

**SB2641**



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**  
**SB2641**

Introduced 2/4/2004, by James A. DeLeo

**SYNOPSIS AS INTRODUCED:**

40 ILCS 5/17-116  
30 ILCS 805/8.28 new

from Ch. 108 1/2, par. 17-116

Amends the Chicago Teacher Article of the Illinois Pension Code. Provides that a teacher may receive a retirement pension at age 60 with 10 years of service. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB093 14995 LRD 40564 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

**A BILL FOR**

1 AN ACT in relation to 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 changing  
5 Section 17-116 as follows:

6 (40 ILCS 5/17-116) (from Ch. 108 1/2, par. 17-116)  
7 Sec. 17-116. Service retirement pension.

8 (a) Each teacher having 20 years of service upon attainment  
9 of age 55, or who thereafter attains age 55 shall be entitled  
10 to a service retirement pension upon or after attainment of age  
11 55; and each teacher in service on or after July 1, 1971, with  
12 5 or more but less than 20 years of service shall be entitled  
13 to receive a service retirement pension upon or after  
14 attainment of age 62. Each teacher in service on or after July  
15 1, 2004 with 10 or more but less than 20 years of service shall  
16 be entitled to receive a service retirement pension upon or  
17 after attainment of age 60.

18 (b) The service retirement pension for a teacher who  
19 retires on or after June 25, 1971, at age 60 or over, shall be  
20 calculated as follows:

21 (1) For creditable service earned before July 1, 1998  
22 that has not been augmented under Section 17-119.1: 1.67%  
23 for each of the first 10 years of service; 1.90% for each  
24 of the next 10 years of service; 2.10% for each year of  
25 service in excess of 20 but not exceeding 30; and 2.30% for  
26 each year of service in excess of 30, based upon average  
27 salary as herein defined.

28 (2) For creditable service earned on or after July 1,  
29 1998 by a member who has at least 30 years of creditable  
30 service on July 1, 1998 and who does not elect to augment  
31 service under Section 17-119.1: 2.3% of average salary for  
32 each year of creditable service earned on or after July 1,

1 1998.

2 (3) For all other creditable service: 2.2% of average  
3 salary for each year of creditable service.

4 (c) When computing such service retirement pensions, the  
5 following conditions shall apply:

6 1. Average salary shall consist of the average annual  
7 rate of salary for the 4 consecutive years of validated  
8 service within the last 10 years of service when such  
9 average annual rate was highest. In the determination of  
10 average salary for retirement allowance purposes, for  
11 members who commenced employment after August 31, 1979,  
12 that part of the salary for any year shall be excluded  
13 which exceeds the annual full-time salary rate for the  
14 preceding year by more than 20%. In the case of a member  
15 who commenced employment before August 31, 1979 and who  
16 receives salary during any year after September 1, 1983  
17 which exceeds the annual full time salary rate for the  
18 preceding year by more than 20%, an Employer and other  
19 employers of eligible contributors as defined in Section  
20 17-106 shall pay to the Fund an amount equal to the present  
21 value of the additional service retirement pension  
22 resulting from such excess salary. The present value of the  
23 additional service retirement pension shall be computed by  
24 the Board on the basis of actuarial tables adopted by the  
25 Board. If a member elects to receive a pension from this  
26 Fund provided by Section 20-121, his salary under the State  
27 Universities Retirement System and the Teachers'  
28 Retirement System of the State of Illinois shall be  
29 considered in determining such average salary. Amounts  
30 paid after the effective date of this amendatory Act of  
31 1991 for unused vacation time earned after that effective  
32 date shall not under any circumstances be included in the  
33 calculation of average salary or the annual rate of salary  
34 for the purposes of this Article.

35 2. Proportionate credit shall be given for validated  
36 service of less than one year.

1           3. For retirement at age 60 or over the pension shall  
2 be payable at the full rate.

3           4. For separation from service below age 60 to a  
4 minimum age of 55, the pension shall be discounted at the  
5 rate of 1/2 of one per cent for each month that the age of  
6 the contributor is less than 60, but a teacher may elect to  
7 defer the effective date of pension in order to eliminate  
8 or reduce this discount. This discount shall not be  
9 applicable to any participant who has at least 34 years of  
10 service or a retirement pension of at least 74.6% of  
11 average salary on the date the retirement annuity begins.

12           5. No additional pension shall be granted for service  
13 exceeding 45 years. Beginning June 26, 1971 no pension  
14 shall exceed the greater of \$1,500 per month or 75% of  
15 average salary as herein defined.

16           6. Service retirement pensions shall begin on the  
17 effective date of resignation, retirement, the day  
18 following the close of the payroll period for which service  
19 credit was validated, or the time the person resigning or  
20 retiring attains age 55, or on a date elected by the  
21 teacher, whichever shall be latest.

22           7. A member who is eligible to receive a retirement  
23 pension of at least 74.6% of average salary and will attain  
24 age 55 on or before December 31 during the year which  
25 commences on July 1 shall be deemed to attain age 55 on the  
26 preceding June 1.

27           8. A member retiring after the effective date of this  
28 amendatory Act of 1998 shall receive a pension equal to 75%  
29 of average salary if the member is qualified to receive a  
30 retirement pension equal to at least 74.6% of average  
31 salary under this Article or as proportional annuities  
32 under Article 20 of this Code.

33 (Source: P.A. 90-566, eff. 1-2-98; 90-582, eff. 5-27-98.)

34           Section 90. The State Mandates Act is amended by adding  
35 Section 8.28 as follows:

1 (30 ILCS 805/8.28 new)

2 Sec. 8.28. Exempt mandate. Notwithstanding Sections 6 and 8  
3 of this Act, no reimbursement by the State is required for the  
4 implementation of any mandate created by this amendatory Act of  
5 the 93rd General Assembly.

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