



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

**HB5994**

Introduced 2/10/2010, by Rep. Michael P. McAuliffe

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-116.1  
30 ILCS 805/8.34 new

from Ch. 108 1/2, par. 17-116.1

Amends the Chicago Teachers Article of the Illinois Pension Code. Allows the employer to authorize by resolution an early retirement without discount program for specified periods beginning July 1, 2010 and ending June 30, 2015. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB096 17627 AMC 32985 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 Section 17-116.1 as follows:

6 (40 ILCS 5/17-116.1) (from Ch. 108 1/2, par. 17-116.1)  
7 Sec. 17-116.1. Early retirement without discount.

8 (a) A member retiring after June 1, 1980 and before June  
9 30, 1995 and within 6 months of the last day of teaching for  
10 which retirement contributions were required, may elect at the  
11 time of application to make a one time employee contribution to  
12 the system and thereby avoid the early retirement reduction in  
13 allowance specified in paragraph (4) of Section 17-116 of this  
14 Article. The exercise of the election shall obligate the last  
15 Employer to also make a one time non-refundable contribution to  
16 the Fund.

17 (b) Subject to authorization by the Employer as provided in  
18 subsection (c), a member retiring on or after June 30, 1995 and  
19 on or before June 30, 2015 ~~2010~~ and within 6 months of the last  
20 day of teaching for which retirement contributions were  
21 required may elect at the time of application to make a  
22 one-time employee contribution to the Fund and thereby avoid  
23 the early retirement reduction in allowance specified in

1 paragraph (4) of Section 17-116. The exercise of the election  
2 shall obligate the last Employer to also make a one-time  
3 nonrefundable contribution to the Fund.

4 (c) The benefits provided in subsection (b) are available  
5 only to members who retire, during a specified period, from  
6 employment with an Employer that has adopted and filed with the  
7 Board a resolution expressly providing for the creation of an  
8 early retirement without discount program under this Section  
9 for that period.

10 The Employer has the full discretion and authority to  
11 determine whether an early retirement without discount program  
12 is in its best interest and to provide such a program to its  
13 eligible employees in accordance with this Section. The  
14 Employer may decide to authorize such a program for one or more  
15 of the following periods: for the period beginning July 1, 1997  
16 and ending June 30, 1998, in which case the resolution must be  
17 adopted by January 1, 1998; for the period beginning July 1,  
18 1998 and ending June 30, 1999, in which case the resolution  
19 must be adopted by March 31, 1998; for the period beginning  
20 July 1, 1999 and ending June 30, 2000, in which case the  
21 resolution must be adopted by March 31, 1999; for the period  
22 beginning July 1, 2000 and ending June 30, 2001, in which case  
23 the resolution must be adopted by March 31, 2000; for the  
24 period beginning July 1, 2001 and ending June 30, 2002, in  
25 which case the resolution must be adopted by March 31, 2001;  
26 for the period beginning July 1, 2002 and ending June 30, 2003,

1 in which case the resolution must be adopted by March 31, 2002;  
2 for the period beginning July 1, 2003 and ending June 30, 2004,  
3 in which case the resolution must be adopted by March 31, 2003;  
4 for the period beginning July 1, 2004 and ending June 30, 2005,  
5 in which case the resolution must be adopted by March 31, 2004;  
6 for the period beginning July 1, 2005 and ending June 30, 2006,  
7 in which case the resolution must be adopted by August 31,  
8 2005; for the period beginning July 1, 2006 and ending June 30,  
9 2007, in which case the resolution must be adopted by June 30,  
10 2006; for the period beginning July 1, 2007 and ending June 30,  
11 2008, in which case the resolution must be adopted by June 30,  
12 2007; for the period beginning July 1, 2008 and ending June 30,  
13 2009, in which case the resolution must be adopted by June 30,  
14 2008; ~~and~~ for the period beginning July 1, 2009 and ending June  
15 30, 2010, in which case the resolution must be adopted by June  
16 30, 2009; for the period beginning July 1, 2010 and ending June  
17 30, 2011, in which case the resolution must be adopted by June  
18 30, 2010; for the period beginning July 1, 2011 and ending June  
19 30, 2012, in which case the resolution must be adopted by June  
20 30, 2011; for the period beginning July 1, 2012 and ending June  
21 30, 2013, in which case the resolution must be adopted by June  
22 30, 2012; for the period beginning July 1, 2013 and ending June  
23 30, 2014, in which case the resolution must be adopted by June  
24 30, 2013; and for the period beginning July 1, 2014 and ending  
25 June 30, 2015, in which case the resolution must be adopted by  
26 June 30, 2014. The resolution must be filed with the Board

1 within 10 days after it is adopted. A single resolution may  
2 authorize an early retirement without discount program as  
3 provided in this Section for more than one period.

4 Notwithstanding Section 17-157, the Employer shall also  
5 have full discretion and authority to determine whether to  
6 allow its employees who withdrew from service on or after June  
7 30, 1995 and before June 27, 1997 to participate in an early  
8 retirement without discount program under subsection (b). An  
9 early retirement without discount program for those who  
10 withdrew from service on or after June 30, 1995 and before June  
11 27, 1997 may be authorized only by a resolution of the Employer  
12 that is adopted by January 1, 1998 and filed with the Board  
13 within 10 days after its adoption. If such a resolution is duly  
14 adopted and filed, a person who (i) withdrew from service with  
15 the Employer on or after June 30, 1995 and before June 27,  
16 1997, (ii) qualifies for early retirement without discount  
17 under subsection (b), (iii) applies to the Fund within 90 days  
18 after the authorizing resolution is adopted, and (iv) pays the  
19 required employee contribution shall have his or her retirement  
20 pension recalculated in accordance with subsection (b). The  
21 resulting increase shall be effective retroactively to the  
22 starting date of the retirement pension.

23 (d) The one-time employee contribution shall be equal to 7%  
24 of the retiring member's highest full-time annual salary rate  
25 used in the determination of the average salary rate for  
26 retirement pension, or if not full-time then the full-time

1 equivalent, multiplied by (1) the number of years the teacher  
2 is under age 60, or (2) the number of years the employee's  
3 creditable service is less than 34 years, whichever is less.

4 The Employer contribution shall be 20% of such salary  
5 multiplied by such number of years.

6 (e) Upon receipt of the application and election, the Board  
7 shall determine the one time employee and Employer  
8 contributions. The provisions of this Section shall not be  
9 applicable until the employee contribution, if any, has been  
10 received by the Fund; however, the date that contribution is  
11 received shall not be considered in determining the effective  
12 date of retirement.

13 (f) The number of employees who may retire under this  
14 Section in any year may be limited at the option of the  
15 Employer to a specified number of those eligible, not lower  
16 than 200, but the Employer and the collective bargaining agent  
17 for teachers may agree upon a greater limitation to the  
18 specified number of employees who may retire under this Section  
19 in any year. The right to participate in the early retirement  
20 without discount authorized under this Section shall be  
21 allocated among those applying on the basis of seniority in the  
22 service of the Employer or on such other basis for allocation  
23 as the Employer and the collective bargaining agent for  
24 teachers agree, in which case, such other basis may be employed  
25 among other eligible employees as well.

26 (Source: P.A. 94-4, eff. 6-1-05.)

1 Section 90. The State Mandates Act is amended by adding  
2 Section 8.34 as follows:

3 (30 ILCS 805/8.34 new)

4 Sec. 8.34. Exempt mandate. Notwithstanding Sections 6 and 8  
5 of this Act, no reimbursement by the State is required for the  
6 implementation of any mandate created by this amendatory Act of  
7 the 96th General Assembly.

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