

# State Universities Annuitants Association



217 East Monroe Street, Suite 100  
Springfield, Illinois 62701  
voice: 217.523.4040 fax: 217.523.4044

Email: [suaa@suaa.org](mailto:suaa@suaa.org) Website: [www.suaa.org](http://www.suaa.org)

Lunch with Staff  
Monday, June 6  
RSVP to Joni at  
217.523.4040

## SUAA Mini Briefing April 15, 2016

Travel with SUAA to  
ICELAND  
to see the  
Northern Lights

### April 18<sup>th</sup> is the Official Tax Deadline for 2016!

★ Normally April 15<sup>th</sup> is the deadline for filing your taxes or apply for an extension. However, because Emancipation Day is being observed in Washington D.C., the official tax deadline was moved to Monday, April 18<sup>th</sup>!

Emancipation Day is set aside to commemorate the signing of the [Emancipation Act](#) by President Abraham Lincoln. Emancipation Day is a legal holiday in Washington D.C. City workers have a day off from their jobs. Normally this day is celebrated on April 16, but since it falls on Saturday, the date was moved to the closest weekday. No doubt observances, holidays and deadlines can get complicated.

★ Many of you might have noticed that SB 2046 AM 001 was passed in the House on Wednesday and the Senate on Thursday. Without the passage of this bill, the Comptroller has no authority to pay for social services or colleges and universities. However, nothing in this bill requires the Governor's Administration to spend any of this money that was appropriated.

From this passage the following appropriations could be made from the Education Assistance Fund to these campuses:

- Chicago State University - \$33,512,100
- Governors State University - \$22,498,000
- Illinois Community College Board for distribution of base operating and equalization grants to qualifying public community colleges and City Colleges of Chicago - \$274,601,000
- Illinois Community College Board for career and technical education activities - \$17,569,400

- Illinois Community College Board for adult education and literacy activities – 21,572,400
- Illinois Community College Board for associated with education and educational-related services to local eligible providers for performance-based awards - \$10,701,600
- Illinois Mathematics and Science Academy - \$17,129,200
- Northeastern Illinois University - \$34,500,300
- Southern Illinois University - \$185,426,500
- University of Illinois - \$545,127,300
- University of Illinois Hospital - \$41,128,300
- University of Illinois School of Labor and Employment Relations - \$1,144,300
- Eastern Illinois University - \$40,182,200
- Illinois State University - \$67,532,000
- Northern Illinois University - \$85,171,700
- Western Illinois University - \$48,101,300

From the General Revenue Fund:

- Illinois Community College Board for Career and Technical Education Licensed Practical Nurse and Registered Nurse Preparation - \$500,000
- Monetary Award Program - \$397,073,100

The Governor states that he will veto this bill. Please call the Governor's Office to request that he sign SB 2046 Amendment 001. Springfield [217.782.6830](tel:217.782.6830) or Chicago [312.814.2121](tel:312.814.2121)

★ Other legislative bills of interest:

**HB 1334** creates the Retirement Means Retirement Act

Sponsor Rep. Jack Franks

Votes: 105 – 002 – 002 Headed to the Senate

Under subsection (c) of 40 ILCS 5/15-139, a SURS annuitant who returns to work must elect to forgo his or her retirement annuity payments in order to receive service credit for the duration of that re-employment. Upon subsequent retirement, the amount of the retirement annuity is recalculated and retirement annuity payments resume.

**HB 3408** Exclude Allowances for Housing and Vehicles from SURS Pensions

Sponsor Rep. Stephanie Kifowit

Still on Calendar 2<sup>nd</sup> Reading in the House

House Amendment 2 additionally amends the definitions of basic compensation and earnings to exclude club memberships or dues from the calculation of pensions for individuals who first become participants of SURS on and after the effective date of the legislation.

**HB 4259** SURS Participation Limited to Public Employees

Sponsor Rep. Martin Moylan

Votes: 111- 000 - 000 Referred to Assignments in the Senate

Specifically, the bill excludes certain private employees from participation in the Illinois Municipal Retirement Fund, State Universities Retirement System and the Teachers Retirement System.

For SURS this could include: certain associations of community School Administrators, the Association of Illinois Middle-Grade Schools, the Illinois Association of School Administrators, the Illinois Association for Supervision and Curriculum Development, the Illinois Principals Association, The Illinois Association of School Business Officials, and the Illinois Special Olympics. The bill also gives the SURS Board of Trustees final determination as to whether a person is an employee covered under SURS.

**HB 6021-** Restore Survivors Insurance Benefits

Sponsor(s): Representative Sam Yingling

Votes: 102 – 004 – 000 Senator Biss in Senate is sponsor

House Amendment #1 to House Bill 6021 reinserts the language of the underlying bill with technical changes. It also provides that the election period begins 5 months after the effective date of the legislation.

HB 6021 allows eligible State Universities Retirement System (“SURS”) retirees to restore their survivors insurance benefits by making an election within one year of the effective date of the legislation, to repay their survivors refund or annuity, along with interest compounded at the actuarially assumed rate of return, to SURS. The compounded interest applies from the date of issuance of the refund, or the date of issuance of each annuity payment, until repayment is made to SURS. Full repayment must be made as a lump sum payment prior to the date of the retiree’s death.

An eligible SURS retiree must meet the following requirements:

- He or she retired before June 1, 2011 and received a refund or annuity equal to the amount of his or her survivors insurance contributions;
- He or she is a party to a:
  - Civil union or legal relationship that is recognized as a civil union or marriage on or after June 1, 2011;
  - Marriage on or after February 26, 2014; or

- Marriage, civil union, or other legal relationship that was not recognized in Illinois as a civil union or marriage until June 1, 2011, a marriage until February 26, 2014, or both.

HB 6021 makes similar changes under Illinois Municipal Retirement Fund and Teachers Retirement System.

HB 6021 is very similar to House Bill 2520 of the 99th General Assembly, as introduced.

**HB 6030** - Public Retirement Systems and Pension Funds Perform Checks for Deceased Annuitants. Added Amendment 1 to include all pension funds.

Sponsor(s): Representative Deborah Conroy

Votes: 112 – 000 – 000 Referred to Assignments in the Senate

HB 6030 requires every pension fund and retirement system under the Illinois Pension Code to develop and implement, by June 30, 2017, a process to identify deceased annuitants.

HB 6030 requires each pension fund or retirement system to check for deceased annuitants at least once per month and to use common methods to identify deceased persons, including:

- The use of a third party entity that specializes in identifying deceased persons;
- The use of data provided by the Social Security Administration;
- The use of data provided by the Illinois Department of Public Health’s Office of Vital Records; or
- The use of any other method commonly used by other states to identify deceased persons.

HB 6030 also amends the Vital Records Act to require any information contained in the vital records to be made available to any pension fund or retirement system under the Illinois Pension Code in conformance with these requirements

Bills that did not pass out of assigned House and Senate committees:

HB 4398 – No Earnings or Service Credit for Unused Sick or Vacation Time

HB 4984 - Employers Pay Cost of Salary Increases above Inflation

HB 4310 – ST Group Ins-Retired Teachers (TRIP)

SB 2402 - SURS Self-Managed Plan Lump Sum Distribution Retirees Receive Health Insurance upon Returning to Work.

★ Today was the last day to file amendments to bills in the House. Deputy House Majority Leader Lou Lang filed an amendment to **HB 689** which sets the income tax brackets for a progressive income tax. Of course the progressive income tax would have to be on the ballot for the November General Election in order for this bill to pass.

For those filing jointly with income less than \$200,000 the tax would be 3.5%

Income between \$200,000 and \$750,000 would be taxed at 3.75%

Income between \$750,000 and \$1,500,000 would be subject to an 8.75% tax rate

Income over \$1,500,000 would be taxed at 9.75%

Corporate Income Tax is not changed.

Comment coming from the Governor – “It would break the state’s economy”

For other comments follow this link <http://capitolfax.com/2016/04/15/the-straw-that-breaks-the-illinois-economy%E2%80%99s-back/>

The legislature will begin to act on Constitutional Amendments in May in order to get on the General Election Ballot.

★ House and Senate will return on Monday, April 18<sup>th</sup> at 3:00 p.m.  
Deadline for 3<sup>rd</sup> Reading in both House and Senate is Friday, April 22<sup>nd</sup>

In observance of Passover, the Legislature will be not be scheduled between late afternoon on April 22<sup>nd</sup> and April 30<sup>th</sup>. The legislators will return on Tuesday, May 3<sup>rd</sup>.

Please join us at the Rally on Wednesday, April 20<sup>th</sup> – Information attached.

Also, join SUAA’s Awareness Campaign to fund Higher Education – Flyer attached!

