

SUPREME COURT OF ILLINOIS

Shields v. Judges' Retirement System of Illinois

204 Ill. 2d 488 (2003) · No. 94029 · Decided May 22, 2003

SUMMARY

The Illinois Supreme Court held that a retired judge whose pension benefits were forfeited following a felony conviction was entitled to a full refund of his contributions to the Judges' Retirement System. The court concluded that the governing felony-forfeiture provision created an unconditional right to a refund and did not authorize deducting benefits paid before the conviction. The court reversed the appellate court and affirmed the circuit court's judgment.

CASE DETAILS

COURT	Supreme Court of Illinois
WRITING FOR THE COURT	Justice Kilbride
JURISDICTION	Illinois
DECIDED	May 22, 2003
DOCKET	94029
DISPOSITION	reversed
PROCEDURAL POSTURE	Shields sought administrative review of the Board of Trustees' calculation of his refund after his judicial pension benefits were forfeited following a felony conviction. The circuit court of Cook County ordered a full refund of his contributions. The appellate court reversed, and the Illinois Supreme Court granted leave to appeal.
STANDARD OF REVIEW	De novo review of the Board's decision because the case presented a question of statutory interpretation and no contested issues of fact.
PRECEDENTIAL VALUE	Published precedential opinion of the Supreme Court of Illinois
PARTIES	David J. Shields v. Judges' Retirement System of Illinois, Board of Trustees of the Judges' Retirement System

TOPICS

- statutory interpretation
- plain meaning rule
- legislative intent
- administrative law
- judicial review of agency action

PRACTICE AREAS

Pension law

Administrative law

Statutory interpretation

Public employee benefits

QUESTIONS PRESENTED

1. Whether section 18-163 of the Illinois Pension Code unconditionally preserves a retired judge's right to a refund of all contributions after pension benefits are forfeited because of a felony conviction.
2. Whether section 18-129(c), which provides for a net refund in certain situations involving deceased annuitants, authorizes deduction of benefits previously paid from the contributions refundable to a living annuitant whose benefits were forfeited.
3. Whether the Judges' Retirement System may recoup benefits paid before the date of the felony conviction by deducting those payments from the refund of contributions.

HOLDINGS

1. Section 18-163 unconditionally preserves the right of a participant or annuitant whose benefits are forfeited because of a felony conviction to receive a refund of contributions, and the court may not impose conditions or deductions not required by the statutory language.
2. Section 18-129(c), governing refunds in specified circumstances involving deceased annuitants, does not apply to an annuitant whose benefits are forfeited under the felony-forfeiture provision.
3. The System may not deduct benefits properly paid before Shields's conviction from his total contributions because doing so would constitute an unauthorized recoupment and would impose a limitation inconsistent with section 18-163.
4. A pension board's statutory interpretation is reviewed de novo when the dispute presents a question of law.

KEY QUOTATIONS

“Most importantly, we note that section 18–163 contains no limitation on the right to a refund. In other words, the right to the refund is unconditional.”

“Thus, we conclude that section 18–129 of the Code has no application to refunds due annuitants whose benefits have been forfeited.”

FACTUAL BACKGROUND

David J. Shields retired as an Illinois judge in November 1990 and began receiving benefits from the Judges' Retirement System. He was later convicted of federal felonies relating to his judicial service, and his pension benefits were terminated effective on the date of conviction under section 18-163 of the Illinois Pension Code. Shields had contributed \$113,222 and had received \$75,349 in benefits before the termination. The Board awarded only the difference between those amounts, but the circuit court ordered a full refund of all contributions.

PROCEDURAL HISTORY

The Judges' Retirement System Board awarded Shields a refund equal only to his contributions minus benefits already paid. On administrative review, the circuit court set aside the Board's decision and ordered a full refund of \$113,222. The appellate court reversed. The Illinois Supreme Court reversed the appellate court and affirmed the circuit court.

DISPOSITION

reversed

CASES CITED

- United States v. Shields, 999 F.2d 1090 (7th Cir. 1993)
- City of Belvidere v. Illinois State Labor Relations Board, 181 Ill. 2d 191, 205 (1998)
- City of Decatur v. American Federation of State, County, & Municipal Employees, Local 268, 122 Ill. 2d 353, 361 (1988)
- In re C.W., 199 Ill. 2d 198, 211 (2002)
- Reda v. Advocate Health Care, 199 Ill. 2d 47, 55 (2002)
- Fumarolo v. Chicago Board of Education, 142 Ill. 2d 54, 96 (1990)
- Matsuda v. Cook County Employees' & Officers' Annuity & Benefit Fund, 178 Ill. 2d 360, 365-66 (1997)
- Janata v. Police Pension Fund, 140 Ill. App. 3d 925, 927 (1986)
- People ex rel. Wright v. Board of Trustees of the Teachers' Retirement System, 157 Ill. App. 3d 573, 579 (1987)
- Phelan v. Village of LaGrange Park Police Pension Fund, 327 Ill. App. 3d 527, 536 (2001)
- Petersen v. Wallach, 198 Ill. 2d 439, 448 (2002)
- Kerner v. State Employees' Retirement System, 72 Ill. 2d 507, 513 (1978)

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