



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB1726

by Rep. Keith Farnham

SYNOPSIS AS INTRODUCED:

40 ILCS 5/2-101	from Ch. 108 1/2, par. 2-101
40 ILCS 5/2-105	from Ch. 108 1/2, par. 2-105
40 ILCS 5/14-103.05	from Ch. 108 1/2, par. 14-103.05

Amends the General Assembly Article of the Illinois Pension Code. Restricts participation in the General Assembly Retirement System to persons who were participants in the System before the effective date of the amendatory Act. Requires a person who becomes a constitutional officer or member of the General Assembly on or after that date to participate in the State Employees' Retirement System. Effective immediately.

LRB097 06746 JDS 46834 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

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 2-101, 2-105, 2-119.1, 2-126, 14-103.05, 14-133,
6 18-101, 18-102, and 18-120 as follows:

7 (40 ILCS 5/2-101) (from Ch. 108 1/2, par. 2-101)

8 Sec. 2-101. Creation of system. A retirement system is
9 created to provide retirement annuities, survivor's annuities
10 and other benefits for certain members of the General Assembly,
11 certain elected state officials, and their beneficiaries.

12 The system shall be known as the "General Assembly
13 Retirement System". All its funds and property shall be a trust
14 separate from all other entities, maintained for the purpose of
15 securing payment of annuities and benefits under this Article.

16 Participation in the retirement system created under this
17 Article is restricted to persons who become participants before
18 the effective date of this amendatory Act of the 97th General
19 Assembly. Beginning on that date, the System shall not accept
20 any new participants.

21 (Source: P.A. 83-1440.)

22 (40 ILCS 5/2-105) (from Ch. 108 1/2, par. 2-105)

1 Sec. 2-105. Member. "Member": Members of the General
2 Assembly of this State, including persons who enter military
3 service while a member of the General Assembly, and any person
4 serving as Governor, Lieutenant Governor, Secretary of State,
5 Treasurer, Comptroller, or Attorney General for the period of
6 service in such office.

7 Any person who has served for 10 or more years as Clerk or
8 Assistant Clerk of the House of Representatives, Secretary or
9 Assistant Secretary of the Senate, or any combination thereof,
10 may elect to become a member of this system while thenceforth
11 engaged in such service by filing a written election with the
12 board. Any person so electing shall be deemed an active member
13 of the General Assembly for the purpose of validating and
14 transferring any service credits earned under any of the funds
15 and systems established under Articles 3 through 18 of this
16 Code.

17 However, notwithstanding any other provision of this
18 Article, a person shall not be deemed a member for the purposes
19 of this Article unless he or she became a participant of the
20 System before the effective date of this amendatory Act of the
21 97th General Assembly.

22 (Source: P.A. 85-1008.)

23 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)

24 Sec. 14-103.05. Employee.

25 (a) Any person employed by a Department who receives salary

1 for personal services rendered to the Department on a warrant
2 issued pursuant to a payroll voucher certified by a Department
3 and drawn by the State Comptroller upon the State Treasurer,
4 including an elected official described in subparagraph (d) of
5 Section 14-104, shall become an employee for purpose of
6 membership in the Retirement System on the first day of such
7 employment.

8 Any person who becomes a constitutional officer or member
9 of the General Assembly on or after the effective date of this
10 amendatory Act of the 97th General Assembly and is not eligible
11 to participate in the General Assembly Retirement System shall
12 be deemed an employee for purposes of membership in this System
13 beginning on the first day of such service.

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

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

24 A person employed by the Chicago Metropolitan Agency for
25 Planning on the effective date of this amendatory Act of the
26 95th General Assembly who was a member of this System as an

1 employee of the Chicago Area Transportation Study and makes an
2 election under Section 14-104.13 to participate in this System
3 for his or her employment with the Chicago Metropolitan Agency
4 for Planning.

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

16 (a-5) A person entering service on or after December 1,
17 2010 shall become a member as a condition of employment and
18 shall begin making contributions as of the first day of
19 employment. A person serving in the qualifying period on
20 December 1, 2010 will become a member on December 1, 2010 and
21 shall begin making contributions as of December 1, 2010.

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

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

26 (2) incumbents of offices normally filled by vote of

1 the people;

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

6 (3.1) any person serving as a commissioner of an ethics
7 commission created under the State Officials and Employees
8 Ethics Act unless that person elects to participate in this
9 system with respect to that service as a commissioner;

10 (3.2) any person serving as a part-time employee in any
11 of the following positions: Legislative Inspector General,
12 Special Legislative Inspector General, employee of the
13 Office of the Legislative Inspector General, Executive
14 Director of the Legislative Ethics Commission, or staff of
15 the Legislative Ethics Commission, regardless of whether
16 he or she is in active service on or after July 8, 2004
17 (the effective date of Public Act 93-685), unless that
18 person elects to participate in this System with respect to
19 that service; in this item (3.2), a "part-time employee" is
20 a person who is not required to work at least 35 hours per
21 week;

22 (3.3) any person who has made an election under Section
23 1-123 and who is serving either as legal counsel in the
24 Office of the Governor or as Chief Deputy Attorney General;

25 (4) except as provided in Section 14-108.2 or
26 14-108.2c, any person who is covered or eligible to be

1 covered by the Teachers' Retirement System of the State of
2 Illinois, the State Universities Retirement System, or the
3 Judges Retirement System of Illinois;

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

6 (6) any person who becomes an employee after June 30,
7 1979 as a public service employment program participant
8 under the Federal Comprehensive Employment and Training
9 Act and whose wages or fringe benefits are paid in whole or
10 in part by funds provided under such Act;

11 (7) enrollees of the Illinois Young Adult Conservation
12 Corps program, administered by the Department of Natural
13 Resources, authorized grantee pursuant to Title VIII of the
14 "Comprehensive Employment and Training Act of 1973", 29 USC
15 993, as now or hereafter amended;

16 (8) enrollees and temporary staff of programs
17 administered by the Department of Natural Resources under
18 the Youth Conservation Corps Act of 1970;

19 (9) any person who is a member of any professional
20 licensing or disciplinary board created under an Act
21 administered by the Department of Professional Regulation
22 or a successor agency or created or re-created after the
23 effective date of this amendatory Act of 1997, and who
24 receives per diem compensation rather than a salary,
25 notwithstanding that such per diem compensation is paid by
26 warrant issued pursuant to a payroll voucher; such persons

1 have never been included in the membership of this System,
2 and this amendatory Act of 1987 (P.A. 84-1472) is not
3 intended to effect any change in the status of such
4 persons;

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

13 (11) any person who is a member of the Oil and Gas
14 Board created by Section 1.2 of the Illinois Oil and Gas
15 Act, and receives per diem compensation rather than a
16 salary, notwithstanding that such per diem compensation is
17 paid by warrant issued pursuant to a payroll voucher; or

18 (12) a person employed by the State Board of Higher
19 Education in a position with the Illinois Century Network
20 as of June 30, 2004, who remains continuously employed
21 after that date by the Department of Central Management
22 Services in a position with the Illinois Century Network
23 and participates in the Article 15 system with respect to
24 that employment.

25 (c) An individual who represents or is employed as an
26 officer or employee of a statewide labor organization that

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

17 A person who is an employee as defined in this subsection
18 (c) may establish service credit for similar employment prior
19 to becoming an employee under this subsection by paying to the
20 System for that employment the contributions specified in this
21 subsection, plus interest at the effective rate from the date
22 of service to the date of payment. However, credit shall not be
23 granted under this subsection (c) for any such prior employment
24 for which the applicant received credit under any other
25 provision of this Code or during which the applicant was on a
26 leave of absence.

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

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.