



Personnel and Pensions Committee

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09500SB0377ham001

LRB095 06757 AMC 35017 a

1 AMENDMENT TO SENATE BILL 377

2 AMENDMENT NO. _____. Amend Senate Bill 377, on page 1,
3 line 4, after "amended", by inserting "by adding Sections
4 9-134.5 and 10-104.5 and"; and

5 on page 1, immediately below line 5, by inserting the
6 following:

7 "(40 ILCS 5/9-134.5 new)

8 Sec. 9-134.5. Alternative retirement cancellation payment.

9 (a) To be eligible for the alternative retirement
10 cancellation payment provided in this Section, a person must:

11 (1) be a member of this Fund who, on December 31, 2006,
12 was (i) in active payroll status as an employee and
13 continuously employed in a position on and after April 15,
14 2007 and (ii) an active contributor to this Fund with
15 respect to that employment;

16 (2) have not previously received any retirement

1 annuity under this Article;

2 (3) file with the Board on or before 45 days after the
3 effective date of this Section, a written application
4 requesting the alternative retirement cancellation payment
5 provided in this Section; (4) terminate employment under
6 this Article no later than 60 days after the effective date
7 of this Section.

8 (4) if there is a QILDRO in effect against the person,
9 file with the Board the written consent of all alternate
10 payees under the QILDRO to the election of an alternative
11 retirement cancellation payment under this Section; and

12 (b) In lieu of any retirement annuity or other benefit
13 provided under this Article, a person who qualifies for and
14 elects to receive the alternative retirement cancellation
15 payment under this Section shall be entitled to receive a
16 one-time lump sum retirement cancellation payment equal to the
17 amount of his or her contributions to the Fund (including any
18 employee contributions for optional service credit and
19 including any employee contributions paid by the employer or
20 credited to the employee during disability) on the date of
21 termination, with regular interest, multiplied by 1.5.

22 (c) Notwithstanding any other provision of this Article, a
23 person who receives an alternative retirement cancellation
24 payment under this Section thereby forfeits the right to any
25 other retirement or disability benefit or refund under this
26 Article, and no widow's, survivor's, or death benefit deriving

1 from that person shall be payable under this Article. Upon
2 accepting an alternative retirement cancellation payment under
3 this Section, the person's creditable service and all other
4 rights in the Fund are terminated for all purposes.

5 (d) To the extent permitted by federal law, a person who
6 receives an alternative retirement cancellation payment under
7 this Section may direct the Fund to pay all or a portion of
8 that payment as a rollover into another retirement plan or
9 account qualified under the Internal Revenue Code of 1986, as
10 amended.

11 (e) Notwithstanding any other provision of this Article, a
12 person who has received an alternative retirement cancellation
13 payment under this Section and who reenters service under this
14 Article must first repay to the Fund the amount by which that
15 alternative retirement cancellation payment exceeded the
16 amount of his or her refundable employee contributions with
17 interest at 6% per annum. For the purposes of re-establishing
18 creditable service that was terminated upon election of the
19 alternative retirement cancellation payment, the portion of
20 the alternative retirement cancellation payment representing
21 refundable employee contributions shall be deemed a refund
22 repayable in accordance with Section 9-163.

23 (f) No individual who receives an alternative retirement
24 cancellation payment under this Section may return to active
25 payroll status within 365 days after separation from service to
26 the employer.

1 (40 ILCS 5/10-104.5 new)

2 Sec. 10-104.5. Alternative retirement cancellation
3 payment.

4 (a) To be eligible for the alternative retirement
5 cancellation payment provided in this Section, a person must:

6 (1) be a member of this Fund who, on December 31, 2006,
7 was (i) in active payroll status as an employee and
8 continuously employed in a position on and after April 15,
9 2007 and (ii) an active contributor to this Fund with
10 respect to that employment;

11 (2) have not previously received any retirement
12 annuity under this Article;

13 (3) file with the Board on or before 45 days after the
14 effective date of this Section, a written application
15 requesting the alternative retirement cancellation payment
16 provided in this Section; (4) terminate employment under
17 this Article no later than 60 days after the effective date
18 of this Section.

19 (4) if there is a QILDRO in effect against the person,
20 file with the Board the written consent of all alternate
21 payees under the QILDRO to the election of an alternative
22 retirement cancellation payment under this Section; and

23 (b) In lieu of any retirement annuity or other benefit
24 provided under this Article, a person who qualifies for and
25 elects to receive the alternative retirement cancellation

1 payment under this Section shall be entitled to receive a
2 one-time lump sum retirement cancellation payment equal to the
3 amount of his or her contributions to the Fund (including any
4 employee contributions for optional service credit and
5 including any employee contributions paid by the employer or
6 credited to the employee during disability) on the date of
7 termination, with regular interest, multiplied by 1.5.

8 (c) Notwithstanding any other provision of this Article, a
9 person who receives an alternative retirement cancellation
10 payment under this Section thereby forfeits the right to any
11 other retirement or disability benefit or refund under this
12 Article, and no widow's, survivor's, or death benefit deriving
13 from that person shall be payable under this Article. Upon
14 accepting an alternative retirement cancellation payment under
15 this Section, the person's creditable service and all other
16 rights in the Fund are terminated for all purposes.

17 (d) To the extent permitted by federal law, a person who
18 receives an alternative retirement cancellation payment under
19 this Section may direct the Fund to pay all or a portion of
20 that payment as a rollover into another retirement plan or
21 account qualified under the Internal Revenue Code of 1986, as
22 amended.

23 (e) Notwithstanding any other provision of this Article, a
24 person who has received an alternative retirement cancellation
25 payment under this Section and who reenters service under this
26 Article must first repay to the Fund the amount by which that

1 alternative retirement cancellation payment exceeded the
2 amount of his or her refundable employee contributions with
3 interest of 6% per annum. For the purposes of re-establishing
4 creditable service that was terminated upon election of the
5 alternative retirement cancellation payment, the portion of
6 the alternative retirement cancellation payment representing
7 refundable employee contributions shall be deemed a refund
8 repayable together with interest at the effective rate from the
9 application date of such refund to the date of repayment.

10 (f) No individual who receives an alternative retirement
11 cancellation payment under this Section may return to active
12 payroll status within 365 days after separation from service to
13 the employer."; and

14 on page 7, immediately below line 23, by inserting the
15 following:

16 "Section 90. The State Mandates Act is amended by adding
17 Section 8.31 as follows:

18 (30 ILCS 805/8.31 new)

19 Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8
20 of this Act, no reimbursement by the State is required for the
21 implementation of any mandate created by this amendatory Act of
22 the 95th General Assembly."