



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB4572

Introduced 1/30/2026, by Rep. Janet Yang Rohr

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/7-141	from Ch. 108 1/2, par. 7-141
40 ILCS 5/7-144	from Ch. 108 1/2, par. 7-144
30 ILCS 805/8.50 new	

Amends the Illinois Municipal Retirement Fund (IMRF) Article of the Illinois Pension Code. Provides that, if the retirement application of any annuitant under the Article must be retroactively denied because there was not a separation from service, and the participating municipality or participating instrumentality that employs, re-employs, or contracts with that annuitant knowingly fails to notify the Board of such service, the Board may review the totality of circumstances regarding the member not having a separation of service and assign proportionate responsibility for reimbursement of the total of any annuity payments made to the annuitant in error, as determined by the Board, between the participating municipality or participating instrumentality and the annuitant, less any amount actually repaid by the annuitant. Provides that the total amount repaid by the annuitant plus any amount reimbursed by the employer to the Fund shall not be more than the total of all annuity payments made to the annuitant in error. Adds similar provisions to a provision concerning the suspension of retirement annuities during employment, and removes language providing that those provisions shall not apply if the annuitant returned to work for the employer for less than 12 months. Amends the State Mandates Act to require implementation without reimbursement.

LRB104 16944 RPS 30358 b

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

A BILL FOR

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 Sections 7-141 and 7-144 as follows:

6 (40 ILCS 5/7-141) (from Ch. 108 1/2, par. 7-141)

7 Sec. 7-141. Retirement annuities; conditions. Retirement  
8 annuities shall be payable as hereinafter set forth:

9 (a) A participating employee who, regardless of cause, is  
10 separated from the service of all participating municipalities  
11 and instrumentalities thereof and participating  
12 instrumentalities shall be entitled to a retirement annuity  
13 provided:

14 1. He is at least age 55 if he is a Tier 1 regular  
15 employee, he is age 62 if he is a Tier 2 regular employee,  
16 or, in the case of a person who is eligible to have his  
17 annuity calculated under Section 7-142.1, he is at least  
18 age 50;

19 2. He is not entitled to receive earnings for  
20 employment in a position requiring him, or entitling him  
21 to elect, to be a participating employee;

22 3. The amount of his annuity, before the application  
23 of paragraph (b) of Section 7-142 is at least \$10 per

1 month;

2 4. If he first became a participating employee after  
3 December 31, 1961 and is a Tier 1 regular employee, he has  
4 at least 8 years of service, or, if he is a Tier 2 regular  
5 member, he has at least 10 years of service. This service  
6 requirement shall not apply to any participating employee,  
7 regardless of participation date, if the General Assembly  
8 terminates the Fund.

9 (a-5) If the retirement application of any annuitant under  
10 this Article must be retroactively denied because there was  
11 not a separation from service as required by subsection (a) of  
12 this Section, and the participating municipality or  
13 participating instrumentality that employs, re-employs, or  
14 contracts with that annuitant knowingly fails to notify the  
15 Board of such service, the Board may review the totality of  
16 circumstances regarding the member not having a separation of  
17 service and assign proportionate responsibility for  
18 reimbursement of the total of any annuity payments made to the  
19 annuitant in error, as determined by the Board, between the  
20 participating municipality or participating instrumentality  
21 and the annuitant, less any amount actually repaid by the  
22 annuitant. In no case shall the total amount repaid by the  
23 annuitant plus any amount reimbursed by the employer to the  
24 Fund be more than the total of all annuity payments made to the  
25 annuitant in error.

26 (b) Retirement annuities shall be payable:

- 1           1. As provided in Section 7-119;
- 2           2. Except as provided in item 3, upon receipt by the  
3 fund of a written application. The effective date may be  
4 not more than one year prior to the date of the receipt by  
5 the fund of the application;
- 6           3. Upon attainment of the required age of distribution  
7 under Section 401(a)(9) of the Internal Revenue Code of  
8 1986, as amended, if the member (i) is no longer in  
9 service, and (ii) is otherwise entitled to an annuity  
10 under this Article;
- 11           4. To the beneficiary of the deceased annuitant for  
12 the unpaid amount accrued to date of death, if any.

13 (Source: P.A. 102-210, Article 5, Section 5-5, eff. 7-30-21;  
14 102-210, Article 10, Section 10-5, eff. 1-1-22; 102-813, eff.  
15 5-13-22.)

16           (40 ILCS 5/7-144) (from Ch. 108 1/2, par. 7-144)

17           Sec. 7-144. Retirement annuities; suspended during  
18 employment.

19           (a) If any person receiving any annuity again becomes an  
20 employee and receives earnings from employment in a position  
21 requiring him, or entitling him to elect, to become a  
22 participating employee, then the annuity payable to such  
23 employee shall be suspended as of the first day of the month  
24 coincidental with or next following the date upon which such  
25 person becomes such an employee, unless the person is

1 authorized under subsection (b) of Section 7-137.1 of this  
2 Code to continue receiving a retirement annuity during that  
3 period. Upon proper qualification of the participating  
4 employee payment of such annuity may be resumed on the first  
5 day of the month following such qualification and upon proper  
6 application therefor. The participating employee in such case  
7 shall be entitled to a supplemental annuity arising from  
8 service and credits earned subsequent to such re-entry as a  
9 participating employee.

10 Notwithstanding any other provision of this Article, an  
11 annuitant shall be considered a participating employee if he  
12 or she returns to work as an employee with a participating  
13 employer and works more than 599 hours annually (or 999 hours  
14 annually with a participating employer that has adopted a  
15 resolution pursuant to subsection (e) of Section 7-137 of this  
16 Code). Each of these annual periods shall commence on the  
17 month and day upon which the annuitant is first employed with  
18 the participating employer following the effective date of the  
19 annuity.

20 Notwithstanding any other provision of this Article, an  
21 annuitant receiving an annuity under Section 7-142.1 shall be  
22 considered a participating employee if the annuitant returns  
23 to work as a school security guard employed by a participating  
24 employer and works more than 999 hours annually.

25 (a-5) If any annuitant under this Article must be  
26 considered a participating employee per the provisions of

1 subsection (a) of this Section, and the participating  
2 municipality or participating instrumentality that employs or  
3 re-employs that annuitant knowingly fails to notify the Board  
4 that the annuitant has returned to a qualifying position, the  
5 Board may review the totality of circumstances of the return  
6 to work and assign proportionate responsibility for  
7 reimbursement of the total of any annuity payments made to the  
8 annuitant after the date the annuity should have been  
9 suspended, as determined by the Board, between ~~to suspend the~~  
10 ~~annuity,~~ the participating municipality or participating  
11 instrumentality and the annuitant, less any amount actually  
12 repaid by the annuitant ~~may be required to reimburse the Fund~~  
13 ~~for an amount up to one-half of the total of any annuity~~  
14 ~~payments made to the annuitant after the date the annuity~~  
15 ~~should have been suspended, as determined by the Board.~~ In no  
16 case shall the total amount repaid by the annuitant plus any  
17 amount reimbursed by the employer to the Fund be more than the  
18 total of all annuity payments made to the annuitant after the  
19 date the annuity should have been suspended. ~~This subsection~~  
20 ~~shall not apply if the annuitant returned to work for the~~  
21 ~~employer for less than 12 months.~~

22 The Fund shall notify all annuitants that they must notify  
23 the Fund immediately if they return to work for any  
24 participating employer. The notification by the Fund shall  
25 occur upon retirement and no less than annually thereafter in  
26 a format determined by the Fund. The Fund shall also develop

1 and maintain a system to track annuitants who have returned to  
2 work and notify the participating employer and annuitant at  
3 least annually of the limitations on returning to work under  
4 this Section.

5 (b) Supplemental annuities to persons who return to  
6 service for less than 48 months shall be computed under the  
7 provisions of Sections 7-141, 7-142, and 7-143. In determining  
8 whether an employee is eligible for an annuity which requires  
9 a minimum period of service, his entire period of service  
10 shall be taken into consideration but the supplemental annuity  
11 shall be based on earnings and service in the supplemental  
12 period only. The effective date of the suspended and  
13 supplemental annuity for the purpose of increases after  
14 retirement shall be considered to be the effective date of the  
15 suspended annuity.

16 (c) Supplemental annuities to persons who return to  
17 service for 48 months or more shall be a monthly amount  
18 determined as follows:

19 (1) An amount shall be computed under subparagraph b  
20 of paragraph (1) of subsection (a) of Section 7-142,  
21 considering all of the service credits of the employee.

22 (2) The actuarial value in monthly payments for life  
23 of the annuity payments made before suspension shall be  
24 determined and subtracted from the amount determined in  
25 paragraph (1) above.

26 (3) The monthly amount of the suspended annuity, with

1 any applicable increases after retirement computed from  
2 the effective date to the date of reinstatement, shall be  
3 subtracted from the amount determined in paragraph (2)  
4 above and the remainder shall be the amount of the  
5 supplemental annuity provided that this amount shall not  
6 be less than the amount computed under subsection (b) of  
7 this Section.

8 (4) The suspended annuity shall be reinstated at an  
9 amount including any increases after retirement from the  
10 effective date to date of reinstatement.

11 (5) The effective date of the combined suspended and  
12 supplemental annuities for the purposes of increases after  
13 retirement shall be considered to be the effective date of  
14 the supplemental annuity.

15 (d) If a Tier 2 regular employee becomes a member or  
16 participant under any other system or fund created by this  
17 Code and is employed on a full-time basis, except for those  
18 members or participants exempted from the provisions of  
19 subsection (a) of Section 1-160 of this Code (other than a  
20 participating employee under this Article), then the person's  
21 retirement annuity shall be suspended during that employment.  
22 Upon termination of that employment, the person's retirement  
23 annuity shall resume and be recalculated as required by this  
24 Section.

25 (e) If a Tier 2 regular employee first began participation  
26 on or after January 1, 2012 and is receiving a retirement

1 annuity and accepts on a contractual basis a position to  
2 provide services to a governmental entity from which he or she  
3 has retired, then that person's annuity or retirement pension  
4 shall be suspended during that contractual service,  
5 notwithstanding the provisions of any other Section in this  
6 Article. Such annuitant shall notify the Fund, as well as his  
7 or her contractual employer, of his or her retirement status  
8 before accepting contractual employment. A person who fails to  
9 submit such notification shall be guilty of a Class A  
10 misdemeanor and required to pay a fine of \$1,000. Upon  
11 termination of that contractual employment, the person's  
12 retirement annuity shall resume and be recalculated as  
13 required by this Section.

14 (Source: P.A. 103-154, eff. 6-30-23; 104-163, eff. 8-15-25.)

15 Section 90. The State Mandates Act is amended by adding  
16 Section 8.50 as follows:

17 (30 ILCS 805/8.50 new)

18 Sec. 8.50. Exempt mandate. Notwithstanding Sections 6 and  
19 8 of this Act, no reimbursement by the State is required for  
20 the implementation of any mandate created by this amendatory  
21 Act of the 104th General Assembly.