

SB3359



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB3359

Introduced 2/19/2016, by Sen. Chapin Rose

SYNOPSIS AS INTRODUCED:

40 ILCS 5/7-137

from Ch. 108 1/2, par. 7-137

Amends the Illinois Pension Code. Makes a technical change in a Section concerning participating and covered employees. Effective immediately.

SRS099 00022 NIM 20023 b

A BILL FOR

1 AN ACT concerning pensions.

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 7-137 as follows:

6 (40 ILCS 5/7-137) (from Ch. 108 1/2, par. 7-137)

7 Sec. 7-137. Participating and covered employees.

8 (a) The persons described in this paragraph (a) shall be
9 included within and be subject to this Article and eligible to
10 benefits from this fund, beginning upon the dates hereinafter
11 specified:

12 1. Except as to the employees specifically excluded
13 under the provisions of this Article, all persons who are
14 employees of any municipality (or instrumentality thereof)
15 or participating instrumentality on the effective date of
16 participation of the municipality or participating
17 instrumentality beginning upon such effective date.

18 2. Except as to the employees specifically excluded
19 under the provisions of this Article, all persons, who
20 became employees of any participating municipality (or
21 instrumentality thereof) or participating instrumentality
22 after the effective date of participation of such
23 municipality or participating instrumentality, beginning

1 upon the date such person becomes an employee.

2 3. All persons who file notice with the board as
3 provided in paragraph (b) 2 and 3 of this Section,
4 beginning upon the date of filing such notice.

5 (b) The following described persons shall not be considered
6 participating employees eligible for benefits from this fund,
7 but shall be included within and be subject to this Article
8 (each of the descriptions is not exclusive but is cumulative):

9 1. Any person who occupies an office or is employed in
10 a position normally requiring performance of duty during
11 less than ~~600~~ 600 hours a year for a municipality
12 (including all instrumentalities thereof) or a
13 participating instrumentality. If a school treasurer
14 performs services for more than one school district, the
15 total number of hours of service normally required for the
16 several school districts shall be considered to determine
17 whether he qualifies under this paragraph;

18 2. Any person who holds elective office unless he has
19 elected while in that office in a written notice on file
20 with the board to become a participating employee;

21 3. Any person working for a city hospital unless any
22 such person, while in active employment, has elected in a
23 written notice on file with the board to become a
24 participating employee and notification thereof is
25 received by the board;

26 4. Any person who becomes an employee after June 30,

1 1979 as a public service employment program participant
2 under the federal Comprehensive Employment and Training
3 Act and whose wages or fringe benefits are paid in whole or
4 in part by funds provided under such Act;

5 5. Any person who is actively employed by a
6 municipality on its effective date of participation in the
7 Fund if that municipality (i) has at least 35 employees on
8 its effective date of participation; (ii) is located in a
9 county with at least 2,000,000 inhabitants; and (iii)
10 maintains an independent defined benefit pension plan for
11 the benefit of its eligible employees, unless the person
12 files with the board within 90 days after the
13 municipality's effective date of participation an
14 irrevocable election to participate.

15 (c) Any person electing to be a participating employee,
16 pursuant to paragraph (b) of this Section may not change such
17 election, except as provided in Section 7-137.1.

18 (d) Any employee who occupied the position of school nurse
19 in any participating municipality on August 8, 1961 and
20 continuously thereafter until the effective date of the
21 exercise of the option authorized by this subparagraph, who on
22 August 7, 1961 was a member of the Teachers' Retirement System
23 of Illinois, by virtue of certification by the Department of
24 Registration and Education as a public health nurse, may elect
25 to terminate participation in this Fund in order to
26 re-establish membership in such System. The election may be

1 exercised by filing written notice thereof with the Board or
2 with the Board of Trustees of said Teachers' Retirement System,
3 not later than September 30, 1963, and shall be effective on
4 the first day of the calendar month next following the month in
5 which the notice was filed. If the written notice is filed with
6 such Teachers' Retirement System, that System shall
7 immediately notify this Fund, but neither failure nor delay in
8 notification shall affect the validity of the employee's
9 election. If the option is exercised, the Fund shall notify
10 such Teachers' Retirement System of such fact and transfer to
11 that system the amounts contributed by the employee to this
12 Fund, including interest at 3% per annum, but excluding
13 contributions applicable to social security coverage during
14 the period beginning August 8, 1961 to the effective date of
15 the employee's election. Participation in this Fund as to any
16 credits on or after August 8, 1961 and up to the effective date
17 of the employee's election shall terminate on such effective
18 date.

19 (e) Any participating municipality or participating
20 instrumentality, other than a school district or special
21 education joint agreement created under Section 10-22.31 of the
22 School Code, may, by a resolution or ordinance duly adopted by
23 its governing body, elect to exclude from participation and
24 eligibility for benefits all persons who are employed after the
25 effective date of such resolution or ordinance and who occupy
26 an office or are employed in a position normally requiring

1 performance of duty for less than 1000 hours per year for the
2 participating municipality (including all instrumentalities
3 thereof) or participating instrumentality except for persons
4 employed in a position normally requiring performance of duty
5 for 600 hours or more per year (i) by such participating
6 municipality or participating instrumentality prior to the
7 effective date of the resolution or ordinance and (ii) by a
8 participating municipality or participating instrumentality,
9 which had not adopted such a resolution when the person was
10 employed, and the function served by the employee's position is
11 assumed by another participating municipality or participating
12 instrumentality. Notwithstanding the foregoing, a
13 participating municipality or participating instrumentality
14 which is formed solely to succeed to the functions of a
15 participating municipality or participating instrumentality
16 shall be considered to have adopted any such resolution or
17 ordinance which may have been applicable to the employees
18 performing such functions. The election made by the resolution
19 or ordinance shall take effect at the time specified in the
20 resolution or ordinance, and once effective shall be
21 irrevocable.

22 (Source: P.A. 96-1140, eff. 7-21-10; 97-328, eff. 8-12-11;
23 97-609, eff. 1-1-12.)

24 Section 99. Effective date. This Act takes effect upon
25 becoming law.