95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB1723

Introduced 2/22/2007, by Rep. David E. Miller

SYNOPSIS AS INTRODUCED:

40 ILCS 5/14-110 40 ILCS 5/14-152.2 new from Ch. 108 1/2, par. 14-110

Amends the State Employee Article of the Illinois Pension Code. Provides the alternative (State police) retirement formula for certain automotive mechanics employed by the Illinois State Toll Highway Authority who are assigned to retrieve or repair State vehicles on State highways or tollways and certain sign hangers employed by the Department of Transportation. In provisions concerning the alternative retirement formula, removes references to obsolete job designations of the Illinois State Toll Highway Authority. Includes language concerning new benefit increases. Effective immediately.

LRB095 11158 AMC 31508 b

FISCAL NOTE ACT MAY APPLY PENSION IMPACT NOTE ACT MAY APPLY

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AN ACT concerning public employee benefits.

2 Be it enacted by the People of the State of Illinois, 3 represented in the General Assembly:

Section 5. The Illinois Pension Code is amended by changing
Section 14-110 and by adding Section 14-152.2 as follows:

6 (40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

7 Sec. 14-110. Alternative retirement annuity.

8 (a) Any member who has withdrawn from service with not less 9 than 20 years of eligible creditable service and has attained age 55, and any member who has withdrawn from service with not 10 less than 25 years of eligible creditable service and has 11 attained age 50, regardless of whether the attainment of either 12 of the specified ages occurs while the member is still in 13 14 service, shall be entitled to receive at the option of the member, in lieu of the regular or minimum retirement annuity, a 15 16 retirement annuity computed as follows:

(i) for periods of service as a noncovered employee: if
retirement occurs on or after January 1, 2001, 3% of final
average compensation for each year of creditable service;
if retirement occurs before January 1, 2001, 2 1/4% of
final average compensation for each of the first 10 years
of creditable service, 2 1/2% for each year above 10 years
to and including 20 years of creditable service, and 2 3/4%

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for each year of creditable service above 20 years; and

2 (ii) for periods of eligible creditable service as a 3 covered employee: if retirement occurs on or after January 1, 2001, 2.5% of final average compensation for each year 4 of creditable service; if retirement occurs before January 5 1, 2001, 1.67% of final average compensation for each of 6 7 the first 10 years of such service, 1.90% for each of the next 10 years of such service, 2.10% for each year of such 8 9 service in excess of 20 but not exceeding 30, and 2.30% for 10 each year in excess of 30.

11 Such annuity shall be subject to a maximum of 75% of final 12 average compensation if retirement occurs before January 1, 13 2001 or to a maximum of 80% of final average compensation if 14 retirement occurs on or after January 1, 2001.

15 These rates shall not be applicable to any service 16 performed by a member as a covered employee which is not 17 eligible creditable service. Service as a covered employee 18 which is not eligible creditable service shall be subject to 19 the rates and provisions of Section 14-108.

(b) For the purpose of this Section, "eligible creditable service" means creditable service resulting from service in one or more of the following positions:

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(1) State policeman;

24 (2) fire fighter in the fire protection service of a25 department;

26 (3) air pilot;

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1	(4) special agent;
2	(5) investigator for the Secretary of State;
3	(6) conservation police officer;
4	(7) investigator for the Department of Revenue;
5	(8) security employee of the Department of Human
6	Services;
7	(9) Central Management Services security police
8	officer;
9	(10) security employee of the Department of
10	Corrections or the Department of Juvenile Justice;
11	(11) dangerous drugs investigator;
12	(12) investigator for the Department of State Police;
13	(13) investigator for the Office of the Attorney
14	General;
15	(14) controlled substance inspector;
16	(15) investigator for the Office of the State's
17	Attorneys Appellate Prosecutor;
18	(16) Commerce Commission police officer;
19	(17) arson investigator;
20	(18) State highway maintenance worker <u>;</u> .
21	(19) automotive mechanic.
22	A person employed in one of the positions specified in this
23	subsection is entitled to eligible creditable service for
24	service credit earned under this Article while undergoing the
25	basic police training course approved by the Illinois Law
26	Enforcement Training Standards Board, if completion of that

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training is required of persons serving in that position. For the purposes of this Code, service during the required basic police training course shall be deemed performance of the duties of the specified position, even though the person is not a sworn peace officer at the time of the training.

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(c) For the purposes of this Section:

7 (1) The term "state policeman" includes any title or
8 position in the Department of State Police that is held by
9 an individual employed under the State Police Act.

10 (2) The term "fire fighter in the fire protection 11 service of a department" includes all officers in such fire 12 protection service including fire chiefs and assistant 13 fire chiefs.

(3) The term "air pilot" includes any employee whose 14 15 official job description on file in the Department of 16 Central Management Services, or in the department by which 17 he is employed if that department is not covered by the Personnel Code, states that his principal duty is the 18 19 operation of aircraft, and who possesses a pilot's license; 20 however, the change in this definition made by this 21 amendatory Act of 1983 shall not operate to exclude any 22 noncovered employee who was an "air pilot" for the purposes 23 of this Section on January 1, 1984.

(4) The term "special agent" means any person who by
reason of employment by the Division of Narcotic Control,
the Bureau of Investigation or, after July 1, 1977, the

1 Division of Criminal Investigation, the Division of 2 Internal Investigation, the Division of Operations, or any 3 other Division or organizational entity in the Department of State Police is vested by law with duties to maintain 4 5 public order, investigate violations of the criminal law of this State, enforce the laws of this State, make arrests 6 7 and recover property. The term "special agent" includes any 8 title or position in the Department of State Police that is 9 held by an individual employed under the State Police Act.

10 (5) The term "investigator for the Secretary of State" 11 means any person employed by the Office of the Secretary of 12 State and vested with such investigative duties as render 13 him ineligible for coverage under the Social Security Act 14 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 15 218(1)(1) of that Act.

16 A person who became employed as an investigator for the Secretary of State between January 1, 1967 and December 31, 17 1975, and who has served as such until attainment of age 18 19 60, either continuously or with a single break in service of not more than 3 years duration, which break terminated 20 before January 1, 1976, shall be entitled to have his 21 22 retirement annuity calculated in accordance with 23 subsection (a), notwithstanding that he has less than 20 24 years of credit for such service.

(6) The term "Conservation Police Officer" means any
 person employed by the Division of Law Enforcement of the

Department of Natural Resources and vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(l)(1) of that Act. The term "Conservation Police Officer" includes the positions of Chief Conservation Police Administrator and Assistant Conservation Police Administrator.

8 (7) The term "investigator for the Department of 9 Revenue" means any person employed by the Department of 10 Revenue and vested with such investigative duties as render 11 him ineligible for coverage under the Social Security Act 12 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 13 218(1)(1) of that Act.

(8) The term "security employee of the Department of 14 15 Human Services" means any person employed by the Department 16 of Human Services who (i) is employed at the Chester Mental 17 Health Center and has daily contact with the residents thereof, (ii) is employed within a security unit at a 18 19 facility operated by the Department and has daily contact 20 with the residents of the security unit, (iii) is employed 21 at a facility operated by the Department that includes a 22 security unit and is regularly scheduled to work at least 23 50% of his or her working hours within that security unit, or (iv) is a mental health police officer. "Mental health 24 25 police officer" means any person employed by the Department 26 of Human Services in a position pertaining to the

Department's mental health and developmental disabilities 1 2 functions who is vested with such law enforcement duties as 3 render the person ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 4 5 218(d)(8)(D) and 218(l)(1) of that Act. "Security unit" means that portion of a facility that is devoted to the 6 7 care, containment, and treatment of persons committed to 8 Department of Human Services as sexually violent the 9 persons, persons unfit to stand trial, or persons not 10 quilty by reason of insanity. With respect to past 11 employment, references to the Department of Human Services 12 include its predecessor, the Department of Mental Health 13 and Developmental Disabilities.

14The changes made to this subdivision (c)(8) by Public15Act 92-14 apply to persons who retire on or after January161, 2001, notwithstanding Section 1-103.1.

(9) "Central Management Services security police
officer" means any person employed by the Department of
Central Management Services who is vested with such law
enforcement duties as render him ineligible for coverage
under the Social Security Act by reason of Sections
218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

(10) For a member who first became an employee under
this Article before July 1, 2005, the term "security
employee of the Department of Corrections or the Department
of Juvenile Justice" means any employee of the Department

of Corrections or the Department of Juvenile Justice or the 1 former Department of Personnel, and any member or employee 2 3 of the Prisoner Review Board, who has daily contact with inmates or youth by working within a correctional facility 4 5 or Juvenile facility operated by the Department of Juvenile Justice or who is a parole officer or an employee who has 6 7 direct contact with committed persons in the performance of 8 his or her job duties. For a member who first becomes an 9 employee under this Article on or after July 1, 2005, the 10 term means an employee of the Department of Corrections or 11 the Department of Juvenile Justice who is any of the 12 following: (i) officially headquartered at a correctional 13 facility or Juvenile facility operated by the Department of 14 Juvenile Justice, (ii) a parole officer, (iii) a member of 15 the apprehension unit, (iv) a member of the intelligence 16 unit, (v) а member of the sort team, or (vi) an 17 investigator.

(11) The term "dangerous drugs investigator" means any
 person who is employed as such by the Department of Human
 Services.

(12) The term "investigator for the Department of State
Police" means a person employed by the Department of State
Police who is vested under Section 4 of the Narcotic
Control Division Abolition Act with such law enforcement
powers as render him ineligible for coverage under the
Social Security Act by reason of Sections 218(d)(5)(A),

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1 218(d)(8)(D) and 218(1)(1) of that Act.

2 (13) "Investigator for the Office of the Attorney 3 General" means any person who is employed as such by the Office of the Attorney General and is vested with such 4 5 investigative duties as render him ineligible for coverage under the Social Security Act by reason of 6 Sections 7 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For 8 the period before January 1, 1989, the term includes all 9 persons who were employed as investigators by the Office of 10 the Attorney General, without regard to social security 11 status.

12 (14) "Controlled substance inspector" means any person who is employed as such by the Department of Professional 13 Regulation and is vested with such law enforcement duties 14 15 as render him ineligible for coverage under the Social 16 Security Act by reason of Sections 218(d)(5)(A), 17 218(1)(1) of that Act. 218(d)(8)(D) and The term "controlled substance inspector" includes the Program 18 Executive of Enforcement and the Assistant Program 19 20 Executive of Enforcement.

(15) The term "investigator for the Office of the
State's Attorneys Appellate Prosecutor" means a person
employed in that capacity on a full time basis under the
authority of Section 7.06 of the State's Attorneys
Appellate Prosecutor's Act.

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(16) "Commerce Commission police officer" means any

person employed by the Illinois Commerce Commission who is vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act.

6 (17) "Arson investigator" means any person who is 7 employed as such by the Office of the State Fire Marshal and is vested with such law enforcement duties as render 8 9 the person ineligible for coverage under the Social 10 Security Act by reason of Sections 218(d)(5)(A), 11 218(d)(8)(D), and 218(l)(1) of that Act. A person who was 12 employed as an arson investigator on January 1, 1995 and is 13 no longer in service but not yet receiving a retirement 14 annuity may convert his or her creditable service for 15 employment as an arson investigator into eligible 16 creditable service by paying to the System the difference 17 between the employee contributions actually paid for that service and the amounts that would have been contributed if 18 19 the applicant were contributing at the rate applicable to 20 persons with the same social security status earning 21 eligible creditable service on the date of application.

(18) The term "State highway maintenance worker" meansa person who is either of the following:

(i) A person employed on a full-time basis by the
Illinois Department of Transportation in the position
of highway maintainer, highway maintenance lead

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worker, highway maintenance lead/lead worker, heavy construction equipment operator, power shovel operator, <u>sign hanger, sign hanger foreman</u>, or bridge mechanic; and whose principal responsibility is to perform, on the roadway, the actual maintenance necessary to keep the highways that form a part of the State highway system in serviceable condition for vehicular traffic.

9 (ii) A person employed on a full-time basis by the 10 Illinois State Toll Highway Authority in the position 11 of equipment operator/laborer H-4, equipment 12 operator/laborer H-6, welder H-4, welder H-6, 13 mechanical/electrical H-4, mechanical/electrical H-6, water/sewer H-4, water/sewer H-6, sign maker/hanger 14 15 H-4, sign maker/hanger H-6, roadway lighting H-4, 16 roadway lighting H 6, structural H 4, structural H 6, 17 painter H 4, or painter H 6; and whose principal responsibility is to perform, on the roadway, the 18 19 actual maintenance necessary to keep the Authority's 20 serviceable condition for vehicular tollways in traffic. 21

22 (19) The term "automotive mechanic" means a person who
23 is employed as such on a full-time basis by the Illinois
24 State Toll Highway Authority and who is assigned to
25 retrieve or repair State vehicles on State highways or
26 tollways.

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1 (d) A security employee of the Department of Corrections or 2 the Department of Juvenile Justice, and a security employee of 3 the Department of Human Services who is not a mental health 4 police officer, shall not be eligible for the alternative 5 retirement annuity provided by this Section unless he or she 6 meets the following minimum age and service requirements at the 7 time of retirement:

8 (i) 25 years of eligible creditable service and age 55;
9 or

(ii) beginning January 1, 1987, 25 years of eligible
creditable service and age 54, or 24 years of eligible
creditable service and age 55; or

(iii) beginning January 1, 1988, 25 years of eligible
creditable service and age 53, or 23 years of eligible
creditable service and age 55; or

16 (iv) beginning January 1, 1989, 25 years of eligible
17 creditable service and age 52, or 22 years of eligible
18 creditable service and age 55; or

(v) beginning January 1, 1990, 25 years of eligible
creditable service and age 51, or 21 years of eligible
creditable service and age 55; or

(vi) beginning January 1, 1991, 25 years of eligible
creditable service and age 50, or 20 years of eligible
creditable service and age 55.

25 Persons who have service credit under Article 16 of this 26 Code for service as a security employee of the Department of

Corrections or the Department of Juvenile Justice, or the 1 2 Services Department of Human in a position requiring 3 certification as a teacher may count such service toward establishing their eligibility under the service requirements 4 5 of this Section; but such service may be used only for 6 establishing such eligibility, and not for the purpose of 7 increasing or calculating any benefit.

8 (e) If a member enters military service while working in a position in which eligible creditable service may be earned, 9 and returns to State service in the same or another such 10 position, and fulfills in all other respects the conditions 11 12 prescribed in this Article for credit for military service, 13 such military service shall be credited as eligible creditable 14 service for the purposes of the retirement annuity prescribed 15 in this Section.

16 (f) For purposes of calculating retirement annuities under 17 this Section, periods of service rendered after December 31, 1968 and before October 1, 1975 as a covered employee in the 18 position of special agent, conservation police officer, mental 19 20 health police officer, or investigator for the Secretary of 21 State, shall be deemed to have been service as a noncovered 22 employee, provided that the employee pays to the System prior 23 to retirement an amount equal to (1) the difference between the employee contributions that would have been required for such 24 25 service as a noncovered employee, and the amount of employee contributions actually paid, plus (2) if payment is made after 26

July 31, 1987, regular interest on the amount specified in item
 (1) from the date of service to the date of payment.

3 For purposes of calculating retirement annuities under this Section, periods of service rendered after December 31, 4 5 1968 and before January 1, 1982 as a covered employee in the position of investigator for the Department of Revenue shall be 6 deemed to have been service as a noncovered employee, provided 7 8 that the employee pays to the System prior to retirement an 9 amount equal to (1) the difference between the employee 10 contributions that would have been required for such service as 11 a noncovered employee, and the amount of employee contributions 12 actually paid, plus (2) if payment is made after January 1, 13 1990, regular interest on the amount specified in item (1) from 14 the date of service to the date of payment.

15 (g) A State policeman may elect, not later than January 1, 16 1990, to establish eligible creditable service for up to 10 17 years of his service as a policeman under Article 3, by filing a written election with the Board, accompanied by payment of an 18 19 amount to be determined by the Board, equal to (i) the 20 difference between the amount of employee and employer contributions transferred to the System under Section 3-110.5, 21 22 and the amounts that would have been contributed had such 23 contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for 24 25 each year, compounded annually, from the date of service to the 26 date of payment.

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Subject to the limitation in subsection (i), a State 1 2 policeman may elect, not later than July 1, 1993, to establish 3 eligible creditable service for up to 10 years of his service as a member of the County Police Department under Article 9, by 4 5 filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to 6 7 (i) the difference between the amount of employee and employer 8 contributions transferred to the System under Section 9-121.10 9 and the amounts that would have been contributed had those 10 contributions been made at the rates applicable to State 11 policemen, plus (ii) interest thereon at the effective rate for 12 each year, compounded annually, from the date of service to the 13 date of payment.

(h) Subject to the limitation in subsection (i), a State 14 15 policeman or investigator for the Secretary of State may elect 16 to establish eligible creditable service for up to 12 years of 17 his service as a policeman under Article 5, by filing a written election with the Board on or before January 31, 1992, and 18 19 paying to the System by January 31, 1994 an amount to be determined by the Board, equal to (i) the difference between 20 the amount of employee and employer contributions transferred 21 22 to the System under Section 5-236, and the amounts that would 23 have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon 24 25 at the effective rate for each year, compounded annually, from 26 the date of service to the date of payment.

Subject to the limitation in subsection (i), a State 1 2 policeman, conservation police officer, or investigator for the Secretary of State may elect to establish eligible 3 creditable service for up to 10 years of service as a sheriff's 4 5 law enforcement employee under Article 7, by filing a written election with the Board on or before January 31, 1993, and 6 7 paying to the System by January 31, 1994 an amount to be 8 determined by the Board, equal to (i) the difference between 9 the amount of employee and employer contributions transferred 10 to the System under Section 7-139.7, and the amounts that would 11 have been contributed had such contributions been made at the 12 rates applicable to State policemen, plus (ii) interest thereon 13 at the effective rate for each year, compounded annually, from the date of service to the date of payment. 14

(i) The total amount of eligible creditable service
established by any person under subsections (g), (h), (j), (k),
and (l) of this Section shall not exceed 12 years.

Subject to the limitation in subsection (i), an 18 (j) 19 investigator for the Office of the State's Attorneys Appellate 20 Prosecutor or a controlled substance inspector may elect to 21 establish eligible creditable service for up to 10 years of his 22 service as a policeman under Article 3 or a sheriff's law 23 enforcement employee under Article 7, by filing a written 24 election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (1) the difference between 25 26 the amount of employee and employer contributions transferred

to the System under Section 3-110.6 or 7-139.8, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (2) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

7 (k) Subject to the limitation in subsection (i) of this 8 Section, an alternative formula employee may elect to establish 9 eligible creditable service for periods spent as a full-time 10 law enforcement officer or full-time corrections officer 11 employed by the federal government or by a state or local 12 government located outside of Illinois, for which credit is not 13 held in any other public employee pension fund or retirement To obtain this credit, the applicant must file a 14 svstem. 15 written application with the Board by March 31, 1998, 16 accompanied by evidence of eligibility acceptable to the Board 17 and payment of an amount to be determined by the Board, equal to (1) employee contributions for the credit being established, 18 based upon the applicant's salary on the first day as an 19 20 alternative formula employee after the employment for which credit is being established and the rates then applicable to 21 22 alternative formula employees, plus (2) an amount determined by 23 the Board to be the employer's normal cost of the benefits accrued for the credit being established, plus (3) regular 24 25 interest on the amounts in items (1) and (2) from the first day 26 as an alternative formula employee after the employment for

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which credit is being established to the date of payment.

2 (1) Subject to the limitation in subsection (i), a security 3 employee of the Department of Corrections may elect, not later than July 1, 1998, to establish eligible creditable service for 4 5 up to 10 years of his or her service as a policeman under 6 Article 3, by filing a written election with the Board, 7 accompanied by payment of an amount to be determined by the Board, equal to (i) the difference between the amount of 8 9 employee and employer contributions transferred to the System 10 under Section 3-110.5, and the amounts that would have been 11 contributed had such contributions been made at the rates 12 applicable to security employees of the Department of 13 Corrections, plus (ii) interest thereon at the effective rate 14 for each year, compounded annually, from the date of service to 15 the date of payment.

16 (m) The amendatory changes to this Section made by this 17 amendatory Act of the 94th General Assembly apply only to: (1) security employees of the Department of Juvenile Justice 18 employed by the Department of Corrections before the effective 19 20 date of this amendatory Act of the 94th General Assembly and transferred to the Department of Juvenile Justice by this 21 22 amendatory Act of the 94th General Assembly; and (2) persons 23 employed by the Department of Juvenile Justice on or after the effective date of this amendatory Act of the 94th General 24 25 Assembly who are required by subsection (b) of Section 3-2.5-15 of the Unified Code of Corrections to have a bachelor's or 26

advanced degree from an accredited college or university with a specialization in criminal justice, education, psychology, social work, or a closely related social science or, in the case of persons who provide vocational training, who are required to have adequate knowledge in the skill for which they are providing the vocational training.

7 (Source: P.A. 94-4, eff. 6-1-05; 94-696, eff. 6-1-06.)

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(40 ILCS 5/14-152.2 new)

9 Sec. 14-152.2. New benefit increases. The General Assembly 10 finds and declares that the amendment to Section 14-110 made by 11 this amendatory Act of the 95th General Assembly that provides 12 the alternative formula to automotive mechanics employed by the 13 Illinois State Toll Highway Authority who are assigned to 14 retrieve or repair State vehicles on State highways or tollways and certain sign hangers employed by the Department of 15 16 Transportation constitutes a new benefit increase within the meaning of Section 14-152.1. This new benefit increase will 17 18 expire 5 years after the effective date of this amendatory Act. Funding for this new benefit increase will be provided by 19 20 additional employee contributions under Section 14-133.

21 Section 99. Effective date. This Act takes effect upon 22 becoming law.