



Weekly Legislative Report

ILLINOIS STATE EMPLOYEES ASSOCIATION - RETIREES

By: Jessica Nardulli & Tom Ryder

Legislative Update and Report prepared for *Illinois State Employees Association - Retirees* for the week beginning February 23, 2015.

This week the legislative schedule shifts from its usual Tuesday afternoon, Wednesday and Thursday morning schedule for committees. The Senate is taking the week off and the House meets one day later than usual to accommodate the Municipal Primary Election held on Tuesday, February 24. This week, and for the next four weeks, the House will consider bills filed by Representatives.

This Friday is the deadline for the introduction of bills in the House. Both the Senate and the House have set March 27 as the deadline for consideration of substantive bills in committees.

Legislation new to the report and changes in bill status are highlighted in yellow. If you should have any questions, or need additional information, please feel free to contact us.

ILLINOIS STATE EMPLOYEES ASSOCIATION - RETIREEES

HB 134

Short Description: PEN CD-TIER III-STATE SYSTEMS

House Sponsors

Rep. André M. Thapedi

Synopsis As Introduced

Amends the Illinois Pension Code. Creates a Tier III benefit package applicable to persons who first begin participating in one of the State-funded retirement systems on or after July 1, 2015. Provides for retirement benefits and certain employee contribution changes that supersede the corresponding provisions of the applicable retirement system. Provides that those retirement benefits may be annually increased or decreased in response to the retirement system's investment earnings. Changes the amount of the required State contributions and, in the State Universities and Downstate Teacher Articles, requires the actual employers to make contributions to amortize any unfunded liabilities arising out of their employees who are Tier III participants. Provides that, when the State's total debt service obligation for certain pension bonds has ended, any funds remaining available for the payment of that debt service shall be distributed to the 5 State-funded retirement systems, to be used to reduce their unfunded actuarial liabilities. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

Last Action

Date	Chamber	Action
1/14/2015	House	Referred to Rules Committee

HB 138

Short Description: PEN CD-GARS-NO NEW GA MEMBERS

House Sponsors

Rep. Ron Sandack-Grant Wehrli-John D. Anthony-Steven Andersson-Thomas Morrison and Dwight Kay

Synopsis As Introduced

Amends the General Assembly Article of the Illinois Pension Code. Restricts participation in the General Assembly Retirement System by members of the General Assembly to persons who become participants before January 1, 2016 and provides that, beginning on that date, the System shall not accept any new participants who are members of the General Assembly. Makes related changes. Effective immediately.

Last Action

KEY LEGISLATION

- HB 254 (Sosnowski) – Pension Code - Felony Forfeit Review
- HR 44 (Bradley) – Retired State Employees- QCHP

Date	Chamber	Action
1/14/2015	House	Referred to Rules Committee

HB 139

Short Description: PEN CD-GARS SELF-DIRECTED PLAN

House Sponsors

Rep. Ron Sandack-John D. Anthony-Thomas Morrison

Synopsis As Introduced

Amends the General Assembly Article of the Illinois Pension Code. Requires the General Assembly Retirement System to establish a self-directed retirement plan. Provides that on and after the effective date of the amendatory Act, an active participant's participation in the System shall be limited to participation in the self-directed retirement plan. Provides that an annuitant shall not receive an automatic increase in retirement annuity on or after the effective date of the amendatory Act unless, according to the most recent actuarial valuations, the total assets of the System are equal to or greater than 100% of the total actuarial liabilities of the System. Establishes a schedule for vesting in the self-directed retirement plan. Requires the Public Pension Division of the Department of Insurance to develop a schedule that, subject to certain requirements, increases the retirement age of active participants who are ineligible to retire as of the effective date of the amendatory Act. Provides that the Division's schedule shall also provide for the adjustment of retirement ages using a matrix that (i) takes into account the current statutory retirement age for various classes of persons and service credit accrued by those persons and (ii) proportionally discounts the increase in statutory retirement ages based on proximity to the currently established retirement age. Provides a new funding formula for State contributions, with a 100% funding goal through 2045 (determined using the projected unit credit actuarial cost method) and a 100% funding goal thereafter.

Last Action

Date	Chamber	Action
1/14/2015	House	Referred to Rules Committee

HB 179

Short Description: PEN CD-GARS-G.A. MEMBER ELIG.

House Sponsors

Rep. David McSweeney-Jack D. Franks-Dwight Kay

Synopsis As Introduced

Amends the General Assembly Article of the Illinois Pension Code. Provides that no person first elected or appointed to the General Assembly on or after November 8, 2016 shall be eligible to become a participant in the General Assembly Retirement System.

Last Action

Date	Chamber	Action
1/14/2015	House	Referred to Rules Committee

HB 239

Short Description: PEN CD-FELONY FORFEIT REVIEW

House Sponsors

Rep. Sam Yingling

Synopsis As Introduced

Amends the General Assembly, Downstate Police, Downstate Firefighters, Chicago Police, Chicago Firefighters, Illinois Municipal Retirement Fund (IMRF), Chicago Municipal, Cook County, Cook County Forest Preserve, Chicago Laborers, Chicago Park District, Metropolitan Water Reclamation District, State Employees, State Universities, Downstate Teachers, Chicago Teachers, and Judges Articles of the Illinois Pension Code. Provides that in any matter involving a question of whether pension benefits should be terminated because of a felony, the board of the fund or system shall make the Attorney General and the State's Attorney of the county in which the felony occurred parties to the proceeding. Provides that the Attorney General or the State's Attorney may contest the eligibility of the person convicted of the felony and may seek judicial review of the board's decision not to terminate benefits because of a felony conviction. Amends the State Mandates Act to require implementation without reimbursement by the State. Effective immediately.

Last Action

Date	Chamber	Action
1/23/2015	House	Referred to Rules Committee

HB 254

Short Description: PEN CD-ST SYS-FUNDING RATIO

House Sponsors

Rep. Joe Sosnowski

Synopsis As Introduced

Provides that if and only if the Supreme Court of Illinois, in the consolidated case of In re Pension Reform Litigation, No. 118585, finds that either Public Act 98-599 is unconstitutional in its entirety or that the changes made by Public Act 98-599 to certain Sections of the Illinois Pension Code are unconstitutional, the Illinois Pension Code is amended to make changes to the prescribed funding formulas for the 5 State-funded retirement systems. In the Judges Article, increases the funding ratio from 90% to 100%. Makes corresponding changes. Effective immediately.

Last Action

Date	Chamber	Action
1/23/2015	House	Referred to Rules Committee

HB 315

Short Description: PEN CD-SURS-ROTH ACCOUNT

House Sponsors

Rep. Joe Sosnowski

Synopsis As Introduced

Amends the State Universities Article of the Illinois Pension Code. In a Section relating to the self-managed plan, provides that pursuant to federal law, all employees with applicable retirement plans will be provided options to: (i) establish, (ii) contribute to, and (iii) transfer any guaranteed or vested portion of their traditional accounts, on any day, into qualified in-plan Roth accounts, without distribution. Effective immediately.

Last Action

Date	Chamber	Action
1/27/2015	House	Referred to Rules Committee

HB 398

Short Description: GA-END STATE INS BENEFITS

House Sponsors

Rep. Martin J. Moylan

Synopsis As Introduced

Amends the State Employees Group Insurance Act of 1971. Provides that, on and after the effective date of the amendatory Act, the State shall not pay or otherwise make contributions toward the costs of any health or life insurance benefits provided under the Act for retired elected officials under the General Assembly Retirement System. Provides that retired elected officials shall pay the entirety of the cost of coverage under the group life insurance program and the program of health benefits under the Act; provides that the cost of coverage shall be determined by the Director. Provides that nothing in the amendatory Act shall be construed to prevent any retired elected official from receiving health or life insurance benefits under the Act, where that retired elected official contributes the entirety of the cost of coverage. Provides that any retired elected official may waive or terminate coverage in the program of health benefits or group life insurance. Further provides that any retired elected official who has waived or terminated coverage may enroll or re-enroll in the program of health benefits or group life insurance only during the annual benefit choice period, as determined by the Director; except that in the event of termination of coverage due to nonpayment of premiums, the retired elected official may not re-enroll in the program. Makes corresponding changes throughout the Act. Defines "retired elected official". Effective immediately.

Last Action

Date	Chamber	Action
1/28/2015	House	Referred to Rules Committee

HB 422

Committee Hearing:

Personnel and Pensions Committee Hearing Feb 26 2015 12:00PM Capitol Building Room 115 Springfield, IL

Short Description: PEN CD--ACTUARY--EVERY 3 YEARS

House Sponsors

Rep. Thomas Morrison

Synopsis As Introduced

Amends the Illinois Pension Code. Requires the actuary of each of the 5 State-funded systems to conduct an

investigation of the system at least once every 3 (rather than 5) years. Effective immediately.

Last Action

Date	Chamber	Action
2/13/2015	House	Assigned to Personnel and Pensions Committee

HB 489

Short Description: PEN CD-DOWNST TEACHER-SHORTAGE

House Sponsors

Rep. C.D. Davidsmeyer

Synopsis As Introduced

Amends the Downstate Teacher Article of the Illinois Pension Code. In the provision defining "eligible employment" for the purpose of allowing a teacher to return to teaching in subject shortage areas without impairing his or her retirement status or retirement annuity, changes the ending date of the employment from no later than June 30, 2013 to no later than June 30, 2019. Provides that any benefit increase that results from the amendatory Act is excluded from the definition of "new benefit increase". Amends the State Mandates Act to require implementation without reimbursement by the State. Effective immediately.

Last Action

Date	Chamber	Action
1/30/2015	House	Referred to Rules Committee

HB 1334

Short Description: PEN CD-OFFSETS-CONTINUATION

House Sponsors

Rep. Jack D. Franks

Synopsis As Introduced

Amends the General Provisions Article of the Illinois Pension Code. Provides that a member or participant of a retirement system or pension fund established under the Code who is receiving a retirement annuity or retirement pension and becomes employed in a similar position within the same agency on or after the effective date of the amendatory Act in a position in which he or she is eligible to accrue service credit or creditable service under any Article of the Code shall, in the month immediately after commencing that employment, have the amount of his or her monthly retirement annuity or retirement pension offset by the amount of his or her compensation, earnings, or salary (whichever is applicable) in the immediately preceding month as certified to the applicable retirement system or pension fund by his or her employer, unless the payment of that retirement annuity or retirement pension is already suspended or terminated during that period. Provides that these provisions do not apply to the first \$2,000 per month of retirement annuity payments. Contains a statement of legislative intent. Effective immediately.

Last Action

Date	Chamber	Action
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2/4/2015	House	Referred to Rules Committee
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HB 1456

Short Description: PEN CD-SURS-ADMINISTRATIVE

House Sponsors
Rep. Elaine Nekritz

Synopsis As Introduced

Amends the State Universities Article of the Illinois Pension Code. Adds a cross-reference to a provision relating to earnings for service before becoming a participant. Defines "plan year". In a provision concerning repayment of certain refunds, requires interest from the date the refund was issued rather than the date it was received. Clarifies a provision relating to the purchase of service credit by inactive participants.

Last Action

Date	Chamber	Action
2/6/2015	House	Referred to Rules Committee

HB 1555

Short Description: ESTATE TAX-CALCULATION

House Sponsors
Rep. Dwight Kay

Synopsis As Introduced

Amends the Illinois Estate and Generation-Skipping Transfer Tax Act. Provides that, for estates of persons dying on or after the effective date of the amendatory Act, the amount of the Illinois estate tax shall be the product of (i) the sum of (A) 5.5% of the first \$4,700,000 of the Illinois base estate and (B) 9% of the Illinois base estate in excess of \$4,700,000, multiplied by the Illinois taxable percentage. Defines Illinois base estate as the federal gross estate, subject to certain modifications. Defines "Illinois taxable percentage" as the total value of transfers with situs in Illinois divided by the total value of all transferred property. Provides that the amount of the Illinois generation-skipping transfer tax shall be 7.5% of the value of the transferred property as determined for purposes of the federal generation-skipping transfer tax. Removes provisions providing for a separate marital deduction for qualified terminable interest property for Illinois estate tax purposes. Effective immediately.

Last Action

Date	Chamber	Action
2/9/2015	House	Referred to Rules Committee

HB 2429

Short Description: PENS CD-END GARS JUDGES

House Sponsors

Rep. Dwight Kay

Synopsis As Introduced

Amends the General Assembly and Judges Articles of the Pension Code. Provides that no participant may accrue service credit and no benefits may be paid to any retiree or survivor. Provides that the Court of Claims shall direct the refund of participant pension contributions. Repeals the General Assembly and Judges Articles 2 years after the effective date of the amendatory Act. Effective immediately.

Last Action

Date	Chamber	Action
2/17/2015	House	Referred to Rules Committee

HB 2520**Short Description:** PEN CD-SURVIVOR CONTRIB REFUND**House Sponsors**

Rep. Greg Harris

Synopsis As Introduced

Amends the Illinois Municipal Retirement Fund (IMRF), State Universities, and Downstate Teacher Articles of the Illinois Pension Code. Provides that certain annuitants who received a refund of contributions for survivor benefits may elect to repay the refund, with interest, and have their survivor benefit rights reinstated. Specifies the required time and manner of repayment. In the IMRF and State Universities Articles, requires that the annuitant (1) retired prior to June 1, 2011, and (2) is a party to a civil union, marriage, or other legal relationship that is recognized as a civil union or marriage under the Illinois Religious Freedom Protection and Civil Union Act or the Illinois Marriage and Dissolution of Marriage Act on or after certain specified dates. Also, in the IMRF Article, extends application of a provision added by Public Act 87-850 to spouses of annuitants who die on or after the effective date of this amendatory Act. Effective immediately.

Last Action

Date	Chamber	Action
2/18/2015	House	Referred to Rules Committee

HB 2808**Short Description:** PEN CD-NO INVESTMENTS IN GUNS**House Sponsors**

Rep. Christian L. Mitchell

Synopsis As Introduced

Amends the General Provisions Article of the Illinois Pension Code. Requires each pension fund and retirement system established under the Code to make its best efforts to identify all firearm manufacturing companies in which it has direct or indirect holdings and, under certain circumstances, to divest itself of holdings in those companies. Effective immediately.

Last Action

Date	Chamber	Action
2/20/2015	House	Referred to Rules Committee

HB 2866**Short Description:** \$SERS FY15 OCE**House Sponsors**

Rep. Jim Durkin-Thomas Morrison

Synopsis As Introduced

Makes appropriations for the ordinary and contingent expenses of the State Employees' Retirement System, Judges Retirement System and General Assembly Retirement System for the fiscal year beginning July 1, 2015, as follows: General Funds \$972,205,850.

Last Action

Date	Chamber	Action
2/20/2015	House	Referred to Rules Committee

SB 104**Short Description:** PEN CD-SALARY-NO SICK/VACATION**Senate Sponsors**

Sen. Matt Murphy-Michael Connelly

Synopsis As Introduced

Amends the Illinois Municipal Retirement Fund (IMRF), Cook County, State Employees, State Universities, Downstate Teachers, and Chicago Teachers Articles of the Illinois Pension Code. For participants who first become participants on or after the effective date of the amendatory Act, prohibits (i) payments for unused sick or vacation time from being used to calculate pensionable earnings and salary and (ii) unused sick or vacation time from being used to establish service credit. Effective immediately.

Last Action

Date	Chamber	Action
2/19/2015	Senate	To Subcommittee on Special Issues (EX)

SB 777**Committee Hearing:**

Licensed Activities and Pensions Hearing Feb 18 2015 3:00PM Capitol 400 Springfield, IL

Short Description: PEN CD-SURS-ADMINISTRATIVE

Senate Sponsors

Sen. Daniel Biss

Synopsis As Introduced

Amends the State Universities Article of the Illinois Pension Code. Adds a cross-reference to a provision relating to earnings for service before becoming a participant. Defines "plan year". In a provision concerning repayment of certain refunds, requires interest from the date the refund was issued rather than the date it was received. Clarifies a provision relating to the purchase of service credit by inactive participants.

Last Action

Date	Chamber	Action
2/19/2015	Senate	Placed on Calendar Order of 2nd Reading March 3, 2015

SB 1583**Short Description:** STATE EMPLOYEE INS-TRS**Senate Sponsors**

Sen. Terry Link

Synopsis As Introduced

Amends the State Employees Group Insurance Act of 1971. Sets forth provisions regarding health benefits for TRS benefit recipients, TRS dependent beneficiaries, community college benefit recipients, and community college dependent beneficiaries. Permits eligible benefit recipients and dependent beneficiaries to elect not to participate in the program of health benefits during the benefit recipient's annual open enrollment period. Permits a benefit recipient and the dependent beneficiary to re-enroll in the Department of Central Management Services program of health benefits upon showing a qualifying change in status without evidence of insurability and with no limitations on coverage for pre-existing conditions, provided that there was not a break in coverage of more than 63 days. Permits a benefit recipient and the dependent beneficiary who elected not to participate in the program of health benefits to re-enroll in the program of health benefits during any annual benefit choice period, without evidence of insurability. Provides that benefit recipients who elect not to participate in the program of health benefits shall be furnished with a written explanation of the requirements and limitations for the election not to participate in the program and for re-enrolling in the program. Further provides that the Director shall not limit re-enrollment in a manner that is inconsistent with this amendatory Act. Makes other technical changes. Effective immediately.

Last Action

Date	Chamber	Action
2/20/2015	Senate	Referred to Assignments

SB 1593**Short Description:** PEN CD-OVERTIME PAY EXCLUDED**Senate Sponsors**

Sen. Matt Murphy

Synopsis As Introduced

Amends the General Provisions Article of the Illinois Pension Code. Provides that pay to a participant in any pension fund or retirement system under the Code for overtime performed after the effective date of the amendatory Act shall not be considered for purposes of determining pensionable salary, earnings, or compensation.

Last Action

Date	Chamber	Action
2/20/2015	Senate	Referred to Assignments

SB 2013**Short Description:** \$SERS FY15 OCE**Senate Sponsors**

Sen. Christine Radogno

Synopsis As Introduced

Makes appropriations for the ordinary and contingent expenses of the State Employees' Retirement System, Judges Retirement System and General Assembly Retirement System for the fiscal year beginning July 1, 2015, as follows: General Funds \$972,205,850.

Last Action

Date	Chamber	Action
2/20/2015	Senate	Referred to Assignments

HR 44**Committee Hearing:**

Personnel and Pensions Committee Hearing Feb 26 2015 12:00PM Capitol Building Room 115 Springfield, IL

Short Description: RETIRED STATE EMPLOYEES - QCHP**House Sponsors**

Rep. John E. Bradley

Synopsis As Introduced

Urges the members of Illinois House of Representatives to give further consideration to allowing Medicare eligible members who participate in a State health insurance plan to remain in a Quality Care Health Plan rather than automatically being enrolled in a Medicare Advantage plan. Urges the Department of Central Management Services to continue to work with members to aid in the best possible transition to a new health insurance plan as long as such a change is required.

Last Action

Date	Chamber	Action
2/17/2015	House	Assigned to Personnel and Pensions Committee