



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB4576

by Rep. Richard T. Bradley

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-131

from Ch. 108 1/2, par. 17-131

30 ILCS 805/8.32 new

Amends the Chicago Teacher Article of the Pension Code. Provides that salary received on or after July 1, 2008 for overtime, summer school, and other optional service shall be included in the calculation of salary for pension purposes. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB095 14906 AMC 40850 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 17-131 as follows:

6 (40 ILCS 5/17-131) (from Ch. 108 1/2, par. 17-131)

7 Sec. 17-131. Administration of payroll deductions. During  
8 any period on or after July 1, 2008 in which salaries are paid,  
9 payroll ~~such~~ deductions by an Employer or the Board shall be  
10 made for all salary paid ~~on the basis of the full salary rates,~~  
11 ~~exclusive of salaries for overtime, special services or any~~  
12 ~~employment on an optional basis, such as in summer school.~~ If  
13 salaries represent adjustments on account of error, deductions  
14 by the Employer or the Board shall be at the rates in force  
15 during the applicable payroll period. If teachers receive  
16 salaries for the school year, as established by an Employer, or  
17 if they receive salaries for more than 10 calendar months, the  
18 amount required for each year of service shall be deducted by  
19 such Employer in installments. Beginning July 1, 2008, the  
20 total amounts for each semimonthly payroll period~~7~~ or bi-weekly  
21 payroll period, as the case may be, shall be deducted for all  
22 salary paid ~~only when salary payments represent 5 days' pay or~~  
23 ~~more.~~ If, on or after July 1, 2008, an Employer or the Board

1 pays salaries to members of the teaching force for vacation  
2 periods, the salary shall be considered part of the teacher's  
3 annual salary, shall be subject to the standard deductions for  
4 pension contributions, and shall be considered to represent  
5 additional service credit for each day paid ~~pay for 5 or more~~  
6 ~~days' employment in a bi weekly or semi monthly payroll period~~  
7 ~~for purposes set forth in this Section.~~ If deductions from  
8 salaries result in amounts of less than one cent, the  
9 fractional sums shall be increased to the next higher cent. Any  
10 excess of these fractional increases over the prescribed annual  
11 contributions shall be credited to the teachers' accounts.

12 Any person who retires on or after July 1, 2008 and before  
13 the effective date of this amendatory Act of the 95th General  
14 Assembly shall be paid a lump sum equal to the amount of  
15 pension that he or she would have received for that period if  
16 salary received for overtime, summer school, and other optional  
17 service had been included in the calculation of salary for  
18 pension purposes, minus the amount of pension he or she  
19 actually received for that period.

20 In the event that, pursuant to Section 17-130.1, employee  
21 contributions are picked up or made by the Board of Education  
22 on behalf of its employees from the proceeds of the tax levied  
23 under Section 34-60 of the School Code, then the amount of the  
24 employee contributions which are picked up or made in that  
25 manner shall not be deducted from the salaries of such  
26 employees.

1 (Source: P.A. 90-566, eff. 1-2-98.)

2 Section 90. The State Mandates Act is amended by adding  
3 Section 8.32 as follows:

4 (30 ILCS 805/8.32 new)

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

9 Section 99. Effective date. This Act takes effect upon  
10 becoming law.