



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB0445

by Rep. Jeanne M Ives

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Pension Code. With respect to the 5 State-funded Retirement Systems: requires each System to prepare and implement a Tier 3 plan by July 1, 2018 that aggregates State and employee contributions in individual participant accounts which are used for payouts after retirement. Provides that a Tier 1 or Tier 2 participant may irrevocably elect to participate in the Tier 3 plan instead of the defined benefit plan; makes conforming changes. Authorizes a Tier 1 or Tier 2 participant who elects to participate in the Tier 3 plan to elect to terminate all participation in the defined benefit plan and to have a specified amount credited to his or her account under the Tier 3 plan. Provides that the Tier 3 plan supersedes the defined contribution plan created under P.A. 98-599 for certain Tier 1 participants. Requires each System to report on its progress in establishing the Tier 3 plan to the Governor and the General Assembly by January 15, 2018. Provides that "new benefit increase" does not include any benefit increase resulting from the changes made by the amendatory Act. In the Downstate Teachers, State Employees, and State Universities Articles, authorizes a person to elect not to participate or to terminate his or her participation in those Systems. In the General Assembly and Judges Articles, authorizes a participant to terminate his or her participation in the System. Makes related changes in the Retirement Systems Reciprocal Act (Article 20 of the Code) and the State Employees Group Insurance Act of 1971. Makes other changes. Effective immediately.

LRB100 05375 RPS 15386 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The State Employees Group Insurance Act of 1971
5 is amended by changing Sections 3 and 10 as follows:

6 (5 ILCS 375/3) (from Ch. 127, par. 523)

7 Sec. 3. Definitions. Unless the context otherwise
8 requires, the following words and phrases as used in this Act
9 shall have the following meanings. The Department may define
10 these and other words and phrases separately for the purpose of
11 implementing specific programs providing benefits under this
12 Act.

13 (a) "Administrative service organization" means any
14 person, firm or corporation experienced in the handling of
15 claims which is fully qualified, financially sound and capable
16 of meeting the service requirements of a contract of
17 administration executed with the Department.

18 (b) "Annuitant" means (1) an employee who retires, or has
19 retired, on or after January 1, 1966 on an immediate annuity
20 under the provisions of Article ~~Articles~~ 2 (including an
21 employee who, in lieu of receiving an annuity under that
22 Article, has retired under the Tier 3 plan established under
23 Section 2-165.5 of that Article), 14 (including an employee who

1 has elected to receive an alternative retirement cancellation
2 payment under Section 14-108.5 of the Illinois Pension Code in
3 lieu of an annuity or an employee who, in lieu of receiving an
4 annuity under that Article, has retired under the Tier 3 plan
5 established under Section 14-155.5 of that Article), or 15
6 (including an employee who has retired under the optional
7 retirement program established under Section 15-158.2 or the
8 Tier 3 plan established under Section 15-155.5 of the Illinois
9 Pension Code), paragraphs (2), (3), or (5) of Section 16-106
10 (including an employee who, in lieu of receiving an annuity
11 under that Article, has retired under the Tier 3 plan
12 established under Section 16-205.5 of the Illinois Pension
13 Code), or Article 18 (including an employee who, in lieu of
14 receiving an annuity under that Article, has retired under the
15 Tier 3 plan established under Section 18-121.5 of that Article)
16 of the Illinois Pension Code; (2) any person who was receiving
17 group insurance coverage under this Act as of March 31, 1978 by
18 reason of his status as an annuitant, even though the annuity
19 in relation to which such coverage was provided is a
20 proportional annuity based on less than the minimum period of
21 service required for a retirement annuity in the system
22 involved; (3) any person not otherwise covered by this Act who
23 has retired as a participating member under Article 2 of the
24 Illinois Pension Code but is ineligible for the retirement
25 annuity under Section 2-119 of the Illinois Pension Code; (4)
26 the spouse of any person who is receiving a retirement annuity

1 under Article 18 of the Illinois Pension Code and who is
2 covered under a group health insurance program sponsored by a
3 governmental employer other than the State of Illinois and who
4 has irrevocably elected to waive his or her coverage under this
5 Act and to have his or her spouse considered as the "annuitant"
6 under this Act and not as a "dependent"; or (5) an employee who
7 retires, or has retired, from a qualified position, as
8 determined according to rules promulgated by the Director,
9 under a qualified local government, a qualified rehabilitation
10 facility, a qualified domestic violence shelter or service, or
11 a qualified child advocacy center. (For definition of "retired
12 employee", see (p) post).

13 (b-5) (Blank).

14 (b-6) (Blank).

15 (b-7) (Blank).

16 (c) "Carrier" means (1) an insurance company, a corporation
17 organized under the Limited Health Service Organization Act or
18 the Voluntary Health Services Plan Act, a partnership, or other
19 nongovernmental organization, which is authorized to do group
20 life or group health insurance business in Illinois, or (2) the
21 State of Illinois as a self-insurer.

22 (d) "Compensation" means salary or wages payable on a
23 regular payroll by the State Treasurer on a warrant of the
24 State Comptroller out of any State, trust or federal fund, or
25 by the Governor of the State through a disbursing officer of
26 the State out of a trust or out of federal funds, or by any

1 Department out of State, trust, federal or other funds held by
2 the State Treasurer or the Department, to any person for
3 personal services currently performed, and ordinary or
4 accidental disability benefits under Articles 2, 14, 15
5 (including ordinary or accidental disability benefits under
6 the optional retirement program established under Section
7 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
8 Article 18 of the Illinois Pension Code, for disability
9 incurred after January 1, 1966, or benefits payable under the
10 Workers' Compensation or Occupational Diseases Act or benefits
11 payable under a sick pay plan established in accordance with
12 Section 36 of the State Finance Act. "Compensation" also means
13 salary or wages paid to an employee of any qualified local
14 government, qualified rehabilitation facility, qualified
15 domestic violence shelter or service, or qualified child
16 advocacy center.

17 (e) "Commission" means the State Employees Group Insurance
18 Advisory Commission authorized by this Act. Commencing July 1,
19 1984, "Commission" as used in this Act means the Commission on
20 Government Forecasting and Accountability as established by
21 the Legislative Commission Reorganization Act of 1984.

22 (f) "Contributory", when referred to as contributory
23 coverage, shall mean optional coverages or benefits elected by
24 the member toward the cost of which such member makes
25 contribution, or which are funded in whole or in part through
26 the acceptance of a reduction in earnings or the foregoing of

1 an increase in earnings by an employee, as distinguished from
2 noncontributory coverage or benefits which are paid entirely by
3 the State of Illinois without reduction of the member's salary.

4 (g) "Department" means any department, institution, board,
5 commission, officer, court or any agency of the State
6 government receiving appropriations and having power to
7 certify payrolls to the Comptroller authorizing payments of
8 salary and wages against such appropriations as are made by the
9 General Assembly from any State fund, or against trust funds
10 held by the State Treasurer and includes boards of trustees of
11 the retirement systems created by Articles 2, 14, 15, 16 and 18
12 of the Illinois Pension Code. "Department" also includes the
13 Illinois Comprehensive Health Insurance Board, the Board of
14 Examiners established under the Illinois Public Accounting
15 Act, and the Illinois Finance Authority.

16 (h) "Dependent", when the term is used in the context of
17 the health and life plan, means a member's spouse and any child
18 (1) from birth to age 26 including an adopted child, a child
19 who lives with the member from the time of the filing of a
20 petition for adoption until entry of an order of adoption, a
21 stepchild or adjudicated child, or a child who lives with the
22 member if such member is a court appointed guardian of the
23 child or (2) age 19 or over who has a mental or physical
24 disability from a cause originating prior to the age of 19 (age
25 26 if enrolled as an adult child dependent). For the health
26 plan only, the term "dependent" also includes (1) any person

1 enrolled prior to the effective date of this Section who is
2 dependent upon the member to the extent that the member may
3 claim such person as a dependent for income tax deduction
4 purposes and (2) any person who has received after June 30,
5 2000 an organ transplant and who is financially dependent upon
6 the member and eligible to be claimed as a dependent for income
7 tax purposes. A member requesting to cover any dependent must
8 provide documentation as requested by the Department of Central
9 Management Services and file with the Department any and all
10 forms required by the Department.

11 (i) "Director" means the Director of the Illinois
12 Department of Central Management Services.

13 (j) "Eligibility period" means the period of time a member
14 has to elect enrollment in programs or to select benefits
15 without regard to age, sex or health.

16 (k) "Employee" means and includes each officer or employee
17 in the service of a department who (1) receives his
18 compensation for service rendered to the department on a
19 warrant issued pursuant to a payroll certified by a department
20 or on a warrant or check issued and drawn by a department upon
21 a trust, federal or other fund or on a warrant issued pursuant
22 to a payroll certified by an elected or duly appointed officer
23 of the State or who receives payment of the performance of
24 personal services on a warrant issued pursuant to a payroll
25 certified by a Department and drawn by the Comptroller upon the
26 State Treasurer against appropriations made by the General

1 Assembly from any fund or against trust funds held by the State
2 Treasurer, and (2) is employed full-time or part-time in a
3 position normally requiring actual performance of duty during
4 not less than 1/2 of a normal work period, as established by
5 the Director in cooperation with each department, except that
6 persons elected by popular vote will be considered employees
7 during the entire term for which they are elected regardless of
8 hours devoted to the service of the State, and (3) except that
9 "employee" does not include any person who is not eligible by
10 reason of such person's employment to participate in one of the
11 State retirement systems under Articles 2, 14, 15 (either the
12 regular Article 15 system or the optional retirement program
13 established under Section 15-158.2) or 18, or under paragraph
14 (2), (3), or (5) of Section 16-106, of the Illinois Pension
15 Code, but such term does include persons who are employed
16 during the 6 month qualifying period under Article 14 of the
17 Illinois Pension Code. Such term also includes any person who
18 (1) after January 1, 1966, is receiving ordinary or accidental
19 disability benefits under Articles 2, 14, 15 (including
20 ordinary or accidental disability benefits under the optional
21 retirement program established under Section 15-158.2),
22 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of
23 the Illinois Pension Code, for disability incurred after
24 January 1, 1966, (2) receives total permanent or total
25 temporary disability under the Workers' Compensation Act or
26 Occupational Disease Act as a result of injuries sustained or

1 illness contracted in the course of employment with the State
2 of Illinois, or (3) is not otherwise covered under this Act and
3 has retired as a participating member under Article 2 of the
4 Illinois Pension Code but is ineligible for the retirement
5 annuity under Section 2-119 of the Illinois Pension Code.
6 However, a person who satisfies the criteria of the foregoing
7 definition of "employee" except that such person is made
8 ineligible to participate in the State Universities Retirement
9 System by clause (4) of subsection (a) of Section 15-107 of the
10 Illinois Pension Code is also an "employee" for the purposes of
11 this Act. "Employee" also includes any person receiving or
12 eligible for benefits under a sick pay plan established in
13 accordance with Section 36 of the State Finance Act. "Employee"
14 also includes (i) each officer or employee in the service of a
15 qualified local government, including persons appointed as
16 trustees of sanitary districts regardless of hours devoted to
17 the service of the sanitary district, (ii) each employee in the
18 service of a qualified rehabilitation facility, (iii) each
19 full-time employee in the service of a qualified domestic
20 violence shelter or service, and (iv) each full-time employee
21 in the service of a qualified child advocacy center, as
22 determined according to rules promulgated by the Director.

23 (1) "Member" means an employee, annuitant, retired
24 employee or survivor. In the case of an annuitant or retired
25 employee who first becomes an annuitant or retired employee on
26 or after the effective date of this amendatory Act of the 97th

1 General Assembly, the individual must meet the minimum vesting
2 requirements of the applicable retirement system in order to be
3 eligible for group insurance benefits under that system. In the
4 case of a survivor who first becomes a survivor on or after the
5 effective date of this amendatory Act of the 97th General
6 Assembly, the deceased employee, annuitant, or retired
7 employee upon whom the annuity is based must have been eligible
8 to participate in the group insurance system under the
9 applicable retirement system in order for the survivor to be
10 eligible for group insurance benefits under that system.

11 (m) "Optional coverages or benefits" means those coverages
12 or benefits available to the member on his or her voluntary
13 election, and at his or her own expense.

14 (n) "Program" means the group life insurance, health
15 benefits and other employee benefits designed and contracted
16 for by the Director under this Act.

17 (o) "Health plan" means a health benefits program offered
18 by the State of Illinois for persons eligible for the plan.

19 (p) "Retired employee" means any person who would be an
20 annuitant as that term is defined herein but for the fact that
21 such person retired prior to January 1, 1966. Such term also
22 includes any person formerly employed by the University of
23 Illinois in the Cooperative Extension Service who would be an
24 annuitant but for the fact that such person was made ineligible
25 to participate in the State Universities Retirement System by
26 clause (4) of subsection (a) of Section 15-107 of the Illinois

1 Pension Code.

2 (q) "Survivor" means a person receiving an annuity as a
3 survivor of an employee or of an annuitant. "Survivor" also
4 includes: (1) the surviving dependent of a person who satisfies
5 the definition of "employee" except that such person is made
6 ineligible to participate in the State Universities Retirement
7 System by clause (4) of subsection (a) of Section 15-107 of the
8 Illinois Pension Code; (2) the surviving dependent of any
9 person formerly employed by the University of Illinois in the
10 Cooperative Extension Service who would be an annuitant except
11 for the fact that such person was made ineligible to
12 participate in the State Universities Retirement System by
13 clause (4) of subsection (a) of Section 15-107 of the Illinois
14 Pension Code; and (3) the surviving dependent of a person who
15 was an annuitant under this Act by virtue of receiving an
16 alternative retirement cancellation payment under Section
17 14-108.5 of the Illinois Pension Code.

18 (q-2) "SERS" means the State Employees' Retirement System
19 of Illinois, created under Article 14 of the Illinois Pension
20 Code.

21 (q-3) "SURS" means the State Universities Retirement
22 System, created under Article 15 of the Illinois Pension Code.

23 (q-4) "TRS" means the Teachers' Retirement System of the
24 State of Illinois, created under Article 16 of the Illinois
25 Pension Code.

26 (q-5) (Blank).

1 (q-6) (Blank).

2 (q-7) (Blank).

3 (r) "Medical services" means the services provided within
4 the scope of their licenses by practitioners in all categories
5 licensed under the Medical Practice Act of 1987.

6 (s) "Unit of local government" means any county,
7 municipality, township, school district (including a
8 combination of school districts under the Intergovernmental
9 Cooperation Act), special district or other unit, designated as
10 a unit of local government by law, which exercises limited
11 governmental powers or powers in respect to limited
12 governmental subjects, any not-for-profit association with a
13 membership that primarily includes townships and township
14 officials, that has duties that include provision of research
15 service, dissemination of information, and other acts for the
16 purpose of improving township government, and that is funded
17 wholly or partly in accordance with Section 85-15 of the
18 Township Code; any not-for-profit corporation or association,
19 with a membership consisting primarily of municipalities, that
20 operates its own utility system, and provides research,
21 training, dissemination of information, or other acts to
22 promote cooperation between and among municipalities that
23 provide utility services and for the advancement of the goals
24 and purposes of its membership; the Southern Illinois
25 Collegiate Common Market, which is a consortium of higher
26 education institutions in Southern Illinois; the Illinois

1 Association of Park Districts; and any hospital provider that
2 is owned by a county that has 100 or fewer hospital beds and
3 has not already joined the program. "Qualified local
4 government" means a unit of local government approved by the
5 Director and participating in a program created under
6 subsection (i) of Section 10 of this Act.

7 (t) "Qualified rehabilitation facility" means any
8 not-for-profit organization that is accredited by the
9 Commission on Accreditation of Rehabilitation Facilities or
10 certified by the Department of Human Services (as successor to
11 the Department of Mental Health and Developmental
12 Disabilities) to provide services to persons with disabilities
13 and which receives funds from the State of Illinois for
14 providing those services, approved by the Director and
15 participating in a program created under subsection (j) of
16 Section 10 of this Act.

17 (u) "Qualified domestic violence shelter or service" means
18 any Illinois domestic violence shelter or service and its
19 administrative offices funded by the Department of Human
20 Services (as successor to the Illinois Department of Public
21 Aid), approved by the Director and participating in a program
22 created under subsection (k) of Section 10.

23 (v) "TRS benefit recipient" means a person who:

24 (1) is not a "member" as defined in this Section; and

25 (2) is receiving a monthly benefit or retirement
26 annuity under Article 16 of the Illinois Pension Code; and

1 (3) either (i) has at least 8 years of creditable
2 service under Article 16 of the Illinois Pension Code, or
3 (ii) was enrolled in the health insurance program offered
4 under that Article on January 1, 1996, or (iii) is the
5 survivor of a benefit recipient who had at least 8 years of
6 creditable service under Article 16 of the Illinois Pension
7 Code or was enrolled in the health insurance program
8 offered under that Article on the effective date of this
9 amendatory Act of 1995, or (iv) is a recipient or survivor
10 of a recipient of a disability benefit under Article 16 of
11 the Illinois Pension Code.

12 (w) "TRS dependent beneficiary" means a person who:

13 (1) is not a "member" or "dependent" as defined in this
14 Section; and

15 (2) is a TRS benefit recipient's: (A) spouse, (B)
16 dependent parent who is receiving at least half of his or
17 her support from the TRS benefit recipient, or (C) natural,
18 step, adjudicated, or adopted child who is (i) under age
19 26, (ii) was, on January 1, 1996, participating as a
20 dependent beneficiary in the health insurance program
21 offered under Article 16 of the Illinois Pension Code, or
22 (iii) age 19 or over who has a mental or physical
23 disability from a cause originating prior to the age of 19
24 (age 26 if enrolled as an adult child).

25 "TRS dependent beneficiary" does not include, as indicated
26 under paragraph (2) of this subsection (w), a dependent of the

1 survivor of a TRS benefit recipient who first becomes a
2 dependent of a survivor of a TRS benefit recipient on or after
3 the effective date of this amendatory Act of the 97th General
4 Assembly unless that dependent would have been eligible for
5 coverage as a dependent of the deceased TRS benefit recipient
6 upon whom the survivor benefit is based.

7 (x) "Military leave" refers to individuals in basic
8 training for reserves, special/advanced training, annual
9 training, emergency call up, activation by the President of the
10 United States, or any other training or duty in service to the
11 United States Armed Forces.

12 (y) (Blank).

13 (z) "Community college benefit recipient" means a person
14 who:

15 (1) is not a "member" as defined in this Section; and

16 (2) is receiving a monthly survivor's annuity or
17 retirement annuity under Article 15 of the Illinois Pension
18 Code; and

19 (3) either (i) was a full-time employee of a community
20 college district or an association of community college
21 boards created under the Public Community College Act
22 (other than an employee whose last employer under Article
23 15 of the Illinois Pension Code was a community college
24 district subject to Article VII of the Public Community
25 College Act) and was eligible to participate in a group
26 health benefit plan as an employee during the time of

1 employment with a community college district (other than a
2 community college district subject to Article VII of the
3 Public Community College Act) or an association of
4 community college boards, or (ii) is the survivor of a
5 person described in item (i).

6 (aa) "Community college dependent beneficiary" means a
7 person who:

8 (1) is not a "member" or "dependent" as defined in this
9 Section; and

10 (2) is a community college benefit recipient's: (A)
11 spouse, (B) dependent parent who is receiving at least half
12 of his or her support from the community college benefit
13 recipient, or (C) natural, step, adjudicated, or adopted
14 child who is (i) under age 26, or (ii) age 19 or over and
15 has a mental or physical disability from a cause
16 originating prior to the age of 19 (age 26 if enrolled as
17 an adult child).

18 "Community college dependent beneficiary" does not
19 include, as indicated under paragraph (2) of this subsection
20 (aa), a dependent of the survivor of a community college
21 benefit recipient who first becomes a dependent of a survivor
22 of a community college benefit recipient on or after the
23 effective date of this amendatory Act of the 97th General
24 Assembly unless that dependent would have been eligible for
25 coverage as a dependent of the deceased community college
26 benefit recipient upon whom the survivor annuity is based.

1 (bb) "Qualified child advocacy center" means any Illinois
2 child advocacy center and its administrative offices funded by
3 the Department of Children and Family Services, as defined by
4 the Children's Advocacy Center Act (55 ILCS 80/), approved by
5 the Director and participating in a program created under
6 subsection (n) of Section 10.

7 (Source: P.A. 98-488, eff. 8-16-13; 99-143, eff. 7-27-15.)

8 (5 ILCS 375/10) (from Ch. 127, par. 530)

9 Sec. 10. Contributions by the State and members.

10 (a) The State shall pay the cost of basic non-contributory
11 group life insurance and, subject to member paid contributions
12 set by the Department or required by this Section and except as
13 provided in this Section, the basic program of group health
14 benefits on each eligible member, except a member, not
15 otherwise covered by this Act, who has retired as a
16 participating member under Article 2 of the Illinois Pension
17 Code but is ineligible for the retirement annuity under Section
18 2-119 of the Illinois Pension Code, and part of each eligible
19 member's and retired member's premiums for health insurance
20 coverage for enrolled dependents as provided by Section 9. The
21 State shall pay the cost of the basic program of group health
22 benefits only after benefits are reduced by the amount of
23 benefits covered by Medicare for all members and dependents who
24 are eligible for benefits under Social Security or the Railroad
25 Retirement system or who had sufficient Medicare-covered

1 government employment, except that such reduction in benefits
2 shall apply only to those members and dependents who (1) first
3 become eligible for such Medicare coverage on or after July 1,
4 1992; or (2) are Medicare-eligible members or dependents of a
5 local government unit which began participation in the program
6 on or after July 1, 1992; or (3) remain eligible for, but no
7 longer receive Medicare coverage which they had been receiving
8 on or after July 1, 1992. The Department may determine the
9 aggregate level of the State's contribution on the basis of
10 actual cost of medical services adjusted for age, sex or
11 geographic or other demographic characteristics which affect
12 the costs of such programs.

13 The cost of participation in the basic program of group
14 health benefits for the dependent or survivor of a living or
15 deceased retired employee who was formerly employed by the
16 University of Illinois in the Cooperative Extension Service and
17 would be an annuitant but for the fact that he or she was made
18 ineligible to participate in the State Universities Retirement
19 System by clause (4) of subsection (a) of Section 15-107 of the
20 Illinois Pension Code shall not be greater than the cost of
21 participation that would otherwise apply to that dependent or
22 survivor if he or she were the dependent or survivor of an
23 annuitant under the State Universities Retirement System.

24 (a-1) (Blank).

25 (a-2) (Blank).

26 (a-3) (Blank).

1 (a-4) (Blank).

2 (a-5) (Blank).

3 (a-6) (Blank).

4 (a-7) (Blank).

5 (a-8) Any annuitant, survivor, or retired employee may
6 waive or terminate coverage in the program of group health
7 benefits. Any such annuitant, survivor, or retired employee who
8 has waived or terminated coverage may enroll or re-enroll in
9 the program of group health benefits only during the annual
10 benefit choice period, as determined by the Director; except
11 that in the event of termination of coverage due to nonpayment
12 of premiums, the annuitant, survivor, or retired employee may
13 not re-enroll in the program.

14 (a-8.5) Beginning on the effective date of this amendatory
15 Act of the 97th General Assembly, the Director of Central
16 Management Services shall, on an annual basis, determine the
17 amount that the State shall contribute toward the basic program
18 of group health benefits on behalf of annuitants (including
19 individuals who (i) participated in the General Assembly
20 Retirement System, the State Employees' Retirement System of
21 Illinois, the State Universities Retirement System, the
22 Teachers' Retirement System of the State of Illinois, or the
23 Judges Retirement System of Illinois and (ii) qualify as
24 annuitants under subsection (b) of Section 3 of this Act),
25 survivors (including individuals who (i) receive an annuity as
26 a survivor of an individual who participated in the General

1 Assembly Retirement System, the State Employees' Retirement
2 System of Illinois, the State Universities Retirement System,
3 the Teachers' Retirement System of the State of Illinois, or
4 the Judges Retirement System of Illinois and (ii) qualify as
5 survivors under subsection (q) of Section 3 of this Act), and
6 retired employees (as defined in subsection (p) of Section 3 of
7 this Act). The remainder of the cost of coverage for each
8 annuitant, survivor, or retired employee, as determined by the
9 Director of Central Management Services, shall be the
10 responsibility of that annuitant, survivor, or retired
11 employee.

12 Contributions required of annuitants, survivors, and
13 retired employees shall be the same for all retirement systems
14 and shall also be based on whether an individual has made an
15 election under Section 15-135.1 of the Illinois Pension Code.
16 Contributions may be based on annuitants', survivors', or
17 retired employees' Medicare eligibility, but may not be based
18 on Social Security eligibility.

19 (a-9) No later than May 1 of each calendar year, the
20 Director of Central Management Services shall certify in
21 writing to the Executive Secretary of the State Employees'
22 Retirement System of Illinois the amounts of the Medicare
23 supplement health care premiums and the amounts of the health
24 care premiums for all other retirees who are not Medicare
25 eligible.

26 A separate calculation of the premiums based upon the

1 actual cost of each health care plan shall be so certified.

2 The Director of Central Management Services shall provide
3 to the Executive Secretary of the State Employees' Retirement
4 System of Illinois such information, statistics, and other data
5 as he or she may require to review the premium amounts
6 certified by the Director of Central Management Services.

7 The Department of Central Management Services, or any
8 successor agency designated to procure healthcare contracts
9 pursuant to this Act, is authorized to establish funds,
10 separate accounts provided by any bank or banks as defined by
11 the Illinois Banking Act, or separate accounts provided by any
12 savings and loan association or associations as defined by the
13 Illinois Savings and Loan Act of 1985 to be held by the
14 Director, outside the State treasury, for the purpose of
15 receiving the transfer of moneys from the Local Government
16 Health Insurance Reserve Fund. The Department may promulgate
17 rules further defining the methodology for the transfers. Any
18 interest earned by moneys in the funds or accounts shall inure
19 to the Local Government Health Insurance Reserve Fund. The
20 transferred moneys, and interest accrued thereon, shall be used
21 exclusively for transfers to administrative service
22 organizations or their financial institutions for payments of
23 claims to claimants and providers under the self-insurance
24 health plan. The transferred moneys, and interest accrued
25 thereon, shall not be used for any other purpose including, but
26 not limited to, reimbursement of administration fees due the

1 administrative service organization pursuant to its contract
2 or contracts with the Department.

3 (a-10) For purposes of determining State contributions
4 under this Section, service established under a Tier 3 plan
5 under Article 2, 14, 15, 16, or 18 of the Illinois Pension Code
6 shall be included in determining an employee's creditable
7 service. Any credit terminated as part of a transfer of
8 contributions to a Tier 3 plan under Article 2, 14, 15, 16, or
9 18 of the Illinois Pension Code shall also be included in
10 determining an employee's creditable service.

11 (b) State employees who become eligible for this program on
12 or after January 1, 1980 in positions normally requiring actual
13 performance of duty not less than 1/2 of a normal work period
14 but not equal to that of a normal work period, shall be given
15 the option of participating in the available program. If the
16 employee elects coverage, the State shall contribute on behalf
17 of such employee to the cost of the employee's benefit and any
18 applicable dependent supplement, that sum which bears the same
19 percentage as that percentage of time the employee regularly
20 works when compared to normal work period.

21 (c) The basic non-contributory coverage from the basic
22 program of group health benefits shall be continued for each
23 employee not in pay status or on active service by reason of
24 (1) leave of absence due to illness or injury, (2) authorized
25 educational leave of absence or sabbatical leave, or (3)
26 military leave. This coverage shall continue until expiration

1 of authorized leave and return to active service, but not to
2 exceed 24 months for leaves under item (1) or (2). This
3 24-month limitation and the requirement of returning to active
4 service shall not apply to persons receiving ordinary or
5 accidental disability benefits or retirement benefits through
6 the appropriate State retirement system or benefits under the
7 Workers' Compensation or Occupational Disease Act.

8 (d) The basic group life insurance coverage shall continue,
9 with full State contribution, where such person is (1) absent
10 from active service by reason of disability arising from any
11 cause other than self-inflicted, (2) on authorized educational
12 leave of absence or sabbatical leave, or (3) on military leave.

13 (e) Where the person is in non-pay status for a period in
14 excess of 30 days or on leave of absence, other than by reason
15 of disability, educational or sabbatical leave, or military
16 leave, such person may continue coverage only by making
17 personal payment equal to the amount normally contributed by
18 the State on such person's behalf. Such payments and coverage
19 may be continued: (1) until such time as the person returns to
20 a status eligible for coverage at State expense, but not to
21 exceed 24 months or (2) until such person's employment or
22 annuitant status with the State is terminated (exclusive of any
23 additional service imposed pursuant to law).

24 (f) The Department shall establish by rule the extent to
25 which other employee benefits will continue for persons in
26 non-pay status or who are not in active service.

1 (g) The State shall not pay the cost of the basic
2 non-contributory group life insurance, program of health
3 benefits and other employee benefits for members who are
4 survivors as defined by paragraphs (1) and (2) of subsection
5 (q) of Section 3 of this Act. The costs of benefits for these
6 survivors shall be paid by the survivors or by the University
7 of Illinois Cooperative Extension Service, or any combination
8 thereof. However, the State shall pay the amount of the
9 reduction in the cost of participation, if any, resulting from
10 the amendment to subsection (a) made by this amendatory Act of
11 the 91st General Assembly.

12 (h) Those persons occupying positions with any department
13 as a result of emergency appointments pursuant to Section 8b.8
14 of the Personnel Code who are not considered employees under
15 this Act shall be given the option of participating in the
16 programs of group life insurance, health benefits and other
17 employee benefits. Such persons electing coverage may
18 participate only by making payment equal to the amount normally
19 contributed by the State for similarly situated employees. Such
20 amounts shall be determined by the Director. Such payments and
21 coverage may be continued until such time as the person becomes
22 an employee pursuant to this Act or such person's appointment
23 is terminated.

24 (i) Any unit of local government within the State of
25 Illinois may apply to the Director to have its employees,
26 annuitants, and their dependents provided group health

1 coverage under this Act on a non-insured basis. To participate,
2 a unit of local government must agree to enroll all of its
3 employees, who may select coverage under either the State group
4 health benefits plan or a health maintenance organization that
5 has contracted with the State to be available as a health care
6 provider for employees as defined in this Act. A unit of local
7 government must remit the entire cost of providing coverage
8 under the State group health benefits plan or, for coverage
9 under a health maintenance organization, an amount determined
10 by the Director based on an analysis of the sex, age,
11 geographic location, or other relevant demographic variables
12 for its employees, except that the unit of local government
13 shall not be required to enroll those of its employees who are
14 covered spouses or dependents under this plan or another group
15 policy or plan providing health benefits as long as (1) an
16 appropriate official from the unit of local government attests
17 that each employee not enrolled is a covered spouse or
18 dependent under this plan or another group policy or plan, and
19 (2) at least 50% of the employees are enrolled and the unit of
20 local government remits the entire cost of providing coverage
21 to those employees, except that a participating school district
22 must have enrolled at least 50% of its full-time employees who
23 have not waived coverage under the district's group health plan
24 by participating in a component of the district's cafeteria
25 plan. A participating school district is not required to enroll
26 a full-time employee who has waived coverage under the

1 district's health plan, provided that an appropriate official
2 from the participating school district attests that the
3 full-time employee has waived coverage by participating in a
4 component of the district's cafeteria plan. For the purposes of
5 this subsection, "participating school district" includes a
6 unit of local government whose primary purpose is education as
7 defined by the Department's rules.

8 Employees of a participating unit of local government who
9 are not enrolled due to coverage under another group health
10 policy or plan may enroll in the event of a qualifying change
11 in status, special enrollment, special circumstance as defined
12 by the Director, or during the annual Benefit Choice Period. A
13 participating unit of local government may also elect to cover
14 its annuitants. Dependent coverage shall be offered on an
15 optional basis, with the costs paid by the unit of local
16 government, its employees, or some combination of the two as
17 determined by the unit of local government. The unit of local
18 government shall be responsible for timely collection and
19 transmission of dependent premiums.

20 The Director shall annually determine monthly rates of
21 payment, subject to the following constraints:

22 (1) In the first year of coverage, the rates shall be
23 equal to the amount normally charged to State employees for
24 elected optional coverages or for enrolled dependents
25 coverages or other contributory coverages, or contributed
26 by the State for basic insurance coverages on behalf of its

1 employees, adjusted for differences between State
2 employees and employees of the local government in age,
3 sex, geographic location or other relevant demographic
4 variables, plus an amount sufficient to pay for the
5 additional administrative costs of providing coverage to
6 employees of the unit of local government and their
7 dependents.

8 (2) In subsequent years, a further adjustment shall be
9 made to reflect the actual prior years' claims experience
10 of the employees of the unit of local government.

11 In the case of coverage of local government employees under
12 a health maintenance organization, the Director shall annually
13 determine for each participating unit of local government the
14 maximum monthly amount the unit may contribute toward that
15 coverage, based on an analysis of (i) the age, sex, geographic
16 location, and other relevant demographic variables of the
17 unit's employees and (ii) the cost to cover those employees
18 under the State group health benefits plan. The Director may
19 similarly determine the maximum monthly amount each unit of
20 local government may contribute toward coverage of its
21 employees' dependents under a health maintenance organization.

22 Monthly payments by the unit of local government or its
23 employees for group health benefits plan or health maintenance
24 organization coverage shall be deposited in the Local
25 Government Health Insurance Reserve Fund.

26 The Local Government Health Insurance Reserve Fund is

1 hereby created as a nonappropriated trust fund to be held
2 outside the State Treasury, with the State Treasurer as
3 custodian. The Local Government Health Insurance Reserve Fund
4 shall be a continuing fund not subject to fiscal year
5 limitations. The Local Government Health Insurance Reserve
6 Fund is not subject to administrative charges or charge-backs,
7 including but not limited to those authorized under Section 8h
8 of the State Finance Act. All revenues arising from the
9 administration of the health benefits program established
10 under this Section shall be deposited into the Local Government
11 Health Insurance Reserve Fund. Any interest earned on moneys in
12 the Local Government Health Insurance Reserve Fund shall be
13 deposited into the Fund. All expenditures from this Fund shall
14 be used for payments for health care benefits for local
15 government and rehabilitation facility employees, annuitants,
16 and dependents, and to reimburse the Department or its
17 administrative service organization for all expenses incurred
18 in the administration of benefits. No other State funds may be
19 used for these purposes.

20 A local government employer's participation or desire to
21 participate in a program created under this subsection shall
22 not limit that employer's duty to bargain with the
23 representative of any collective bargaining unit of its
24 employees.

25 (j) Any rehabilitation facility within the State of
26 Illinois may apply to the Director to have its employees,

1 annuitants, and their eligible dependents provided group
2 health coverage under this Act on a non-insured basis. To
3 participate, a rehabilitation facility must agree to enroll all
4 of its employees and remit the entire cost of providing such
5 coverage for its employees, except that the rehabilitation
6 facility shall not be required to enroll those of its employees
7 who are covered spouses or dependents under this plan or
8 another group policy or plan providing health benefits as long
9 as (1) an appropriate official from the rehabilitation facility
10 attests that each employee not enrolled is a covered spouse or
11 dependent under this plan or another group policy or plan, and
12 (2) at least 50% of the employees are enrolled and the
13 rehabilitation facility remits the entire cost of providing
14 coverage to those employees. Employees of a participating
15 rehabilitation facility who are not enrolled due to coverage
16 under another group health policy or plan may enroll in the
17 event of a qualifying change in status, special enrollment,
18 special circumstance as defined by the Director, or during the
19 annual Benefit Choice Period. A participating rehabilitation
20 facility may also elect to cover its annuitants. Dependent
21 coverage shall be offered on an optional basis, with the costs
22 paid by the rehabilitation facility, its employees, or some
23 combination of the 2 as determined by the rehabilitation
24 facility. The rehabilitation facility shall be responsible for
25 timely collection and transmission of dependent premiums.

26 The Director shall annually determine quarterly rates of

1 payment, subject to the following constraints:

2 (1) In the first year of coverage, the rates shall be
3 equal to the amount normally charged to State employees for
4 elected optional coverages or for enrolled dependents
5 coverages or other contributory coverages on behalf of its
6 employees, adjusted for differences between State
7 employees and employees of the rehabilitation facility in
8 age, sex, geographic location or other relevant
9 demographic variables, plus an amount sufficient to pay for
10 the additional administrative costs of providing coverage
11 to employees of the rehabilitation facility and their
12 dependents.

13 (2) In subsequent years, a further adjustment shall be
14 made to reflect the actual prior years' claims experience
15 of the employees of the rehabilitation facility.

16 Monthly payments by the rehabilitation facility or its
17 employees for group health benefits shall be deposited in the
18 Local Government Health Insurance Reserve Fund.

19 (k) Any domestic violence shelter or service within the
20 State of Illinois may apply to the Director to have its
21 employees, annuitants, and their dependents provided group
22 health coverage under this Act on a non-insured basis. To
23 participate, a domestic violence shelter or service must agree
24 to enroll all of its employees and pay the entire cost of
25 providing such coverage for its employees. The domestic
26 violence shelter shall not be required to enroll those of its

1 employees who are covered spouses or dependents under this plan
2 or another group policy or plan providing health benefits as
3 long as (1) an appropriate official from the domestic violence
4 shelter attests that each employee not enrolled is a covered
5 spouse or dependent under this plan or another group policy or
6 plan and (2) at least 50% of the employees are enrolled and the
7 domestic violence shelter remits the entire cost of providing
8 coverage to those employees. Employees of a participating
9 domestic violence shelter who are not enrolled due to coverage
10 under another group health policy or plan may enroll in the
11 event of a qualifying change in status, special enrollment, or
12 special circumstance as defined by the Director or during the
13 annual Benefit Choice Period. A participating domestic
14 violence shelter may also elect to cover its annuitants.
15 Dependent coverage shall be offered on an optional basis, with
16 employees, or some combination of the 2 as determined by the
17 domestic violence shelter or service. The domestic violence
18 shelter or service shall be responsible for timely collection
19 and transmission of dependent premiums.

20 The Director shall annually determine rates of payment,
21 subject to the following constraints:

22 (1) In the first year of coverage, the rates shall be
23 equal to the amount normally charged to State employees for
24 elected optional coverages or for enrolled dependents
25 coverages or other contributory coverages on behalf of its
26 employees, adjusted for differences between State

1 employees and employees of the domestic violence shelter or
2 service in age, sex, geographic location or other relevant
3 demographic variables, plus an amount sufficient to pay for
4 the additional administrative costs of providing coverage
5 to employees of the domestic violence shelter or service
6 and their dependents.

7 (2) In subsequent years, a further adjustment shall be
8 made to reflect the actual prior years' claims experience
9 of the employees of the domestic violence shelter or
10 service.

11 Monthly payments by the domestic violence shelter or
12 service or its employees for group health insurance shall be
13 deposited in the Local Government Health Insurance Reserve
14 Fund.

15 (1) A public community college or entity organized pursuant
16 to the Public Community College Act may apply to the Director
17 initially to have only annuitants not covered prior to July 1,
18 1992 by the district's health plan provided health coverage
19 under this Act on a non-insured basis. The community college
20 must execute a 2-year contract to participate in the Local
21 Government Health Plan. Any annuitant may enroll in the event
22 of a qualifying change in status, special enrollment, special
23 circumstance as defined by the Director, or during the annual
24 Benefit Choice Period.

25 The Director shall annually determine monthly rates of
26 payment subject to the following constraints: for those

1 community colleges with annuitants only enrolled, first year
2 rates shall be equal to the average cost to cover claims for a
3 State member adjusted for demographics, Medicare
4 participation, and other factors; and in the second year, a
5 further adjustment of rates shall be made to reflect the actual
6 first year's claims experience of the covered annuitants.

7 (l-5) The provisions of subsection (l) become inoperative
8 on July 1, 1999.

9 (m) The Director shall adopt any rules deemed necessary for
10 implementation of this amendatory Act of 1989 (Public Act
11 86-978).

12 (n) Any child advocacy center within the State of Illinois
13 may apply to the Director to have its employees, annuitants,
14 and their dependents provided group health coverage under this
15 Act on a non-insured basis. To participate, a child advocacy
16 center must agree to enroll all of its employees and pay the
17 entire cost of providing coverage for its employees. The child
18 advocacy center shall not be required to enroll those of its
19 employees who are covered spouses or dependents under this plan
20 or another group policy or plan providing health benefits as
21 long as (1) an appropriate official from the child advocacy
22 center attests that each employee not enrolled is a covered
23 spouse or dependent under this plan or another group policy or
24 plan and (2) at least 50% of the employees are enrolled and the
25 child advocacy center remits the entire cost of providing
26 coverage to those employees. Employees of a participating child

1 advocacy center who are not enrolled due to coverage under
2 another group health policy or plan may enroll in the event of
3 a qualifying change in status, special enrollment, or special
4 circumstance as defined by the Director or during the annual
5 Benefit Choice Period. A participating child advocacy center
6 may also elect to cover its annuitants. Dependent coverage
7 shall be offered on an optional basis, with the costs paid by
8 the child advocacy center, its employees, or some combination
9 of the 2 as determined by the child advocacy center. The child
10 advocacy center shall be responsible for timely collection and
11 transmission of dependent premiums.

12 The Director shall annually determine rates of payment,
13 subject to the following constraints:

14 (1) In the first year of coverage, the rates shall be
15 equal to the amount normally charged to State employees for
16 elected optional coverages or for enrolled dependents
17 coverages or other contributory coverages on behalf of its
18 employees, adjusted for differences between State
19 employees and employees of the child advocacy center in
20 age, sex, geographic location, or other relevant
21 demographic variables, plus an amount sufficient to pay for
22 the additional administrative costs of providing coverage
23 to employees of the child advocacy center and their
24 dependents.

25 (2) In subsequent years, a further adjustment shall be
26 made to reflect the actual prior years' claims experience

1 of the employees of the child advocacy center.

2 Monthly payments by the child advocacy center or its
3 employees for group health insurance shall be deposited into
4 the Local Government Health Insurance Reserve Fund.

5 (Source: P.A. 97-695, eff. 7-1-12; 98-488, eff. 8-16-13.)

6 Section 10. The Illinois Pension Code is amended by
7 changing Sections 1-160, 2-117, 2-162, 14-103.05, 14-152.1,
8 15-108.1, 15-108.2, 15-134, 15-198, 16-123, 16-203, 18-120,
9 18-124, 18-125, 18-125.1, 18-127, 18-128.01, 18-133, 18-169,
10 20-121, 20-123, 20-124, and 20-125 and by adding Sections
11 2-105.3, 2-165.5, 14-103.40, 14-103.41, 14-103.42, 14-103.43
12 14-155.5, 15-108.3, 15-200.5, 16-106.4a, 16-106.4b, 16-106.4c,
13 16-205.5, 18-110.1, 18-110.2, 18-110.3, and 18-121.5 as
14 follows:

15 (40 ILCS 5/1-160)

16 (Text of Section WITHOUT the changes made by P.A. 98-641,
17 which has been held unconstitutional)

18 Sec. 1-160. Provisions applicable to new hires.

19 (a) The provisions of this Section apply to a person who,
20 on or after January 1, 2011, first becomes a member or a
21 participant under any reciprocal retirement system or pension
22 fund established under this Code, other than a retirement
23 system or pension fund established under Article 2, 3, 4, 5, 6,
24 15 or 18 of this Code, notwithstanding any other provision of

1 this Code to the contrary, but do not apply to any self-managed
2 plan established under this Code, to any person with respect to
3 service as a sheriff's law enforcement employee under Article
4 7, or to any participant of the retirement plan established
5 under Section 22-101. Notwithstanding anything to the contrary
6 in this Section, for purposes of this Section, a person who
7 participated in a retirement system under Article 15 prior to
8 January 1, 2011 shall be deemed a person who first became a
9 member or participant prior to January 1, 2011 under any
10 retirement system or pension fund subject to this Section. The
11 changes made to this Section by Public Act 98-596 ~~this~~
12 ~~amendatory Act of the 98th General Assembly~~ are a clarification
13 of existing law and are intended to be retroactive to January
14 1, 2011 (the effective date of Public Act 96-889),
15 notwithstanding the provisions of Section 1-103.1 of this Code.

16 The provisions of this Section do not apply to service
17 under a Tier 3 plan established under Article 2, 14, 15, 16, or
18 18 of this Code.

19 (b) "Final average salary" means the average monthly (or
20 annual) salary obtained by dividing the total salary or
21 earnings calculated under the Article applicable to the member
22 or participant during the 96 consecutive months (or 8
23 consecutive years) of service within the last 120 months (or 10
24 years) of service in which the total salary or earnings
25 calculated under the applicable Article was the highest by the
26 number of months (or years) of service in that period. For the

1 purposes of a person who first becomes a member or participant
2 of any retirement system or pension fund to which this Section
3 applies on or after January 1, 2011, in this Code, "final
4 average salary" shall be substituted for the following:

5 (1) In Article 7 (except for service as sheriff's law
6 enforcement employees), "final rate of earnings".

7 (2) In Articles 8, 9, 10, 11, and 12, "highest average
8 annual salary for any 4 consecutive years within the last
9 10 years of service immediately preceding the date of
10 withdrawal".

11 (3) In Article 13, "average final salary".

12 (4) In Article 14, "final average compensation".

13 (5) In Article 17, "average salary".

14 (6) In Section 22-207, "wages or salary received by him
15 at the date of retirement or discharge".

16 (b-5) Beginning on January 1, 2011, for all purposes under
17 this Code (including without limitation the calculation of
18 benefits and employee contributions), the annual earnings,
19 salary, or wages (based on the plan year) of a member or
20 participant to whom this Section applies shall not exceed
21 \$106,800; however, that amount shall annually thereafter be
22 increased by the lesser of (i) 3% of that amount, including all
23 previous adjustments, or (ii) one-half the annual unadjusted
24 percentage increase (but not less than zero) in the consumer
25 price index-u for the 12 months ending with the September
26 preceding each November 1, including all previous adjustments.

1 For the purposes of this Section, "consumer price index-u"
2 means the index published by the Bureau of Labor Statistics of
3 the United States Department of Labor that measures the average
4 change in prices of goods and services purchased by all urban
5 consumers, United States city average, all items, 1982-84 =
6 100. The new amount resulting from each annual adjustment shall
7 be determined by the Public Pension Division of the Department
8 of Insurance and made available to the boards of the retirement
9 systems and pension funds by November 1 of each year.

10 (c) A member or participant is entitled to a retirement
11 annuity upon written application if he or she has attained age
12 67 (beginning January 1, 2015, age 65 with respect to service
13 under Article 12 of this Code that is subject to this Section)
14 and has at least 10 years of service credit and is otherwise
15 eligible under the requirements of the applicable Article.

16 A member or participant who has attained age 62 (beginning
17 January 1, 2015, age 60 with respect to service under Article
18 12 of this Code that is subject to this Section) and has at
19 least 10 years of service credit and is otherwise eligible
20 under the requirements of the applicable Article may elect to
21 receive the lower retirement annuity provided in subsection (d)
22 of this Section.

23 (d) The retirement annuity of a member or participant who
24 is retiring after attaining age 62 (beginning January 1, 2015,
25 age 60 with respect to service under Article 12 of this Code
26 that is subject to this Section) with at least 10 years of

1 service credit shall be reduced by one-half of 1% for each full
2 month that the member's age is under age 67 (beginning January
3 1, 2015, age 65 with respect to service under Article 12 of
4 this Code that is subject to this Section).

5 (e) Any retirement annuity or supplemental annuity shall be
6 subject to annual increases on the January 1 occurring either
7 on or after the attainment of age 67 (beginning January 1,
8 2015, age 65 with respect to service under Article 12 of this
9 Code that is subject to this Section) or the first anniversary
10 of the annuity start date, whichever is later. Each annual
11 increase shall be calculated at 3% or one-half the annual
12 unadjusted percentage increase (but not less than zero) in the
13 consumer price index-u for the 12 months ending with the
14 September preceding each November 1, whichever is less, of the
15 originally granted retirement annuity. If the annual
16 unadjusted percentage change in the consumer price index-u for
17 the 12 months ending with the September preceding each November
18 1 is zero or there is a decrease, then the annuity shall not be
19 increased.

20 (f) The initial survivor's or widow's annuity of an
21 otherwise eligible survivor or widow of a retired member or
22 participant who first became a member or participant on or
23 after January 1, 2011 shall be in the amount of 66 2/3% of the
24 retired member's or participant's retirement annuity at the
25 date of death. In the case of the death of a member or
26 participant who has not retired and who first became a member

1 or participant on or after January 1, 2011, eligibility for a
2 survivor's or widow's annuity shall be determined by the
3 applicable Article of this Code. The initial benefit shall be
4 $66 \frac{2}{3}\%$ of the earned annuity without a reduction due to age. A
5 child's annuity of an otherwise eligible child shall be in the
6 amount prescribed under each Article if applicable. Any
7 survivor's or widow's annuity shall be increased (1) on each
8 January 1 occurring on or after the commencement of the annuity
9 if the deceased member died while receiving a retirement
10 annuity or (2) in other cases, on each January 1 occurring
11 after the first anniversary of the commencement of the annuity.
12 Each annual increase shall be calculated at 3% or one-half the
13 annual unadjusted percentage increase (but not less than zero)
14 in the consumer price index-u for the 12 months ending with the
15 September preceding each November 1, whichever is less, of the
16 originally granted survivor's annuity. If the annual
17 unadjusted percentage change in the consumer price index-u for
18 the 12 months ending with the September preceding each November
19 1 is zero or there is a decrease, then the annuity shall not be
20 increased.

21 (g) The benefits in Section 14-110 apply only if the person
22 is a State policeman, a fire fighter in the fire protection
23 service of a department, or a security employee of the
24 Department of Corrections or the Department of Juvenile
25 Justice, as those terms are defined in subsection (b) of
26 Section 14-110. A person who meets the requirements of this

1 Section is entitled to an annuity calculated under the
2 provisions of Section 14-110, in lieu of the regular or minimum
3 retirement annuity, only if the person has withdrawn from
4 service with not less than 20 years of eligible creditable
5 service and has attained age 60, regardless of whether the
6 attainment of age 60 occurs while the person is still in
7 service.

8 (h) If a person who first becomes a member or a participant
9 of a retirement system or pension fund subject to this Section
10 on or after January 1, 2011 is receiving a retirement annuity
11 or retirement pension under that system or fund and becomes a
12 member or participant under any other system or fund created by
13 this Code and is employed on a full-time basis, except for
14 those members or participants exempted from the provisions of
15 this Section under subsection (a) of this Section, then the
16 person's retirement annuity or retirement pension under that
17 system or fund shall be suspended during that employment. Upon
18 termination of that employment, the person's retirement
19 annuity or retirement pension payments shall resume and be
20 recalculated if recalculation is provided for under the
21 applicable Article of this Code.

22 If a person who first becomes a member of a retirement
23 system or pension fund subject to this Section on or after
24 January 1, 2012 and is receiving a retirement annuity or
25 retirement pension under that system or fund and accepts on a
26 contractual basis a position to provide services to a

1 governmental entity from which he or she has retired, then that
2 person's annuity or retirement pension earned as an active
3 employee of the employer shall be suspended during that
4 contractual service. A person receiving an annuity or
5 retirement pension under this Code shall notify the pension
6 fund or retirement system from which he or she is receiving an
7 annuity or retirement pension, as well as his or her
8 contractual employer, of his or her retirement status before
9 accepting contractual employment. A person who fails to submit
10 such notification shall be guilty of a Class A misdemeanor and
11 required to pay a fine of \$1,000. Upon termination of that
12 contractual employment, the person's retirement annuity or
13 retirement pension payments shall resume and, if appropriate,
14 be recalculated under the applicable provisions of this Code.

15 (i) (Blank).

16 (j) In the case of a conflict between the provisions of
17 this Section and any other provision of this Code, the
18 provisions of this Section shall control.

19 (Source: P.A. 97-609, eff. 1-1-12; 98-92, eff. 7-16-13; 98-596,
20 eff. 11-19-13; 98-622, eff. 6-1-14; revised 3-24-16.)

21 (40 ILCS 5/2-105.3 new)

22 Sec. 2-105.3. Tier 1 participant; Tier 2 participant; Tier
23 3 participant.

24 "Tier 1 participant": A participant who first became a
25 participant before January 1, 2011.

1 In the case of a Tier 1 participant who elects to
2 participate in the Tier 3 plan under Section 2-165.5 of this
3 Code, that participant shall be deemed a Tier 1 participant
4 only with respect to service performed or established before
5 the effective date of that election.

6 "Tier 2 participant": A participant who first became a
7 participant on or after January 1, 2011.

8 In the case of a Tier 2 participant who elects to
9 participate in the Tier 3 plan under Section 2-165.5 of this
10 Code, that Tier 2 member shall be deemed a Tier 2 member only
11 with respect to service performed or established before the
12 effective date of that election.

13 "Tier 3 participant": A Tier 1 or Tier 2 participant who
14 elects to participate in the Tier 3 plan under Section 2-165.5
15 of this Code, but only with respect to service performed on or
16 after the effective date of that election.

17 (40 ILCS 5/2-117) (from Ch. 108 1/2, par. 2-117)

18 Sec. 2-117. Participants - Election not to participate.

19 (a) Except as provided in subsection (c), every ~~Every~~
20 person who was a member on November 1, 1947, or in military
21 service on such date, is subject to the provisions of this
22 system beginning upon such date, unless prior to such date he
23 or she filed with the board a written notice of election not to
24 participate.

25 Every person who becomes a member after November 1, 1947,

1 and who is then not a participant becomes a participant
2 beginning upon the date of becoming a member unless, within 24
3 months from that date, he or she has filed with the board a
4 written notice of election not to participate.

5 (b) A member who has filed notice of an election not to
6 participate (and a former member who has not yet begun to
7 receive a retirement annuity under this Article) may become a
8 participant with respect to the period for which the member
9 elected not to participate upon filing with the board, before
10 April 1, 1993, a written rescission of the election not to
11 participate. Upon contributing an amount equal to the
12 contributions he or she would have made as a participant from
13 November 1, 1947, or the date of becoming a member, whichever
14 is later, to the date of becoming a participant, with interest
15 at the rate of 4% per annum until the contributions are paid,
16 the participant shall receive credit for service as a member
17 prior to the date of the rescission, both before and after
18 November 1, 1947. The required contributions shall be made
19 before commencement of the retirement annuity; otherwise no
20 credit for service prior to the date of participation shall be
21 granted.

22 (c) Notwithstanding any other provision of this Article, an
23 active participant may terminate his or her participation in
24 this System (including active participation in the Tier 3 plan,
25 if applicable) by notifying the System in writing. An active
26 participant terminating participation in this System under

1 this subsection shall be entitled to a refund of his or her
2 contributions (other than contributions to the defined
3 contribution plan under Section 2-165 or the Tier 3 plan under
4 Section 2-165.5) minus the benefits received prior to the
5 termination of participation.

6 (Source: P.A. 86-273; 87-1265.)

7 (40 ILCS 5/2-162)

8 (Text of Section WITHOUT the changes made by P.A. 98-599,
9 which has been held unconstitutional)

10 Sec. 2-162. Application and expiration of new benefit
11 increases.

12 (a) As used in this Section, "new benefit increase" means
13 an increase in the amount of any benefit provided under this
14 Article, or an expansion of the conditions of eligibility for
15 any benefit under this Article, that results from an amendment
16 to this Code that takes effect after the effective date of this
17 amendatory Act of the 94th General Assembly. "New benefit
18 increase", however, does not include any benefit increase
19 resulting from the changes made to this Article by this
20 amendatory Act of the 100th General Assembly.

21 (b) Notwithstanding any other provision of this Code or any
22 subsequent amendment to this Code, every new benefit increase
23 is subject to this Section and shall be deemed to be granted
24 only in conformance with and contingent upon compliance with
25 the provisions of this Section.

1 (c) The Public Act enacting a new benefit increase must
2 identify and provide for payment to the System of additional
3 funding at least sufficient to fund the resulting annual
4 increase in cost to the System as it accrues.

5 Every new benefit increase is contingent upon the General
6 Assembly providing the additional funding required under this
7 subsection. The Commission on Government Forecasting and
8 Accountability shall analyze whether adequate additional
9 funding has been provided for the new benefit increase and
10 shall report its analysis to the Public Pension Division of the
11 Department of Financial and Professional Regulation. A new
12 benefit increase created by a Public Act that does not include
13 the additional funding required under this subsection is null
14 and void. If the Public Pension Division determines that the
15 additional funding provided for a new benefit increase under
16 this subsection is or has become inadequate, it may so certify
17 to the Governor and the State Comptroller and, in the absence
18 of corrective action by the General Assembly, the new benefit
19 increase shall expire at the end of the fiscal year in which
20 the certification is made.

21 (d) Every new benefit increase shall expire 5 years after
22 its effective date or on such earlier date as may be specified
23 in the language enacting the new benefit increase or provided
24 under subsection (c). This does not prevent the General
25 Assembly from extending or re-creating a new benefit increase
26 by law.

1 (e) Except as otherwise provided in the language creating
2 the new benefit increase, a new benefit increase that expires
3 under this Section continues to apply to persons who applied
4 and qualified for the affected benefit while the new benefit
5 increase was in effect and to the affected beneficiaries and
6 alternate payees of such persons, but does not apply to any
7 other person, including without limitation a person who
8 continues in service after the expiration date and did not
9 apply and qualify for the affected benefit while the new
10 benefit increase was in effect.

11 (Source: P.A. 94-4, eff. 6-1-05.)

12 (40 ILCS 5/2-165.5 new)

13 Sec. 2-165.5. Tier 3 plan.

14 (a) By July 1, 2018, the System shall prepare and implement
15 a Tier 3 plan. The Tier 3 plan developed under this Section
16 shall be a plan that aggregates State and employee
17 contributions in individual participant accounts which, after
18 meeting any other requirements, are used for payouts after
19 retirement in accordance with this Section and any other
20 applicable laws.

21 As used in this Section, "defined benefit plan" means the
22 retirement plan available under this Article to Tier 1 or Tier
23 2 participants who have not made the election authorized under
24 this Section or under Section 2-165.

25 (1) A participant in the Tier 3 plan shall pay employee

1 contributions at a rate determined by the participant, but
2 not less than 3% of salary and not more than a percentage
3 of salary determined by the Board in accordance with the
4 requirements of State and federal law.

5 (2) State contributions shall be paid into the accounts
6 of all participants in the Tier 3 plan at a uniform rate,
7 expressed as a percentage of salary and determined for each
8 year. This rate shall be no higher than 7.6% of salary and
9 shall be no lower than 3% of salary. The State shall adjust
10 this rate annually.

11 (3) The Tier 3 plan shall require 5 years of
12 participation in the Tier 3 plan before vesting in State
13 contributions. If the participant fails to vest in them,
14 the State contributions, and the earnings thereon, shall be
15 forfeited.

16 (4) The Tier 3 plan shall provide a variety of options
17 for investments. These options shall include investments
18 handled by the Illinois State Board of Investment as well
19 as private sector investment options.

20 (5) The Tier 3 plan shall provide a variety of options
21 for payouts to participants in the Tier 3 plan who are no
22 longer active in the System and their survivors.

23 (6) To the extent authorized under federal law and as
24 authorized by the System, the plan shall allow former
25 participants in the plan to transfer or roll over employee
26 and vested State contributions, and the earnings thereon,

1 from the Tier 3 plan into other qualified retirement plans.

2 (7) The System shall reduce the employee contributions
3 credited to the participant's Tier 3 plan account by an
4 amount determined by the System to cover the cost of
5 offering these benefits and any applicable administrative
6 fees.

7 (b) Under the Tier 3 plan, an active Tier 1 or Tier 2
8 participant of this System may elect, in writing, to cease
9 accruing benefits in the defined benefit plan and begin
10 accruing benefits for future service in the Tier 3 plan. The
11 election to participate in the Tier 3 plan is voluntary and
12 irrevocable.

13 (1) Service credit under the Tier 3 plan may be used
14 for determining retirement eligibility under the defined
15 benefit plan.

16 (2) The System shall make a good faith effort to
17 contact all active Tier 1 and Tier 2 participants who are
18 eligible to participate in the Tier 3 plan. The System
19 shall mail information describing the option to join the
20 Tier 3 plan to each of these employees to his or her last
21 known address on file with the System. If the employee is
22 not responsive to other means of contact, it is sufficient
23 for the System to publish the details of the option on its
24 website.

25 (3) Upon request for further information describing
26 the option, the System shall provide employees with

1 information from the System before exercising the option to
2 join the plan, including information on the impact to their
3 benefits and service. The individual consultation shall
4 include projections of the participant's defined benefits
5 at retirement or earlier termination of service and the
6 value of the participant's account at retirement or earlier
7 termination of service. The System shall not provide advice
8 or counseling with respect to whether the employee should
9 exercise the option. The System shall inform Tier 1 and
10 Tier 2 participants who are eligible to participate in the
11 Tier 3 plan that they may also wish to obtain information
12 and counsel relating to their option from any other
13 available source, including but not limited to private
14 counsel and financial advisors.

15 (b-5) A Tier 1 or Tier 2 participant who elects to
16 participate in the Tier 3 plan may irrevocably elect to
17 terminate all participation in the defined benefit plan. Upon
18 that election, the System shall transfer to the participant's
19 individual account an amount equal to the amount of
20 contribution refund that the participant would be eligible to
21 receive if the member terminated employment on that date and
22 elected a refund of contributions, including the prescribed
23 rate of interest for the respective years. The System shall
24 make the transfer as a tax free transfer in accordance with
25 Internal Revenue Service guidelines, for purposes of funding
26 the amount credited to the participant's individual account.

1 (c) In no event shall the System, its staff, its authorized
2 representatives, or the Board be liable for any information
3 given to an employee under this Section. The System may
4 coordinate with the Illinois Department of Central Management
5 Services and other retirement systems administering a Tier 3
6 plan in accordance with this amendatory Act of the 100th
7 General Assembly to provide information concerning the impact
8 of the Tier 3 plan set forth in this Section.

9 (d) Notwithstanding any other provision of this Section, no
10 person shall begin participating in the Tier 3 plan until it
11 has attained qualified plan status and received all necessary
12 approvals from the U.S. Internal Revenue Service.

13 (e) The System shall report on its progress under this
14 Section, including the available details of the Tier 3 plan and
15 the System's plans for informing eligible Tier 1 and Tier 2
16 participants about the plan, to the Governor and the General
17 Assembly on or before January 15, 2018.

18 (f) The Illinois State Board of Investment shall be the
19 plan sponsor for the Tier 3 plan established under this
20 Section.

21 (g) The intent of this amendatory Act of the 100th General
22 Assembly is to ensure that the State's normal cost of
23 participation in the Tier 3 plan is similar, and if possible
24 equal, to the State's normal cost of participation in the
25 defined benefit plan, unless a lower State's normal cost is
26 necessary to ensure cost neutrality.

1 (h) The Tier 3 plan is intended to supersede the defined
2 contribution plan provided for in Section 2-165. If, on the
3 effective date of this amendatory Act of the 100th General
4 Assembly, a defined contribution plan under Section 2-165 has
5 not yet been implemented, then development of such a plan shall
6 cease. If, on the effective date of this amendatory Act of the
7 100th General Assembly, a defined contribution plan under
8 Section 2-165 has already been implemented, then that plan
9 shall continue in operation until the Tier 3 plan takes effect,
10 and the Tier 3 plan shall be designed to accept and include the
11 participants from the superseded defined contribution plan.

12 Upon implementation of the Tier 3 plan, or as soon
13 thereafter as may be practical, the System shall transfer and
14 consolidate the participants, account balances, assets, and
15 liabilities of the defined contribution plan under Section
16 2-165 into the Tier 3 plan. Upon such transfer:

17 (1) The participant's election to participate in the
18 defined contribution plan shall be deemed to be the
19 participant's election to participate in the Tier 3 plan.

20 (2) The participant's service credits, contributions,
21 and account balances under the defined contribution plan
22 shall be deemed to relate to the Tier 3 plan.

23 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)
24 Sec. 14-103.05. Employee.

25 (a) Except as provided in subsection (d), any Any person

1 employed by a Department who receives salary for personal
2 services rendered to the Department on a warrant issued
3 pursuant to a payroll voucher certified by a Department and
4 drawn by the State Comptroller upon the State Treasurer,
5 including an elected official described in subparagraph (d) of
6 Section 14-104, shall become an employee for purpose of
7 membership in the Retirement System on the first day of such
8 employment.

9 A person entering service on or after January 1, 1972 and
10 prior to January 1, 1984 shall become a member as a condition
11 of employment and shall begin making contributions as of the
12 first day of employment.

13 A person entering service on or after January 1, 1984
14 shall, upon completion of 6 months of continuous service which
15 is not interrupted by a break of more than 2 months, become a
16 member as a condition of employment. Contributions shall begin
17 the first of the month after completion of the qualifying
18 period.

19 A person employed by the Chicago Metropolitan Agency for
20 Planning on the effective date of this amendatory Act of the
21 95th General Assembly who was a member of this System as an
22 employee of the Chicago Area Transportation Study and makes an
23 election under Section 14-104.13 to participate in this System
24 for his or her employment with the Chicago Metropolitan Agency
25 for Planning.

26 The qualifying period of 6 months of service is not

1 applicable to: (1) a person who has been granted credit for
2 service in a position covered by the State Universities
3 Retirement System, the Teachers' Retirement System of the State
4 of Illinois, the General Assembly Retirement System, or the
5 Judges Retirement System of Illinois unless that service has
6 been forfeited under the laws of those systems; (2) a person
7 entering service on or after July 1, 1991 in a noncovered
8 position; (3) a person to whom Section 14-108.2a or 14-108.2b
9 applies; or (4) a person to whom subsection (a-5) of this
10 Section applies.

11 (a-5) Except as provided in subsection (d), a ~~A~~ person
12 entering service on or after December 1, 2010 and before the
13 effective date of this amendatory Act of the 100th General
14 Assembly shall become a member as a condition of employment and
15 shall begin making contributions as of the first day of
16 employment. A person serving in the qualifying period on
17 December 1, 2010 will become a member on December 1, 2010 and
18 shall begin making contributions as of December 1, 2010.

19 (b) The term "employee" does not include the following:

20 (1) members of the State Legislature, and persons
21 electing to become members of the General Assembly
22 Retirement System pursuant to Section 2-105;

23 (2) incumbents of offices normally filled by vote of
24 the people;

25 (3) except as otherwise provided in this Section, any
26 person appointed by the Governor with the advice and

1 consent of the Senate unless that person elects to
2 participate in this system;

3 (3.1) any person serving as a commissioner of an ethics
4 commission created under the State Officials and Employees
5 Ethics Act unless that person elects to participate in this
6 system with respect to that service as a commissioner;

7 (3.2) any person serving as a part-time employee in any
8 of the following positions: Legislative Inspector General,
9 Special Legislative Inspector General, employee of the
10 Office of the Legislative Inspector General, Executive
11 Director of the Legislative Ethics Commission, or staff of
12 the Legislative Ethics Commission, regardless of whether
13 he or she is in active service on or after July 8, 2004
14 (the effective date of Public Act 93-685), unless that
15 person elects to participate in this System with respect to
16 that service; in this item (3.2), a "part-time employee" is
17 a person who is not required to work at least 35 hours per
18 week;

19 (3.3) any person who has made an election under Section
20 1-123 and who is serving either as legal counsel in the
21 Office of the Governor or as Chief Deputy Attorney General;

22 (4) except as provided in Section 14-108.2 or
23 14-108.2c, any person who is covered or eligible to be
24 covered by the Teachers' Retirement System of the State of
25 Illinois, the State Universities Retirement System, or the
26 Judges Retirement System of Illinois;

1 (5) an employee of a municipality or any other
2 political subdivision of the State;

3 (6) any person who becomes an employee after June 30,
4 1979 as a public service employment program participant
5 under the Federal Comprehensive Employment and Training
6 Act and whose wages or fringe benefits are paid in whole or
7 in part by funds provided under such Act;

8 (7) enrollees of the Illinois Young Adult Conservation
9 Corps program, administered by the Department of Natural
10 Resources, authorized grantee pursuant to Title VIII of the
11 "Comprehensive Employment and Training Act of 1973", 29 USC
12 993, as now or hereafter amended;

13 (8) enrollees and temporary staff of programs
14 administered by the Department of Natural Resources under
15 the Youth Conservation Corps Act of 1970;

16 (9) any person who is a member of any professional
17 licensing or disciplinary board created under an Act
18 administered by the Department of Professional Regulation
19 or a successor agency or created or re-created after the
20 effective date of this amendatory Act of 1997, and who
21 receives per diem compensation rather than a salary,
22 notwithstanding that such per diem compensation is paid by
23 warrant issued pursuant to a payroll voucher; such persons
24 have never been included in the membership of this System,
25 and this amendatory Act of 1987 (P.A. 84-1472) is not
26 intended to effect any change in the status of such

1 persons;

2 (10) any person who is a member of the Illinois Health
3 Care Cost Containment Council, and receives per diem
4 compensation rather than a salary, notwithstanding that
5 such per diem compensation is paid by warrant issued
6 pursuant to a payroll voucher; such persons have never been
7 included in the membership of this System, and this
8 amendatory Act of 1987 is not intended to effect any change
9 in the status of such persons;

10 (11) any person who is a member of the Oil and Gas
11 Board created by Section 1.2 of the Illinois Oil and Gas
12 Act, and receives per diem compensation rather than a
13 salary, notwithstanding that such per diem compensation is
14 paid by warrant issued pursuant to a payroll voucher;

15 (12) a person employed by the State Board of Higher
16 Education in a position with the Illinois Century Network
17 as of June 30, 2004, who remains continuously employed
18 after that date by the Department of Central Management
19 Services in a position with the Illinois Century Network
20 and participates in the Article 15 system with respect to
21 that employment;

22 (13) any person who first becomes a member of the Civil
23 Service Commission on or after January 1, 2012;

24 (14) any person, other than the Director of Employment
25 Security, who first becomes a member of the Board of Review
26 of the Department of Employment Security on or after

1 January 1, 2012;

2 (15) any person who first becomes a member of the Civil
3 Service Commission on or after January 1, 2012;

4 (16) any person who first becomes a member of the
5 Illinois Liquor Control Commission on or after January 1,
6 2012;

7 (17) any person who first becomes a member of the
8 Secretary of State Merit Commission on or after January 1,
9 2012;

10 (18) any person who first becomes a member of the Human
11 Rights Commission on or after January 1, 2012;

12 (19) any person who first becomes a member of the State
13 Mining Board on or after January 1, 2012;

14 (20) any person who first becomes a member of the
15 Property Tax Appeal Board on or after January 1, 2012;

16 (21) any person who first becomes a member of the
17 Illinois Racing Board on or after January 1, 2012;

18 (22) any person who first becomes a member of the
19 Department of State Police Merit Board on or after January
20 1, 2012;

21 (23) any person who first becomes a member of the
22 Illinois State Toll Highway Authority on or after January
23 1, 2012; or

24 (24) any person who first becomes a member of the
25 Illinois State Board of Elections on or after January 1,
26 2012.

1 (c) An individual who represents or is employed as an
2 officer or employee of a statewide labor organization that
3 represents members of this System may participate in the System
4 and shall be deemed an employee, provided that (1) the
5 individual has previously earned creditable service under this
6 Article, (2) the individual files with the System an
7 irrevocable election to become a participant within 6 months
8 after the effective date of this amendatory Act of the 94th
9 General Assembly, and (3) the individual does not receive
10 credit for that employment under any other provisions of this
11 Code. An employee under this subsection (c) is responsible for
12 paying to the System both (i) employee contributions based on
13 the actual compensation received for service with the labor
14 organization and (ii) employer contributions based on the
15 percentage of payroll certified by the board; all or any part
16 of these contributions may be paid on the employee's behalf or
17 picked up for tax purposes (if authorized under federal law) by
18 the labor organization.

19 A person who is an employee as defined in this subsection
20 (c) may establish service credit for similar employment prior
21 to becoming an employee under this subsection by paying to the
22 System for that employment the contributions specified in this
23 subsection, plus interest at the effective rate from the date
24 of service to the date of payment. However, credit shall not be
25 granted under this subsection (c) for any such prior employment
26 for which the applicant received credit under any other

1 provision of this Code or during which the applicant was on a
2 leave of absence.

3 (d) Notwithstanding any other provision of this Article,
4 beginning on the effective date of this amendatory Act of the
5 100th General Assembly, a person is not required, as a
6 condition of employment or otherwise, to participate in this
7 System. An active employee may terminate his or her
8 participation in this System (including active participation
9 in the Tier 3 plan, if applicable) by notifying the System in
10 writing. An active employee terminating participation in this
11 System under this subsection shall be entitled to a refund of
12 his or her contributions (other than contributions to the
13 defined contribution plan under Section 14-155 or the Tier 3
14 plan under Section 14-155.5) minus the benefits received prior
15 to the termination of participation.

16 (Source: P.A. 96-1490, eff. 1-1-11; 97-609, eff. 1-1-12.)

17 (40 ILCS 5/14-103.41 new)

18 Sec. 14-103.41. Tier 1 member. "Tier 1 member": A member of
19 this System who first became a member or participant before
20 January 1, 2011 under any reciprocal retirement system or
21 pension fund established under this Code other than a
22 retirement system or pension fund established under Article 2,
23 3, 4, 5, 6, or 18 of this Code.

24 In the case of a Tier 1 member who elects to participate in
25 the Tier 3 plan under Section 14-155.5 of this Code, that Tier

1 1 member shall be deemed a Tier 1 member only with respect to
2 service performed or established before the effective date of
3 that election.

4 (40 ILCS 5/14-103.42 new)

5 Sec. 14-103.42. Tier 2 member. "Tier 2 member": A member of
6 this System who first becomes a member under this Article on or
7 after January 1, 2011 and who is not a Tier 1 member.

8 In the case of a Tier 2 member who elects to participate in
9 the Tier 3 plan under Section 14-155.5 of this Code, that Tier
10 2 member shall be deemed a Tier 2 member only with respect to
11 service performed or established before the effective date of
12 that election.

13 (40 ILCS 5/14-103.43 new)

14 Sec. 14-103.43. Tier 3 member. "Tier 3 member": A Tier 1 or
15 Tier 2 member who elects to participate in the Tier 3 plan
16 under Section 14-155.5 of this Code, but only with respect to
17 service performed on or after the effective date of that
18 election.

19 (40 ILCS 5/14-152.1)

20 (Text of Section WITHOUT the changes made by P.A. 98-599,
21 which has been held unconstitutional)

22 Sec. 14-152.1. Application and expiration of new benefit
23 increases.

1 (a) As used in this Section, "new benefit increase" means
2 an increase in the amount of any benefit provided under this
3 Article, or an expansion of the conditions of eligibility for
4 any benefit under this Article, that results from an amendment
5 to this Code that takes effect after June 1, 2005 (the
6 effective date of Public Act 94-4). "New benefit increase",
7 however, does not include any benefit increase resulting from
8 the changes made to this Article by Public Act 96-37 or this
9 amendatory Act of the 100th General Assembly ~~this amendatory~~
10 ~~Act of the 96th General Assembly~~.

11 (b) Notwithstanding any other provision of this Code or any
12 subsequent amendment to this Code, every new benefit increase
13 is subject to this Section and shall be deemed to be granted
14 only in conformance with and contingent upon compliance with
15 the provisions of this Section.

16 (c) The Public Act enacting a new benefit increase must
17 identify and provide for payment to the System of additional
18 funding at least sufficient to fund the resulting annual
19 increase in cost to the System as it accrues.

20 Every new benefit increase is contingent upon the General
21 Assembly providing the additional funding required under this
22 subsection. The Commission on Government Forecasting and
23 Accountability shall analyze whether adequate additional
24 funding has been provided for the new benefit increase and
25 shall report its analysis to the Public Pension Division of the
26 Department of Financial and Professional Regulation. A new

1 benefit increase created by a Public Act that does not include
2 the additional funding required under this subsection is null
3 and void. If the Public Pension Division determines that the
4 additional funding provided for a new benefit increase under
5 this subsection is or has become inadequate, it may so certify
6 to the Governor and the State Comptroller and, in the absence
7 of corrective action by the General Assembly, the new benefit
8 increase shall expire at the end of the fiscal year in which
9 the certification is made.

10 (d) Every new benefit increase shall expire 5 years after
11 its effective date or on such earlier date as may be specified
12 in the language enacting the new benefit increase or provided
13 under subsection (c). This does not prevent the General
14 Assembly from extending or re-creating a new benefit increase
15 by law.

16 (e) Except as otherwise provided in the language creating
17 the new benefit increase, a new benefit increase that expires
18 under this Section continues to apply to persons who applied
19 and qualified for the affected benefit while the new benefit
20 increase was in effect and to the affected beneficiaries and
21 alternate payees of such persons, but does not apply to any
22 other person, including without limitation a person who
23 continues in service after the expiration date and did not
24 apply and qualify for the affected benefit while the new
25 benefit increase was in effect.

26 (Source: P.A. 96-37, eff. 7-13-09.)

1 (40 ILCS 5/14-155.5 new)

2 Sec. 14-155.5. Tier 3 plan.

3 (a) By July 1, 2018, the System shall prepare and implement
4 a Tier 3 plan. The Tier 3 plan developed under this Section
5 shall be a plan that aggregates State and employee
6 contributions in individual participant accounts which, after
7 meeting any other requirements, are used for payouts after
8 retirement in accordance with this Section and any other
9 applicable laws.

10 As used in this Section, "defined benefit plan" means the
11 retirement plan available under this Article to Tier 1 or Tier
12 2 members who have not made the election authorized under this
13 Section or under Section 14-155.

14 (1) A participant in the Tier 3 plan shall pay employee
15 contributions at a rate determined by the participant, but
16 not less than 3% of compensation and not more than a
17 percentage of compensation determined by the board in
18 accordance with the requirements of State and federal law.

19 (2) State contributions shall be paid into the accounts
20 of all participants in the Tier 3 plan at a uniform rate,
21 expressed as a percentage of compensation and determined
22 for each year. This rate shall be no higher than 7.6% of
23 compensation and shall be no lower than 3% of compensation.
24 The State shall adjust this rate annually.

25 (3) The Tier 3 plan shall require 5 years of

1 participation in the Tier 3 plan before vesting in State
2 contributions. If the participant fails to vest in them,
3 the State contributions, and the earnings thereon, shall be
4 forfeited.

5 (4) The Tier 3 plan may provide for participants in the
6 plan to be eligible for the defined disability benefits
7 available to other participants under this Article. If it
8 does, the System shall reduce the employee contributions
9 credited to the member's Tier 3 plan account by an amount
10 determined by the System to cover the cost of offering such
11 benefits.

12 (5) The Tier 3 plan shall provide a variety of options
13 for investments. These options shall include investments
14 handled by the Illinois State Board of Investment as well
15 as private sector investment options.

16 (6) The Tier 3 plan shall provide a variety of options
17 for payouts to participants in the Tier 3 plan who are no
18 longer active in the System and their survivors.

19 (7) To the extent authorized under federal law and as
20 authorized by the System, the plan shall allow former
21 participants in the plan to transfer or roll over employee
22 and vested State contributions, and the earnings thereon,
23 from the Tier 3 plan into other qualified retirement plans.

24 (8) The System shall reduce the employee contributions
25 credited to the member's Tier 3 plan account by an amount
26 determined by the System to cover the cost of offering

1 these benefits and any applicable administrative fees.

2 (b) Under the Tier 3 plan, an active Tier 1 or Tier 2
3 member of this System may elect, in writing, to cease accruing
4 benefits in the defined benefit plan and begin accruing
5 benefits for future service in the Tier 3 plan. The election to
6 participate in the Tier 3 plan is voluntary and irrevocable.

7 (1) Service credit under the Tier 3 plan may be used
8 for determining retirement eligibility under the defined
9 benefit plan.

10 (2) The System shall make a good faith effort to
11 contact all active Tier 1 and Tier 2 members who are
12 eligible to participate in the Tier 3 plan. The System
13 shall mail information describing the option to join the
14 Tier 3 plan to each of these employees to his or her last
15 known address on file with the System. If the employee is
16 not responsive to other means of contact, it is sufficient
17 for the System to publish the details of the option on its
18 website.

19 (3) Upon request for further information describing
20 the option, the System shall provide employees with
21 information from the System before exercising the option to
22 join the plan, including information on the impact to their
23 benefits and service. The individual consultation shall
24 include projections of the member's defined benefits at
25 retirement or earlier termination of service and the value
26 of the member's account at retirement or earlier

1 termination of service. The System shall not provide advice
2 or counseling with respect to whether the employee should
3 exercise the option. The System shall inform Tier 1 and
4 Tier 2 members who are eligible to participate in the Tier
5 3 plan that they may also wish to obtain information and
6 counsel relating to their option from any other available
7 source, including but not limited to labor organizations,
8 private counsel, and financial advisors.

9 (b-5) A Tier 1 or Tier 2 member who elects to participate
10 in the Tier 3 plan may irrevocably elect to terminate all
11 participation in the defined benefit plan. Upon that election,
12 the System shall transfer to the member's individual account an
13 amount equal to the amount of contribution refund that the
14 member would be eligible to receive if the member terminated
15 employment on that date and elected a refund of contributions,
16 including regular interest for the respective years. The System
17 shall make the transfer as a tax free transfer in accordance
18 with Internal Revenue Service guidelines, for purposes of
19 funding the amount credited to the member's individual account.

20 (c) In no event shall the System, its staff, its authorized
21 representatives, or the Board be liable for any information
22 given to an employee under this Section. The System may
23 coordinate with the Illinois Department of Central Management
24 Services and other retirement systems administering a Tier 3
25 plan in accordance with this amendatory Act of the 100th
26 General Assembly to provide information concerning the impact

1 of the Tier 3 plan set forth in this Section.

2 (d) Notwithstanding any other provision of this Section, no
3 person shall begin participating in the Tier 3 plan until it
4 has attained qualified plan status and received all necessary
5 approvals from the U.S. Internal Revenue Service.

6 (e) The System shall report on its progress under this
7 Section, including the available details of the Tier 3 plan and
8 the System's plans for informing eligible Tier 1 and Tier 2
9 members about the plan, to the Governor and the General
10 Assembly on or before January 15, 2018.

11 (f) The Illinois State Board of Investment shall be the
12 plan sponsor for the Tier 3 plan established under this
13 Section.

14 (g) The intent of this amendatory Act of the 100th General
15 Assembly is to ensure that the State's normal cost of
16 participation in the Tier 3 plan is similar, and if possible
17 equal, to the State's normal cost of participation in the
18 defined benefit plan, unless a lower State's normal cost is
19 necessary to ensure cost neutrality.

20 (h) The Tier 3 plan is intended to supersede the defined
21 contribution plan provided for in Section 14-155. If, on the
22 effective date of this amendatory Act of the 100th General
23 Assembly, a defined contribution plan under Section 14-155 has
24 not yet been implemented, then development of such a plan shall
25 cease. If, on the effective date of this amendatory Act of the
26 100th General Assembly, a defined contribution plan under

1 Section 14-155 has already been implemented, then that plan
2 shall continue in operation until the Tier 3 plan takes effect,
3 and the Tier 3 plan shall be designed to accept and include the
4 participants from the superseded defined contribution plan.

5 Upon implementation of the Tier 3 plan, or as soon
6 thereafter as may be practical, the System shall transfer and
7 consolidate the participants, account balances, assets, and
8 liabilities of the defined contribution plan under Section
9 14-155 into the Tier 3 plan. Upon such transfer:

10 (1) The participant's election to participate in the
11 defined contribution plan shall be deemed to be the
12 participant's election to participate in the Tier 3 plan.

13 (2) The participant's service credits, contributions,
14 and account balances under the defined contribution plan
15 shall be deemed to relate to the Tier 3 plan.

16 (40 ILCS 5/15-108.1)

17 Sec. 15-108.1. Tier 1 member. "Tier 1 member": A
18 participant or an annuitant of a retirement annuity under this
19 Article, other than a participant in the self-managed plan
20 under Section 15-158.2, who first became a participant or
21 member before January 1, 2011 under any reciprocal retirement
22 system or pension fund established under this Code, other than
23 a retirement system or pension fund established under Articles
24 2, 3, 4, 5, 6, or 18 of this Code. "Tier 1 member" includes a
25 person who first became a participant under this System before

1 January 1, 2011 and who accepts a refund and is subsequently
2 reemployed by an employer on or after January 1, 2011.

3 In the case of a Tier 1 member who elects to participate in
4 the Tier 3 plan under Section 15-200.5 of this Code, that Tier
5 1 member shall be deemed a Tier 1 member only with respect to
6 service performed or established before the effective date of
7 that election.

8 (Source: P.A. 98-92, eff. 7-16-13.)

9 (40 ILCS 5/15-108.2)

10 Sec. 15-108.2. Tier 2 member. "Tier 2 member": A person who
11 first becomes a participant under this Article on or after
12 January 1, 2011, other than a person in the self-managed plan
13 established under Section 15-158.2, unless the person is
14 otherwise a Tier 1 member. The changes made to this Section by
15 this amendatory Act of the 98th General Assembly are a
16 correction of existing law and are intended to be retroactive
17 to the effective date of Public Act 96-889, notwithstanding the
18 provisions of Section 1-103.1 of this Code.

19 In the case of a Tier 2 member who elects to participate in
20 the Tier 3 plan under Section 15-200.5 of this Code, that Tier
21 2 member shall be deemed a Tier 2 member only with respect to
22 service performed or established before the effective date of
23 that election.

24 (Source: P.A. 98-92, eff. 7-16-13; 98-596, eff. 11-19-13.)

1 (40 ILCS 5/15-108.3 new)

2 Sec. 15-108.3. Tier 3 member. "Tier 3 member": A Tier 1 or
3 Tier 2 member who elects to participate in the Tier 3 plan
4 under Section 15-200.5 of this Code, but only with respect to
5 service performed on or after the effective date of that
6 election.

7 (40 ILCS 5/15-134) (from Ch. 108 1/2, par. 15-134)

8 Sec. 15-134. Participant.

9 (a) Except as provided in subsection (a-5), each ~~Each~~
10 person shall, as a condition of employment, become a
11 participant and be subject to this Article on the date that he
12 or she becomes an employee, makes an election to participate
13 in, or otherwise becomes a participant in one of the retirement
14 programs offered under this Article, whichever date is later.

15 An employee who becomes a participant shall continue to be
16 a participant until he or she becomes an annuitant, dies or
17 accepts a refund of contributions.

18 (a-5) Notwithstanding any other provision of this Article,
19 beginning on the effective date of this amendatory Act of the
20 100th General Assembly, a person is not required, as a
21 condition of employment or otherwise, to participate in this
22 System. An active employee may terminate his or her
23 participation in this System (including active participation
24 in the Tier 3 plan, if applicable) by notifying the System in
25 writing. An active employee terminating participation in this

1 System under this subsection shall be entitled to a refund of
2 his or her contributions (other than contributions to the
3 self-managed plan under Section 15-158.2, the defined
4 contribution plan under Section 15-200, or the Tier 3 plan
5 under Section 15-200.5) minus the benefits received prior to
6 the termination of participation.

7 (b) A person employed concurrently by 2 or more employers
8 is eligible to participate in the system on compensation
9 received from all employers.

10 (Source: P.A. 98-92, eff. 7-16-13.)

11 (40 ILCS 5/15-198)

12 (Text of Section WITHOUT the changes made by P.A. 98-599,
13 which has been held unconstitutional)

14 Sec. 15-198. Application and expiration of new benefit
15 increases.

16 (a) As used in this Section, "new benefit increase" means
17 an increase in the amount of any benefit provided under this
18 Article, or an expansion of the conditions of eligibility for
19 any benefit under this Article, that results from an amendment
20 to this Code that takes effect after the effective date of this
21 amendatory Act of the 94th General Assembly. "New benefit
22 increase", however, does not include any benefit increase
23 resulting from the changes made by this amendatory Act of the
24 100th General Assembly.

25 (b) Notwithstanding any other provision of this Code or any

1 subsequent amendment to this Code, every new benefit increase
2 is subject to this Section and shall be deemed to be granted
3 only in conformance with and contingent upon compliance with
4 the provisions of this Section.

5 (c) The Public Act enacting a new benefit increase must
6 identify and provide for payment to the System of additional
7 funding at least sufficient to fund the resulting annual
8 increase in cost to the System as it accrues.

9 Every new benefit increase is contingent upon the General
10 Assembly providing the additional funding required under this
11 subsection. The Commission on Government Forecasting and
12 Accountability shall analyze whether adequate additional
13 funding has been provided for the new benefit increase and
14 shall report its analysis to the Public Pension Division of the
15 Department of Financial and Professional Regulation. A new
16 benefit increase created by a Public Act that does not include
17 the additional funding required under this subsection is null
18 and void. If the Public Pension Division determines that the
19 additional funding provided for a new benefit increase under
20 this subsection is or has become inadequate, it may so certify
21 to the Governor and the State Comptroller and, in the absence
22 of corrective action by the General Assembly, the new benefit
23 increase shall expire at the end of the fiscal year in which
24 the certification is made.

25 (d) Every new benefit increase shall expire 5 years after
26 its effective date or on such earlier date as may be specified

1 in the language enacting the new benefit increase or provided
2 under subsection (c). This does not prevent the General
3 Assembly from extending or re-creating a new benefit increase
4 by law.

5 (e) Except as otherwise provided in the language creating
6 the new benefit increase, a new benefit increase that expires
7 under this Section continues to apply to persons who applied
8 and qualified for the affected benefit while the new benefit
9 increase was in effect and to the affected beneficiaries and
10 alternate payees of such persons, but does not apply to any
11 other person, including without limitation a person who
12 continues in service after the expiration date and did not
13 apply and qualify for the affected benefit while the new
14 benefit increase was in effect.

15 (Source: P.A. 94-4, eff. 6-1-05.)

16 (40 ILCS 5/15-200.5 new)

17 Sec. 15-200.5. Tier 3 plan.

18 (a) By July 1, 2018, the System shall prepare and implement
19 a Tier 3 plan. The Tier 3 plan developed under this Section
20 shall be a plan that aggregates State and employee
21 contributions in individual participant accounts which, after
22 meeting any other requirements, are used for payouts after
23 retirement in accordance with this Section and any other
24 applicable laws.

25 As used in this Section, "defined benefit plan" means the

1 traditional benefit package or the portable benefit package
2 available under this Article to Tier 1 or Tier 2 members who
3 have not made the election authorized under this Section and do
4 not participate in the self-managed plan under Section 15-158.2
5 or the defined contribution plan under Section 15-200.

6 (1) A participant in the Tier 3 plan shall pay employee
7 contributions at a rate determined by the participant, but
8 not less than 3% of earnings and not more than a percentage
9 of earnings determined by the Board in accordance with the
10 requirements of State and federal law.

11 (2) State contributions shall be paid into the accounts
12 of all participants in the Tier 3 plan at a uniform rate,
13 expressed as a percentage of earnings and determined for
14 each year. This rate shall be no higher than 7.6% of
15 earnings and shall be no lower than 3% of earnings. The
16 State shall adjust this rate annually.

17 (3) The Tier 3 plan shall require 5 years of
18 participation in the Tier 3 plan before vesting in State
19 contributions. If the participant fails to vest in them,
20 the State contributions, and the earnings thereon, shall be
21 forfeited.

22 (4) The Tier 3 plan may provide for participants in the
23 plan to be eligible for the defined disability benefits
24 available to other participants under this Article. If it
25 does, the System shall reduce the employee contributions
26 credited to the member's Tier 3 plan account by an amount

1 determined by the System to cover the cost of offering such
2 benefits.

3 (5) The Tier 3 plan shall provide a variety of options
4 for investments. These options shall include investments
5 handled by the System as well as private sector investment
6 options.

7 (6) The Tier 3 plan shall provide a variety of options
8 for payouts to participants in the Tier 3 plan who are no
9 longer active in the System and their survivors.

10 (7) To the extent authorized under federal law and as
11 authorized by the System, the plan shall allow former
12 participants in the plan to transfer or roll over employee
13 and vested State contributions, and the earnings thereon,
14 from the Tier 3 plan into other qualified retirement plans.

15 (8) The System shall reduce the employee contributions
16 credited to the member's Tier 3 plan account by an amount
17 determined by the System to cover the cost of offering
18 these benefits and any applicable administrative fees.

19 (b) Under the Tier 3 plan, an active Tier 1 or Tier 2
20 member of this System may elect, in writing, to cease accruing
21 benefits in the defined benefit plan and begin accruing
22 benefits for future service in the Tier 3 plan. An active Tier
23 1 or Tier 2 member who elects to cease accruing benefits in his
24 or her defined benefit plan shall be prohibited from purchasing
25 service credit on or after the date of his or her election. A
26 Tier 1 or Tier 2 member who elects to participate in the Tier 3

1 plan shall not receive interest accruals to his or her Rule 2
2 benefit on or after the date of his or her election. The
3 election to participate in the Tier 3 plan is voluntary and
4 irrevocable.

5 (1) Service credit under the Tier 3 plan may be used
6 for determining retirement eligibility under the defined
7 benefit plan.

8 (2) The System shall make a good faith effort to
9 contact all active Tier 1 and Tier 2 members who are
10 eligible to participate in the Tier 3 plan. The System
11 shall mail information describing the option to join the
12 Tier 3 plan to each of these employees to his or her last
13 known address on file with the System. If the employee is
14 not responsive to other means of contact, it is sufficient
15 for the System to publish the details of the option on its
16 website.

17 (3) Upon request for further information describing
18 the option, the System shall provide employees with
19 information from the System before exercising the option to
20 join the plan, including information on the impact to their
21 benefits and service. The individual consultation shall
22 include projections of the member's defined benefits at
23 retirement or earlier termination of service and the value
24 of the member's account at retirement or earlier
25 termination of service. The System shall not provide advice
26 or counseling with respect to whether the employee should

1 exercise the option. The System shall inform Tier 1 and
2 Tier 2 members who are eligible to participate in the Tier
3 3 plan that they may also wish to obtain information and
4 counsel relating to their option from any other available
5 source, including but not limited to labor organizations,
6 private counsel, and financial advisors.

7 (b-5) A Tier 1 or Tier 2 member who elects to participate
8 in the Tier 3 plan may irrevocably elect to terminate all
9 participation in the defined benefit plan. Upon that election,
10 the System shall transfer to the member's individual account an
11 amount equal to the amount of contribution refund that the
12 member would be eligible to receive if the member terminated
13 employment on that date and elected a refund of contributions,
14 including interest at the effective rate for the respective
15 years. The System shall make the transfer as a tax free
16 transfer in accordance with Internal Revenue Service
17 guidelines, for purposes of funding the amount credited to the
18 member's individual account.

19 (c) In no event shall the System, its staff, its authorized
20 representatives, or the Board be liable for any information
21 given to an employee under this Section. The System may
22 coordinate with the Illinois Department of Central Management
23 Services and other retirement systems administering a Tier 3
24 plan in accordance with this amendatory Act of the 100th
25 General Assembly to provide information concerning the impact
26 of the Tier 3 plan set forth in this Section.

1 (d) Notwithstanding any other provision of this Section, no
2 person shall begin participating in the Tier 3 plan until it
3 has attained qualified plan status and received all necessary
4 approvals from the U.S. Internal Revenue Service.

5 (e) The System shall report on its progress under this
6 Section, including the available details of the Tier 3 plan and
7 the System's plans for informing eligible Tier 1 and Tier 2
8 members about the plan, to the Governor and the General
9 Assembly on or before January 15, 2018.

10 (f) The intent of this amendatory Act of the 100th General
11 Assembly is to ensure that the State's normal cost of
12 participation in the Tier 3 plan is similar, and if possible
13 equal, to the State's normal cost of participation in the
14 defined benefit plan, unless a lower State's normal cost is
15 necessary to ensure cost neutrality.

16 (g) The Tier 3 plan is intended to supersede the defined
17 contribution plan provided for in Section 15-200. If, on the
18 effective date of this amendatory Act of the 100th General
19 Assembly, a defined contribution plan under Section 15-200 has
20 not yet been implemented, then development of such a plan shall
21 cease. If, on the effective date of this amendatory Act of the
22 100th General Assembly, a defined contribution plan under
23 Section 15-200 has already been implemented, then that plan
24 shall continue in operation until the Tier 3 plan takes effect,
25 and the Tier 3 plan shall be designed to accept and include the
26 participants from the superseded defined contribution plan.

1 Upon implementation of the Tier 3 plan, or as soon
2 thereafter as may be practical, the System shall transfer and
3 consolidate the participants, account balances, assets, and
4 liabilities of the defined contribution plan under Section
5 15-200 into the Tier 3 plan. Upon such transfer:

6 (1) The participant's election to participate in the
7 defined contribution plan shall be deemed to be the
8 participant's election to participate in the Tier 3 plan.

9 (2) The participant's service credits, contributions,
10 and account balances under the defined contribution plan
11 shall be deemed to relate to the Tier 3 plan.

12 (40 ILCS 5/16-106.4a new)

13 Sec. 16-106.4a. Tier 1 member. "Tier 1 member": A member
14 under this Article who first became a member or participant
15 before January 1, 2011 under any reciprocal retirement system
16 or pension fund established under this Code other than a
17 retirement system or pension fund established under Article 2,
18 3, 4, 5, 6, or 18 of this Code.

19 In the case of a Tier 1 member who elects to participate in
20 the Tier 3 plan under Section 16-205.5 of this Code, that Tier
21 1 member shall be deemed a Tier 1 member only with respect to
22 service performed or established before the effective date of
23 that election.

24 (40 ILCS 5/16-106.4b new)

1 Sec. 16-106.4b. Tier 2 member. "Tier 2 member": A member of
2 the System who first becomes a member under this Article on or
3 after January 1, 2011 and who is not a Tier 1 member.

4 In the case of a Tier 2 member who elects to participate in
5 the Tier 3 plan under Section 16-205.5 of this Code, the Tier 2
6 member shall be deemed a Tier 2 member only with respect to
7 service performed or established before the effective date of
8 that election.

9 (40 ILCS 5/16-106.4c new)

10 Sec. 16-106.4c. Tier 3 member. "Tier 3 member": A Tier 1 or
11 Tier 2 member who elects to participate in the Tier 3 plan
12 under Section 16-205.5 of this Code, but only with respect to
13 service performed on or after the effective date of that
14 election.

15 (40 ILCS 5/16-123) (from Ch. 108 1/2, par. 16-123)

16 Sec. 16-123. Membership of System.

17 (a) Except as provided in subsection (c), the ~~The~~
18 membership of this System shall be composed of all teachers
19 employed after June 30, 1939 who become members as a condition
20 of employment on the date they become teachers. Membership
21 shall continue until the date a member becomes an annuitant,
22 dies, accepts a single-sum retirement benefit, accepts a
23 refund, or forfeits the rights to a refund.

24 (b) This Article does not apply to any person first

1 employed after June 30, 1979 as a public service employment
2 program participant under the Federal Comprehensive Employment
3 and Training Act and whose wages or fringe benefits are paid in
4 whole or in part by funds provided under such Act.

5 (c) Notwithstanding any other provision of this Article,
6 beginning on the effective date of this amendatory Act of the
7 100th General Assembly, a person is not required, as a
8 condition of employment or otherwise, to participate in this
9 System. An active teacher may terminate his or her membership
10 in this System (including active participation in the Tier 3
11 plan, if applicable) by notifying the System in writing. An
12 active teacher terminating his or her membership in this System
13 under this subsection shall be entitled to a refund of his or
14 her contributions (other than contributions to the defined
15 contribution plan under Section 16-205 or the Tier 3 plan under
16 Section 16-205.5) minus the benefits received prior to the
17 termination of membership.

18 (Source: P.A. 87-11.)

19 (40 ILCS 5/16-203)

20 (Text of Section WITHOUT the changes made by P.A. 98-599,
21 which has been held unconstitutional)

22 Sec. 16-203. Application and expiration of new benefit
23 increases.

24 (a) As used in this Section, "new benefit increase" means
25 an increase in the amount of any benefit provided under this

1 Article, or an expansion of the conditions of eligibility for
2 any benefit under this Article, that results from an amendment
3 to this Code that takes effect after June 1, 2005 (the
4 effective date of Public Act 94-4). "New benefit increase",
5 however, does not include any benefit increase resulting from
6 the changes made to this Article by Public Act 95-910 or this
7 amendatory Act of the 100th General Assembly ~~this amendatory~~
8 ~~Act of the 95th General Assembly~~.

9 (b) Notwithstanding any other provision of this Code or any
10 subsequent amendment to this Code, every new benefit increase
11 is subject to this Section and shall be deemed to be granted
12 only in conformance with and contingent upon compliance with
13 the provisions of this Section.

14 (c) The Public Act enacting a new benefit increase must
15 identify and provide for payment to the System of additional
16 funding at least sufficient to fund the resulting annual
17 increase in cost to the System as it accrues.

18 Every new benefit increase is contingent upon the General
19 Assembly providing the additional funding required under this
20 subsection. The Commission on Government Forecasting and
21 Accountability shall analyze whether adequate additional
22 funding has been provided for the new benefit increase and
23 shall report its analysis to the Public Pension Division of the
24 Department of Financial and Professional Regulation. A new
25 benefit increase created by a Public Act that does not include
26 the additional funding required under this subsection is null

1 and void. If the Public Pension Division determines that the
2 additional funding provided for a new benefit increase under
3 this subsection is or has become inadequate, it may so certify
4 to the Governor and the State Comptroller and, in the absence
5 of corrective action by the General Assembly, the new benefit
6 increase shall expire at the end of the fiscal year in which
7 the certification is made.

8 (d) Every new benefit increase shall expire 5 years after
9 its effective date or on such earlier date as may be specified
10 in the language enacting the new benefit increase or provided
11 under subsection (c). This does not prevent the General
12 Assembly from extending or re-creating a new benefit increase
13 by law.

14 (e) Except as otherwise provided in the language creating
15 the new benefit increase, a new benefit increase that expires
16 under this Section continues to apply to persons who applied
17 and qualified for the affected benefit while the new benefit
18 increase was in effect and to the affected beneficiaries and
19 alternate payees of such persons, but does not apply to any
20 other person, including without limitation a person who
21 continues in service after the expiration date and did not
22 apply and qualify for the affected benefit while the new
23 benefit increase was in effect.

24 (Source: P.A. 94-4, eff. 6-1-05; 95-910, eff. 8-26-08.)

25 (40 ILCS 5/16-205.5 new)

1 Sec. 16-205.5. Tier 3 plan.

2 (a) By July 1, 2018, the System shall prepare and implement
3 a Tier 3 plan. The Tier 3 plan developed under this Section
4 shall be a plan that aggregates State and employee
5 contributions in individual participant accounts which, after
6 meeting any other requirements, are used for payouts after
7 retirement in accordance with this Section and any other
8 applicable laws.

9 As used in this Section, "defined benefit plan" means the
10 retirement plan available under this Article to Tier 1 or Tier
11 2 members who have not made the election authorized under this
12 Section or Section 16-205.

13 (1) A participant in the Tier 3 plan shall pay employee
14 contributions at a rate determined by the participant, but
15 not less than 3% of salary and not more than a percentage
16 of salary determined by the Board in accordance with the
17 requirements of State and federal law.

18 (2) State contributions shall be paid into the accounts
19 of all participants in the Tier 3 plan at a uniform rate,
20 expressed as a percentage of salary and determined for each
21 year. This rate shall be no higher than 7.6% of salary and
22 shall be no lower than 3% of salary. The State shall adjust
23 this rate annually.

24 (3) The Tier 3 plan shall require 5 years of
25 participation in the Tier 3 plan before vesting in State
26 contributions. If the participant fails to vest in them,

1 the State contributions, and the earnings thereon, shall be
2 forfeited.

3 (4) The Tier 3 plan may provide for participants in the
4 plan to be eligible for the defined disability benefits
5 available to other participants under this Article. If it
6 does, the System shall reduce the employee contributions
7 credited to the member's Tier 3 plan account by an amount
8 determined by the System to cover the cost of offering such
9 benefits.

10 (5) The Tier 3 plan shall provide a variety of options
11 for investments. These options shall include investments
12 in a fund created by the System and managed in accordance
13 with legal and fiduciary standards, as well as investment
14 options otherwise available.

15 (6) The Tier 3 plan shall provide a variety of options
16 for payouts to participants in the Tier 3 plan who are no
17 longer active in the System and their survivors.

18 (7) To the extent authorized under federal law and as
19 authorized by the System, the plan shall allow former
20 participants in the plan to transfer or roll over employee
21 and vested State contributions, and the earnings thereon,
22 from the Tier 3 plan into other qualified retirement plans.

23 (8) The System shall reduce the employee contributions
24 credited to the member's Tier 3 plan account by an amount
25 determined by the System to cover the cost of offering
26 these benefits and any applicable administrative fees.

1 (b) Under the Tier 3 plan, an active Tier 1 or Tier 2
2 member of this System may elect, in writing, to cease accruing
3 benefits in the defined benefit plan and begin accruing
4 benefits for future service in the Tier 3 plan. An active Tier
5 1 or Tier 2 member who elects to cease accruing benefits in his
6 or her defined benefit plan shall be prohibited from purchasing
7 service credit on or after the date of his or her election. A
8 Tier 1 or Tier 2 member making the irrevocable election
9 provided under this subsection shall not receive interest
10 accruals to his or her benefit under paragraph (A) of
11 subsection (a) of Section 16-133 of this Code on or after the
12 date of his or her election. The election to participate in the
13 Tier 3 plan is voluntary and irrevocable.

14 (1) Service credit under the Tier 3 plan may be used
15 for determining retirement eligibility under the defined
16 benefit plan.

17 (2) The System shall make a good faith effort to
18 contact all active Tier 1 and Tier 2 members who are
19 eligible to participate in the Tier 3 plan. The System
20 shall mail information describing the option to join the
21 Tier 3 plan to each of these employees to his or her last
22 known address on file with the System. If the employee is
23 not responsive to other means of contact, it is sufficient
24 for the System to publish the details of the option on its
25 website.

26 (3) Upon request for further information describing

1 the option, the System shall provide employees with
2 information from the System before exercising the option to
3 join the plan, including information on the impact to their
4 benefits and service. The individual consultation shall
5 include projections of the member's defined benefits at
6 retirement or earlier termination of service and the value
7 of the member's account at retirement or earlier
8 termination of service. The System shall not provide advice
9 or counseling with respect to whether the employee should
10 exercise the option. The System shall inform Tier 1 and
11 Tier 2 members who are eligible to participate in the Tier
12 3 plan that they may also wish to obtain information and
13 counsel relating to their option from any other available
14 source, including but not limited to labor organizations,
15 private counsel, and financial advisors.

16 (b-5) A Tier 1 or Tier 2 member who elects to participate
17 in the Tier 3 plan may irrevocably elect to terminate all
18 participation in the defined benefit plan. Upon that election,
19 the System shall transfer to the member's individual account an
20 amount equal to the amount of contribution refund that the
21 member would be eligible to receive if the member terminated
22 employment on that date and elected a refund of contributions,
23 including regular interest for the respective years. The System
24 shall make the transfer as a tax free transfer in accordance
25 with Internal Revenue Service guidelines, for purposes of
26 funding the amount credited to the member's individual account.

1 (c) In no event shall the System, its staff, its authorized
2 representatives, or the Board be liable for any information
3 given to an employee under this Section. The System may
4 coordinate with the Illinois Department of Central Management
5 Services and other retirement systems administering a Tier 3
6 plan in accordance with this amendatory Act of the 100th
7 General Assembly to provide information concerning the impact
8 of the Tier 3 plan set forth in this Section.

9 (d) Notwithstanding any other provision of this Section, no
10 person shall begin participating in the Tier 3 plan until it
11 has attained qualified plan status and received all necessary
12 approvals from the U.S. Internal Revenue Service.

13 (e) The System shall report on its progress under this
14 Section, including the available details of the Tier 3 plan and
15 the System's plans for informing eligible Tier 1 and Tier 2
16 members about the plan, to the Governor and the General
17 Assembly on or before January 15, 2018.

18 (f) The intent of this amendatory Act of the 100th General
19 Assembly is to ensure that the State's normal cost of
20 participation in the Tier 3 plan is similar, and if possible
21 equal, to the State's normal cost of participation in the
22 defined benefit plan, unless a lower State's normal cost is
23 necessary to ensure cost neutrality.

24 (g) The Tier 3 plan is intended to supersede the defined
25 contribution plan provided for in Section 16-205. If, on the
26 effective date of this amendatory Act of the 100th General

1 Assembly, a defined contribution plan under Section 16-205 has
2 not yet been implemented, then development of such a plan shall
3 cease. If, on the effective date of this amendatory Act of the
4 100th General Assembly, a defined contribution plan under
5 Section 16-205 has already been implemented, then that plan
6 shall continue in operation until the Tier 3 plan takes effect,
7 and the Tier 3 plan shall be designed to accept and include the
8 participants from the superseded defined contribution plan.

9 Upon implementation of the Tier 3 plan, or as soon
10 thereafter as may be practical, the System shall transfer and
11 consolidate the participants, account balances, assets, and
12 liabilities of the defined contribution plan under Section
13 16-205 into the Tier 3 plan. Upon such transfer:

14 (1) The participant's election to participate in the
15 defined contribution plan shall be deemed to be the
16 participant's election to participate in the Tier 3 plan.

17 (2) The participant's service credits, contributions,
18 and account balances under the defined contribution plan
19 shall be deemed to relate to the Tier 3 plan.

20 (40 ILCS 5/18-110.1 new)

21 Sec. 18-110.1. Tier 1 participant. "Tier 1 participant": A
22 participant who first became a participant of this System
23 before January 1, 2011.

24 In the case of a Tier 1 participant who elects to
25 participate in the Tier 3 plan under Section 18-121.5 of this

1 Code, that Tier 1 participant shall be deemed a Tier 1
2 participant only with respect to service performed or
3 established before the effective date of that election.

4 (40 ILCS 5/18-110.2 new)

5 Sec. 18-110.2. Tier 2 participant. "Tier 2 participant": A
6 participant who first becomes a participant of this System on
7 or after January 1, 2011.

8 In the case of a Tier 2 participant who elects to
9 participate in the Tier 3 plan under Section 18-121.5 of this
10 Code, that Tier 2 participant shall be deemed a Tier 2
11 participant only with respect to service performed or
12 established before the effective date of that election.

13 (40 ILCS 5/18-110.3 new)

14 Sec. 18-110.3. Tier 3 participant. "Tier 3 participant": A
15 Tier 1 or Tier 2 participant who elects to participate in the
16 Tier 3 plan under Section 18-121.5 of this Code, but only with
17 respect to service performed on or after the effective date of
18 that election.

19 (40 ILCS 5/18-120) (from Ch. 108 1/2, par. 18-120)

20 Sec. 18-120. Employee participation.

21 (a) Except as provided in subsection (b), an ~~An~~ eligible
22 judge who is not a participant shall become a participant
23 beginning on the date he or she becomes an eligible judge,

1 unless the judge files with the board a written notice of
2 election not to participate within 30 days of the date of being
3 notified of the option.

4 A person electing not to participate shall thereafter be
5 ineligible to become a participant unless the election is
6 revoked as provided in Section 18-121.

7 (b) Notwithstanding any other provision of this Article, an
8 active participant may terminate his or her participation in
9 this System (including active participation in the Tier 3 plan,
10 if applicable) by notifying the System in writing. An active
11 participant terminating participation in this System under
12 this subsection shall be entitled to a refund of his or her
13 contributions (other than contributions to the Tier 3 plan
14 under Section 18-121.5) minus the benefits received prior to
15 the termination of participation.

16 (Source: P.A. 83-1440.)

17 (40 ILCS 5/18-121.5 new)

18 Sec. 18-121.5. Tier 3 plan.

19 (a) By July 1, 2018, the System shall prepare and implement
20 a Tier 3 plan. The Tier 3 plan developed under this Section
21 shall be a plan that aggregates State and employee
22 contributions in individual participant accounts which, after
23 meeting any other requirements, are used for payouts after
24 retirement in accordance with this Section and any other
25 applicable laws.

1 As used in this Section, "defined benefit plan" means the
2 retirement plan available under this Article to Tier 1 or Tier
3 2 participants who have not made the election authorized under
4 this Section.

5 (1) A participant in the Tier 3 plan shall pay employee
6 contributions at a rate determined by the participant, but
7 not less than 3% of salary and not more than a percentage
8 of salary determined by the Board in accordance with the
9 requirements of State and federal law.

10 (2) State contributions shall be paid into the accounts
11 of all participants in the Tier 3 plan at a uniform rate,
12 expressed as a percentage of salary and determined for each
13 year. This rate shall be no higher than 7.6% of salary and
14 shall be no lower than 3% of salary. The State shall adjust
15 this rate annually.

16 (3) The Tier 3 plan shall require 5 years of
17 participation in the Tier 3 plan before vesting in State
18 contributions. If the participant fails to vest in them,
19 the State contributions, and the earnings thereon, shall be
20 forfeited.

21 (4) The Tier 3 plan may provide for participants in the
22 plan to be eligible for defined disability benefits. If it
23 does, the System shall reduce the employee contributions
24 credited to the participant's Tier 3 plan account by an
25 amount determined by the System to cover the cost of
26 offering such benefits.

1 (5) The Tier 3 plan shall provide a variety of options
2 for investments. These options shall include investments
3 handled by the Illinois State Board of Investment as well
4 as private sector investment options.

5 (6) The Tier 3 plan shall provide a variety of options
6 for payouts to participants in the Tier 3 plan who are no
7 longer active in the System and their survivors.

8 (7) To the extent authorized under federal law and as
9 authorized by the System, the plan shall allow former
10 participants in the plan to transfer or roll over employee
11 and vested State contributions, and the earnings thereon,
12 into other qualified retirement plans.

13 (8) The System shall reduce the employee contributions
14 credited to the participant's Tier 3 plan account by an
15 amount determined by the System to cover the cost of
16 offering these benefits and any applicable administrative
17 fees.

18 (b) Under the Tier 3 plan, an active Tier 1 or Tier 2
19 participant of this System may elect, in writing, to cease
20 accruing benefits in the defined benefit plan and begin
21 accruing benefits for future service in the Tier 3 plan. The
22 election to participate in the Tier 3 plan is voluntary and
23 irrevocable.

24 (1) Service credit under the Tier 3 plan may be used
25 for determining retirement eligibility under the defined
26 benefit plan.

1 (2) The System shall make a good faith effort to
2 contact all active Tier 1 and Tier 2 participants who are
3 eligible to participate in the Tier 3 plan. The System
4 shall mail information describing the option to join the
5 Tier 3 plan to each of these employees to his or her last
6 known address on file with the System. If the employee is
7 not responsive to other means of contact, it is sufficient
8 for the System to publish the details of the option on its
9 website.

10 (3) Upon request for further information describing
11 the option, the System shall provide employees with
12 information from the System before exercising the option to
13 join the plan, including information on the impact to their
14 benefits and service. The individual consultation shall
15 include projections of the participant's defined benefits
16 at retirement or earlier termination of service and the
17 value of the participant's account at retirement or earlier
18 termination of service. The System shall not provide advice
19 or counseling with respect to whether the employee should
20 exercise the option. The System shall inform Tier 1 and
21 Tier 2 participants who are eligible to participate in the
22 Tier 3 plan that they may also wish to obtain information
23 and counsel relating to their option from any other
24 available source, including but not limited to private
25 counsel and financial advisors.

26 (b-5) A Tier 1 or Tier 2 participant who elects to

1 participate in the Tier 3 plan may irrevocably elect to
2 terminate all participation in the defined benefit plan. Upon
3 that election, the System shall transfer to the participant's
4 individual account an amount equal to the amount of
5 contribution refund that the participant would be eligible to
6 receive if the participant terminated employment on that date
7 and elected a refund of contributions, including interest at
8 the prescribed rate of interest for the respective years. The
9 System shall make the transfer as a tax free transfer in
10 accordance with Internal Revenue Service guidelines, for
11 purposes of funding the amount credited to the participant's
12 individual account.

13 (c) In no event shall the System, its staff, its authorized
14 representatives, or the Board be liable for any information
15 given to an employee under this Section. The System may
16 coordinate with the Illinois Department of Central Management
17 Services and other retirement systems administering a Tier 3
18 plan in accordance with this amendatory Act of the 100th
19 General Assembly to provide information concerning the impact
20 of the Tier 3 plan set forth in this Section.

21 (d) Notwithstanding any other provision of this Section, no
22 person shall begin participating in the Tier 3 plan until it
23 has attained qualified plan status and received all necessary
24 approvals from the U.S. Internal Revenue Service.

25 (e) The System shall report on its progress under this
26 Section, including the available details of the Tier 3 plan and

1 the System's plans for informing eligible Tier 1 and Tier 2
2 participants about the plan, to the Governor and the General
3 Assembly on or before January 15, 2018.

4 (f) The Illinois State Board of Investment shall be the
5 plan sponsor for the Tier 3 plan established under this
6 Section.

7 (g) The intent of this amendatory Act of the 100th General
8 Assembly is to ensure that the State's normal cost of
9 participation in the Tier 3 plan is similar, and if possible
10 equal, to the State's normal cost of participation in the
11 defined benefit plan, unless a lower State's normal cost is
12 necessary to ensure cost neutrality.

13 (40 ILCS 5/18-124) (from Ch. 108 1/2, par. 18-124)

14 Sec. 18-124. Retirement annuities - conditions for
15 eligibility.

16 (a) This subsection (a) applies to a Tier 1 participant ~~who~~
17 ~~first serves as a judge before the effective date of this~~
18 ~~amendatory Act of the 96th General Assembly.~~

19 A participant whose employment as a judge is terminated,
20 regardless of age or cause is entitled to a retirement annuity
21 beginning on the date specified in a written application
22 subject to the following:

23 (1) the date the annuity begins is subsequent to the
24 date of final termination of employment, or the date 30
25 days prior to the receipt of the application by the board

1 for annuities based on disability, or one year before the
2 receipt of the application by the board for annuities based
3 on attained age;

4 (2) the participant is at least age 55, or has become
5 permanently disabled and as a consequence is unable to
6 perform the duties of his or her office;

7 (3) the participant has at least 10 years of service
8 credit except that a participant terminating service after
9 June 30 1975, with at least 6 years of service credit,
10 shall be entitled to a retirement annuity at age 62 or
11 over;

12 (4) the participant is not receiving or entitled to
13 receive, at the date of retirement, any salary from an
14 employer for service currently performed.

15 (b) This subsection (b) applies to a Tier 2 participant ~~who~~
16 ~~first serves as a judge on or after the effective date of this~~
17 ~~amendatory Act of the 96th General Assembly.~~

18 A participant who has at least 8 years of creditable
19 service is entitled to a retirement annuity when he or she has
20 attained age 67.

21 A member who has attained age 62 and has at least 8 years
22 of service credit may elect to receive the lower retirement
23 annuity provided in subsection (d) of Section 18-125 of this
24 Code.

25 (Source: P.A. 96-889, eff. 1-1-11.)

1 (40 ILCS 5/18-125) (from Ch. 108 1/2, par. 18-125)

2 Sec. 18-125. Retirement annuity amount.

3 (a) The annual retirement annuity for a participant who
4 terminated service as a judge prior to July 1, 1971 shall be
5 based on the law in effect at the time of termination of
6 service.

7 (b) Except as provided in subsection (b-5), effective July
8 1, 1971, the retirement annuity for any participant in service
9 on or after such date shall be 3 1/2% of final average salary,
10 as defined in this Section, for each of the first 10 years of
11 service, and 5% of such final average salary for each year of
12 service in ~~on~~ excess of 10.

13 For purposes of this Section, final average salary for a
14 Tier 1 participant who first serves as a judge before August
15 10, 2009 (the effective date of Public Act 96-207) shall be:

16 (1) the average salary for the last 4 years of credited
17 service as a judge for a participant who terminates service
18 before July 1, 1975.

19 (2) for a participant who terminates service after June
20 30, 1975 and before July 1, 1982, the salary on the last
21 day of employment as a judge.

22 (3) for any participant who terminates service after
23 June 30, 1982 and before January 1, 1990, the average
24 salary for the final year of service as a judge.

25 (4) for a participant who terminates service on or
26 after January 1, 1990 but before July 14, 1995 (the

1 effective date of Public Act 89-136 ~~this amendatory Act of~~
2 ~~1995~~, the salary on the last day of employment as a judge.

3 (5) for a participant who terminates service on or
4 after July 14, 1995 (the effective date of Public Act
5 89-136) ~~this amendatory Act of 1995~~, the salary on the last
6 day of employment as a judge, or the highest salary
7 received by the participant for employment as a judge in a
8 position held by the participant for at least 4 consecutive
9 years, whichever is greater.

10 However, in the case of a participant who elects to
11 discontinue contributions as provided in subdivision (a) (2) of
12 Section 18-133, the time of such election shall be considered
13 the last day of employment in the determination of final
14 average salary under this subsection.

15 For a Tier 1 participant who first serves as a judge on or
16 after August 10, 2009 (the effective date of Public Act 96-207)
17 ~~and before January 1, 2011 (the effective date of Public Act~~
18 ~~96-889)~~, final average salary shall be the average monthly
19 salary obtained by dividing the total salary of the participant
20 during the period of: (1) the 48 consecutive months of service
21 within the last 120 months of service in which the total
22 compensation was the highest, or (2) the total period of
23 service, if less than 48 months, by the number of months of
24 service in that period.

25 The maximum retirement annuity for any participant shall be
26 85% of final average salary.

1 (b-5) Notwithstanding any other provision of this Article,
2 for a Tier 2 participant ~~who first serves as a judge on or~~
3 ~~after January 1, 2011 (the effective date of Public Act~~
4 ~~96-889)~~, the annual retirement annuity is 3% of the
5 participant's final average salary for each year of service.
6 The maximum retirement annuity payable shall be 60% of the
7 participant's final average salary.

8 For a Tier 2 participant ~~who first serves as a judge on or~~
9 ~~after January 1, 2011 (the effective date of Public Act~~
10 ~~96-889)~~, final average salary shall be the average monthly
11 salary obtained by dividing the total salary of the judge
12 during the 96 consecutive months of service within the last 120
13 months of service in which the total salary was the highest by
14 the number of months of service in that period; however,
15 beginning January 1, 2011, the annual salary may not exceed
16 \$106,800, except that that amount shall annually thereafter be
17 increased by the lesser of (i) 3% of that amount, including all
18 previous adjustments, or (ii) the annual unadjusted percentage
19 increase (but not less than zero) in the consumer price index-u
20 for the 12 months ending with the September preceding each
21 November 1. "Consumer price index-u" means the index published
22 by the Bureau of Labor Statistics of the United States
23 Department of Labor that measures the average change in prices
24 of goods and services purchased by all urban consumers, United
25 States city average, all items, 1982-84 = 100. The new amount
26 resulting from each annual adjustment shall be determined by

1 the Public Pension Division of the Department of Insurance and
2 made available to the Board by November 1st of each year.

3 (c) The retirement annuity for a participant who retires
4 prior to age 60 with less than 28 years of service in the
5 System shall be reduced 1/2 of 1% for each month that the
6 participant's age is under 60 years at the time the annuity
7 commences. However, for a participant who retires on or after
8 December 10, 1999 (the effective date of Public Act 91-653)
9 ~~this amendatory Act of the 91st General Assembly~~, the
10 percentage reduction in retirement annuity imposed under this
11 subsection shall be reduced by 5/12 of 1% for every month of
12 service in this System in excess of 20 years, and therefore a
13 participant with at least 26 years of service in this System
14 may retire at age 55 without any reduction in annuity.

15 The reduction in retirement annuity imposed by this
16 subsection shall not apply in the case of retirement on account
17 of disability.

18 (d) Notwithstanding any other provision of this Article,
19 for a Tier 2 participant ~~who first serves as a judge on or~~
20 ~~after January 1, 2011 (the effective date of Public Act 96-889)~~
21 ~~and~~ who is retiring after attaining age 62, the retirement
22 annuity shall be reduced by 1/2 of 1% for each month that the
23 participant's age is under age 67 at the time the annuity
24 commences.

25 (Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11;
26 96-1000, eff. 7-2-10; 96-1490, eff. 1-1-11; revised 9-9-16.)

1 (40 ILCS 5/18-125.1) (from Ch. 108 1/2, par. 18-125.1)

2 Sec. 18-125.1. Automatic increase in retirement annuity. A
3 participant who retires from service after June 30, 1969,
4 shall, in January of the year next following the year in which
5 the first anniversary of retirement occurs, and in January of
6 each year thereafter, have the amount of his or her originally
7 granted retirement annuity increased as follows: for each year
8 up to and including 1971, 1 1/2%; for each year from 1972
9 through 1979 inclusive, 2%; and for 1980 and each year
10 thereafter, 3%.

11 Notwithstanding any other provision of this Article, a
12 retirement annuity for a Tier 2 participant ~~who first serves as~~
13 ~~a judge on or after January 1, 2011 (the effective date of~~
14 ~~Public Act 96-889)~~ shall be increased in January of the year
15 next following the year in which the first anniversary of
16 retirement occurs, but in no event prior to age 67, and in
17 January of each year thereafter, by an amount equal to 3% or
18 the annual percentage increase in the consumer price index-u as
19 determined by the Public Pension Division of the Department of
20 Insurance under subsection (b-5) of Section 18-125, whichever
21 is less, of the retirement annuity then being paid.

22 This Section is not applicable to a participant who retires
23 before he or she has made contributions at the rate prescribed
24 in Section 18-133 for automatic increases for not less than the
25 equivalent of one full year, unless such a participant arranges

1 to pay the system the amount required to bring the total
2 contributions for the automatic increase to the equivalent of
3 one year's contribution based upon his or her last year's
4 salary.

5 This Section is applicable to all participants (other than
6 Tier 3 participants who do not have any service credit as a
7 Tier 1 or Tier 2 participant) in service after June 30, 1969
8 unless a participant has elected, prior to September 1, 1969,
9 in a written direction filed with the board not to be subject
10 to the provisions of this Section. Any participant in service
11 on or after July 1, 1992 shall have the option of electing
12 prior to April 1, 1993, in a written direction filed with the
13 board, to be covered by the provisions of the 1969 amendatory
14 Act. Such participant shall be required to make the aforesaid
15 additional contributions with compound interest at 4% per
16 annum.

17 Any participant who has become eligible to receive the
18 maximum rate of annuity and who resumes service as a judge
19 after receiving a retirement annuity under this Article shall
20 have the amount of his or her retirement annuity increased by
21 3% of the originally granted annuity amount for each year of
22 such resumed service, beginning in January of the year next
23 following the date of such resumed service, upon subsequent
24 termination of such resumed service.

25 Beginning January 1, 1990, all automatic annual increases
26 payable under this Section shall be calculated as a percentage

1 of the total annuity payable at the time of the increase,
2 including previous increases granted under this Article.

3 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

4 (40 ILCS 5/18-127) (from Ch. 108 1/2, par. 18-127)

5 Sec. 18-127. Retirement annuity - suspension on
6 reemployment.

7 (a) A participant receiving a retirement annuity who is
8 regularly employed for compensation by an employer other than a
9 county, in any capacity, shall have his or her retirement
10 annuity payments suspended during such employment. Upon
11 termination of such employment, retirement annuity payments at
12 the previous rate shall be resumed.

13 If such a participant resumes service as a judge, he or she
14 shall receive credit for any additional service. Upon
15 subsequent retirement, his or her retirement annuity shall be
16 the amount previously granted, plus the amount earned by the
17 additional judicial service under the provisions in effect
18 during the period of such additional service. However, if the
19 participant was receiving the maximum rate of annuity at the
20 time of re-employment, he or she may elect, in a written
21 direction filed with the board, not to receive any additional
22 service credit during the period of re-employment. In such
23 case, contributions shall not be required during the period of
24 re-employment. Any such election shall be irrevocable.

25 (b) Beginning January 1, 1991, any participant receiving a

1 retirement annuity who accepts temporary employment from an
2 employer other than a county for a period not exceeding 75
3 working days in any calendar year shall not be deemed to be
4 regularly employed for compensation or to have resumed service
5 as a judge for the purposes of this Article. A day shall be
6 considered a working day if the annuitant performs on it any of
7 his duties under the temporary employment agreement.

8 (c) Except as provided in subsection (a), beginning January
9 1, 1993, retirement annuities shall not be subject to
10 suspension upon resumption of employment for an employer, and
11 any retirement annuity that is then so suspended shall be
12 reinstated on that date.

13 (d) The changes made in this Section by this amendatory Act
14 of 1993 shall apply to judges no longer in service on its
15 effective date, as well as to judges serving on or after that
16 date.

17 (e) A participant receiving a retirement annuity under this
18 Article who serves as a part-time employee in any of the
19 following positions: Legislative Inspector General, Special
20 Legislative Inspector General, employee of the Office of the
21 Legislative Inspector General, Executive Director of the
22 Legislative Ethics Commission, or staff of the Legislative
23 Ethics Commission, but has not elected to participate in the
24 Article 14 System with respect to that service, shall not be
25 deemed to be regularly employed for compensation by an employer
26 other than a county, nor to have resumed service as a judge, on

1 the basis of that service, and the retirement annuity payments
2 and other benefits of that person under this Code shall not be
3 suspended, diminished, or otherwise impaired solely as a
4 consequence of that service. This subsection (e) applies
5 without regard to whether the person is in service as a judge
6 under this Article on or after the effective date of this
7 amendatory Act of the 93rd General Assembly. In this
8 subsection, a "part-time employee" is a person who is not
9 required to work at least 35 hours per week.

10 (f) A participant receiving a retirement annuity under this
11 Article who has made an election under Section 1-123 and who is
12 serving either as legal counsel in the Office of the Governor
13 or as Chief Deputy Attorney General shall not be deemed to be
14 regularly employed for compensation by an employer other than a
15 county, nor to have resumed service as a judge, on the basis of
16 that service, and the retirement annuity payments and other
17 benefits of that person under this Code shall not be suspended,
18 diminished, or otherwise impaired solely as a consequence of
19 that service. This subsection (f) applies without regard to
20 whether the person is in service as a judge under this Article
21 on or after the effective date of this amendatory Act of the
22 93rd General Assembly.

23 (g) Notwithstanding any other provision of this Article, if
24 a Tier 2 participant ~~person who first becomes a participant~~
25 ~~under this System on or after January 1, 2011 (the effective~~
26 ~~date of this amendatory Act of the 96th General Assembly) is~~

1 receiving a retirement annuity under this Article and becomes a
2 member or participant under this Article or any other Article
3 of this Code and is employed on a full-time basis, then the
4 person's retirement annuity under this System shall be
5 suspended during that employment. Upon termination of that
6 employment, the person's retirement annuity shall resume and,
7 if appropriate, be recalculated under the applicable
8 provisions of this Article.

9 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

10 (40 ILCS 5/18-128.01) (from Ch. 108 1/2, par. 18-128.01)

11 Sec. 18-128.01. Amount of survivor's annuity.

12 (a) Upon the death of an annuitant, his or her surviving
13 spouse shall be entitled to a survivor's annuity of 66 2/3% of
14 the annuity the annuitant was receiving immediately prior to
15 his or her death, inclusive of annual increases in the
16 retirement annuity to the date of death.

17 (b) Upon the death of an active participant, his or her
18 surviving spouse shall receive a survivor's annuity of 66 2/3%
19 of the annuity earned by the participant as of the date of his
20 or her death, determined without regard to whether the
21 participant had attained age 60 as of that time, or 7 1/2% of
22 the last salary of the decedent, whichever is greater.

23 (c) Upon the death of a participant who had terminated
24 service with at least 10 years of service, his or her surviving
25 spouse shall be entitled to a survivor's annuity of 66 2/3% of

1 the annuity earned by the deceased participant at the date of
2 death.

3 (d) Upon the death of an annuitant, active participant, or
4 participant who had terminated service with at least 10 years
5 of service, each surviving child under the age of 18 or
6 disabled as defined in Section 18-128 shall be entitled to a
7 child's annuity in an amount equal to 5% of the decedent's
8 final salary, not to exceed in total for all such children the
9 greater of 20% of the decedent's last salary or 66 2/3% of the
10 annuity received or earned by the decedent as provided under
11 subsections (a) and (b) of this Section. This child's annuity
12 shall be paid whether or not a survivor's annuity was elected
13 under Section 18-123.

14 (e) The changes made in the survivor's annuity provisions
15 by Public Act 82-306 shall apply to the survivors of a deceased
16 participant or annuitant whose death occurs on or after August
17 21, 1981.

18 (f) Beginning January 1, 1990, every survivor's annuity
19 shall be increased (1) on each January 1 occurring on or after
20 the commencement of the annuity if the deceased member died
21 while receiving a retirement annuity, or (2) in other cases, on
22 each January 1 occurring on or after the first anniversary of
23 the commencement of the annuity, by an amount equal to 3% of
24 the current amount of the annuity, including any previous
25 increases under this Article. Such increases shall apply
26 without regard to whether the deceased member was in service on

1 or after the effective date of this amendatory Act of 1991, but
2 shall not accrue for any period prior to January 1, 1990.

3 (g) Notwithstanding any other provision of this Article,
4 the initial survivor's annuity for a survivor of a Tier 2
5 participant ~~who first serves as a judge after January 1, 2011~~
6 ~~(the effective date of Public Act 96-889)~~ shall be in the
7 amount of 66 2/3% of the annuity received or earned by the
8 decedent, and shall be increased (1) on each January 1
9 occurring on or after the commencement of the annuity if the
10 deceased participant died while receiving a retirement
11 annuity, or (2) in other cases, on each January 1 occurring on
12 or after the first anniversary of the commencement of the
13 annuity, but in no event prior to age 67, by an amount equal to
14 3% or the annual unadjusted percentage increase in the consumer
15 price index-u as determined by the Public Pension Division of
16 the Department of Insurance under subsection (b-5) of Section
17 18-125, whichever is less, of the survivor's annuity then being
18 paid.

19 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

20 (40 ILCS 5/18-133) (from Ch. 108 1/2, par. 18-133)

21 Sec. 18-133. Financing; employee contributions.

22 (a) Effective July 1, 1967, each participant is required to
23 contribute 7 1/2% of each payment of salary toward the
24 retirement annuity. Such contributions shall continue during
25 the entire time the participant is in service, with the

1 following exceptions:

2 (1) Contributions for the retirement annuity are not
3 required on salary received after 18 years of service by
4 persons who were participants before January 2, 1954.

5 (2) A participant who continues to serve as a judge
6 after becoming eligible to receive the maximum rate of
7 annuity may elect, through a written direction filed with
8 the Board, to discontinue contributing to the System. Any
9 such option elected by a judge shall be irrevocable unless
10 prior to January 1, 2000, and while continuing to serve as
11 judge, the judge (A) files with the Board a letter
12 cancelling the direction to discontinue contributing to
13 the System and requesting that such contributing resume,
14 and (B) pays into the System an amount equal to the total
15 of the discontinued contributions plus interest thereon at
16 5% per annum. Service credits earned in any other
17 "participating system" as defined in Article 20 of this
18 Code shall be considered for purposes of determining a
19 judge's eligibility to discontinue contributions under
20 this subdivision (a) (2).

21 (3) A participant who (i) has attained age 60, (ii)
22 continues to serve as a judge after becoming eligible to
23 receive the maximum rate of annuity, and (iii) has not
24 elected to discontinue contributing to the System under
25 subdivision (a) (2) of this Section (or has revoked any such
26 election) may elect, through a written direction filed with

1 the Board, to make contributions to the System based only
2 on the amount of the increases in salary received by the
3 judge on or after the date of the election, rather than the
4 total salary received. If a judge who is making
5 contributions to the System on the effective date of this
6 amendatory Act of the 91st General Assembly makes an
7 election to limit contributions under this subdivision
8 (a)(3) within 90 days after that effective date, the
9 election shall be deemed to become effective on that
10 effective date and the judge shall be entitled to receive a
11 refund of any excess contributions paid to the System
12 during that 90-day period; any other election under this
13 subdivision (a)(3) becomes effective on the first of the
14 month following the date of the election. An election to
15 limit contributions under this subdivision (a)(3) is
16 irrevocable. Service credits earned in any other
17 participating system as defined in Article 20 of this Code
18 shall be considered for purposes of determining a judge's
19 eligibility to make an election under this subdivision
20 (a)(3).

21 (b) Beginning July 1, 1969, each participant is required to
22 contribute 1% of each payment of salary towards the automatic
23 increase in annuity provided in Section 18-125.1. However, such
24 contributions need not be made by any participant who has
25 elected prior to September 15, 1969, not to be subject to the
26 automatic increase in annuity provisions.

1 (c) Effective July 13, 1953, each married participant
2 subject to the survivor's annuity provisions is required to
3 contribute 2 1/2% of each payment of salary, whether or not he
4 or she is required to make any other contributions under this
5 Section. Such contributions shall be made concurrently with the
6 contributions made for annuity purposes.

7 (d) Notwithstanding any other provision of this Article,
8 the required contributions for a Tier 2 participant ~~who first~~
9 ~~becomes a participant on or after January 1, 2011~~ shall not
10 exceed the contributions that would be due under this Article
11 if that participant's highest salary for annuity purposes were
12 \$106,800, plus any increase in that amount under Section
13 18-125.

14 (Source: P.A. 96-1490, eff. 1-1-11.)

15 (40 ILCS 5/18-169)

16 Sec. 18-169. Application and expiration of new benefit
17 increases.

18 (a) As used in this Section, "new benefit increase" means
19 an increase in the amount of any benefit provided under this
20 Article, or an expansion of the conditions of eligibility for
21 any benefit under this Article, that results from an amendment
22 to this Code that takes effect after the effective date of this
23 amendatory Act of the 94th General Assembly. "New benefit
24 increase", however, does not include any benefit increase
25 resulting from the changes made by this amendatory Act of the

1 100th General Assembly.

2 (b) Notwithstanding any other provision of this Code or any
3 subsequent amendment to this Code, every new benefit increase
4 is subject to this Section and shall be deemed to be granted
5 only in conformance with and contingent upon compliance with
6 the provisions of this Section.

7 (c) The Public Act enacting a new benefit increase must
8 identify and provide for payment to the System of additional
9 funding at least sufficient to fund the resulting annual
10 increase in cost to the System as it accrues.

11 Every new benefit increase is contingent upon the General
12 Assembly providing the additional funding required under this
13 subsection. The Commission on Government Forecasting and
14 Accountability shall analyze whether adequate additional
15 funding has been provided for the new benefit increase and
16 shall report its analysis to the Public Pension Division of the
17 Department of Financial and Professional Regulation. A new
18 benefit increase created by a Public Act that does not include
19 the additional funding required under this subsection is null
20 and void. If the Public Pension Division determines that the
21 additional funding provided for a new benefit increase under
22 this subsection is or has become inadequate, it may so certify
23 to the Governor and the State Comptroller and, in the absence
24 of corrective action by the General Assembly, the new benefit
25 increase shall expire at the end of the fiscal year in which
26 the certification is made.

1 (d) Every new benefit increase shall expire 5 years after
2 its effective date or on such earlier date as may be specified
3 in the language enacting the new benefit increase or provided
4 under subsection (c). This does not prevent the General
5 Assembly from extending or re-creating a new benefit increase
6 by law.

7 (e) Except as otherwise provided in the language creating
8 the new benefit increase, a new benefit increase that expires
9 under this Section continues to apply to persons who applied
10 and qualified for the affected benefit while the new benefit
11 increase was in effect and to the affected beneficiaries and
12 alternate payees of such persons, but does not apply to any
13 other person, including without limitation a person who
14 continues in service after the expiration date and did not
15 apply and qualify for the affected benefit while the new
16 benefit increase was in effect.

17 (Source: P.A. 94-4, eff. 6-1-05.)

18 (40 ILCS 5/20-121) (from Ch. 108 1/2, par. 20-121)

19 (Text of Section WITHOUT the changes made by P.A. 98-599,
20 which has been held unconstitutional)

21 Sec. 20-121. Calculation of proportional retirement
22 annuities. Upon retirement of the employee, a proportional
23 retirement annuity shall be computed by each participating
24 system in which pension credit has been established on the
25 basis of pension credits under each system. The computation

1 shall be in accordance with the formula or method prescribed by
2 each participating system which is in effect at the date of the
3 employee's latest withdrawal from service covered by any of the
4 systems in which he has pension credits which he elects to have
5 considered under this Article. However, the amount of any
6 retirement annuity payable under the self-managed plan
7 established under Section 15-158.2 of this Code depends solely
8 on the value of the participant's vested account balances and
9 is not subject to any proportional adjustment under this
10 Section.

11 For persons who participate in a Tier 3 plan established
12 under Article 2, 14, 15, 16, or 18 of this Code to whom the
13 provisions of this Article apply, the pension credits
14 established under the Tier 3 plan may be considered in
15 determining eligibility for or the amount of the defined
16 benefit retirement annuity that is payable by any other
17 participating system.

18 Combined pension credit under all retirement systems
19 subject to this Article shall be considered in determining
20 whether the minimum qualification has been met and the formula
21 or method of computation which shall be applied, except as may
22 be otherwise provided with respect to vesting in State or
23 employer contributions in a Tier 3 plan. If a system has a
24 step-rate formula for calculation of the retirement annuity,
25 pension credits covering previous service which have been
26 established under another system shall be considered in

1 determining which range or ranges of the step-rate formula are
2 to be applicable to the employee.

3 Interest on pension credit shall continue to accumulate in
4 accordance with the provisions of the law governing the
5 retirement system in which the same has been established during
6 the time an employee is in the service of another employer, on
7 the assumption such employee, for interest purposes for pension
8 credit, is continuing in the service covered by such retirement
9 system.

10 (Source: P.A. 91-887, eff. 7-6-00.)

11 (40 ILCS 5/20-123) (from Ch. 108 1/2, par. 20-123)

12 (Text of Section WITHOUT the changes made by P.A. 98-599,
13 which has been held unconstitutional)

14 Sec. 20-123. Survivor's annuity. The provisions governing
15 a retirement annuity shall be applicable to a survivor's
16 annuity. Appropriate credits shall be established for
17 survivor's annuity purposes in those participating systems
18 which provide survivor's annuities, according to the same
19 conditions and subject to the same limitations and restrictions
20 herein prescribed for a retirement annuity. If a participating
21 system has no survivor's annuity benefit, or if the survivor's
22 annuity benefit under that system is waived, pension credit
23 established in that system shall not be considered in
24 determining eligibility for or the amount of the survivor's
25 annuity which may be payable by any other participating system.

1 For persons who participate in the self-managed plan
2 established under Section 15-158.2 or the portable benefit
3 package established under Section 15-136.4, pension credit
4 established under Article 15 may be considered in determining
5 eligibility for or the amount of the survivor's annuity that is
6 payable by any other participating system, but pension credit
7 established in any other system shall not result in any right
8 to a survivor's annuity under the Article 15 system.

9 For persons who participate in a Tier 3 plan established
10 under Article 2, 14, 15, 16, or 18 of this Code to whom the
11 provisions of this Article apply, the pension credits
12 established under the Tier 3 plan may be considered in
13 determining eligibility for or the amount of the defined
14 benefit survivor's annuity that is payable by any other
15 participating system, but pension credits established in any
16 other system shall not result in any right to or increase in
17 the value of a survivor's annuity under the Tier 3 plan, which
18 depends solely on the options chosen and the value of the
19 participant's vested account balances and is not subject to any
20 proportional adjustment under this Section.

21 (Source: P.A. 91-887, eff. 7-6-00.)

22 (40 ILCS 5/20-124) (from Ch. 108 1/2, par. 20-124)

23 (Text of Section WITHOUT the changes made by P.A. 98-599,
24 which has been held unconstitutional)

25 Sec. 20-124. Maximum benefits.

1 (a) In no event shall the combined retirement or survivors
2 annuities exceed the highest annuity which would have been
3 payable by any participating system in which the employee has
4 pension credits, if all of his pension credits had been
5 validated in that system.

6 If the combined annuities should exceed the highest maximum
7 as determined in accordance with this Section, the respective
8 annuities shall be reduced proportionately according to the
9 ratio which the amount of each proportional annuity bears to
10 the aggregate of all such annuities.

11 (b) In the case of a participant in the self-managed plan
12 established under Section 15-158.2 of this Code to whom the
13 provisions of this Article apply:

14 (i) For purposes of calculating the combined
15 retirement annuity and the proportionate reduction, if
16 any, in a retirement annuity other than one payable under
17 the self-managed plan, the amount of the Article 15
18 retirement annuity shall be deemed to be the highest
19 annuity to which the annuitant would have been entitled if
20 he or she had participated in the traditional benefit
21 package as defined in Section 15-103.1 rather than the
22 self-managed plan.

23 (ii) For purposes of calculating the combined
24 survivor's annuity and the proportionate reduction, if
25 any, in a survivor's annuity other than one payable under
26 the self-managed plan, the amount of the Article 15

1 survivor's annuity shall be deemed to be the highest
2 survivor's annuity to which the survivor would have been
3 entitled if the deceased employee had participated in the
4 traditional benefit package as defined in Section 15-103.1
5 rather than the self-managed plan.

6 (iii) Benefits payable under the self-managed plan are
7 not subject to proportionate reduction under this Section.

8 (c) In the case of a participant in a Tier 3 plan
9 established under Article 2, 14, 15, 16, or 18 of this Code to
10 whom the provisions of this Article apply:

11 (i) For purposes of calculating the combined
12 retirement annuity and the proportionate reduction, if
13 any, in a defined benefit retirement annuity, any benefit
14 payable under the Tier 3 plan shall not be considered.

15 (ii) For purposes of calculating the combined
16 survivor's annuity and the proportionate reduction, if
17 any, in a defined benefit survivor's annuity, any benefit
18 payable under the Tier 3 plan shall not be considered.

19 (iii) Benefits payable under a Tier 3 plan established
20 under Article 2, 14, 15, 16, or 18 of this Code are not
21 subject to proportionate reduction under this Section.

22 (Source: P.A. 91-887, eff. 7-6-00.)

23 (40 ILCS 5/20-125) (from Ch. 108 1/2, par. 20-125)

24 (Text of Section WITHOUT the changes made by P.A. 98-599,
25 which has been held unconstitutional)

1 Sec. 20-125. Return to employment - suspension of benefits.
2 If a retired employee returns to employment which is covered by
3 a system from which he is receiving a proportional annuity
4 under this Article, his proportional annuity from all
5 participating systems shall be suspended during the period of
6 re-employment, except that this suspension does not apply to
7 any distributions payable under the self-managed plan
8 established under Section 15-158.2 of this Code or under a Tier
9 3 plan established under Article 2, 14, 15, 16, or 18 of this
10 Code.

11 The provisions of the Article under which such employment
12 would be covered shall govern the determination of whether the
13 employee has returned to employment, and if applicable the
14 exemption of temporary employment or employment not exceeding a
15 specified duration or frequency, for all participating systems
16 from which the retired employee is receiving a proportional
17 annuity under this Article, notwithstanding any contrary
18 provisions in the other Articles governing such systems.

19 (Source: P.A. 91-887, eff. 7-6-00.)

20 (40 ILCS 5/2-105.1 rep.)

21 (40 ILCS 5/2-166 rep.)

22 (40 ILCS 5/14-103.40 rep.)

23 (40 ILCS 5/14-156 rep.)

24 (40 ILCS 5/15-201 rep.)

25 (40 ILCS 5/16-106.4 rep.)

1 (40 ILCS 5/16-206 rep.)

2 Section 15. The Illinois Pension Code is amended by
3 repealing Sections 2-105.1, 2-166, 14-103.40, 14-156, 15-201,
4 16-106.4, and 16-206.

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.

1

INDEX

2

Statutes amended in order of appearance

3 5 ILCS 375/3 from Ch. 127, par. 523
4 5 ILCS 375/10 from Ch. 127, par. 530
5 40 ILCS 5/1-160
6 40 ILCS 5/2-105.3 new
7 40 ILCS 5/2-117 from Ch. 108 1/2, par. 2-117
8 40 ILCS 5/2-162
9 40 ILCS 5/2-165.5 new
10 40 ILCS 5/14-103.05 from Ch. 108 1/2, par. 14-103.05
11 40 ILCS 5/14-103.41 new
12 40 ILCS 5/14-103.42 new
13 40 ILCS 5/14-103.43 new
14 40 ILCS 5/14-152.1
15 40 ILCS 5/14-155.5 new
16 40 ILCS 5/15-108.1
17 40 ILCS 5/15-108.2
18 40 ILCS 5/15-108.3 new
19 40 ILCS 5/15-134 from Ch. 108 1/2, par. 15-134
20 40 ILCS 5/15-198
21 40 ILCS 5/15-200.5 new
22 40 ILCS 5/16-106.4a new
23 40 ILCS 5/16-106.4b new
24 40 ILCS 5/16-106.4c new
25 40 ILCS 5/16-123 from Ch. 108 1/2, par. 16-123

1	40 ILCS 5/16-203	
2	40 ILCS 5/16-205.5 new	
3	40 ILCS 5/18-110.1 new	
4	40 ILCS 5/18-110.2 new	
5	40 ILCS 5/18-110.3 new	
6	40 ILCS 5/18-120	from Ch. 108 1/2, par. 18-120
7	40 ILCS 5/18-121.5 new	
8	40 ILCS 5/18-124	from Ch. 108 1/2, par. 18-124
9	40 ILCS 5/18-125	from Ch. 108 1/2, par. 18-125
10	40 ILCS 5/18-125.1	from Ch. 108 1/2, par. 18-125.1
11	40 ILCS 5/18-127	from Ch. 108 1/2, par. 18-127
12	40 ILCS 5/18-128.01	from Ch. 108 1/2, par. 18-128.01
13	40 ILCS 5/18-133	from Ch. 108 1/2, par. 18-133
14	40 ILCS 5/18-169	
15	40 ILCS 5/20-121	from Ch. 108 1/2, par. 20-121
16	40 ILCS 5/20-123	from Ch. 108 1/2, par. 20-123
17	40 ILCS 5/20-124	from Ch. 108 1/2, par. 20-124
18	40 ILCS 5/20-125	from Ch. 108 1/2, par. 20-125
19	40 ILCS 5/2-105.1 rep.	
20	40 ILCS 5/2-166 rep.	
21	40 ILCS 5/14-103.40 rep.	
22	40 ILCS 5/14-156 rep.	
23	40 ILCS 5/15-201 rep.	
24	40 ILCS 5/16-106.4 rep.	
25	40 ILCS 5/16-206 rep.	