



State Universities Retirement System of Illinois

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Serving Illinois Community Colleges and Universities

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## **House Joint Resolution Constitutional Amendment 49**

**Sponsors: House Speaker Michael Madigan and Senate President John Cullerton**

On the November ballot, you will be asked to vote for or against House Joint Resolution Constitutional Amendment 49 (HJRCA 49).

### **Brief Synopsis**

HRJCA 49 proposes to amend the Illinois Constitution by requiring that all legislation, ordinances, determinations, rules and resolutions that increase public employee pension benefits receive a three-fifths majority (supermajority) vote of the governing body considering the proposal before it takes effect. The amendment would govern the actions of the General Assembly, local governments, governmental employers, retirement systems, and special districts throughout the state. Pending voter approval in November, just about any action resulting in an increase in benefits would require a supermajority vote, except for actions authorizing pay increases.

HJRCA 49 has been adopted by both the House and the Senate and must now be approved by the voters in the November 2012 General Election.

### **Detailed Analysis**

HJRCA 49 proposes to amend the Constitution (pending voter approval in November) to require a supermajority vote for pension “benefit increases.” The constitutional amendment provides that no bill (except an appropriations bill) that provides a pension benefit increase shall become law unless it receives a 3/5ths vote in each legislative chamber. If the Governor vetoes a bill that has provided a pension benefit increase, it will require a 2/3rds vote in each chamber to override the veto.

- A review of pension-related legislation approved by the Illinois General Assembly over the previous 10 to 15 years has shown that all have passed with many more votes than a 51% majority.

HJRCA 49 also provides that an ordinance, resolution, rule or other action by a governing body or by an appointee/employee of the governing body of any unit of local government or school district that provides an

“emolument increase” to a member that increases the amount of his or her pension shall only be valid with a concurrence of 3/5ths of the members of that governing body.

HJRCA 49 also provides that no action of a governing body of a retirement system or local unit of government that results in a “beneficial determination” will be valid unless 3/5ths of the members of that governing body approve.

“**Benefit increase**” is defined as a change to any pension or other law that results in a member of a retirement system receiving a new benefit or an enhancement to a benefit, which includes, but is not limited to, the following:

- Increase in the amount of the pension or annuity that a member could receive upon retirement;
- Reduce or eliminate the eligibility requirements a member must meet to receive a pension; or
- Any change to any pension or other law that expands the class of persons who may become a member of any retirement system.

\* Increase in salary by itself shall not be considered a benefit increase.

“**Emolument increase**” is defined as the creation of a new or enhancement of an existing advantage, profit or gain that an official or employee receives by virtue of holding office or employment that includes, but is not limited to:

- Compensated time off, bonuses, incentives, or other forms of compensation.
- Increase in salary by itself, shall not be considered an emolument increase.

“**Beneficial determination**” means an interpretation or application of pension or other law by the governing body that reverses or supersedes a previous interpretation or application and either:

- Results in an increase in the amount of the pension or annuity received by a member of the retirement system; or
- Results in a person becoming eligible to receive a pension from the retirement system.

Status: Passed House with vote of 113-0; Passed Senate with vote of 51-2.