



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB0228

Introduced 01/21/11, by Rep. Jack D. Franks

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/14-103.05	from Ch. 108 1/2, par. 14-103.05
605 ILCS 10/4	from Ch. 121, par. 100-4
605 ILCS 10/5	from Ch. 121, par. 100-5

Amends the State Employees Article of the Illinois Pension Code. Provides that the term "employee" does not include any person who becomes a director of the Illinois State Toll Highway Authority on or after the effective date of the amendatory Act. Amends the Toll Highway Act. Provides that, beginning on the effective date of the amendatory Act, the chairman and other directors of the Illinois State Toll Highway Authority shall receive no annual salary or other compensation for their service in office, except that they shall be reimbursed for actual expenses incurred in the performance of their duties. Provides that no service or contribution shall be credited in any retirement system or pension fund, under the Illinois Pension Code or otherwise, to the chairman and the directors for service in that office beginning on or after the effective date of the amendatory Act, and no public funds shall be appropriated, expended, or otherwise obligated for such a retirement system or pension fund credit. Prohibits the chairman and directors from receiving financial benefit or perquisite for service in that office, including without limitation participation in a program of life or health insurance. Effective immediately.

LRB097 06168 JDS 46242 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

A BILL FOR

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 14-103.05 as follows:

6 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)  
7 Sec. 14-103.05. Employee.

8 (a) Any person employed by a Department who receives salary  
9 for personal services rendered to the Department on a warrant  
10 issued pursuant to a payroll voucher certified by a Department  
11 and drawn by the State Comptroller upon the State Treasurer,  
12 including an elected official described in subparagraph (d) of  
13 Section 14-104, shall become an employee for purpose of  
14 membership in the Retirement System on the first day of such  
15 employment.

16 A person entering service on or after January 1, 1972 and  
17 prior to January 1, 1984 shall become a member as a condition  
18 of employment and shall begin making contributions as of the  
19 first day of employment.

20 A person entering service on or after January 1, 1984  
21 shall, upon completion of 6 months of continuous service which  
22 is not interrupted by a break of more than 2 months, become a  
23 member as a condition of employment. Contributions shall begin

1 the first of the month after completion of the qualifying  
2 period.

3 A person employed by the Chicago Metropolitan Agency for  
4 Planning on the effective date of this amendatory Act of the  
5 95th General Assembly who was a member of this System as an  
6 employee of the Chicago Area Transportation Study and makes an  
7 election under Section 14-104.13 to participate in this System  
8 for his or her employment with the Chicago Metropolitan Agency  
9 for Planning.

10 The qualifying period of 6 months of service is not  
11 applicable to: (1) a person who has been granted credit for  
12 service in a position covered by the State Universities  
13 Retirement System, the Teachers' Retirement System of the State  
14 of Illinois, the General Assembly Retirement System, or the  
15 Judges Retirement System of Illinois unless that service has  
16 been forfeited under the laws of those systems; (2) a person  
17 entering service on or after July 1, 1991 in a noncovered  
18 position; (3) a person to whom Section 14-108.2a or 14-108.2b  
19 applies; or (4) a person to whom subsection (a-5) of this  
20 Section applies.

21 (a-5) A person entering service on or after December 1,  
22 2010 shall become a member as a condition of employment and  
23 shall begin making contributions as of the first day of  
24 employment. A person serving in the qualifying period on  
25 December 1, 2010 will become a member on December 1, 2010 and  
26 shall begin making contributions as of December 1, 2010.

1 (b) The term "employee" does not include the following:

2 (1) members of the State Legislature, and persons  
3 electing to become members of the General Assembly  
4 Retirement System pursuant to Section 2-105;

5 (2) incumbents of offices normally filled by vote of  
6 the people;

7 (3) except as otherwise provided in this Section, any  
8 person appointed by the Governor with the advice and  
9 consent of the Senate unless that person elects to  
10 participate in this system;

11 (3.1) any person serving as a commissioner of an ethics  
12 commission created under the State Officials and Employees  
13 Ethics Act unless that person elects to participate in this  
14 system with respect to that service as a commissioner;

15 (3.2) any person serving as a part-time employee in any  
16 of the following positions: Legislative Inspector General,  
17 Special Legislative Inspector General, employee of the  
18 Office of the Legislative Inspector General, Executive  
19 Director of the Legislative Ethics Commission, or staff of  
20 the Legislative Ethics Commission, regardless of whether  
21 he or she is in active service on or after July 8, 2004  
22 (the effective date of Public Act 93-685), unless that  
23 person elects to participate in this System with respect to  
24 that service; in this item (3.2), a "part-time employee" is  
25 a person who is not required to work at least 35 hours per  
26 week;

1           (3.3) any person who has made an election under Section  
2           1-123 and who is serving either as legal counsel in the  
3           Office of the Governor or as Chief Deputy Attorney General;

4           (4) except as provided in Section 14-108.2 or  
5           14-108.2c, any person who is covered or eligible to be  
6           covered by the Teachers' Retirement System of the State of  
7           Illinois, the State Universities Retirement System, or the  
8           Judges Retirement System of Illinois;

9           (5) an employee of a municipality or any other  
10          political subdivision of the State;

11          (6) any person who becomes an employee after June 30,  
12          1979 as a public service employment program participant  
13          under the Federal Comprehensive Employment and Training  
14          Act and whose wages or fringe benefits are paid in whole or  
15          in part by funds provided under such Act;

16          (7) enrollees of the Illinois Young Adult Conservation  
17          Corps program, administered by the Department of Natural  
18          Resources, authorized grantee pursuant to Title VIII of the  
19          "Comprehensive Employment and Training Act of 1973", 29 USC  
20          993, as now or hereafter amended;

21          (8) enrollees and temporary staff of programs  
22          administered by the Department of Natural Resources under  
23          the Youth Conservation Corps Act of 1970;

24          (9) any person who is a member of any professional  
25          licensing or disciplinary board created under an Act  
26          administered by the Department of Professional Regulation

1 or a successor agency or created or re-created after the  
2 effective date of this amendatory Act of 1997, and who  
3 receives per diem compensation rather than a salary,  
4 notwithstanding that such per diem compensation is paid by  
5 warrant issued pursuant to a payroll voucher; such persons  
6 have never been included in the membership of this System,  
7 and this amendatory Act of 1987 (P.A. 84-1472) is not  
8 intended to effect any change in the status of such  
9 persons;

10 (10) any person who is a member of the Illinois Health  
11 Care Cost Containment Council, and receives per diem  
12 compensation rather than a salary, notwithstanding that  
13 such per diem compensation is paid by warrant issued  
14 pursuant to a payroll voucher; such persons have never been  
15 included in the membership of this System, and this  
16 amendatory Act of 1987 is not intended to effect any change  
17 in the status of such persons;

18 (11) any person who is a member of the Oil and Gas  
19 Board created by Section 1.2 of the Illinois Oil and Gas  
20 Act, and receives per diem compensation rather than a  
21 salary, notwithstanding that such per diem compensation is  
22 paid by warrant issued pursuant to a payroll voucher; ~~or~~

23 (12) a person employed by the State Board of Higher  
24 Education in a position with the Illinois Century Network  
25 as of June 30, 2004, who remains continuously employed  
26 after that date by the Department of Central Management

1 Services in a position with the Illinois Century Network  
2 and participates in the Article 15 system with respect to  
3 that employment; or -

4 (13) any person who becomes a director of the Illinois  
5 State Toll Highway Authority on or after the effective date  
6 of this amendatory Act of the 97th General Assembly.

7 (c) An individual who represents or is employed as an  
8 officer or employee of a statewide labor organization that  
9 represents members of this System may participate in the System  
10 and shall be deemed an employee, provided that (1) the  
11 individual has previously earned creditable service under this  
12 Article, (2) the individual files with the System an  
13 irrevocable election to become a participant within 6 months  
14 after the effective date of this amendatory Act of the 94th  
15 General Assembly, and (3) the individual does not receive  
16 credit for that employment under any other provisions of this  
17 Code. An employee under this subsection (c) is responsible for  
18 paying to the System both (i) employee contributions based on  
19 the actual compensation received for service with the labor  
20 organization and (ii) employer contributions based on the  
21 percentage of payroll certified by the board; all or any part  
22 of these contributions may be paid on the employee's behalf or  
23 picked up for tax purposes (if authorized under federal law) by  
24 the labor organization.

25 A person who is an employee as defined in this subsection  
26 (c) may establish service credit for similar employment prior

1 to becoming an employee under this subsection by paying to the  
2 System for that employment the contributions specified in this  
3 subsection, plus interest at the effective rate from the date  
4 of service to the date of payment. However, credit shall not be  
5 granted under this subsection (c) for any such prior employment  
6 for which the applicant received credit under any other  
7 provision of this Code or during which the applicant was on a  
8 leave of absence.

9 (Source: P.A. 95-677, eff. 10-11-07; 96-1490, eff. 1-1-11.)

10 Section 10. The Toll Highway Act is amended by changing  
11 Sections 4 and 5 as follows:

12 (605 ILCS 10/4) (from Ch. 121, par. 100-4)

13 Sec. 4. Of the directors appointed by the Governor, one  
14 such director shall be appointed by the Governor as chairman  
15 and shall hold office for 4 years from the date of his  
16 appointment, and until his successor shall be duly appointed  
17 and qualified, but shall be subject to removal by the Governor  
18 for incompetency, neglect of duty or malfeasance.

19 The chairman shall preside at all meetings of the Board of  
20 Directors of the Authority; shall exercise general supervision  
21 over all powers, duties, obligations and functions of the  
22 Authority; and shall approve or disapprove all resolutions,  
23 by-laws, rules, rates and regulations made and established by  
24 the Board of Directors, and if he shall approve thereof, he



1 shall sign the same, and such as he shall not approve he shall  
2 return to the Board of Directors with his objections thereto in  
3 writing at the next regular meeting of the Board of Directors  
4 occurring after the passage thereof. Such veto may extend to  
5 any one or more items contained in such resolution, by-law,  
6 rule, rate or regulation, or to its entirety; and in case the  
7 veto extends to a part of such resolution, by-law, rule, rate  
8 or regulation, the residue thereof shall take effect and be in  
9 force, but in case the chairman shall fail to return any  
10 resolution, by-law, rule, rate or regulation with his  
11 objections thereto by the time aforesaid, he shall be deemed to  
12 have approved the same, and the same shall take effect  
13 accordingly. Upon the return of any resolution, by-law, rule,  
14 rate or regulation by the chairman, the vote by which the same  
15 was passed shall be reconsidered by the Board of Directors, and  
16 if upon such reconsideration two-thirds of all the Directors  
17 agree by yeas and nays to pass the same, it shall go into  
18 effect notwithstanding the chairman's refusal to approve  
19 thereof.

20 Until the effective date of this amendatory Act of the 97th  
21 General Assembly, the ~~The~~ chairman shall receive a salary of  
22 \$18,000 per annum, or as set by the Compensation Review Board,  
23 whichever is greater, payable in monthly installments,  
24 together with reimbursement for necessary expenses incurred in  
25 the performance of his duties. Beginning on the effective date  
26 of this amendatory Act of the 97th General Assembly, the

1 chairman of the Illinois State Toll Highway Authority shall  
2 receive no annual salary or other compensation for his or her  
3 service in office, except that the chairman shall be reimbursed  
4 for actual expenses incurred in the performance of his or her  
5 duties.

6 No service or contribution shall be credited in any  
7 retirement system or pension fund, under the Illinois Pension  
8 Code or otherwise, to the chairman for service in that office  
9 beginning on or after the effective date of this amendatory Act  
10 of the 97th General Assembly, and no public funds shall be  
11 appropriated, expended, or otherwise obligated for such a  
12 retirement system or pension fund credit. Except as otherwise  
13 provided in this Act, beginning on the effective date of this  
14 amendatory Act of the 97th General Assembly, the chairman shall  
15 receive no financial benefit or perquisite for his or her  
16 service in that office, including without limitation  
17 participation in a program of life or health insurance.

18 The chairman shall be eligible for reappointment.

19 (Source: P.A. 83-1177.)

20 (605 ILCS 10/5) (from Ch. 121, par. 100-5)

21 Sec. 5. Of the original directors, other than the chairman,  
22 so appointed by the Governor, 3 shall hold office for 2 years  
23 and 3 shall hold office for 4 years, from the date of their  
24 appointment and until their respective successors shall be duly  
25 appointed and qualified, but shall be subject to removal by the

1 Governor for incompetency, neglect of duty or malfeasance. In  
2 case of vacancies in such offices during the recess of the  
3 Senate, the Governor shall make a temporary appointment until  
4 the next meeting of the Senate when he shall nominate some  
5 person to fill such office and any person so nominated, who is  
6 confirmed by the Senate, shall hold office during the remainder  
7 of the term and until his successor shall be appointed and  
8 qualified. The respective term of the first directors appointed  
9 shall be designated by the Governor at the time of appointment,  
10 but their successors shall each be appointed for a term of four  
11 years, except that any person appointed to fill a vacancy shall  
12 serve only for the unexpired term. Directors shall be eligible  
13 for reappointment.

14 In making the initial appointments of the 2 additional  
15 directors provided for by this amendatory Act of 1980, the  
16 respective terms of the 2 additional directors first appointed  
17 shall be designated by the Governor at the time of appointment  
18 in such manner that the term of one such additional director  
19 shall expire at the same time as the terms of 4 of the other  
20 directors and the term of the other additional director shall  
21 expire at the same time as the terms of 3 of the other  
22 directors; thereafter the terms shall be 4 years.

23 Until the effective date of this amendatory Act of the 97th  
24 General Assembly, each ~~Each~~ such director, other than ex  
25 officio members shall receive an annual salary of \$15,000, or  
26 as set by the Compensation Review Board, whichever is greater,

1 payable in monthly installments, and shall be reimbursed for  
2 necessary expenses incurred in the performance of his duties.  
3 Beginning on the effective date of this amendatory Act of the  
4 97th General Assembly, directors of the Illinois State Toll  
5 Highway Authority shall receive no annual salary or other  
6 compensation for their service in office, except that each  
7 director shall be reimbursed for actual expenses incurred in  
8 the performance of his or her duties.

9 No service or contribution shall be credited in any  
10 retirement system or pension fund, under the Illinois Pension  
11 Code or otherwise, to a director for service in that office  
12 beginning on or after the effective date of this amendatory Act  
13 of the 97th General Assembly, and no public funds shall be  
14 appropriated, expended, or otherwise obligated for such a  
15 retirement system or pension fund credit. Except as otherwise  
16 provided in this Act, beginning on the effective date of this  
17 amendatory Act of the 97th General Assembly, a Director shall  
18 receive no financial benefit or perquisite for his or her  
19 service in such office, including without limitation  
20 participation in a program of life or health insurance.

21 (Source: P.A. 86-1164.)

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