



## 97TH GENERAL ASSEMBLY

### State of Illinois

### 2011 and 2012

### HB3399

Introduced 2/24/2011, by Rep. Robert Rita

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-114	from Ch. 108 1/2, par. 17-114
40 ILCS 5/17-131	from Ch. 108 1/2, par. 17-131
40 ILCS 5/17-132	from Ch. 108 1/2, par. 17-132
30 ILCS 805/8.35 new	

Amends the Chicago Teachers Article of the Illinois Pension Code. Changes the method for calculating validated service. Limits the amount of pension credit that may be granted each year. Authorizes deductions for omissions made in prior pay periods. Requires deductions to be made whenever salary represents pay for a day or part of a day (rather than pay for 5 days). Makes other changes concerning the administration of payroll deductions. Requires employers to cause the Fund to receive all payroll records and pension contributions (rather than just pension contributions) within 30 calendar (rather than 15 business) days after each predesignated payday. Makes other changes concerning the payment and certification of salary deductions. Amends the State Mandates Act to require implementation without reimbursement. Effective July 1, 2011.

LRB097 05117 JDS 45162 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 Sections 17-114, 17-131, and 17-132 as follows:

6 (40 ILCS 5/17-114) (from Ch. 108 1/2, par. 17-114)

7 Sec. 17-114. Computation of service.

8 (a) When computing validated service, contributors shall  
9 receive one day of pension service credit for each day for  
10 which they are paid salary representing a partial or full day  
11 of employment.

12 (b) When computing validated service, 17 or more days of  
13 service rendered to an employer in a calendar month shall  
14 entitle a contributor to one month of service credit for  
15 purposes of this Article.

16 (c) When computing total validated service rendered, 170 or  
17 more days of service in a fiscal or school year or 10 or more  
18 months of service in a fiscal year or school year ~~or more~~ shall  
19 constitute one year of service unless a lesser number of days  
20 or months is established as a school year by an Employer.

21 (d) Validated service in any fiscal or school year shall be  
22 that fraction of a year equal to the ratio of the number of  
23 days of service during the school term to 170 days or a lesser

1 number of days if that shorter period is determined to be a  
2 school year.

3 (e) No more than one year of pension credit may be granted  
4 per fiscal or school year.

5 ~~Salary representing 5 days' or more employment paid in a~~  
6 ~~semi monthly or bi weekly payroll period, whichever the case~~  
7 ~~may be, shall be considered for the purpose of computing~~  
8 ~~service credit and shall entitle a contributor to 1/2 month of~~  
9 ~~service. When computing total service rendered, 3 to 10 days'~~  
10 ~~employment in the final total of such service shall entitle a~~  
11 ~~contributor to 1/2 month of service.~~

12 (Source: P.A. 90-566, eff. 1-2-98.)

13 (40 ILCS 5/17-131) (from Ch. 108 1/2, par. 17-131)

14 Sec. 17-131. Administration of payroll deductions.

15 (a) An employer or the Board shall make pension deductions  
16 in each pay period on the basis of the salary earned in that  
17 period, ~~During any period in which salaries are paid, such~~  
18 ~~deductions by an Employer or the Board shall be made on the~~  
19 ~~basis of the full salary rates,~~ exclusive of salaries for  
20 overtime, special services, or any employment on an optional  
21 basis, such as in summer school.

22 (b) If a salary paid in a pay period includes salaries  
23 ~~represent~~ adjustments on account of errors or omissions in  
24 prior pay periods error, then salary amounts and related  
25 pension deductions shall be separately identified as to the

1 adjusted pay period and deductions by the employer ~~Employer~~ or  
2 the Board shall be at rates in force during the applicable  
3 adjusted pay payroll period.

4 (c) If members earn ~~teachers receive~~ salaries for the  
5 school year, as established by an employer ~~Employer~~, or if they  
6 earn annual salaries over ~~receive salaries for~~ more than a  
7 10-calendar month period ~~months~~, or if they earn annual  
8 salaries over more than 170 calendar days, the ~~amount~~ required  
9 contribution amount ~~for each year of service~~ shall be deducted  
10 by the employer ~~such Employer~~ in installments on the basis of  
11 salary earned in each pay period. The total amounts for each  
12 pay ~~semimonthly payroll period, or bi-weekly payroll period, as~~  
13 ~~the case may be,~~ shall be deducted whenever ~~only when~~ salary  
14 payments represent a partial or whole day's ~~5 days'~~ pay ~~or~~  
15 ~~more~~.

16 (d) If an employer ~~Employer~~ or the Board pays a salary  
17 ~~salaries~~ to a member ~~members of the teaching force~~ for vacation  
18 periods, then the salary shall be considered part of the  
19 member's pensionable ~~teacher's annual~~ salary, shall be subject  
20 to the standard deductions for pension contributions, and shall  
21 be considered to represent pay for the number of whole days of  
22 vacation ~~5 or more days' employment in a bi-weekly or~~  
23 ~~semi-monthly payroll period for purposes set forth in this~~  
24 ~~Section~~.

25 (e) If deductions from salaries result in amounts of less  
26 than one cent, the fractional sums shall be increased to the

1 next higher cent. Any excess of these fractional increases over  
2 the prescribed annual contributions shall be credited to the  
3 members' teachers' accounts.

4 ~~In the event that, pursuant to Section 17-130.1, employee~~  
5 ~~contributions are picked up or made by the Board of Education~~  
6 ~~on behalf of its employees from the proceeds of the tax levied~~  
7 ~~under Section 34-60 of the School Code, then the amount of the~~  
8 ~~employee contributions which are picked up or made in that~~  
9 ~~manner shall not be deducted from the salaries of such~~  
10 ~~employees.~~

11 (Source: P.A. 90-566, eff. 1-2-98.)

12 (40 ILCS 5/17-132) (from Ch. 108 1/2, par. 17-132)

13 Sec. 17-132. Payments and certification of salary  
14 deductions.

15 (a) An employer ~~Employer~~ shall cause the Fund to receive  
16 all members' teachers' payroll records and pension  
17 contributions within 30 calendar 15 business days after each of  
18 the predesignated payday paydays. For purposes of this Section,  
19 the predesignated payday shall be determined in accordance with  
20 each employer's payroll schedule for contributions to the Fund.

21 (b) Amounts ~~Amount~~ not received by the 30th calendar fifth  
22 day after the predesignated payday shall be deemed delinquent  
23 and subject to late interest penalty (calculated at the average  
24 short-term rate of interest earned by the Fund for the calendar  
25 month preceding the calendar month in which the delinquency

1 occurs) starting from the predesignated payday and ending on  
2 the date payment is received.

3 (c) The payroll records shall report: (1) all pensionable  
4 salary earned in that pay period, exclusive of salaries for  
5 overtime, special services, or any employment on an optional  
6 basis, such as in summer school; (2) adjustments to pensionable  
7 salary, exclusive of salaries for overtime, special services,  
8 or any employment on an optional basis, such as in summer  
9 school, made in a pay period for any prior pay periods; and (3)  
10 pension contributions attributable to pensionable salary  
11 earned in the reported pay period or the adjusted pay period as  
12 required by subsection (b) of Section 17-131.

13 (d) The appropriate officers of the employer ~~Employer~~ shall  
14 certify and submit the payroll records no later than 30  
15 calendar days after each predesignated payday ~~at least monthly~~  
16 ~~to the Fund all amounts deducted from the salaries of~~  
17 ~~contributors.~~ The certification shall constitute a  
18 confirmation of the accuracy of such deductions according to  
19 the provisions of this Article. ~~For the purpose of this Section~~  
20 ~~the predesignated payday shall be determined in accordance with~~  
21 ~~each Employer's payroll schedule for contributions to the Fund.~~

22 (e) The Board has the authority to conduct payroll audits  
23 of a charter school to determine the existence of any  
24 delinquencies in contributions to the Fund, and such charter  
25 school shall be required to provide such books and records and  
26 contribution information as the Board or its authorized

1 representative may require. The Board is also authorized to  
2 collect delinquent contributions from charter schools and  
3 develop procedures for the collection of such delinquencies.  
4 Collection procedures may include legal proceedings in the  
5 courts of the State of Illinois. Expenses, including reasonable  
6 attorneys' fees, incurred in the collection of delinquent  
7 contributions may be assessed by the Board against the charter  
8 school.

9 (Source: P.A. 90-566, eff. 1-2-98.)

10 Section 90. The State Mandates Act is amended by adding  
11 Section 8.35 as follows:

12 (30 ILCS 805/8.35 new)

13 Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8  
14 of this Act, no reimbursement by the State is required for the  
15 implementation of any mandate created by this amendatory Act of  
16 the 97th General Assembly.

17 Section 99. Effective date. This Act takes effect July 1,  
18 2011.