

SB2928



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB2928

Introduced 2/1/2012, by Sen. Sue Rezin

SYNOPSIS AS INTRODUCED:

40 ILCS 5/2-110

from Ch. 108 1/2, par. 2-110

Amends the General Assembly Article of the Illinois Pension Code. Specifies that provisions relating to the calculation of creditable service (i) for a fraction of a month, (ii) for a term of service that is not completed because of death, resignation, judicial decision, or operation of law, or (iii) for a participant appointed or elected to fill a vacancy do not apply to any individual who first becomes a participant on or after the effective date of the amendatory Act.

LRB097 14798 JDS 59825 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 2-110 as follows:

6 (40 ILCS 5/2-110) (from Ch. 108 1/2, par. 2-110)
7 Sec. 2-110. Service.

8 (A) "Service" means the period beginning on the day when a
9 person first became a member, and ending on the date under
10 consideration, excluding all intervening periods of
11 nonmembership following resignation or expiration of any term
12 of office.

13 (B) "Service" includes:

14 (a) Military service during war by a person who entered
15 such service while a member, whether rendered before or
16 after the expiration of any term of office; plus up to 2
17 years of military service that need not have immediately
18 followed service as a member, and need not have been served
19 during wartime, provided that the member makes
20 contributions to the System for such service (1) at the
21 rates provided in Section 2-126 based upon the member's
22 rate of compensation on the last date as a participant
23 prior to such military service, or on the first date as a

1 participant after such military service, whichever is
2 greater, plus (2) if payment is made on or after May 1,
3 1993, an amount determined by the Board to be equal to the
4 employer's normal cost of the benefits accrued for such
5 military service, plus (3) interest at the effective rate
6 from the date of first membership in the System to the date
7 of payment.

8 The amendment to this subdivision (B) (a) made by this
9 amendatory Act of 1993 shall apply to persons who are
10 active contributors to the System on or after November 30,
11 1992. A person who was an active contributor to the System
12 on November 30, 1992 but is no longer an active contributor
13 may apply to purchase military credit under this
14 subdivision (B) (a) within 60 days after the effective date
15 of this amendatory Act of 1993; if the person is an
16 annuitant, the resulting increase in annuity shall begin to
17 accrue on the first day of the month following the month in
18 which the required payment is received by the System. The
19 change in the required contribution for purchased military
20 credit made by this amendatory Act of 1993 shall not
21 entitle any person to a refund of contributions already
22 paid.

23 (b) Service as a judge of a court of this State, but
24 credit for such service is subject to the following
25 conditions: (1) such person shall have been a member for at
26 least 4 years and contributed to the system for service as

1 a judge subsequent to July 8, 1947, at the rates herein
2 provided, including interest at 2% per annum to the date of
3 payment based on the salary in effect during such service;
4 (2) the member was not an eligible member of nor entitled
5 to credit for such service in any other retirement system
6 in the State maintained in whole or in part by public
7 contributions; and (3) the last 4 years of service prior to
8 retirement on annuity was rendered while a member.

9 (c) Service as a participating employee under Articles
10 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 or 18 of
11 the Illinois Pension Code. Credit for such service may be
12 established by a member and, if permitted by the credit
13 transfer Section of the appropriate Article, by a former
14 member who is not yet an annuitant, and is subject to the
15 following conditions: (1) that the credits accrued under
16 the above mentioned Articles have been transferred to this
17 system; and (2) that the member has contributed to this
18 system an amount equal to (i) the contribution rate in
19 effect for participants at the date of membership in this
20 system multiplied by the salary then in effect for members
21 of the General Assembly for each year of service for which
22 credit is being transferred, plus (ii) the State's share of
23 the normal cost of benefits under this system expressed as
24 a percent of payroll, as determined by the system's actuary
25 as of the date of the participant's membership in this
26 system, multiplied by the salary then in effect for members

1 of the General Assembly, for each year of service for which
2 credit is being transferred, plus (iii) interest on items
3 (i) and (ii) above at 6% per annum compounded annually,
4 from the date of membership to the date of payment by the
5 participant, less (iv) the amount transferred to this
6 system on behalf of the participant on account of service
7 rendered while a participant under the above mentioned
8 Articles.

9 (d) Service, before October 1, 1975, as an officer
10 elected by the people of Illinois, for which creditable
11 service is required to be transferred from the State
12 Employees' Retirement System to this system by this
13 amendatory Act of 1975.

14 (e) Service rendered prior to January 1, 1964, as a
15 justice of the peace or police magistrate or as a civil
16 referee in the Municipal Court of Chicago, but credit for
17 such service may not be granted until the member has paid
18 to the system an amount equal to (1) the contribution rate
19 for participants at the date of membership in this system
20 multiplied by the salary then in effect for members of the
21 General Assembly for each year of service for which credit
22 is being transferred, plus (2) the State's share of the
23 normal cost of benefits under this system expressed as a
24 percent of payroll, as determined by the system's actuary
25 as of the date of the participant's membership in this
26 system, multiplied by the salary then in effect for members

1 of the General Assembly, for each year of service for which
2 credit is allowed, plus, (3) interest on (1) and (2) above
3 at 6% per annum compounded annually from the date of
4 membership to the date of payment by the member. However, a
5 participant may not receive more than 6 years of credit for
6 such service nor may any member receive credit under this
7 paragraph for service for which credit has been granted in
8 any other public pension fund or retirement system in the
9 State.

10 (f) Service before January 16, 1981, as an officer
11 elected by the people of Illinois, for which creditable
12 service is transferred from the State Employees'
13 Retirement System to this system.

14 (C) Service during any fraction of a month shall be
15 considered as a month of service.

16 Service includes the total period of time for which a
17 participant is elected as a member or officer, even though he
18 or she does not complete the term because of death,
19 resignation, judicial decision, or operation of law, provided
20 that the contributions required under this Article for such
21 entire period of office have been made by or on behalf of the
22 participant. In the case of a participant appointed or elected
23 to fill a vacancy, service includes the total period from
24 January 1 of the year in which his or her service commences to
25 the end of the term in which the vacancy occurs, provided the
26 participant contributes in the year of appointment an amount

1 equal to the contributions that would have been required had
2 the participant received salary for the entire year. The
3 foregoing provisions relating to a participant appointed or
4 elected to fill a vacancy shall not apply if the participant
5 was a member of the other legislative chamber at the time of
6 appointment or election.

7 The provisions of this subdivision (C) do not apply to
8 individuals who first become participants on or after the
9 effective date of this amendatory Act of the 97th General
10 Assembly.

11 (D) Notwithstanding the other provisions of this Section,
12 if application to transfer or establish service credit under
13 paragraph (c) or (e) of subsection (B) of this Section is made
14 between January 1, 1992 and February 1, 1993, the contribution
15 required for such credit shall be an amount equal to (1) the
16 contribution rate in effect for participants at the date of
17 membership in this system multiplied by the salary then in
18 effect for members of the General Assembly for each year of
19 service for which credit is being granted, plus (2) interest
20 thereon at 6% per annum compounded annually, from the date of
21 membership to the date of payment by the member, less (3) any
22 amount transferred to this system on behalf of the member on
23 account of such service credit.

24 (Source: P.A. 86-27; 86-1028; 87-794; 87-1265.)