



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB0425

Introduced 2/8/2021, by Rep. Kelly M. Burke

SYNOPSIS AS INTRODUCED:

40 ILCS 5/5-163

from Ch. 108 1/2, par. 5-163

30 ILCS 805/8.45 new

Amends the Chicago Police Article of the Illinois Pension Code. Removes an age limitation on eligibility for a refund of contributions. Deletes language providing that a policeman may receive a refund until the annuity to which he is entitled has been fixed. Provides that any refund under the Article shall be calculated based on the policeman's contributions to the fund, less the amount of any annuity benefit previously received by the policeman and his beneficiaries. Provides that a policeman shall have no such right of refund if the sum of the annuity benefits the policeman and his beneficiaries have received exceeds the sum to which the policeman has contributed to the fund. Amends the State Mandates Act to require implementation without reimbursement.

LRB102 05183 RPS 15204 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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 5-163 as follows:

6 (40 ILCS 5/5-163) (from Ch. 108 1/2, par. 5-163)
7 Sec. 5-163. Refund - General.

8 (a) A policeman, without regard to his period of service,
9 ~~who withdraws before age 50, and a policeman with less than 10~~
10 ~~years of service who withdraws before age 57,~~ is entitled to a
11 refund of the amount deducted from his salary for age and
12 service annuity or Tier 2 monthly retirement annuity, for
13 automatic annual increase in annuity as provided in Section
14 5-167.1, and for widow's annuity or Tier 2 surviving spouse's
15 annuity, together with interest at 1-1/2% per year on each
16 deduction from the date of each deduction until the date of his
17 withdrawal from the service.

18 (b) Any refund under this Article shall be calculated
19 based on the policeman's contributions to the fund, less the
20 amount of any annuity benefit previously received by the
21 policeman and his beneficiaries. A policeman shall have no
22 such right of refund if the sum of the annuity benefits the
23 policeman and his beneficiaries have received exceeds the sum

1 to which the policeman has contributed to the fund. A
2 ~~policeman may receive a refund until the annuity to which he is~~
3 ~~entitled has been fixed. Thereafter, he shall have no such~~
4 ~~right of refund.~~

5 (c) A policeman who withdraws the amount credited to him
6 surrenders and forfeits all rights to any annuity or other
7 benefit from the fund, for himself and for any other person or
8 persons who might otherwise have benefited through him. The
9 rights so forfeited shall be restored to him, his wife or widow
10 and his children upon full repayment as provided in Section
11 5-164.

12 If the policeman subsequently re-enters service before age
13 57, and has not so repaid in full the amounts refunded the
14 rights forfeited shall not be restored, but the policeman
15 shall retain the right (which is also secured to the widow) to
16 have the period of service represented by the refunds counted
17 in the compensation of length of service, except as otherwise
18 provided in Section 5-164.

19 (d) A policeman who has served less than 10 years who has
20 not received a refund shall have all amounts to his credit for
21 purposes on the date of his withdrawal improved by interest
22 while he is out of service until he attains age 57, if he
23 subsequently re-enters the service and attains a right to
24 annuity.

25 (e) If a policeman elects to make additional contribution
26 for past service as provided in Section 5-174 and fails to pay

1 such contributions in full within the time specified in said
2 section, a refund of the amount so paid, with interest at
3 1-1/2% per year, compounded annually, shall be refunded as
4 provided in said section.

5 (f) If a policeman makes contributions in accordance with
6 the provisions of Section 5-174(b) and subsequently returns to
7 the position he holds by certification and appointment as the
8 result of competitive civil service examination, he shall
9 receive a refund of such contributions, upon application
10 therefor, together with interest at 1-1/2% per year on each
11 such deduction from the date it was made to the date of refund.
12 Application for refund must be made before the annuity to
13 which he has a right has been fixed.

14 (Source: P.A. 99-905, eff. 11-29-16.)

15 Section 90. The State Mandates Act is amended by adding
16 Section 8.45 as follows:

17 (30 ILCS 805/8.45 new)

18 Sec. 8.45. 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 102nd General Assembly.