 15-139

Amends the State Universities Article of the Illinois Pension Code. In provisions concerning the suspension of retirement annuities for certain reemployment, provides that the provisions do not apply to an annuitant for any period of service on or after March 9, 2020 during which the annuitant returns to employment under the Article to perform a critical operation during a state of emergency or disaster that is declared by the Governor. Provides that, if an annuitant returns to employment for an employer under the Article during such a period, the annuitant is eligible to receive compensation from an employer for that service and benefits for prior service under the Article, but employee and employer contributions under the Article during that period of reemployment are not required. Provides that service and compensation earned for such reemployment shall not be used to recalculate the annuitant's benefits under the Code. For reemployment to perform a critical operation during a state of emergency or disaster declared by the Governor and that occurred on or after on or after March 9, 2020 and before the effective date of the amendatory Act: requires the System to pay to the annuitant the amount of the suspended or cancelled pension benefits with interest at the effective rate from the date of the suspension or cancellation of the benefit to the date of payment; and, if an annuitant repaid benefits to the System under the provisions, requires the System to pay to the annuitant the amount of that repayment with interest at the effective rate from the date of the annuitant's repayment of benefits to the date of the System's repayment to the annuitant. Provides that an annuitant's benefits shall not be suspended if the annuitant made an employment-related decision having reasonably relied on a statement or statements by a representative or representatives of the System that benefits would not be suspended if such a decision were made. Provides that the amendatory Act applies without regard to whether the annuitant was in service on or after the effective date of the amendatory Act. Effective immediately.

LRB104 14469 RPS 27608 b

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
5 changing Section 15-139 as follows:

6 (40 ILCS 5/15-139) (from Ch. 108 1/2, par. 15-139)

7 Sec. 15-139. Retirement annuities; cancellation; suspended
8 during employment.

9 (a) If an annuitant returns to employment for an employer
10 within 60 days after the beginning of the retirement annuity
11 payment period, the retirement annuity shall be cancelled, and
12 the annuitant shall refund to the System the total amount of
13 the retirement annuity payments which he or she received. If
14 the retirement annuity is cancelled, the participant shall
15 continue to participate in the System.

16 (b) If an annuitant retires prior to age 60 and receives or
17 becomes entitled to receive during any month compensation in
18 excess of the monthly retirement annuity (including any
19 automatic annual increases) for services performed after the
20 date of retirement for any employer under this System, that
21 portion of the monthly retirement annuity provided by employer
22 contributions shall not be payable.

23 If an annuitant retires at age 60 or over and receives or

1 becomes entitled to receive during any academic year
2 compensation in excess of the difference between his or her
3 highest annual earnings prior to retirement and his or her
4 annual retirement annuity computed under Rule 1, Rule 2, Rule
5 3, or Rule 4 of Section 15-136, or under Section 15-136.4, for
6 services performed after the date of retirement for any
7 employer under this System, that portion of the monthly
8 retirement annuity provided by employer contributions shall be
9 reduced by an amount equal to the compensation that exceeds
10 such difference.

11 However, any remuneration received for serving as a member
12 of the Illinois Educational Labor Relations Board shall be
13 excluded from "compensation" for the purposes of this
14 subsection (b), and serving as a member of the Illinois
15 Educational Labor Relations Board shall not be deemed to be a
16 return to employment for the purposes of this Section. This
17 provision applies without regard to whether service was
18 terminated prior to the effective date of this amendatory Act
19 of 1991.

20 "Academic year", as used in this subsection (b), means the
21 12-month period beginning September 1.

22 (c) If an employer certifies that an annuitant has been
23 reemployed on a permanent and continuous basis or in a
24 position in which the annuitant is expected to serve for at
25 least 9 months, the annuitant shall resume his or her status as
26 a participating employee and shall be entitled to all rights

1 applicable to participating employees upon filing with the
2 board an election to forgo all annuity payments during the
3 period of reemployment. Upon subsequent retirement, the
4 retirement annuity shall consist of the annuity which was
5 terminated by the reemployment, plus the additional retirement
6 annuity based upon service granted during the period of
7 reemployment, but the combined retirement annuity shall not
8 exceed the maximum annuity applicable on the date of the last
9 retirement.

10 The total service and earnings credited before and after
11 the initial date of retirement shall be considered in
12 determining eligibility of the employee or the employee's
13 beneficiary to benefits under this Article, and in calculating
14 final rate of earnings.

15 In determining the death benefit payable to a beneficiary
16 of an annuitant who again becomes a participating employee
17 under this Section, accumulated normal and additional
18 contributions shall be considered as the sum of the
19 accumulated normal and additional contributions at the date of
20 initial retirement and the accumulated normal and additional
21 contributions credited after that date, less the sum of the
22 annuity payments received by the annuitant.

23 The survivors insurance benefits provided under Section
24 15-145 shall not be applicable to an annuitant who resumes his
25 or her status as a participating employee, unless the
26 annuitant, at the time of initial retirement, has a survivors

1 insurance beneficiary who could qualify for such benefits or
2 the annuitant repaid the survivors insurance contribution
3 refund or additional annuity under subsection (c-5) of Section
4 15-154.

5 If the participant's employment is terminated because of
6 circumstances other than death before 9 months from the date
7 of reemployment, the provisions of this Section regarding
8 resumption of status as a participating employee shall not
9 apply. The normal and survivors insurance contributions which
10 are deducted during this period shall be refunded to the
11 annuitant without interest, and subsequent benefits under this
12 Article shall be the same as those which were applicable prior
13 to the date the annuitant resumed employment.

14 The amendments made to this Section by this amendatory Act
15 of the 91st General Assembly apply without regard to whether
16 the annuitant was in service on or after the effective date of
17 this amendatory Act.

18 (d) The provisions of this Section do not apply to an
19 annuitant for any period of service on or after March 9, 2020
20 during which the annuitant returns to employment under this
21 Article to perform a critical operation during a state of
22 emergency or disaster that is declared by the Governor. If an
23 annuitant returns to employment for an employer under this
24 Article during such a period, the annuitant is eligible to
25 receive compensation from an employer for that service and
26 benefits for prior service under this Article, but employee

1 and employer contributions under this Article during that
2 period of reemployment are not required. Service and
3 compensation earned for such reemployment shall not be used to
4 recalculate the annuitant's benefits under this Code.

5 For reemployment to perform a critical operation during a
6 state of emergency or disaster declared by the Governor and
7 that occurred on or after March 9, 2020 and before the
8 effective date of this amendatory Act of the 104th General
9 Assembly: the System shall pay to the annuitant the amount of
10 the suspended or canceled benefits under this Article with
11 interest at the effective rate from the date of the suspension
12 or cancellation of the benefit to the date of payment; and, if
13 an annuitant repaid benefits to the System under this Section,
14 the System shall pay to the annuitant the amount of that
15 repayment with interest at the effective rate from the date of
16 the annuitant's repayment of benefits to the date of the
17 System's repayment to the annuitant.

18 An annuitant's benefits shall not be suspended under this
19 Section if the annuitant made an employment-related decision
20 having reasonably relied on a statement or statements by a
21 representative or representatives of the System that benefits
22 would not be suspended if such a decision were made.

23 In this subsection (d), "critical operations" has the
24 meaning given to that term in subsection (i) of Section
25 15-139.5.

26 This subsection (d) applies without regard to whether the

1 annuitant was in service on or after the effective date of this
2 amendatory Act of the 104th General Assembly.

3 (Source: P.A. 98-92, eff. 7-16-13; 98-596, eff. 11-19-13;
4 99-682, eff. 7-29-16.)

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