



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB4438

by Rep. Mary E. Flowers

SYNOPSIS AS INTRODUCED:

40 ILCS 5/9-121.16
40 ILCS 5/9-121.18 new
40 ILCS 5/9-121.19 new
40 ILCS 5/9-134.2
40 ILCS 5/9-134.3
40 ILCS 5/9-134.4
30 ILCS 805/8.32 new

from Ch. 108 1/2, par. 9-134.2

Amends the Cook County Article of the Illinois Pension Code. Creates an alternative retirement annuity and survivor's benefit for sworn sheriff's personnel. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB095 14158 AMC 40021 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 changing
5 Sections 9-121.16, 9-134.2, 9-134.3, and 9-134.4 and adding
6 Sections 9-121.18 and 9-121.19 as follows:

7 (40 ILCS 5/9-121.16)

8 Sec. 9-121.16. Contractual service to the Retirement
9 Board. A person who has rendered continuous contractual
10 services (other than legal or actuarial services) to the
11 Retirement Board for a period of at least 5 years may establish
12 creditable service in the Fund for up to 10 years of those
13 services by making written application to the Board before July
14 1, 2003 and paying to the Fund an amount to be determined by
15 the Board, equal to the employee contributions that would have
16 been required if those services had been performed as an
17 employee.

18 For the purposes of calculating the required payment, the
19 Board may determine the applicable salary equivalent based on
20 the compensation received by the person for performing those
21 contractual services. The salary equivalent calculated under
22 this Section shall not be used for determining final average
23 salary under Section 9-134 or any other provisions of this

1 Code.

2 A person may not make optional contributions under Section
3 9-121.6, 9-121.18, or 9-179.3 for periods of credit established
4 under this Section.

5 (Source: P.A. 92-599, eff. 6-28-02.)

6 (40 ILCS 5/9-121.18 new)

7 Sec. 9-121.18. Alternative annuity for sworn sheriff's
8 personnel.

9 (a) Any person employed as sworn sheriff's personnel may
10 elect to establish alternative credits for an alternative
11 annuity by electing in writing to make additional optional
12 contributions in accordance with this Section and procedures
13 established by the board. Such sworn sheriff's personnel may
14 discontinue making the additional optional contributions by
15 notifying the Fund in writing in accordance with this Section
16 and procedures established by the board.

17 Additional optional contributions for the alternative
18 annuity shall be as follows:

19 (1) For service after the option is elected, an
20 additional contribution of 3% of salary shall be
21 contributed to the Fund on the same basis and under the
22 same conditions as contributions required under Sections
23 9-170 and 9-176.

24 (2) For service before the option is elected, an
25 additional contribution of 3% of the salary for the

1 applicable period of service, plus interest at the
2 effective rate from the date of service to the date of
3 payment. All payments for past service must be paid in full
4 before credit is given. No additional optional
5 contributions may be made for any period of service for
6 which credit has been previously forfeited by acceptance of
7 a refund, unless the refund is repaid in full with interest
8 at the effective rate from the date of refund to the date
9 of repayment.

10 (b) In lieu of the retirement annuity otherwise payable
11 under this Article, any sworn sheriff's personnel who (1) has
12 elected to make additional optional contributions in
13 accordance with this Section, and (2) has attained age 50 with
14 at least 10 years of service credit, or has attained age 55
15 with at least 8 years of service credit, may elect to have his
16 retirement annuity computed as follows: 3% of the participant's
17 salary at the time of termination of service for each of the
18 first 8 years of service credit, plus 4% of such salary for
19 each of the next 4 years of service credit, plus 5% of such
20 salary for each year of service credit in excess of 12 years,
21 subject to a maximum of 80% of such salary. To the extent such
22 sworn sheriff's personnel has made additional optional
23 contributions with respect to only a portion of his or her
24 years of service credit, his or her retirement annuity will
25 first be determined in accordance with this Section to the
26 extent such additional optional contributions were made, and

1 then in accordance with the remaining Sections of this Article
2 to the extent of years of service credit with respect to which
3 additional optional contributions were not made.

4 (c) In lieu of the disability benefits otherwise payable
5 under this Article, any sworn sheriff's personnel who (1) has
6 become permanently disabled and as a consequence is unable to
7 perform the duties of his or her employment and (2) was making
8 optional contributions in accordance with this Section at the
9 time the disability was incurred, may elect to receive a
10 disability annuity calculated in accordance with the formula in
11 subsection (b). For the purposes of this subsection, such sworn
12 sheriff's personnel shall be considered permanently disabled
13 only if: (i) disability occurs while in service as sworn
14 sheriff's personnel and is of such a nature as to prevent him
15 or her from reasonably performing the duties of his or her
16 employment at the time; and (ii) the board has received a
17 written certification by at least 2 licensed physicians
18 appointed by it stating that the sworn sheriff's personnel is
19 disabled and that the disability is likely to be permanent.

20 (d) Refunds of additional optional contributions shall be
21 made on the same basis and under the same conditions as
22 provided under Section 9-164, 9-166, and 9-167. Interest shall
23 be credited at the effective rate on the same basis and under
24 the same conditions as for other contributions. Optional
25 contributions made by sworn sheriff's personnel shall be
26 accounted for in a separate Cook County Sworn Sheriff's

1 Personnel Optional Contribution Reserve. Optional
2 contributions under this Section shall be included in the
3 amount of employee contributions used to compute the tax levy
4 under Section 9-169.

5 (e) The effective date of this plan of optional alternative
6 benefits and contributions shall be January 1, 2009, or the
7 date upon which approval is received from the U.S. Internal
8 Revenue Service, whichever is later. The plan of optional
9 alternative benefits and contributions shall not be available
10 to any former sworn sheriff's personnel receiving an annuity
11 from the Fund on the effective date of the plan, unless he or
12 she re-enters service as sworn sheriff's personnel and renders
13 at least 3 years of additional service after the date of
14 re-entry.

15 (40 ILCS 5/9-121.19 new)

16 Sec. 9-121.19. Alternative survivor's benefits for
17 survivors of sworn sheriff's personnel. In lieu of the
18 survivor's benefits otherwise payable under this Article, the
19 spouse or eligible child of any deceased sworn sheriff's
20 personnel who was either making additional optional
21 contributions in accordance with Section 9-121.18 on the date
22 of death, or was receiving an annuity calculated under that
23 Section at the time of death, may elect to receive an annuity
24 beginning on the date of death of the sworn sheriff's
25 personnel, provided that the spouse and sworn sheriff's

1 personnel must have been married on the date of the last
2 termination of his or her service as sworn sheriff's personnel
3 and for a continuous period of at least one year immediately
4 preceding his or her death.

5 The annuity shall be payable beginning on the date of death
6 of the sworn sheriff's personnel if the spouse is then age 50
7 or over, or beginning at age 50 if the age of the spouse is less
8 than age 50. If an unmarried child or children of the sworn
9 sheriff's personnel under age 18 also survive, and the child or
10 children are under the care of the eligible spouse, the annuity
11 shall begin as of the date of death of the sworn sheriff's
12 personnel without regard to the spouse's age.

13 The annuity to a spouse shall be 66 2/3% of the amount of
14 retirement annuity earned by the sworn sheriff's personnel on
15 the date of death, subject to a minimum payment of 10% of
16 salary, provided that, if an eligible spouse, regardless of
17 age, has in his or her care at the date of death of the sworn
18 sheriff's personnel any unmarried child or children of the
19 sworn sheriff's personnel under age 18, the minimum annuity
20 shall be 30% of the salary of the sworn sheriff's personnel,
21 plus 10% of salary on account of each minor child of the sworn
22 sheriff's personnel, subject to a combined total payment on
23 account of a spouse and minor children not to exceed 50% of the
24 salary of the deceased sworn sheriff's personnel. In the event
25 there is no spouse of the sworn sheriff's personnel, or should
26 a spouse remarry or die while eligible minor children still

1 survive the sworn sheriff's personnel, each such child shall be
2 entitled to an annuity equal to 20% of salary of the sworn
3 sheriff's personnel subject to a combined total payment on
4 account of all such children not to exceed 50% of salary of the
5 sworn sheriff's personnel. The salary to be used in the
6 calculation of these benefits shall be the same as that
7 prescribed for determining a retirement annuity as provided in
8 Section 9-121.18.

9 Upon the death of sworn sheriff's personnel occurring after
10 termination of service or while in receipt of a retirement
11 annuity, the combined total payment to a spouse and minor
12 children, or to minor children alone if no eligible spouse
13 survives, shall be limited to 75% of the amount of retirement
14 annuity earned by the sworn sheriff's personnel.

15 Adopted children shall have status as children of the sworn
16 sheriff's personnel only if the proceedings for adoption were
17 commenced at least one year prior to the date of the death of
18 the sworn sheriff's personnel.

19 Marriage of a child or attainment of age 18, whichever
20 first occurs, shall render the child ineligible for further
21 consideration in the payment of an annuity to a spouse or in
22 the increase in the amount thereof. Upon attainment of
23 ineligibility of the youngest minor child of the sworn
24 sheriff's personnel, the annuity shall immediately revert to
25 the amount payable upon death of sworn sheriff's personnel
26 leaving no minor children surviving him or her. If the spouse

1 is under age 50 at such time, the annuity as revised shall be
2 deferred until such age is attained. Remarriage of a widow or
3 widower prior to attainment of age 55 shall disqualify the
4 spouse from the receipt of an annuity.

5 (40 ILCS 5/9-134.2) (from Ch. 108 1/2, par. 9-134.2)

6 Sec. 9-134.2. Early retirement incentives.

7 (a) To be eligible for the benefits provided in this
8 Section, a person must:

9 (1) be a current contributing member of this Fund who,
10 on May 1, 1992 and within 30 days prior to the date of
11 retirement, is (i) in active payroll status in a position
12 of employment under this Article, or (ii) receiving
13 disability benefits under Section 9-156 or 9-157;

14 (2) have not previously retired under this Article;

15 (3) file with the Board before May 1, 1993, a written
16 application requesting the benefits provided in this
17 Section;

18 (4) elect to retire under this Section on or after
19 December 1, 1992 and on or before May 29, 1993 (or the date
20 established under subsection (c), if applicable);

21 (5) have attained age 55 on or before the date of
22 retirement; and

23 (6) have at least 10 years of creditable service under
24 this Fund or any of the participating systems under the
25 Retirement Systems Reciprocal Act by the effective date of

1 the retirement annuity.

2 (b) An employee who qualifies for the benefits provided
3 under this Section shall be entitled to the following:

4 (1) The employee's retirement annuity, as calculated
5 under the other provisions of this Article, shall be
6 increased at the time of retirement by an amount equal to
7 1% of the employee's average annual salary for the highest
8 4 consecutive years within the last 10 years of service,
9 multiplied by the employee's number of years of service
10 credit in this Fund up to a maximum of 10 years; except
11 that the total retirement annuity, including any
12 additional benefits elected under Section 9-121.6, 9-121.18,
13 9-121.18, or 9-179.3, shall not exceed 80% of that highest
14 average annual salary.

15 (2) If the employee's retirement annuity is calculated
16 under Section 9-134, the employee shall not be subject to
17 the reduction in retirement annuity because of retirement
18 below age 60 that is otherwise required under that Section.

19 (c) In the case of an employee whose immediate retirement
20 could jeopardize public safety or create hardship for the
21 employer, the deadline for retirement provided in subdivision
22 (a) (4) of this Section may be extended to a specified date, no
23 later than November 30, 1993, by the employee's department
24 head, with the approval of the President of the County Board.
25 In the case of an employee who is not employed by a department
26 of the County, the employee's "department head", for the

1 purposes of this Section, shall be a person designated by the
2 President of the County Board.

3 (d) Notwithstanding Section 9-161, an annuitant who
4 reenters service under this Article after receiving a
5 retirement annuity based on benefits provided under this
6 Section thereby forfeits the right to continue to receive those
7 benefits, and shall have his or her retirement annuity
8 recalculated without the benefits provided in this Section.

9 (Source: P.A. 87-1130.)

10 (40 ILCS 5/9-134.3)

11 Sec. 9-134.3. Early retirement incentives.

12 (a) To be eligible for the benefits provided in this
13 Section, a person must:

14 (1) be a current contributing member of the Fund
15 established under this Article who, on May 1, 1997 and
16 within 30 days prior to the date of retirement, is (i) in
17 active payroll status in a position of employment under
18 this Article or (ii) receiving disability benefits under
19 Section 9-156 or 9-157; or else be eligible under
20 subsection (g);

21 (2) have not previously retired from the Fund, except
22 as provided under subsection (g);

23 (3) file with the Board before October 1, 1997 (or the
24 date specified in subsection (g), if applicable) a written
25 application requesting the benefits provided in this

1 Section;

2 (4) elect to retire under this Section on or after
3 September 1, 1997 and on or before February 28, 1998 (or
4 the date established under subsection (d) or (g), if
5 applicable);

6 (5) have attained age 55 on or before the date of
7 retirement and before February 28, 1998; and

8 (6) have at least 10 years of creditable service in the
9 Fund, excluding service in any of the other participating
10 systems under the Retirement Systems Reciprocal Act, by the
11 effective date of the retirement annuity or February 28,
12 1998, whichever occurs first.

13 (b) An employee who qualifies for the benefits provided
14 under this Section shall be entitled to the following:

15 (1) The employee's retirement annuity, as calculated
16 under the other provisions of this Article, shall be
17 increased at the time of retirement by an amount equal to
18 1% of the employee's average annual salary for the highest
19 4 consecutive years within the last 10 years of service,
20 multiplied by the employee's number of years of service
21 credit in this Fund up to a maximum of 10 years; except
22 that the total retirement annuity, including any
23 additional benefits elected under Section 9-121.6,
24 9-121.18, or 9-179.3, shall not exceed 80% of that highest
25 average annual salary.

26 (2) If the employee's retirement annuity is calculated

1 under Section 9-134, the employee shall not be subject to
2 the reduction in retirement annuity because of retirement
3 below age 60 that is otherwise required under that Section.

4 (c) A person who elects to retire under the provisions of
5 this Section thereby relinquishes his or her right, if any, to
6 have the retirement annuity calculated under the alternative
7 formula formerly set forth in Section 20-122 of the Retirement
8 Systems Reciprocal Act.

9 (d) In the case of an employee whose immediate retirement
10 could jeopardize public safety or create hardship for the
11 employer, the deadline for retirement provided in subdivision
12 (a) (4) of this Section may be extended to a specified date, no
13 later than August 31, 1998, by the employee's department head,
14 with the approval of the President of the County Board. In the
15 case of an employee who is not employed by a department of the
16 County, the employee's "department head", for the purposes of
17 this Section, shall be a person designated by the President of
18 the County Board.

19 (e) Notwithstanding Section 9-161, an annuitant who
20 reenters service under this Article after receiving a
21 retirement annuity based on benefits provided under this
22 Section thereby forfeits the right to continue to receive those
23 benefits and shall have his or her retirement annuity
24 recalculated without the benefits provided in this Section.

25 (f) This Section also applies to the Fund established under
26 Article 10 of this Code.

1 (g) A person who (1) was a participating employee on
2 November 30, 1996, (2) was laid off on or after December 1,
3 1996 and before May 1, 1997 due to the elimination of the
4 employee's job or position, (3) meets the requirements of items
5 (3) through (6) of subsection (a), and (4) has not been
6 reinstated as a Cook County employee since being laid off is
7 eligible for the benefits provided under this Section. For such
8 a person, the application required under subdivision (a)(3) of
9 this Section must be filed within 60 days after the effective
10 date of this amendatory Act of the 92nd General Assembly, and
11 the date of retirement must be within 60 days after the
12 effective date of this amendatory Act.

13 In the case of a person eligible under this subsection (g)
14 who began to receive a retirement annuity before the effective
15 date of this amendatory Act, the annuity shall be recalculated
16 to include the increase under this Section, and that increase
17 shall take effect on the first annuity payment date following
18 the date of application.

19 (Source: P.A. 92-599, eff. 6-28-02.)

20 (40 ILCS 5/9-134.4)

21 Sec. 9-134.4. Early retirement incentives.

22 (a) To be eligible for the benefits provided in this
23 Section, a person must:

24 (1) be a current contributing member of the Fund
25 established under this Article who, on January 1, 2001 and

1 within 30 days prior to the date of retirement, is (i) in
2 active payroll status in a position of employment under
3 this Article or (ii) receiving disability benefits under
4 Section 9-156 or 9-157;

5 (2) have not previously retired from the Fund;

6 (3) file with the Board before March 1, 2003 a written
7 application requesting the benefits provided in this
8 Section;

9 (4) elect to retire under this Section on or after
10 November 30, 2002 and on or before March 31, 2003 (or the
11 date established under subsection (d), if applicable);

12 (5) have attained age 50 on or before the date of
13 retirement and on or before March 31, 2003; and

14 (6) have at least 20 years of creditable service in the
15 Fund, excluding service in any of the other participating
16 systems under the Retirement Systems Reciprocal Act, by the
17 effective date of the retirement annuity or March 31, 2003,
18 whichever occurs first.

19 (b) An employee who qualifies for the benefits provided
20 under this Section shall be entitled to the following:

21 (1) The employee's retirement annuity, as calculated
22 under the other provisions of this Article, shall be
23 increased at the time of retirement by an amount equal to
24 1% of the employee's average annual salary for the highest
25 4 consecutive years within the last 10 years of service,
26 multiplied by the employee's number of years of service

1 credit in this Fund up to a maximum of 10 years; except
2 that the total retirement annuity, including any
3 additional benefits elected under Section 9-121.6,
4 9-121.18, or 9-179.3, shall not exceed 80% of that highest
5 average annual salary.

6 (2) If the employee's retirement annuity is calculated
7 under Section 9-134, the employee shall not be subject to
8 the reduction in retirement annuity because of retirement
9 below age 60 that is otherwise required under that Section.

10 (c) A person who elects to retire under the provisions of
11 this Section thereby relinquishes his or her right, if any, to
12 have the retirement annuity calculated under the alternative
13 formula formerly set forth in Section 20-122 of the Retirement
14 Systems Reciprocal Act.

15 (d) In the case of an employee whose immediate retirement
16 could jeopardize public safety or create hardship for the
17 employer, the deadline for retirement provided in subdivision
18 (a)(4) of this Section may be extended to a specified date, no
19 later than September 30, 2003, by the employee's department
20 head, with the approval of the President of the County Board.
21 In the case of an employee who is not employed by a department
22 of the County, the employee's "department head", for the
23 purposes of this Section, shall be a person designated by the
24 President of the County Board.

25 (e) Notwithstanding Section 9-161, an annuitant who
26 reenters service under this Article after receiving a

1 retirement annuity based on benefits provided under this
2 Section thereby forfeits the right to continue to receive those
3 benefits and shall have his or her retirement annuity
4 recalculated without the benefits provided in this Section.

5 (f) This Section also applies to the Fund established under
6 Article 10 of this Code.

7 (Source: P.A. 92-599, eff. 6-28-02.)

8 Section 90. The State Mandates Act is amended by adding
9 Section 8.32 as follows:

10 (30 ILCS 805/8.32 new)

11 Sec. 8.32. Exempt mandate. Notwithstanding Sections 6 and 8
12 of this Act, no reimbursement by the State is required for the
13 implementation of any mandate created by this amendatory Act of
14 the 95th General Assembly.

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.