



Rep. Michael J. Zalewski

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09700HB1758ham001

LRB097 07277 JDS 51536 a

1 AMENDMENT TO HOUSE BILL 1758

2 AMENDMENT NO. _____. Amend House Bill 1758 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Section 8-139 and 11-134.2 and adding 8-223.1 and
6 11-212.1 as follows:

7 (40 ILCS 5/8-139) (from Ch. 108 1/2, par. 8-139)

8 Sec. 8-139. Reversionary annuity.

9 (a) An employee, prior to retirement on annuity, may elect
10 to take a lesser amount of annuity and provide, with the
11 actuarial value of the amount by which his annuity is reduced,
12 a reversionary annuity for a wife, husband, parent, child,
13 brother or sister. The option shall be exercised by filing a
14 written designation with the board prior to retirement, and may
15 be revoked by the employee at any time before retirement. The
16 death of the employee prior to his retirement shall

1 automatically void the option.

2 (b) The death of the designated reversionary annuitant
3 prior to the employee's retirement shall automatically void the
4 option. If the reversionary annuitant dies after the employee's
5 retirement, and before the death of the employee annuitant, the
6 reduced annuity being paid to the retired employee annuitant
7 shall be increased to the amount of annuity before reduction
8 for the reversionary annuity and no reversionary annuity shall
9 be payable.

10 The option is subject to the further condition that no
11 reversionary annuity shall be paid to a parent, child, brother,
12 or sister if the employee dies before the expiration of 365
13 days from the date his written designation was filed with the
14 board, even though he has retired and is receiving a reduced
15 annuity.

16 (c) The employee exercising this option shall not reduce
17 his retirement annuity by more than \$400 a month, or elect to
18 provide a reversionary annuity of less than \$50 per month. No
19 option shall be permitted if the reversionary annuity ~~for a~~
20 ~~widow~~, when added to the widow's annuity payable under this
21 Article, exceeds 100% of the reduced annuity payable to the
22 employee.

23 (d) A reversionary annuity shall begin on the day following
24 the death of the annuitant and shall be paid as provided in
25 Section 8-125.

26 (e) The increases in annuity provided in Section 8-137 of

1 this Article shall, as to an employee so electing a reduced
 2 annuity relate to the amount of the original annuity, and such
 3 amount shall constitute the annuity on which such automatic
 4 increases shall be based.

5 (f) For annuities elected after June 30, 1983, the amount
 6 of the monthly reversionary annuity shall be determined by
 7 multiplying the amount of the monthly reduction in the
 8 employee's annuity by the factor in the following table based
 9 on the age of the employee and the difference in the age of the
 10 employee and the age of the reversionary annuitant at the
 11 starting date of the employee's annuity:

		Employee's Age							
Reversionary									
Annuitant's									
Age		50-51	52-54	55-57	58-60	61-63	64-66	67-69	70 &
									Over
17	30 or								
18	more								
19	years								
20	younger	3.03	2.56	2.18	1.84	1.55	1.29	1.08	0.91
21	25-29								
22	years								
23	younger	3.16	2.68	2.29	1.94	1.63	1.37	1.15	0.97
24	20-24								
25	years								
26	younger	3.35	2.85	2.44	2.07	1.75	1.48	1.25	1.06

1 older 15.59 14.06 12.91 11.82 10.73 9.66 8.88 8.35

2 26-30

3 years

4 older 20.42 18.49 17.15 15.96 14.80 13.65 12.97 12.82

5 31 or

6 more

7 years

8 older 27.07 24.72 23.34 22.32 21.45 20.62 20.85 23.28

9 (g) Beginning on the effective date of this amendatory Act
10 of the 97th General Assembly, an employee annuitant who has
11 elected the reversionary annuity may cancel the election. The
12 cancellation must be in writing with the employee's signature
13 notarized. The cancellation shall be effective upon its being
14 filed with the Board and may not be revoked after it is
15 executed and filed. The reduction in annuity shall be restored
16 with the first annuity payment made at least 30 days after the
17 receipt of the cancellation by the Fund. There shall be no
18 refund of money previously deducted from the employee's annuity
19 to provide the reversionary annuity.

20 (Source: P.A. 90-31, eff. 6-27-97; 90-766, eff. 8-14-98;
21 91-887, eff. 7-6-00.)

22 (40 ILCS 5/8-223.1 new)

23 Sec. 8-223.1. Indemnification of trustees, staff, and
24 consultants of the pension fund. The Fund established under
25 this Article shall indemnify and protect the trustees, staff,

1 and consultants against all damage claims and suits, including
2 defense thereof, when damages are sought for negligent or
3 wrongful acts alleged to have been committed in the scope of
4 employment or under the direction of the trustees. However, the
5 trustees, staff, and consultants shall not be indemnified for
6 wilful misconduct or gross negligence. The board is authorized
7 to insure against loss or liability of the trustees, staff, and
8 consultants that may result from these damage claims. This
9 insurance shall be carried in a company that is licensed to
10 write such coverage in this State.

11 (40 ILCS 5/11-134.2) (from Ch. 108 1/2, par. 11-134.2)
12 Sec. 11-134.2. Reversionary annuity.

13 (a) An employee, prior to retirement on annuity, may elect
14 to take a lesser amount of annuity and provide, with the
15 actuarial value of the amount by which his annuity is reduced,
16 a reversionary annuity for a wife, husband, parent, child,
17 brother or sister. The option shall be exercised by filing a
18 written designation with the board prior to retirement, and may
19 be revoked by the employee at any time before retirement. The
20 death of the employee prior to his retirement shall
21 automatically void the option.

22 (b) The death of the designated reversionary annuitant
23 prior to the employee's retirement shall automatically void the
24 option. If the reversionary annuitant dies after the employee's
25 retirement, and before the death of the employee annuitant, the

1 reduced annuity being paid to the retired employee annuitant
2 shall be increased to the amount of annuity before reduction
3 for the reversionary annuity and no reversionary annuity shall
4 be payable.

5 The option is subject to the further condition that no
6 reversionary annuity shall be paid to a parent, child, brother,
7 or sister if the employee dies before the expiration of 365
8 days from the date his written designation was filed with the
9 board, even though he has retired and is receiving a reduced
10 annuity.

11 (c) The employee exercising this option shall not reduce
12 his retirement annuity by more than \$400 per month, or elect to
13 provide a reversionary annuity of less than \$50 per month. No
14 option shall be permitted if the reversionary annuity for a
15 widow or any reversionary annuitant, when added to the widow's
16 annuity payable under this Article, exceeds 100% of the reduced
17 annuity payable to the employee.

18 (d) A reversionary annuity shall begin on the day following
19 the death of the annuitant and shall be paid as provided in
20 Section 11-124.

21 (e) The increases in annuity provided in Section 11-134.1
22 of this Article shall, as to an employee so electing a reduced
23 annuity, relate to the amount of the original annuity, and such
24 amount shall constitute the annuity on which such increases
25 shall be based.

26 (f) For annuities elected after June 30, 1983, the amount

1 more
2 years
3 older 27.07 24.72 23.34 22.32 21.45 20.62 20.85 23.28

4 (g) Beginning on the effective date of this amendatory Act
5 of the 97th General Assembly, an employee annuitant who has
6 elected the reversionary annuity may cancel the election. The
7 cancellation must be in writing with the employee's signature
8 notarized. The cancellation shall be effective upon its being
9 filed with the Board and may not be revoked after it is
10 executed and filed. The reduction in annuity shall be restored
11 with the first annuity payment made at least 30 days after the
12 receipt of the cancellation by the Fund. There shall be no
13 refund of money previously deducted from the employee's annuity
14 to provide the reversionary annuity.

15 (Source: P.A. 90-31, eff. 6-27-97; 90-766, eff. 8-14-98;
16 91-887, 7-6-00.)

17 (40 ILCS 5/11-212.1 new)

18 Sec. 11-212.1. Indemnification of trustees, staff, and
19 consultants of the pension fund. The Fund established under
20 this Article shall indemnify and protect the trustees, staff,
21 and consultants against all damage claims and suits, including
22 defense thereof, when damages are sought for negligent or
23 wrongful acts alleged to have been committed in the scope of
24 employment or under the direction of the trustees. However, the
25 trustees, staff, and consultants shall not be indemnified for

1 wilful misconduct or gross negligence. The board is authorized
2 to insure against loss or liability of the trustees, staff, and
3 consultants that may result from these damage claims. This
4 insurance shall be carried in a company that is licensed to
5 write such coverage in this State.

6 Section 90. The State Mandates Act is amended by adding
7 Section 8.35 as follows:

8 (30 ILCS 805/8.35 new)

9 Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8
10 of this Act, no reimbursement by the State is required for the
11 implementation of any mandate created by this amendatory Act of
12 the 97th General Assembly.

13 Section 99. Effective date. This Act takes effect upon
14 becoming law."