



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB4580

Introduced 01/11/06, by Rep. Robert S. Molaro

SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-122
30 ILCS 805/8.30 new

from Ch. 108 1/2, par. 17-122

Amends the Chicago Teacher Article of the Pension Code to increase the minimum total survivor's pension to 50% of the earned retirement pension for survivors of members who died before January 1, 1987. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB094 16348 AMC 51599 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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 17-122 as follows:

6 (40 ILCS 5/17-122) (from Ch. 108 1/2, par. 17-122)

7 Sec. 17-122. Survivor's and children's pensions - Amount.

8 Upon the death of a teacher who has completed at least 1 1/2
9 years of contributing service with either this Fund or the
10 State Universities Retirement System or the Teachers'
11 Retirement System of the State of Illinois, provided his death
12 occurred while (a) in active service covered by the Fund or
13 during his first 18 months of continuous employment without a
14 break in service under any other participating system as
15 defined in the Illinois Retirement Systems Reciprocal Act
16 except the State Universities Retirement System and the
17 Teachers' Retirement System of the State of Illinois, (b) on a
18 creditable leave of absence, (c) on a noncreditable leave of
19 absence of no more than one year, or (d) a pension was deferred
20 or pending provided the teacher had at least 10 years of
21 validated service credit, or upon the death of a pensioner
22 otherwise qualified for such benefit, the surviving spouse and
23 unmarried minor children of the deceased teacher under age 18
24 shall be entitled to pensions, under the conditions stated
25 hereinafter. Such survivor's and children's pensions shall be
26 based on the average of the 4 highest consecutive years of
27 salary in the last 10 years of service or on the average salary
28 for total service, if total service has been less than 4 years,
29 according to the following percentages:

30 30% of average salary or 50% of the retirement pension
31 earned by the teacher, whichever is larger, subject to the
32 prescribed maximum monthly payment, for a surviving spouse

1 alone on attainment of age 50;

2 60% of average salary for a surviving spouse and eligible
3 minor children of the deceased teacher.

4 If no eligible spouse survives, or the surviving spouse
5 remarries, or the parent of the children of the deceased member
6 is otherwise ineligible for a survivor's pension, a children's
7 pension for eligible minor children under age 18 shall be paid
8 to their parent or legal guardian for their benefit according
9 to the following percentages:

10 30% of average salary for one child;

11 60% of average salary for 2 or more children.

12 On January 1, 1981, any survivor or child who was receiving
13 a survivor's or children's pension on or before January 1,
14 1971, shall have his survivor's or children's pension then
15 being paid increased by 1% for each full year which has elapsed
16 from the date the pension began. On January 1, 1982, any
17 survivor or child whose pension began after January 1, 1971,
18 but before January 1, 1981, shall have his survivor's or
19 children's pension then being paid increased 1% for each full
20 year which has elapsed from the date the pension began. On
21 January 1, 1987, any survivor or child whose pension began on
22 or before January 1, 1977, shall have the monthly survivor's or
23 children's pension increased by \$1 for each full year which has
24 elapsed since the pension began.

25 Beginning January 1, 1990, every survivor's and children's
26 pension shall be increased (1) on each January 1 occurring on
27 or after the commencement of the pension if the deceased
28 teacher died while receiving a retirement pension, or (2) in
29 other cases, on each January 1 occurring on or after the first
30 anniversary of the commencement of the pension, by an amount
31 equal to 3% of the current amount of the pension, including all
32 increases previously granted under this Article,
33 notwithstanding Section 17-157. Such increases shall apply
34 without regard to whether the deceased teacher was in service
35 on or after the effective date of this amendatory Act of 1991,
36 but shall not accrue for any period prior to January 1, 1990.

1 Subject to the minimum established below, the maximum
2 amount of pension for a surviving spouse alone or one minor
3 child shall be \$400 per month, and the maximum combined
4 pensions for a surviving spouse and children of the deceased
5 teacher shall be \$600 per month, with individual pensions
6 adjusted for all beneficiaries pro rata to conform with this
7 limitation. If proration is unnecessary the minimum survivor's
8 and children's pensions shall be \$40 per month. The minimum
9 total survivor's and children's pension payable upon the death
10 of a contributor or annuitant which occurs after December 31,
11 1986, shall be 50% of the earned retirement pension of such
12 contributor or annuitant, calculated without early retirement
13 discount in the case of death in service. Beginning January 1,
14 2007, the minimum total survivor's pension payable upon the
15 death of a contributor or annuitant that occurred before
16 January 1, 1987 shall be 50% of the earned retirement pension
17 of the contributor or annuitant, calculated without early
18 retirement discount in the case of death in service, and
19 notwithstanding Section 17-157.

20 On death after retirement, the total survivor's and
21 children's pensions shall not exceed the monthly retirement or
22 disability pension paid to the deceased retirant. Survivor's
23 and children's benefits described in this Section shall apply
24 to all service and disability pensioners eligible for a pension
25 as of July 1, 1981.

26 (Source: P.A. 90-32, eff. 6-27-97; 90-566, eff. 1-2-98.)

27 Section 90. The State Mandates Act is amended by adding
28 Section 8.30 as follows:

29 (30 ILCS 805/8.30 new)

30 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8
31 of this Act, no reimbursement by the State is required for the
32 implementation of any mandate created by this amendatory Act of
33 the 94th General Assembly.

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.