



# Weekly Legislative Report

## ILLINOIS STATE EMPLOYEES ASSOCIATION RETIREES

By: Jessica Nardulli & Tom Ryder

May 7, 2018

The House and Senate return Tuesday for a busy week of committee hearings. The Senate will hear bills that have passed the House with a deadline of May 11 to pass out of Senate committees. The House will hear Senate bills with a May 18 deadline to pass Senate bills out of House committees. With each passing week, more bills fail to move through the process. You will see this in the report attached here.

Meanwhile, budget negotiators have yet to agree on how much revenue they have to work with to pass a state budget by the May 31 deadline.

# ILLINOIS STATE EMPLOYEES ASSOCIATION

## RETIREES

**KEY**

**LEGISLATION**

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**HB 4413** PEN CD-BROADCAST MEETINGS **Sponsor** Rep. Ammons;  
Sen. Manar

### Synopsis As Introduced

Amends the General Provisions Article of the Illinois Pension Code. Provides that any open meeting of the board of trustees of a retirement system or pension fund or any committee established by a retirement system or pension fund must be broadcast to the public and maintained in real-time on the retirement system's or pension fund's website using a high-speed Internet connection. Amends the State Mandates Act to require implementation without reimbursement by the State. Effective immediately.

### House Committee Amendment No. 1

Provides that a retirement system or pension fund must make audio and video available for an open meeting broadcast to the public and maintained on the retirement system or pension fund's website. Changes the effective date to January 31, 2019 (rather than upon becoming law).

### Last Action

Date	Chamber	Action
4/19/2018	Senate	Referred to Assignments

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**HB 4684** PEN CD-SURS-EMPLOYER CONTRIB **Sponsor** Rep.  
Martwick; Sen. Aquino

### Synopsis As Introduced

Amends the State Universities Article of the Illinois Pension Code. Provides that if an employer fails to transmit required contributions to the System for more than 120 days after the payment of those contributions is due, the Board may certify to the State Comptroller the amount of those delinquent employer contributions and the State Comptroller shall deduct the certified amount from State funds to the employer and remit the amount deducted to the System. Provides that if State funds from which those deductions may be made are not available or if deductions are delayed for longer than 120 days after the date of the certification to the Comptroller, the Board may proceed against the employer to recover the amounts of such delinquent payments in the appropriate circuit court. Adds similar provisions if the employer is a community college district. Makes other changes. Effective immediately.

### Last Action

Date	Chamber	Action
5/2/2018	Senate	Placed on Calendar Order of 3rd Reading May 3, 2018

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**Committee Hearing:** State Government Hearing May 9 2018 2:30PM Capitol 409 Springfield, IL

**Synopsis As Introduced**

Amends the State Salary and Annuity Withholding Act. Provides that an employee or annuitant may authorize the withholding of a portion of his salary, wages, or annuity, among other purposes, for investment purchases made as a participant in College Savings Programs established under the federal Internal Revenue Code. Amends the State Comptroller Act. Provides that no request for an amount to be deducted from pension annuity payments made under the Illinois Pension Code shall exceed 25% of the net amount of such payment. Provides that notice given by the Comptroller to a person upon a deduction for delinquent obligations owed to a specified government entity may inform the person that, in lieu of protest, he or she may provide written authority to the Comptroller to process the deduction immediately. Amends the Comptroller Merit Employment Code. Provides for a veteran's preference of 3 points if the person has served in the armed forces of the United States, the Illinois National Guard, or any reserve component of the armed forces of the United States, and the person, among other qualifying factors, has served a minimum of 4 years in the Illinois National Guard or reserve component of the armed forces of the United States, regardless of whether or not the person was mobilized to active duty. Amends the Illinois State Collection Act of 1986. Provides that upon processing a deduction to satisfy a debt owed to a university or a State agency, the Comptroller may provide notice informing a person that, in lieu of protest, he or she may provide written authority to the Comptroller to process the deduction immediately. Effective immediately.

**House Committee Amendment No. 1**

Replaces everything after the enacting clause. Reinserts the provisions of the introduced bill with changes. Further amends the State Salary and Annuity Withholding Act. Provides that an employee or annuitant may authorize the withholding of a portion of his or her salary, wages, or annuity, among other purposes, for investment purchases made as a participant or contributor to qualified tuition programs and qualified ABLE programs (rather than College Savings Programs) established under the Internal Revenue Code. Further amends the State Comptroller Act. Makes changes concerning the Comptroller's "Warehouse" and the Comptroller's "Online Ledger".

**Last Action**

Date	Chamber	Action
5/1/2018	Senate	Assigned to State Government

**Committee Hearing:** State Government Hearing May 9 2018 2:30PM Capitol 409 Springfield, IL

**Synopsis As Introduced**

Amends the State Employees Group Insurance Act of 1971. Provides that interest penalties that may be payable under the Act, as provided under specified Sections of the Illinois Insurance Code, shall be paid from a separate appropriation from each fund for such purpose and for each appropriated agency. Amends the State Budget Law. Provides that for the fiscal year beginning July 1, 2018, and for each fiscal year thereafter, the budget shall include a separate line item request appropriating moneys to each State agency for estimated costs for each fund under the State Prompt Payment Act and specified Sections of the Illinois Insurance Code. Amends the State Finance Act. Provides that the sum of transfers among line item appropriations for an agency in a fiscal year shall not exceed 2% of the aggregate amount appropriated to it within the same treasury fund for, among other objects, late interest penalties under the State Prompt Payment Act and specified Sections of the Illinois Insurance Code. Provides that if lump sum appropriations are enacted with a separate line item for late interest penalties under the State Prompt Payment Act and the Illinois Insurance Code, the 2% transfer authority shall apply to the aggregate amount of these appropriations. Amends the State Prompt Payment Act to provide that interest penalties that may be payable under the Act and under specified Sections of the Illinois Insurance Code shall be paid from a separate appropriation from each fund for such purpose and for each appropriated agency. Effective immediately.

### House Committee Amendment No. 2

Replaces everything after the enacting clause. Reinserts the provisions of the introduced bill with changes. Removes a provision concerning payment for services and interest penalties under the State Employees Group Insurance Act of 1971. Provides that for the fiscal year beginning July 1, 2019 (rather than July 1, 2018), and for each fiscal year thereafter, the State budget shall include a separate line item request appropriating moneys to each State agency for specified costs. Removes a provision concerning the enactment of lump sum appropriations with a separate line item for late interest penalties. Amends the Governor's Office of Management and Budget Act. Provides that the annual economic and fiscal policy report must include: (1) an estimate of Late Interest Penalties under the State Prompt Payment Act for the upcoming fiscal year and projections of the same for each of the following 4 fiscal years; and (2) an estimate of interest penalties under Sections 368a and 370a of the Illinois Insurance Code for the upcoming fiscal year and projections of the same for each of the following 4 fiscal years. Further amends the State Prompt Payment Act. Provides that notwithstanding any provision to the contrary, interest may not be paid under the Act when: (1) a Chief Procurement Officer has voided the underlying contract for goods or services under the Illinois Procurement Code; or (2) the Auditor General is conducting a performance or program audit, and the Comptroller has held or is holding for review a related contract or vouchers for payment of goods or services in the exercise of duties under the State Comptroller Act. Removes a provision concerning interest penalties paid from separate appropriations. Makes conforming and other changes. Effective July 1, 2018.

### Last Action

Date	Chamber	Action
5/1/2018	Senate	Assigned to State Government

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## SB 779

PEN CD-INVESTMENT DISCLOSURE

Sponsor Sen. Biss; Rep. Martwick

### Synopsis As Introduced

Amends the General Provisions Article of the Illinois Pension Code in relation to investment transparency. Defines terms. Provides that within 90 days after entering into a new agreement to invest in an alternative investment fund, a public retirement system must disclose certain specified provisions of the agreement. Provides that a public retirement system shall require its alternative investment fund external managers and general partners to make certain annual disclosures concerning certain fees and expenses, in regard to each alternative investment fund. Provides that supplying a public retirement system with a completed reporting template developed by the Institutional Limited Partners Association constitutes compliance with certain reporting requirements. Declares the disclosures to be public records and requires their publication on the public retirement system's website. Amends the Freedom of Information Act to make a conforming change. Effective immediately.

### House Committee Amendment No. 2

Replaces everything after the enacting clause. Amends the General Provisions, State Employee, State Universities, and Downstate Teachers Articles of the Illinois Pension Code. In the General Provisions Article, repeals a provision added by Public Act 100-23 that establishes a hybrid benefit plan for persons who first become members under the State Universities or Downstate Articles and noncovered employees under the State Employee Article after the implementation date of those benefits and makes related changes. In the State Employee, State Universities, and Downstate Teachers Article, incorporates the hybrid benefit plan added by Public Act 100-23 into each Article and makes conforming and related changes. Adds provisions specifying the method of calculating annuities and other defined benefits under the hybrid benefit plan. Adds provisions concerning the defined contribution component of the hybrid benefit plan. Makes changes to employee and employer contribution rates. In the State Universities and Downstate Teacher Articles, repeals a provision establishing individual employer accounts for the purposes of paying certain pension costs. Makes changes to provisions requiring the actual employer to pay specified pension costs. In the State Universities Article, provides that if an employer fails to transmit required contributions to the System, the Board may certify to the State Comptroller or the county treasurer the amount of those delinquent employer contributions and the State Comptroller shall deduct the certified amount from State funds to the employer; adds similar provisions if the employer is a community college district. Repeals certain provisions added by Public Act 98-599, which has been held unconstitutional. Makes other changes. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

**Last Action**

Date	Chamber	Action
4/3/2018	House	Placed on Calendar 2nd Reading - Short Debate

**SB 2292** RETIRED GA-HEALTH INSURANCE**Sponsors** Sen. Bivins; Rep. Martwick**Synopsis As Introduced**

Amends the State Employees Group Insurance Act of 1971. Provides that any member of the General Assembly sworn into office on and after the second Wednesday in January of 2019, and who retires a participating member under the General Assembly Retirement System, shall be responsible for exactly 50% of the applicable premiums, charges, or other fees for the basic program of group health benefits. Provides that, subject to a reduction based upon Medicare coverage, the State's contribution towards the basic program of group health benefits for such General Assembly members shall be exactly 50% of the applicable premiums, charges, or other fees owed. Provides that the provisions requiring 50% contribution for retired General Assembly member health benefits do not apply to any person who previously served as a member of the General Assembly in either house prior to the second Wednesday of January of 2019. Makes conforming changes. Effective immediately.

**Senate Committee Amendment No. 1**

Replaces everything after the enacting clause. Reinserts the provisions of the bill as introduced, and provides that a current or retired member of the General Assembly who was sworn into or retired from office prior to the second Wednesday of January of 2019 may elect to be responsible for exactly 50% the applicable premiums, charges, or other fees for the basic program of group health benefits.

**Last Action**

Date	Chamber	Action
5/2/2018	House	Arrived in House

**SB 2608** PEN CD-SERS-STATE POLICE**Sponsor** Sen. Mulroe; Rep. Martwick

**Committee Hearing:** Personnel & Pensions Committee Hearing May 10 2018 9:00AM Capitol Building Room 122B Springfield, IL

**Synopsis As Introduced**

Amends the State Employee Article of the Illinois Pension Code. Authorizes a State policeman to elect to establish eligible creditable service for up to 5 years of service as a full-time law enforcement officer employed by the federal government or by a state or local government located outside of Illinois for which credit is not held in any other public employee pension fund or retirement system. Provides that to obtain that credit, the applicant must file a written application with the Board, accompanied by evidence of eligibility acceptable to the Board and payment of a specified amount to be determined by the Board. Excludes a benefit increase resulting from the amendatory Act from the definition of "new benefit increase". Effective immediately.

**Last Action**

Date	Chamber	Action
4/26/2018	House	Assigned to Personnel & Pensions Committee

**Synopsis As Introduced**

Amends the State Universities Article of the Illinois Pension Code. Provides that if an employer fails to transmit required contributions to the System for more than 120 days after the payment of those contributions is due, the Board may certify to the State Comptroller the amount of those delinquent employer contributions and the State Comptroller shall deduct the certified amount from State funds to the employer and remit the amount deducted to the System. Provides that if State funds from which those deductions may be made are not available or if deductions are delayed for longer than 120 days after the date of the certification to the Comptroller, the Board may proceed against the employer to recover the amounts of such delinquent payments in the appropriate circuit court. Adds similar provisions if the employer is a community college district. Makes other changes. Effective immediately.

**Senate Floor Amendment No. 1**

Replaces everything after the enacting clause. Amends the State Universities Article of the Illinois Pension Code. Provides that for State fiscal years (rather than academic years) beginning on or after July 1, 2017, if the amount of a participant's earnings for any State fiscal year exceeds the amount of the salary set by law for the Governor that is in effect on July 1 of that fiscal year (rather than the salary set for the Governor), the participant's employer shall pay to the System an additional contribution. Provides that the additional contribution may be paid within 90 days after issuance (rather than receipt) of the bill. Provides that if the employer contributions are not paid within 90 days after issuance (rather than receipt) of the bill, then interest will be charged at a specified rate compounded annually from the 91st day after issuance (rather than receipt) of the bill. Provides that all payments must be received (rather than concluded) within 3 years after issuance (rather than the employer's receipt) of the bill. Provides that if the employer fails to make complete payment, including payment of any applicable interest, within 3 years, then the System may, after giving notice to the employer, certify the delinquent amount to the State Comptroller, and the Comptroller shall thereupon deduct the certified delinquent amount from State funds payable to the employer and pay them instead to the System. Provides that the provisions concerning earnings in excess of the Governor's salary do not apply to the extent an employer pays the employer normal cost of such earnings. Provides that the changes are intended to apply retroactively to July 6, 2017. Effective immediately.

**Last Action**

Date	Chamber	Action
5/3/2018	House	Arrived in House

**HJR 106** NO TAXES ON RETIREMENT INCOME**Sponsor** Rep. David McSweeney**Synopsis As Introduced**

States the belief that the Illinois Income Tax Act should not be amended to permit taxing retirement income.

**Last Action**

Date	Chamber	Action
4/19/2018	House	To Income Tax Subcommittee

**HJRCA 44** RETIREMENT INCOME TAXATION**Sponsor** Rep. Allen Skillicorn**Synopsis As Introduced**

Proposes to amend the Revenue Article of the Illinois Constitution. Provides that there shall be no tax imposed by the State upon retirement income. Defines "retirement income". Effective upon being declared adopted.

**Last Action**

Date	Chamber	Action
4/17/2018	House	Referred to Rules Committee