

SB0468



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB0468

Introduced 1/23/2013, by Sen. John J. Cullerton

SYNOPSIS AS INTRODUCED:

40 ILCS 5/14-119

from Ch. 108 1/2, par. 14-119

Amends the State Employees Article of the Illinois Pension Code. Makes a technical change in a Section concerning widow's annuities.

LRB098 04655 EFG 34683 b

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 14-119 as follows:

6 (40 ILCS 5/14-119) (from Ch. 108 1/2, par. 14-119)

7 Sec. 14-119. Amount of widow's annuity.

8 (a) The ~~The~~ widow's annuity shall be 50% of the amount of
9 retirement annuity payable to the member on the date of death
10 while on retirement if an annuitant, or on the date of his
11 death while in service if an employee, regardless of his age on
12 such date, or on the date of withdrawal if death occurred after
13 termination of service under the conditions prescribed in the
14 preceding Section.

15 (b) If an eligible widow, regardless of age, has in her
16 care any unmarried child or children of the member under age 18
17 (under age 22 if a full-time student), the widow's annuity
18 shall be increased in the amount of 5% of the retirement
19 annuity for each such child, but the combined payments for a
20 widow and children shall not exceed 66 2/3% of the member's
21 earned retirement annuity.

22 The amount of retirement annuity from which the widow's
23 annuity is derived shall be that earned by the member without

1 regard to whether he attained age 60 prior to his withdrawal
2 under the conditions stated or prior to his death.

3 (c) Marriage of a child shall render the child ineligible
4 for further consideration in the increase in the amount of the
5 widow's annuity.

6 Attainment of age 18 (age 22 if a full-time student) shall
7 render a child ineligible for further consideration in the
8 increase of the widow's annuity, but the annuity to the widow
9 shall be continued thereafter, without regard to her age at
10 that time.

11 (d) Except as otherwise provided in this subsection (d), a
12 widow's annuity payable on account of any covered employee who
13 has been a covered employee for at least 18 months shall be
14 reduced by 1/2 of the amount of survivors benefits to which his
15 beneficiaries are eligible under the provisions of the Federal
16 Social Security Act, except that (1) the amount of any widow's
17 annuity payable under this Article shall not be reduced by
18 reason of any increase under that Act which occurs after the
19 offset required by this subsection is first applied to that
20 annuity, and (2) for benefits granted on or after January 1,
21 1992, the offset under this subsection (d) shall not exceed 50%
22 of the amount of widow's annuity otherwise payable.

23 Beginning July 1, 2009, the offset under this subsection
24 (d) shall no longer be applied to any widow's annuity of any
25 person who began receiving retirement benefits or a widow's
26 annuity prior to January 1, 1998.

1 Beginning July 1, 2009, the offset under this subsection
2 (d) shall no longer be applied to the widow's annuity of any
3 person who began receiving a widow's annuity on or after
4 January 1, 1998 and before the effective date of this
5 amendatory Act of the 95th General Assembly.

6 Any person who began receiving retirement benefits after
7 January 1, 1998 and before the effective date of this
8 amendatory Act of the 95th General Assembly may, during a
9 one-time election period established by the System, elect to
10 reduce his or her retirement annuity by 3.825% in exchange for
11 not having the offset under this subsection (d) applied to his
12 or her widow's annuity.

13 Any employee in service on the effective date of this
14 amendatory Act of the 95th General Assembly may, at the time of
15 retirement, elect to reduce his or her retirement annuity by
16 3.825% in exchange for not having the offset under this
17 subsection (d) applied to his or her widow's annuity.

18 If a widow's annuity is payable to the widow of an employee
19 based on the employee's death in service, then the offset under
20 this subsection (d) shall no longer be applied to the widow's
21 annuity.

22 A retiree who elects to reduce his or her retirement
23 annuity under this subsection (d) in exchange for not having
24 the offset applied may make an irrevocable election to
25 eliminate the reduction of his or her retirement annuity if
26 there is a change in marital status due to death or divorce,

1 but the retiree is not entitled to reimbursement of any benefit
2 reduction prior to the election.

3 (e) Upon the death of a recipient of a widow's annuity the
4 excess, if any, of the member's accumulated contributions plus
5 credited interest over all annuity payments to the member and
6 widow, exclusive of the \$500 lump sum payment, shall be paid to
7 the named beneficiary of the widow, or if none has been named,
8 to the estate of the widow, provided no reversionary annuity is
9 payable.

10 (f) On January 1, 1981, any recipient of a widow's annuity
11 who was receiving a widow's annuity on or before January 1,
12 1971, shall have her widow's annuity then being paid increased
13 by 1% for each full year which has elapsed from the date the
14 widow's annuity began. On January 1, 1982, any recipient of a
15 widow's annuity who began receiving a widow's annuity after
16 January 1, 1971, but before January 1, 1981, shall have her
17 widow's annuity then being paid increased by 1% for each full
18 year which has elapsed from the date the widow's annuity began.
19 On January 1, 1987, any recipient of a widow's annuity who
20 began receiving the widow's annuity on or before January 1,
21 1977, shall have the monthly widow's annuity increased by \$1
22 for each full year which has elapsed since the date the annuity
23 began.

24 (g) Beginning January 1, 1990, every widow's annuity shall
25 be increased (1) on each January 1 occurring on or after the
26 commencement of the annuity if the deceased member died while

1 receiving a retirement annuity, or (2) in other cases, on each
2 January 1 occurring on or after the first anniversary of the
3 commencement of the annuity, by an amount equal to 3% of the
4 current amount of the annuity, including any previous increases
5 under this Article. Such increases shall apply without regard
6 to whether the deceased member was in service on or after the
7 effective date of Public Act 86-1488, but shall not accrue for
8 any period prior to January 1, 1990.

9 (Source: P.A. 95-279, eff. 1-1-08; 95-1043, eff. 3-26-09.)