



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Details (With Text)

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11/4/2010	1	Committee of the Whole	Recommended	Pass
11/4/2010	1	Board of Commissioners	Approved	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF NOVEMBER 4, 2010

COMMITTEE ON STATE LEGISLATION AND RULES

Mr. Richard Lanyon, Executive Director

Authority for the MWRD Retirement Fund Recommendation for the State of Illinois 2010 Legislative Program

Dear Sir:

Earlier this year, Governor Quinn signed Public Act 96-0889, creating a separate tier of retirement benefits for Retirement Fund members entering service after December 31, 2010. The Fund anticipates a trailer bill being introduced during the veto session this Fall to clarify some of the issues created by this bill. Due to the passage of PA 96-0889, a technical change is required to allow employees to receive a refund of contributions if they are not eligible for a retirement annuity. We would like to include a technical change in the anticipated trailer bill.

As the Statutes currently read, upon termination of District employment, certain employees will not be entitled to either a refund of contributions or a monthly retirement annuity. The current statutes do not provide for a refund of contributions for an employee age 60 or over with 5 or more years of service. An employee hired after December 31, 2010 will need to reach age 62 with at least 10 years of service to be eligible for a retirement annuity.

To remediate this situation, the Trustees propose adding language to 40 ILCS 5/13-601(a) to provide a refund of contributions to an employee who withdraws prior to age 62 regardless of service and for an employee who withdraws after age 62 with less than 10 years of service.

At its October 27, 2010 meeting, the Retirement Board of Trustees approved a legislative initiative to amend 40 ILCS 5/13-601(a) to make provisions for those employees entering service after December 31, 2010 who withdraw from service and are ineligible for an annuity to be eligible to receive a refund of contributions.

The proposed change would not have any impact on the costs or liabilities of the Fund.

Requested, Susan A. Boutin, Executive Director, MWRD Retirement Fund

Respectfully Submitted, Gloria Alitto Majewski, Chairman Committee on Pension, Personnel Relations and Civil Service

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for November 4, 2010