

**SB3276**



**99TH GENERAL ASSEMBLY**

**State of Illinois**

**2015 and 2016**

**SB3276**

Introduced 2/19/2016, by Sen. Matt Murphy

**SYNOPSIS AS INTRODUCED:**

See Index

Amends the Illinois Pension Code. Authorizes units of local government to provide alternative retirement plans in lieu of or in addition to the existing plan under the applicable Article. Provides that the alternative retirement plan may include a defined-benefit component, a defined contribution component, or both, and may include disability or survivor benefits and any other benefits that are permitted under federal law. Provides that the alternative retirement plan is not required to provide any minimum level of benefits and need not provide any benefits at all, other than mandatory Social Security coverage if applicable. Provides that service credit received under an alternative retirement plan may not be transferred to any other fund and may not be used under the Retirement Systems Reciprocal Act (Article 20 of the Code). Amends the Illinois Public Labor Relations Act and the Illinois Educational Labor Relations Act. Provides that employers shall not be required to bargain over the changes made by the amendatory Act.

LRB099 20579 RPS 45133 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 Public Labor Relations Act is  
5 amended by adding Section 7.6 as follows:

6 (5 ILCS 315/7.6 new)

7 Sec. 7.6. Mandatory collective bargaining regarding  
8 alternative retirement plans not required. Notwithstanding any  
9 other provision of this Act, employers shall not be subject to  
10 mandatory collective bargaining with regard to the adoption or  
11 implementation of an alternative retirement plan authorized by  
12 this amendatory Act of the 99th General Assembly.

13 Section 10. The Illinois Pension Code is amended by  
14 changing Sections 3-150, 4-142, and 10-103 and by adding  
15 Sections 3-101.5, 4-101.5, 5-101.5, 6-101.5, 7-101.5, 8-101.5,  
16 9-101.5, 10-101.5, 11-101.5, 12-101.5, 13-101.5, 15-101.5,  
17 16-101.5, and 17-101.5 as follows:

18 (40 ILCS 5/3-101.5 new)

19 Sec. 3-101.5. Alternative retirement plan; local control  
20 of benefits.

21 (a) The corporate authorities of a municipality subject to

1 this Article may, at any time on or after the effective date of  
2 this Section, provide by ordinance for an alternative  
3 retirement plan, either in addition to or in lieu of the  
4 existing plan under this Article, for its eligible new  
5 employees. The alternative retirement plan shall apply only to  
6 persons who have not participated in the existing plan under  
7 this Article.

8 (b) The alternative retirement plan may include a  
9 defined-benefit component, a defined-contribution component,  
10 or both, and may, but is not required to, include disability or  
11 survivor benefits and any other provisions or benefits that are  
12 permitted under federal law. The alternative retirement plan is  
13 not required to provide any minimum level of benefits and need  
14 not provide any benefits at all, other than mandatory Social  
15 Security coverage if applicable.

16 (c) Service credit received under an alternative  
17 retirement plan may not be transferred to any other pension  
18 fund or retirement system.

19 (d) Providing an alternative retirement plan does not  
20 release the municipality from the obligation of continuing to  
21 participate under this Article with regard to participants in  
22 the existing retirement plan. In no event may the municipality  
23 in any way diminish or impair the rights or benefits of  
24 participants in the existing retirement plan.

25 (e) Persons participating in an alternative retirement  
26 plan under this Section shall be deemed to be members of the

1 fund who participate in an alternative retirement plan.  
2 Notwithstanding any provision of this Article to the contrary,  
3 the alternative retirement plan need not comply with any  
4 mandatory provisions of the existing retirement plan.

5 (40 ILCS 5/3-150) (from Ch. 108 1/2, par. 3-150)

6 Sec. 3-150. Applicability of home rule powers. A home rule  
7 unit, as defined in Article VII of the 1970 Illinois  
8 Constitution or any amendment thereto, shall have no power to  
9 change, alter, or amend in any way the provisions of this  
10 Article, except as provided in Section 3-101.5. A home rule  
11 unit which is a municipality, as defined in Section 3-103,  
12 shall not provide for, singly or as a part of any plan or  
13 program, by any means whatsoever, any type of retirement or  
14 annuity benefit to a police officer other than through  
15 establishment of a fund as provided in this Article, except as  
16 provided in Section 3-101.5.

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

18 (40 ILCS 5/4-101.5 new)

19 Sec. 4-101.5. Alternative retirement plan; local control  
20 of benefits.

21 (a) The corporate authorities of a municipality subject to  
22 this Article may, at any time on or after the effective date of  
23 this Section, provide by ordinance for an alternative  
24 retirement plan, either in addition to or in lieu of the

1 existing plan under this Article, for its eligible new  
2 employees. The alternative retirement plan shall apply only to  
3 persons who have not participated in the existing plan under  
4 this Article.

5 (b) The alternative retirement plan may include a  
6 defined-benefit component, a defined-contribution component,  
7 or both, and may, but is not required to, include disability or  
8 survivor benefits and any other provisions or benefits that are  
9 permitted under federal law. The alternative retirement plan is  
10 not required to provide any minimum level of benefits and need  
11 not provide any benefits at all, other than mandatory Social  
12 Security coverage if applicable.

13 (c) Service credit received under an alternative  
14 retirement plan may not be transferred to any other pension  
15 fund or retirement system.

16 (d) Providing an alternative retirement plan does not  
17 release the municipality from the obligation of continuing to  
18 participate under this Article with regard to participants in  
19 the existing retirement plan. In no event may the municipality  
20 in any way diminish or impair the rights or benefits of  
21 participants in the existing retirement plan.

22 (e) Persons participating in an alternative retirement  
23 plan under this Section shall be deemed to be members of the  
24 fund who participate in an alternative retirement plan.  
25 Notwithstanding any provision of this Article to the contrary,  
26 the alternative retirement plan need not comply with any

1 mandatory provisions of the existing retirement plan.

2 (40 ILCS 5/4-142) (from Ch. 108 1/2, par. 4-142)

3 Sec. 4-142. Applicability of home rule powers. A home rule  
4 unit, as defined in Article VII of the 1970 Illinois  
5 Constitution or any amendment thereto, shall have no power to  
6 change, alter, or amend in any way the provisions of this  
7 Article, except as provided in Section 4-101.5. A home rule  
8 unit which is a municipality, as defined in Section 4-103,  
9 shall not provide for, singly or as a part of any plan or  
10 program, by any means whatsoever, any type of retirement or  
11 annuity benefit to a firefighter other than through  
12 establishment of a fund as provided in this Article as now or  
13 hereafter amended, except as provided in Section 4-101.5.

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

15 (40 ILCS 5/5-101.5 new)

16 Sec. 5-101.5. Alternative retirement plan; local control  
17 of benefits.

18 (a) The city council may, at any time on or after the  
19 effective date of this Section, provide by ordinance for an  
20 alternative retirement plan, either in addition to or in lieu  
21 of the existing plan under this Article, for its eligible new  
22 employees. The alternative retirement plan shall apply only to  
23 persons who have not participated in the existing plan under  
24 this Article.

1       (b) The alternative retirement plan may include a  
2 defined-benefit component, a defined-contribution component,  
3 or both, and may, but is not required to, include disability or  
4 survivor benefits and any other provisions or benefits that are  
5 permitted under federal law. The alternative retirement plan is  
6 not required to provide any minimum level of benefits and need  
7 not provide any benefits at all, other than mandatory Social  
8 Security coverage if applicable.

9       (c) Service credit received under an alternative  
10 retirement plan may not be transferred to any other pension  
11 fund or retirement system.

12       (d) Providing an alternative retirement plan does not  
13 release the city from the obligation of continuing to  
14 participate under this Article with regard to participants in  
15 the existing retirement plan. In no event may the city in any  
16 way diminish or impair the rights or benefits of participants  
17 in the existing retirement plan.

18       (e) Persons participating in an alternative retirement  
19 plan under this Section shall be deemed to be members of the  
20 Fund who participate in an alternative retirement plan.  
21 Notwithstanding any provision of this Article to the contrary,  
22 the alternative retirement plan need not comply with any  
23 mandatory provisions of the existing retirement plan.

24       (40 ILCS 5/6-101.5 new)

25       Sec. 6-101.5. Alternative retirement plan; local control

1 of benefits.

2 (a) The city council may, at any time on or after the  
3 effective date of this Section, provide by ordinance for an  
4 alternative retirement plan, either in addition to or in lieu  
5 of the existing plan under this Article, for its eligible new  
6 employees. The alternative retirement plan shall apply only to  
7 persons who have not participated in the existing plan under  
8 this Article.

9 (b) The alternative retirement plan may include a  
10 defined-benefit component, a defined-contribution component,  
11 or both, and may, but is not required to, include disability or  
12 survivor benefits and any other provisions or benefits that are  
13 permitted under federal law. The alternative retirement plan is  
14 not required to provide any minimum level of benefits and need  
15 not provide any benefits at all, other than mandatory Social  
16 Security coverage if applicable.

17 (c) Service credit received under an alternative  
18 retirement plan may not be transferred to any other pension  
19 fund or retirement system.

20 (d) Providing an alternative retirement plan does not  
21 release the city from the obligation of continuing to  
22 participate under this Article with regard to participants in  
23 the existing retirement plan. In no event may the city in any  
24 way diminish or impair the rights or benefits of participants  
25 in the existing retirement plan.

26 (e) Persons participating in an alternative retirement



1 plan under this Section shall be deemed to be members of the  
2 Fund who participate in an alternative retirement plan.  
3 Notwithstanding any provision of this Article to the contrary,  
4 the alternative retirement plan need not comply with any  
5 mandatory provisions of the existing retirement plan.

6 (40 ILCS 5/7-101.5 new)

7 Sec. 7-101.5. Alternative retirement plan; local control  
8 of benefits.

9 (a) The governing body of a municipality or instrumentality  
10 may, at any time on or after the effective date of this  
11 Section, provide by ordinance or resolution, whichever is  
12 applicable, for an alternative retirement plan, either in  
13 addition to or in lieu of the existing plan under this Article,  
14 for its eligible new employees. The alternative retirement plan  
15 shall apply only to persons who have not participated in the  
16 existing plan under this Article.

17 (b) The alternative retirement plan may include a  
18 defined-benefit component, a defined-contribution component,  
19 or both, and may, but is not required to, include disability or  
20 survivor benefits and any other provisions or benefits that are  
21 permitted under federal law. The alternative retirement plan is  
22 not required to provide any minimum level of benefits and need  
23 not provide any benefits at all, other than mandatory Social  
24 Security coverage if applicable.

25 (c) Service credit received under an alternative

1 retirement plan may not be transferred to any other pension  
2 fund or retirement system and may not be used under the  
3 Retirement Systems Reciprocal Act.

4 (d) Providing an alternative retirement plan does not  
5 release the municipality or instrumentality from the  
6 obligation of continuing to participate under this Article with  
7 regard to participants in the existing retirement plan. In no  
8 event may the municipality or instrumentality in any way  
9 diminish or impair the rights or benefits of participants in  
10 the existing retirement plan.

11 (e) Persons participating in an alternative retirement  
12 plan under this Section shall be deemed to be members of the  
13 Fund who participate in an alternative retirement plan and  
14 shall remain subject to the provisions of the Agreement with  
15 the State Agency, as provided in Section 7-170, for Social  
16 Security purposes to the extent permitted under federal law.  
17 Notwithstanding any provision of this Article to the contrary,  
18 the alternative retirement plan need not comply with any other  
19 mandatory provision of the existing retirement plan.

20 (40 ILCS 5/8-101.5 new)

21 Sec. 8-101.5. Alternative retirement plan; local control  
22 of benefits.

23 (a) The city council may, at any time on or after the  
24 effective date of this Section, provide by ordinance for an  
25 alternative retirement plan, either in addition to or in lieu

1 of the existing plan under this Article, for its eligible new  
2 employees. The alternative retirement plan shall apply only to  
3 persons who have not participated in the existing plan under  
4 this Article.

5 (b) The alternative retirement plan may include a  
6 defined-benefit component, a defined-contribution component,  
7 or both, and may, but is not required to, include disability or  
8 survivor benefits and any other provisions or benefits that are  
9 permitted under federal law. The alternative retirement plan is  
10 not required to provide any minimum level of benefits and need  
11 not provide any benefits at all, other than mandatory Social  
12 Security coverage if applicable.

13 (c) Service credit received under an alternative  
14 retirement plan may not be transferred to any other pension  
15 fund or retirement system and may not be used under the  
16 Retirement Systems Reciprocal Act.

17 (d) Providing an alternative retirement plan does not  
18 release the city from the obligation of continuing to  
19 participate under this Article with regard to participants in  
20 the existing retirement plan. In no event may the city in any  
21 way diminish or impair the rights or benefits of participants  
22 in the existing retirement plan.

23 (e) Persons participating in an alternative retirement  
24 plan under this Section shall be deemed to be members of the  
25 Fund who participate in an alternative retirement plan.  
26 Notwithstanding any provision of this Article to the contrary,

1 the alternative retirement plan need not comply with any  
2 mandatory provisions of the existing retirement plan.

3 (40 ILCS 5/9-101.5 new)

4 Sec. 9-101.5. Alternative retirement plan; local control  
5 of benefits.

6 (a) The county board may, at any time on or after the  
7 effective date of this Section, provide by ordinance for an  
8 alternative retirement plan, either in addition to or in lieu  
9 of the existing plan under this Article, for its eligible new  
10 employees. The alternative retirement plan shall apply only to  
11 persons who have not participated in the existing plan under  
12 this Article. An alternative retirement plan established under  
13 this Section shall not apply to Article 10.

14 (b) The alternative retirement plan may include a  
15 defined-benefit component, a defined-contribution component,  
16 or both, and may, but is not required to, include disability or  
17 survivor benefits and any other provisions or benefits that are  
18 permitted under federal law. The alternative retirement plan is  
19 not required to provide any minimum level of benefits and need  
20 not provide any benefits at all, other than mandatory Social  
21 Security coverage if applicable.

22 (c) Service credit received under an alternative  
23 retirement plan may not be transferred to any other pension  
24 fund or retirement system and may not be used under the  
25 Retirement Systems Reciprocal Act.

1       (d) Providing an alternative retirement plan does not  
2 release the county from the obligation of continuing to  
3 participate under this Article with regard to participants in  
4 the existing retirement plan. In no event may the county in any  
5 way diminish or impair the rights or benefits of participants  
6 in the existing retirement plan.

7       (e) Persons participating in an alternative retirement  
8 plan under this Section shall be deemed to be members of the  
9 Fund who participate in an alternative retirement plan.  
10 Notwithstanding any provision of this Article to the contrary,  
11 the alternative retirement plan need not comply with any  
12 mandatory provisions of the existing retirement plan.

13       (40 ILCS 5/10-101.5 new)

14       Sec. 10-101.5. Alternative retirement plan; local control  
15 of benefits.

16       (a) The district may, at any time on or after the effective  
17 date of this Section, provide by resolution for an alternative  
18 retirement plan, either in addition to or in lieu of the  
19 existing plan under this Article, for its eligible new  
20 employees. The alternative retirement plan shall apply only to  
21 persons who have not participated in the existing plan under  
22 this Article.

23       (b) The alternative retirement plan may include a  
24 defined-benefit component, a defined-contribution component,  
25 or both, and may, but is not required to, include disability or

1 survivor benefits and any other provisions or benefits that are  
2 permitted under federal law. The alternative retirement plan is  
3 not required to provide any minimum level of benefits and need  
4 not provide any benefits at all, other than mandatory Social  
5 Security coverage if applicable.

6 (c) Service credit received under an alternative  
7 retirement plan may not be transferred to any other pension  
8 fund or retirement system and may not be used under the  
9 Retirement Systems Reciprocal Act.

10 (d) Providing an alternative retirement plan does not  
11 release the district from the obligation of continuing to  
12 participate under this Article with regard to participants in  
13 the existing retirement plan. In no event may the district in  
14 any way diminish or impair the rights or benefits of  
15 participants in the existing retirement plan.

16 (e) Persons participating in an alternative retirement  
17 plan under this Section shall be deemed to be members of the  
18 Fund who participate in an alternative retirement plan.  
19 Notwithstanding any provision of this Article to the contrary,  
20 the alternative retirement plan need not comply with any  
21 mandatory provisions of the existing retirement plan.

22 (40 ILCS 5/10-103) (from Ch. 108 1/2, par. 10-103)

23 Sec. 10-103. Members, contributions and benefits. Except  
24 for alternative retirement plans established under Section  
25 10-101.5, the ~~The~~ board shall cause the same deductions to be

1 made from salaries and, subject to Section 10-109, allow the  
2 same annuities, refunds and benefits for employees of the  
3 district as are made and allowed for employees of the county.  
4 (Source: P.A. 95-1036, eff. 2-17-09.)

5 (40 ILCS 5/11-101.5 new)

6 Sec. 11-101.5. Alternative retirement plan; local control  
7 of benefits.

8 (a) The city council may, at any time on or after the  
9 effective date of this Section, provide by ordinance for an  
10 alternative retirement plan, either in addition to or in lieu  
11 of the existing plan under this Article, for its eligible new  
12 employees. The alternative retirement plan shall apply only to  
13 persons who have not participated in the existing plan under  
14 this Article.

15 (b) The alternative retirement plan may include a  
16 defined-benefit component, a defined-contribution component,  
17 or both, and may, but is not required to, include disability or  
18 survivor benefits and any other provisions or benefits that are  
19 permitted under federal law. The alternative retirement plan is  
20 not required to provide any minimum level of benefits and need  
21 not provide any benefits at all, other than mandatory Social  
22 Security coverage if applicable.

23 (c) Service credit received under an alternative  
24 retirement plan may not be transferred to any other pension  
25 fund or retirement system and may not be used under the

1 Retirement Systems Reciprocal Act.

2 (d) Providing an alternative retirement plan does not  
3 release the city from the obligation of continuing to  
4 participate under this Article with regard to participants in  
5 the existing retirement plan. In no event may the city in any  
6 way diminish or impair the rights or benefits of participants  
7 in the existing retirement plan.

8 (e) Persons participating in an alternative retirement  
9 plan under this Section shall be deemed to be members of the  
10 Fund who participate in an alternative retirement plan.  
11 Notwithstanding any provision of this Article to the contrary,  
12 the alternative retirement plan need not comply with any  
13 mandatory provisions of the existing retirement plan.

14 (40 ILCS 5/12-101.5 new)

15 Sec. 12-101.5. Alternative retirement plan; local control  
16 of benefits.

17 (a) The city council may, at any time on or after the  
18 effective date of this Section, provide by ordinance for an  
19 alternative retirement plan, either in addition to or in lieu  
20 of the existing plan under this Article, for its eligible new  
21 employees. The alternative retirement plan shall apply only to  
22 persons who have not participated in the existing plan under  
23 this Article.

24 (b) The alternative retirement plan may include a  
25 defined-benefit component, a defined-contribution component,



1 or both, and may, but is not required to, include disability or  
2 survivor benefits and any other provisions or benefits that are  
3 permitted under federal law. The alternative retirement plan is  
4 not required to provide any minimum level of benefits and need  
5 not provide any benefits at all, other than mandatory Social  
6 Security coverage if applicable.

7 (c) Service credit received under an alternative  
8 retirement plan may not be transferred to any other pension  
9 fund or retirement system and may not be used under the  
10 Retirement Systems Reciprocal Act.

11 (d) Providing an alternative retirement plan does not  
12 release the city from the obligation of continuing to  
13 participate under this Article with regard to participants in  
14 the existing retirement plan. In no event may the city in any  
15 way diminish or impair the rights or benefits of participants  
16 in the existing retirement plan.

17 (e) Persons participating in an alternative retirement  
18 plan under this Section shall be deemed to be members of the  
19 Fund who participate in an alternative retirement plan.  
20 Notwithstanding any provision of this Article to the contrary,  
21 the alternative retirement plan need not comply with any  
22 mandatory provisions of the existing retirement plan.

23 (40 ILCS 5/13-101.5 new)

24 Sec. 13-101.5. Alternative retirement plan; local control  
25 of benefits.

1       (a) The Metropolitan Water Reclamation District of Greater  
2 Chicago may, at any time on or after the effective date of this  
3 Section, provide by ordinance for an alternative retirement  
4 plan, either in addition to or in lieu of the existing plan  
5 under this Article, for its eligible new employees. The  
6 alternative retirement plan shall apply only to persons who  
7 have not participated in the existing plan under this Article.

8       (b) The alternative retirement plan may include a  
9 defined-benefit component, a defined-contribution component,  
10 or both, and may, but is not required to, include disability or  
11 survivor benefits and any other provisions or benefits that are  
12 permitted under federal law. The alternative retirement plan is  
13 not required to provide any minimum level of benefits and need  
14 not provide any benefits at all, other than mandatory Social  
15 Security coverage if applicable.

16       (c) Service credit received under an alternative  
17 retirement plan may not be transferred to any other pension  
18 fund or retirement system and may not be used under the  
19 Retirement Systems Reciprocal Act.

20       (d) Providing an alternative retirement plan does not  
21 release the Metropolitan Water Reclamation District of Greater  
22 Chicago from the obligation of continuing to participate under  
23 this Article with regard to participants in the existing  
24 retirement plan. In no event may the city in any way diminish  
25 or impair the rights or benefits of participants in the  
26 existing retirement plan.

1       (e) Persons participating in an alternative retirement  
2 plan under this Section shall be deemed to be members of the  
3 Fund who participate in an alternative retirement plan.  
4 Notwithstanding any provision of this Article to the contrary,  
5 the alternative retirement plan need not comply with any  
6 mandatory provisions of the existing retirement plan.

7           (40 ILCS 5/15-101.5 new)

8       Sec. 15-101.5. Alternative retirement plan; local control  
9 of benefits by community colleges.

10       (a) The board of trustees of a community college district  
11 that is an employer under this Article may, at any time on or  
12 after the effective date of this Section, provide by resolution  
13 for an alternative retirement plan, either in addition to or in  
14 lieu of the existing plan under this Article, for its eligible  
15 new employees. The alternative retirement plan shall apply only  
16 to persons who have not participated in the existing plan under  
17 this Article.

18       (b) The alternative retirement plan may include a  
19 defined-benefit component, a defined-contribution component,  
20 or both, and may, but is not required to, include disability or  
21 survivor benefits and any other provisions or benefits that are  
22 permitted under federal law. The alternative retirement plan is  
23 not required to provide any minimum level of benefits and need  
24 not provide any benefits at all, other than mandatory Social  
25 Security coverage if applicable.

1       (c) Service credit received under an alternative  
2 retirement plan may not be transferred to any other pension  
3 fund or retirement system and may not be used under the  
4 Retirement Systems Reciprocal Act.

5       (d) Providing an alternative retirement plan does not  
6 release the community college district from the obligation of  
7 continuing to participate under this Article with regard to  
8 participants in the existing retirement plan. The alternative  
9 retirement plan provided by the community college district  
10 shall be funded with contributions from that community college  
11 district and its employees who participate in the alternative  
12 retirement plan. In no event may the community college district  
13 in any way diminish or impair the rights or benefits of  
14 participants in the existing retirement plan.

15       (e) Persons participating in an alternative retirement  
16 plan under this Section shall be deemed to be participants in  
17 the System who participate in an alternative retirement plan.  
18 Notwithstanding any provision of this Article to the contrary,  
19 the alternative retirement plan need not comply with any  
20 mandatory provisions of the existing retirement plan.

21       (40 ILCS 5/16-101.5 new)

22       Sec. 16-101.5. Alternative retirement plan; local control  
23 of benefits by school districts.

24       (a) The governing body of a school district that is an  
25 employer under this Article may, at any time on or after the

1 effective date of this Section, provide by resolution for an  
2 alternative retirement plan, either in addition to or in lieu  
3 of the existing plan under this Article, for its eligible new  
4 teachers. The alternative retirement plan shall apply only to  
5 persons who have not participated in the existing plan under  
6 this Article.

7 (b) The alternative retirement plan may include a  
8 defined-benefit component, a defined-contribution component,  
9 or both, and may, but is not required to, include disability or  
10 survivor benefits and any other provisions or benefits that are  
11 permitted under federal law. The alternative retirement plan is  
12 not required to provide any minimum level of benefits and need  
13 not provide any benefits at all, other than mandatory Social  
14 Security coverage if applicable.

15 (c) Service credit received under an alternative  
16 retirement plan may not be transferred to any other pension  
17 fund or retirement system and may not be used under the  
18 Retirement Systems Reciprocal Act.

19 (d) Providing an alternative retirement plan does not  
20 release the school district from the obligation of continuing  
21 to participate under this Article with regard to participants  
22 in the existing retirement plan. The alternative retirement  
23 plan provided by the school district shall be funded with  
24 contributions from that school district and its employees who  
25 participate in the alternative retirement plan. In no event may  
26 the school district in any way diminish or impair the rights or

1 benefits of participants in the existing retirement plan.

2 (e) Persons participating in an alternative retirement  
3 plan under this Section shall be deemed to be participants in  
4 the System who participate in an alternative retirement plan.  
5 Notwithstanding any provision of this Article to the contrary,  
6 the alternative retirement plan need not comply with any  
7 mandatory provisions of the existing retirement plan.

8 (40 ILCS 5/17-101.5 new)

9 Sec. 17-101.5. Alternative retirement plan; local control  
10 of benefits.

11 (a) The city council may, at any time on or after the  
12 effective date of this Section, provide by resolution for an  
13 alternative retirement plan, either in addition to or in lieu  
14 of the existing plan under this Article, for eligible new  
15 teachers. The alternative retirement plan shall apply only to  
16 persons who have not participated in the existing plan under  
17 this Article.

18 (b) The alternative retirement plan may include a  
19 defined-benefit component, a defined-contribution component,  
20 or both, and may, but is not required to, include disability or  
21 survivor benefits and any other provisions or benefits that are  
22 permitted under federal law. The alternative retirement plan is  
23 not required to provide any minimum level of benefits and need  
24 not provide any benefits at all, other than mandatory Social  
25 Security coverage if applicable.

1       (c) Service credit received under an alternative  
2 retirement plan may not be transferred to any other pension  
3 fund or retirement system and may not be used under the  
4 Retirement Systems Reciprocal Act.

5       (d) Providing an alternative retirement plan does not  
6 release the city or the Board of Education from the obligation  
7 of continuing to participate under this Article with regard to  
8 participants in the existing retirement plan. The alternative  
9 retirement plan provided by the city shall be funded with  
10 contributions from the city or the Board of Education, and the  
11 teachers who participate in the alternative retirement plan. In  
12 no event may the city or the Board of Education in any way  
13 diminish or impair the rights or benefits of participants in  
14 the existing retirement plan.

15       (e) Persons participating in an alternative retirement  
16 plan under this Section shall be deemed to be members of the  
17 Fund who participate in an alternative retirement plan.  
18 Notwithstanding any provision of this Article to the contrary,  
19 the alternative retirement plan need not comply with any  
20 mandatory provisions of the existing retirement plan.

21       Section 15. The Illinois Educational Labor Relations Act is  
22 amended by adding Section 10.6 as follows:

23       (115 ILCS 5/10.6 new)

24       Sec. 10.6. Mandatory collective bargaining regarding

1 alternative retirement plans not required. Notwithstanding any  
2 other provision of this Act, employers shall not be subject to  
3 mandatory collective bargaining with regard to the adoption or  
4 implementation of an alternative retirement plan authorized by  
5 this amendatory Act of the 99th General Assembly.



1 INDEX

2 Statutes amended in order of appearance

3 5 ILCS 315/7.6 new

4 40 ILCS 5/3-101.5 new

5 40 ILCS 5/3-150 from Ch. 108 1/2, par. 3-150

6 40 ILCS 5/4-101.5 new

7 40 ILCS 5/4-142 from Ch. 108 1/2, par. 4-142

8 40 ILCS 5/5-101.5 new

9 40 ILCS 5/6-101.5 new

10 40 ILCS 5/7-101.5 new

11 40 ILCS 5/8-101.5 new

12 40 ILCS 5/9-101.5 new

13 40 ILCS 5/10-101.5 new

14 40 ILCS 5/10-103 from Ch. 108 1/2, par. 10-103

15 40 ILCS 5/11-101.5 new

16 40 ILCS 5/12-101.5 new

17 40 ILCS 5/13-101.5 new

18 40 ILCS 5/15-101.5 new

19 40 ILCS 5/16-101.5 new

20 40 ILCS 5/17-101.5 new

21 115 ILCS 5/10.6 new