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1 AMENDMENT TO SENATE BILL 1235

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1235 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by  
5 changing Sections 15-112, 15-134.1, 15-159, and 15-198 as  
6 follows:

7 (40 ILCS 5/15-112) (from Ch. 108 1/2, par. 15-112)

8 Sec. 15-112. Final rate of earnings. "Final rate of  
9 earnings":

10 (a) This subsection (a) applies only to a Tier 1 member.

11 For an employee who is paid on an hourly basis or who  
12 receives an annual salary in installments during 12 months of  
13 each academic year, the average annual earnings during the 48  
14 consecutive calendar month period ending with the last day of  
15 final termination of employment or the 4 consecutive academic  
16 years of service in which the employee's earnings were the

1 highest, whichever is greater. For any other employee, the  
2 average annual earnings during the 4 consecutive academic  
3 years of service in which his or her earnings were the highest.  
4 For an employee with less than 48 months or 4 consecutive  
5 academic years of service, the average earnings during his or  
6 her entire period of service. The earnings of an employee with  
7 more than 36 months of service under item (a) of Section  
8 15-113.1 prior to the date of becoming a participant are, for  
9 such period, considered equal to the average earnings during  
10 the last 36 months of such service.

11 (b) This subsection (b) applies to a Tier 2 member.

12 For an employee who is paid on an hourly basis or who  
13 receives an annual salary in installments during 12 months of  
14 each academic year, the average annual earnings obtained by  
15 dividing by 8 the total earnings of the employee during the 96  
16 consecutive months in which the total earnings were the  
17 highest within the last 120 months prior to termination.

18 For any other employee, the average annual earnings during  
19 the 8 consecutive academic years within the 10 years prior to  
20 termination in which the employee's earnings were the highest.  
21 For an employee with less than 96 consecutive months or 8  
22 consecutive academic years of service, whichever is necessary,  
23 the average earnings during his or her entire period of  
24 service.

25 (c) For an employee on leave of absence with pay, or on  
26 leave of absence without pay who makes contributions during

1 such leave, earnings are assumed to be equal to the basic  
2 compensation on the date the leave began.

3 (d) For an employee on disability leave, earnings are  
4 assumed to be equal to the basic compensation on the date  
5 disability occurs or the average earnings during the 24 months  
6 immediately preceding the month in which disability occurs,  
7 whichever is greater.

8 (e) For a Tier 1 member who retires on or after the  
9 effective date of this amendatory Act of 1997 with at least 20  
10 years of service as a firefighter or police officer under this  
11 Article, the final rate of earnings shall be the annual rate of  
12 earnings received by the participant on his or her last day as  
13 a firefighter or police officer under this Article, if that is  
14 greater than the final rate of earnings as calculated under  
15 the other provisions of this Section.

16 (f) If a Tier 1 member is an employee for at least 6 months  
17 during the academic year in which his or her employment is  
18 terminated, the annual final rate of earnings shall be 25% of  
19 the sum of (1) the annual basic compensation for that year, and  
20 (2) the amount earned during the 36 months immediately  
21 preceding that year, if this is greater than the final rate of  
22 earnings as calculated under the other provisions of this  
23 Section.

24 (g) In the determination of the final rate of earnings for  
25 an employee, that part of an employee's earnings for any  
26 academic year beginning after June 30, 1997, which exceeds the

1 employee's earnings with that employer for the preceding year  
2 by more than 20 percent shall be excluded; in the event that an  
3 employee has more than one employer this limitation shall be  
4 calculated separately for the earnings with each employer. In  
5 making such calculation, only the basic compensation of  
6 employees shall be considered, without regard to vacation or  
7 overtime or to contracts for summer employment. Beginning  
8 September 1, 2024, this subsection (g) also applies to an  
9 employee who has been employed at 1/2 time or less for 3 or  
10 more years.

11 (h) The following are not considered as earnings in  
12 determining final rate of earnings: (1) severance or  
13 separation pay, (2) retirement pay, (3) payment for unused  
14 sick leave, and (4) payments from an employer for the period  
15 used in determining final rate of earnings for any purpose  
16 other than (i) services rendered, (ii) leave of absence or  
17 vacation granted during that period, and (iii) vacation of up  
18 to 56 work days allowed upon termination of employment; except  
19 that, if the benefit has been collectively bargained between  
20 the employer and the recognized collective bargaining agent  
21 pursuant to the Illinois Educational Labor Relations Act,  
22 payment received during a period of up to 2 academic years for  
23 unused sick leave may be considered as earnings in accordance  
24 with the applicable collective bargaining agreement, subject  
25 to the 20% increase limitation of this Section. Any unused  
26 sick leave considered as earnings under this Section shall not

1 be taken into account in calculating service credit under  
2 Section 15-113.4.

3 (i) Intermittent periods of service shall be considered as  
4 consecutive in determining final rate of earnings.

5 (Source: P.A. 98-92, eff. 7-16-13; 99-450, eff. 8-24-15.)

6 (40 ILCS 5/15-134.1) (from Ch. 108 1/2, par. 15-134.1)

7 Sec. 15-134.1. Service calculation and adjustment.

8 (a) For the purposes of computing service for academic  
9 years for any participant, ~~In computing service,~~ the following  
10 schedule shall govern: one month of service means a calendar  
11 month during which a participant (i) qualifies as an employee  
12 under Section 15-107 for at least 15 or more days, and (ii)  
13 receives any earnings as an employee; 8 or more months of  
14 service during an academic year shall constitute a year of  
15 service; 6 or more but less than 8 months of service during an  
16 academic year shall constitute 3/4 of a year of service; 3 or  
17 more but less than 6 months of service during an academic year  
18 shall constitute 1/2 of a year of service; and one or more but  
19 less than 3 months of service during an academic year shall  
20 constitute 1/4 of a year of service. No more than one year of  
21 service may be granted per academic year, regardless of the  
22 number of hours or percentage of time worked. This subsection  
23 (a) does not apply to service periods to which subsection  
24 (a-5) applies.

25 (a-5) For the purposes of computing service for academic

1 years for any participant, the following schedule shall  
2 govern: one month of service means a calendar month during  
3 which a participant (i) qualifies as an employee under Section  
4 15-107 and contributes to the System, and (ii) receives any  
5 earnings as an employee; 8 or more months of service during an  
6 academic year shall constitute a year of service; 6 or more but  
7 less than 8 months of service during an academic year shall  
8 constitute 3/4 of a year of service; 3 or more but less than 6  
9 months of service during an academic year shall constitute 1/2  
10 of a year of service; and one or more but less than 3 months of  
11 service during an academic year shall constitute 1/4 of a year  
12 of service. No more than one year of service may be granted per  
13 academic year, regardless of the number of hours or percentage  
14 of time worked.

15 This subsection (a-5) applies to all service periods of a  
16 member who is a participant on or after September 1, 2024;  
17 except that such changes shall not apply to service periods  
18 that were subject to: (1) a purchase under subsection (i) of  
19 Section 15-107, subsection (c) of Section 15-113.1, or Section  
20 15-113.2, 15-113.3, 15-113.5, 15-113.6, 15-113.7, or  
21 15-113.11; (2) a repayment of a refund under subsection (b) of  
22 Section 15-154 or a distribution under subsection (j) of  
23 Section 15-158.2; or (3) a transfer under Section 15-113.10,  
24 15-134.2, or 15-134.4 if payment for such purchase, repayment,  
25 or transfer commenced prior to September 1, 2024.

26 (b) In calculating a retirement annuity, if a participant

1 has been employed at 1/2 time or less for 3 or more years after  
2 September 1, 1959, service shall be granted for such  
3 employment in excess of 3 years, in the proportion that the  
4 percentage of time employed for each such year of employment  
5 bears to the average annual percentage of time employed during  
6 the period on which the final rate of earnings is based. This  
7 adjustment shall not be made, however, in determining the  
8 eligibility for a retirement annuity, disability benefits,  
9 additional death benefits, or survivors' insurance. The  
10 percentage of time employed shall be as reported by the  
11 employer. This subsection (b) shall not apply to a member who  
12 is a participant on or after September 1, 2024.

13 (Source: P.A. 87-8.)

14 (40 ILCS 5/15-159) (from Ch. 108 1/2, par. 15-159)

15 Sec. 15-159. Board created.

16 (a) A board of trustees constituted as provided in this  
17 Section shall administer this System. The board shall be known  
18 as the Board of Trustees of the State Universities Retirement  
19 System.

20 (b) (Blank).

21 (c) (Blank).

22 (d) ~~The Beginning on the 90th day after April 3, 2009 (the~~  
23 ~~effective date of Public Act 96-6),~~ the Board of Trustees  
24 shall be constituted as follows:

25 (1) The Chairperson of the Board of Higher Education.

1           (2) Four trustees appointed by the Governor with the  
2 advice and consent of the Senate who may not be members of  
3 the system or hold an elective State office and who shall  
4 serve for a term of 6 years, except that the terms of the  
5 initial appointees under this subsection (d) shall be as  
6 follows: 2 for a term of 3 years and 2 for a term of 6  
7 years. The term of an appointed trustee shall terminate  
8 immediately upon becoming a member of the system or being  
9 sworn into an elective State office, and the position  
10 shall be considered to be vacant and shall be filled  
11 pursuant to subsection (f) of this Section.

12           (3) Four participating employees of the system to be  
13 elected from the contributing membership of the system by  
14 the contributing members, no more than 2 of which may be  
15 from any of the University of Illinois campuses, who shall  
16 serve for a term of 6 years, except that the terms of the  
17 initial electees shall be as follows: 2 for a term of 3  
18 years and 2 for a term of 6 years.

19           (3.5) Two participating employees of the system who  
20 are employees of a community college and shall serve for a  
21 term of 6 years, one of whom shall be elected from the  
22 contributing membership and one of whom shall be appointed  
23 by the Governor.

24           (4) Two annuitants of the system who have been  
25 annuitants for at least one full year, to be elected from  
26 and by the annuitants of the system, no more than one of

1           which may be from any of the University of Illinois  
2           campuses, who shall serve for a term of 6 years, except  
3           that the terms of the initial electees shall be as  
4           follows: one for a term of 3 years and one for a term of 6  
5           years.

6           The chairperson of the Board shall be appointed by the  
7           Governor from among the trustees.

8           For the purposes of this Section, the Governor may make a  
9           nomination and the Senate may confirm the nominee in advance  
10          of the commencement of the nominee's term of office.

11          (e) The 6 elected trustees shall be elected within 90 days  
12          after April 3, 2009 (the effective date of Public Act 96-6) for  
13          a term beginning on the 90th day after that effective date. The  
14          elected trustee under paragraph (3.5) of subsection (d) shall  
15          be elected within 90 days after the effective date of this  
16          amendatory Act of the 103rd General Assembly. Trustees shall  
17          be elected thereafter as terms expire for a 6-year term  
18          beginning July 15 next following their election, and such  
19          election shall be held on May 1, or on May 2 when May 1 falls  
20          on a Sunday. The board may establish rules for the election of  
21          trustees to implement the provisions of Public Act 96-6 and  
22          this amendatory Act of the 103rd General Assembly and for  
23          future elections. Candidates for the participating trustee  
24          shall be nominated by petitions in writing, signed by not less  
25          than 400 participants with their addresses shown opposite  
26          their names. Candidates for the annuitant trustee shall be

1 nominated by petitions in writing, signed by not less than 100  
2 annuitants with their addresses shown opposite their names. If  
3 there is more than one qualified nominee for each elected  
4 trustee, then the board shall conduct a secret ballot election  
5 by mail for that trustee, in accordance with rules as  
6 established by the board. If there is only one qualified  
7 person nominated by petition for each elected trustee, then  
8 the election as required by this Section shall not be  
9 conducted for that trustee and the board shall declare such  
10 nominee duly elected. A vacancy occurring in the elective  
11 membership of the board shall be filled for the unexpired term  
12 by the elected trustees serving on the board for the remainder  
13 of the term. Nothing in this subsection shall preclude the  
14 adoption of rules providing for internet or phone balloting in  
15 addition, or as an alternative, to election by mail.

16 (f) A vacancy in the appointed membership on the board of  
17 trustees caused by resignation, death, expiration of term of  
18 office, or other reason shall be filled by a qualified person  
19 appointed by the Governor for the remainder of the unexpired  
20 term.

21 (g) Trustees shall continue in office until their  
22 respective successors are appointed and have qualified, except  
23 that a trustee elected to one of the participating employee  
24 positions after the effective date of this amendatory Act of  
25 the 102nd General Assembly shall be disqualified immediately  
26 upon the termination of his or her status as a participating

1 employee and a trustee elected to one of the annuitant  
2 positions after the effective date of this amendatory Act of  
3 the 102nd General Assembly shall be disqualified immediately  
4 upon the termination of his or her status as an annuitant  
5 receiving a retirement annuity.

6 An elected trustee who is incumbent on the effective date  
7 of this amendatory Act of the 102nd General Assembly whose  
8 status as a participating employee or annuitant has terminated  
9 after having been elected shall continue to serve in the  
10 participating employee or annuitant position to which he or  
11 she was elected for the remainder of the term.

12 (h) Each trustee must take an oath of office before a  
13 notary public of this State and shall qualify as a trustee upon  
14 the presentation to the board of a certified copy of the oath.  
15 The oath must state that the person will diligently and  
16 honestly administer the affairs of the retirement system, and  
17 will not knowingly violate or willfully permit to be violated  
18 any provisions of this Article.

19 Each trustee shall serve without compensation but shall be  
20 reimbursed for expenses necessarily incurred in attending  
21 board meetings and carrying out his or her duties as a trustee  
22 or officer of the system.

23 (Source: P.A. 101-610, eff. 1-1-20; 102-210, eff. 7-30-21.)

24 (40 ILCS 5/15-198)

25 Sec. 15-198. Application and expiration of new benefit

1 increases.

2 (a) As used in this Section, "new benefit increase" means  
3 an increase in the amount of any benefit provided under this  
4 Article, or an expansion of the conditions of eligibility for  
5 any benefit under this Article, that results from an amendment  
6 to this Code that takes effect after June 1, 2005 (the  
7 effective date of Public Act 94-4). "New benefit increase",  
8 however, does not include any benefit increase resulting from  
9 the changes made to Article 1 or this Article by Public Act  
10 100-23, Public Act 100-587, Public Act 100-769, Public Act  
11 101-10, Public Act 101-610, Public Act 102-16, or this  
12 amendatory Act of the 103rd General Assembly ~~or this~~  
13 ~~amendatory Act of the 102nd General Assembly.~~

14 (b) Notwithstanding any other provision of this Code or  
15 any subsequent amendment to this Code, every new benefit  
16 increase is subject to this Section and shall be deemed to be  
17 granted only in conformance with and contingent upon  
18 compliance with the provisions of this Section.

19 (c) The Public Act enacting a new benefit increase must  
20 identify and provide for payment to the System of additional  
21 funding at least sufficient to fund the resulting annual  
22 increase in cost to the System as it accrues.

23 Every new benefit increase is contingent upon the General  
24 Assembly providing the additional funding required under this  
25 subsection. The Commission on Government Forecasting and  
26 Accountability shall analyze whether adequate additional

1 funding has been provided for the new benefit increase and  
2 shall report its analysis to the Public Pension Division of  
3 the Department of Insurance. A new benefit increase created by  
4 a Public Act that does not include the additional funding  
5 required under this subsection is null and void. If the Public  
6 Pension Division determines that the additional funding  
7 provided for a new benefit increase under this subsection is  
8 or has become inadequate, it may so certify to the Governor and  
9 the State Comptroller and, in the absence of corrective action  
10 by the General Assembly, the new benefit increase shall expire  
11 at the end of the fiscal year in which the certification is  
12 made.

13 (d) Every new benefit increase shall expire 5 years after  
14 its effective date or on such earlier date as may be specified  
15 in the language enacting the new benefit increase or provided  
16 under subsection (c). This does not prevent the General  
17 Assembly from extending or re-creating a new benefit increase  
18 by law.

19 (e) Except as otherwise provided in the language creating  
20 the new benefit increase, a new benefit increase that expires  
21 under this Section continues to apply to persons who applied  
22 and qualified for the affected benefit while the new benefit  
23 increase was in effect and to the affected beneficiaries and  
24 alternate payees of such persons, but does not apply to any  
25 other person, including, without limitation, a person who  
26 continues in service after the expiration date and did not

1 apply and qualify for the affected benefit while the new  
2 benefit increase was in effect.

3 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
4 101-610, eff. 1-1-20; 102-16, eff. 6-17-21.)

5 Section 97. Inseverability. The changes made to existing  
6 statutory law by this Act are mutually dependent and  
7 inseverable. If any change made to existing statutory law by  
8 this Act is held invalid other than as applied to a particular  
9 person or circumstance, then all changes made to existing  
10 statutory law by this Act are invalid in their entirety.

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