



*Changes in Reciprocal Service*

Under the Cook County Article of the Illinois Pension Code, any employee who has rendered service to any governmental unit under the Retirement Systems Reciprocal Act and did not make a contribution to the retirement system covered by the Reciprocal Act due to ineligibility for participation may still receive credit for such service, under limited conditions. One such condition is the requirement that the employee pays to the applicable fund the amounts that he or she would have paid to the fund as an active member, plus interest at the rate in effect for the applicable fund. Effectively, SB 2817 limits this method for establishing reciprocal service to employees who first become members on or before the effective date of this bill.

*Mistakes in the Calculation of Benefits*

In cases where mistakes in calculation of benefits occur, which is rare, CCPF notes that current law allows the board of CCPF authority to correct errors in calculation, and CCPF has corrected errors on calculation in the past. However, this bill is being sought to attempt to clarify ambiguousness on the current law. The correction prescribed by SB 2817, as amended by SA1 as follows:

- If the benefit is too low by mistake, a lump sum payment equal to the difference between the amount that should have been paid and that have actually been paid, without interest, shall be paid.
- If the benefit is too high by mistake, it shall be recalculated and the recipient shall recover the overpaid amount directly or by receiving reduced benefits by such amount, without interest. In cases of deduction of the overpaid benefits, the monthly deductions shall not exceed 10% of the corrected monthly benefit unless otherwise indicated by the recipient. However, the recipient or beneficiary doesn't have to repay the System the overpaid amount if 1) the errors weren't discovered for 3 years or longer and 2) the mistake occurred not due to incorrect information supplied by the employer, the recipient, or any beneficiary.

JB:dkb

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