

1 AN ACT in relation to 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 Illinois Pension Code is amended by  
5 changing Sections 14-119 and 14-121 as follows:

6 (40 ILCS 5/14-119) (from Ch. 108 1/2, par. 14-119)  
7 Sec. 14-119. Amount of widow's annuity.

8 (a) The widow's annuity shall be 50% of the amount of  
9 retirement annuity payable to the member on the date of death  
10 while on retirement if an annuitant, or on the date of his  
11 death while in service if an employee, regardless of his age  
12 on such date, or on the date of withdrawal if death occurred  
13 after termination of service under the conditions prescribed  
14 in the preceding Section.

15 (b) If an eligible widow, regardless of age, has in her  
16 care any unmarried child or children of the member under age  
17 18 (under age 22 if a full-time student), the widow's annuity  
18 shall be increased in the amount of 5% of the retirement  
19 annuity for each such child, but the combined payments for a  
20 widow and children shall not exceed 66 2/3% of the member's  
21 earned retirement annuity.

22 The amount of retirement annuity from which the widow's  
23 annuity is derived shall be that earned by the member without  
24 regard to whether he attained age 60 prior to his withdrawal  
25 under the conditions stated or prior to his death.

26 (c) Adopted children shall be considered as children of  
27 the member only if the proceedings for adoption were  
28 commenced at least 1 year prior to the member's death.

29 Marriage of a child shall render the child ineligible for  
30 further consideration in the increase in the amount of the  
31 widow's annuity.

1 Attainment of age 18 (age 22 if a full-time student)  
2 shall render a child ineligible for further consideration in  
3 the increase of the widow's annuity, but the annuity to the  
4 widow shall be continued thereafter, without regard to her  
5 age at that time.

6 (d) Until January 1, 2004, a widow's annuity payable on  
7 account of any covered employee who has ~~shall~~-have been a  
8 covered employee for at least 18 months shall be reduced by  
9 1/2 of the amount of survivors benefits to which his  
10 beneficiaries are eligible under the provisions of the  
11 Federal Social Security Act, except that (1) the amount of  
12 any widow's annuity payable under this Article shall not be  
13 reduced by reason of any increase under that Act which occurs  
14 after the offset required by this subsection is first applied  
15 to that annuity, and (2) for benefits granted on or after  
16 January 1, 1992, the offset under this subsection (d) shall  
17 not exceed 50% of the amount of widow's annuity otherwise  
18 payable.

19 Beginning January 1, 2004, the offset under this  
20 subsection (d) shall no longer be applied to any widow's  
21 annuity, regardless of whether the deceased employee was in  
22 service on or after the effective date of this amendatory Act  
23 of the 93rd General Assembly.

24 (e) Upon the death of a recipient of a widow's annuity  
25 the excess, if any, of the member's accumulated  
26 contributions plus credited interest over all annuity  
27 payments to the member and widow, exclusive of the \$500 lump  
28 sum payment, shall be paid to the named beneficiary of the  
29 widow, or if none has been named, to the estate of the widow,  
30 provided no reversionary annuity is payable.

31 (f) On January 1, 1981, any recipient of a widow's  
32 annuity who was receiving a widow's annuity on or before  
33 January 1, 1971, shall have her widow's annuity then being  
34 paid increased by 1% for each full year which has elapsed

1 from the date the widow's annuity began. On January 1, 1982,  
2 any recipient of a widow's annuity who began receiving a  
3 widow's annuity after January 1, 1971, but before January 1,  
4 1981, shall have her widow's annuity then being paid  
5 increased by 1% for each full year which has elapsed from the  
6 date the widow's annuity began. On January 1, 1987, any  
7 recipient of a widow's annuity who began receiving the  
8 widow's annuity on or before January 1, 1977, shall have the  
9 monthly widow's annuity increased by \$1 for each full year  
10 which has elapsed since the date the annuity began.

11 (g) Beginning January 1, 1990, every widow's annuity  
12 shall be increased (1) on each January 1 occurring on or  
13 after the commencement of the annuity if the deceased member  
14 died while receiving a retirement annuity, or (2) in other  
15 cases, on each January 1 occurring on or after the first  
16 anniversary of the commencement of the annuity, by an amount  
17 equal to 3% of the current amount of the annuity, including  
18 any previous increases under this Article. Such increases  
19 shall apply without regard to whether the deceased member was  
20 in service on or after the effective date of Public Act  
21 86-1488, but shall not accrue for any period prior to January  
22 1, 1990.

23 (Source: P.A. 90-448, eff. 8-16-97.)

24 (40 ILCS 5/14-121) (from Ch. 108 1/2, par. 14-121)

25 Sec. 14-121. Amount of survivors annuity. A survivors  
26 annuity beneficiary shall be entitled upon death of the  
27 member to a single sum payment of \$1,000, payable pro rata  
28 among all persons entitled thereto, together with a survivors  
29 annuity payable at the rates and under the conditions  
30 specified in this Article.

31 (a) If the survivors annuity beneficiary is a spouse,  
32 the survivors annuity shall be 30% of final average  
33 compensation subject to a maximum payment of \$400 per month.

1 (b) If an eligible child or children under the care of a  
2 spouse also survives the member, such spouse as natural  
3 guardian of the child or children shall receive, in addition  
4 to the foregoing annuity, 20% of final average compensation  
5 on account of each such child and 10% of final average  
6 compensation divided pro rata among such children, subject to  
7 a maximum payment on account of all survivor annuity  
8 beneficiaries of \$600 per month, or 80% of the member's final  
9 average compensation, whichever is the lesser.

10 (c) If the survivors annuity beneficiary or  
11 beneficiaries consists of an unmarried child or children, the  
12 amount of survivors annuity shall be 20% of final average  
13 compensation to each child, and 10% of final average  
14 compensation divided pro rata among all such children  
15 entitled to such annuity, subject to a maximum payment to all  
16 children combined of \$600 per month or 80% of the member's  
17 final average compensation, whichever is the lesser.

18 (d) If the survivors annuity beneficiary is one or more  
19 dependent parents, the annuity shall be 20% of final average  
20 compensation to each parent and 10% of final average  
21 compensation divided pro rata among the parents who qualify  
22 for this annuity, subject to a maximum payment to both  
23 dependent parents of \$400 per month.

24 (e) The survivors annuity to the spouse, children or  
25 dependent parents of a member whose death occurs after the  
26 date of last withdrawal, or after retirement, or while in  
27 service following reentry into service after retirement but  
28 before completing 1 1/2 years of additional creditable  
29 service, shall not exceed the lesser of 80% of the member's  
30 earned retirement annuity at the date of death or the maximum  
31 previously established in this Section.

32 (f) In applying the limitation prescribed on the  
33 combined payments to 2 or more survivors annuity  
34 beneficiaries, the annuity on account of each beneficiary

1 shall be reduced pro rata until such time as the number of  
2 beneficiaries makes the reduction no longer applicable.

3 (g) Until January 1, 2004, a survivors annuity payable  
4 on account of any covered employee who has ~~shall~~-have been a  
5 covered employee for at least 18 months at date of death or  
6 last withdrawal, whichever is the later, shall be reduced by  
7 1/2 of the survivors benefits to which his beneficiaries are  
8 eligible under the federal Social Security Act, except that  
9 (1) the survivors annuity payable under this Article shall  
10 not be reduced by any increase under that Act which occurs  
11 after the offset required by this subsection is first applied  
12 to that annuity, (2) for benefits granted on or after January  
13 1, 1992, the offset under this subsection (g) shall not  
14 exceed 50% of the amount of survivors annuity otherwise  
15 payable.

16 Beginning January 1, 2004, the offset under this  
17 subsection (g) shall no longer be applied to any survivors  
18 annuity, regardless of whether the deceased employee was in  
19 service on or after the effective date of this amendatory Act  
20 of the 93rd General Assembly.

21 (h) The minimum payment to a beneficiary hereunder shall  
22 be \$60 per month, which shall be reduced in accordance with  
23 the limitation prescribed on the combined payments to all  
24 beneficiaries of a member.

25 (i) Subject to the conditions set forth in Section  
26 14-120, the minimum total survivors annuity benefit payable  
27 to the survivors annuity beneficiaries of a deceased member  
28 or annuitant whose death occurs on or after January 1, 1984,  
29 shall be 50% of the amount of retirement annuity that was or  
30 would have been payable to the deceased on the date of death,  
31 regardless of the age of the deceased on such date. If the  
32 minimum total benefit provided by this subsection exceeds the  
33 maximum otherwise imposed by this Section, the minimum total  
34 benefit shall nevertheless be payable. Any increase in the

1 total survivors annuity benefit resulting from the operation  
2 of this subsection shall be divided among the survivors  
3 annuity beneficiaries of the deceased in proportion to their  
4 shares of the total survivors annuity benefit otherwise  
5 payable under this Section.

6 (j) Any survivors annuity beneficiary whose annuity  
7 terminates due to any condition specified in this Article  
8 other than death shall be entitled to a refund of the excess,  
9 if any, of the accumulated contributions of the member plus  
10 credited interest over all payments to the member and  
11 beneficiary or beneficiaries, exclusive of the single sum  
12 payment of \$1,000, provided no future survivors or  
13 reversionary annuity benefits are payable.

14 (k) Upon the death of the last eligible recipient of a  
15 survivors annuity the excess, if any, of the member's  
16 accumulated contributions plus credited interest over all  
17 annuity payments to the member and survivors exclusive of the  
18 single sum payment of \$1000, shall be paid to the named  
19 beneficiary of the last eligible survivor, or if none has  
20 been named, to the estate of the last eligible survivor,  
21 provided no reversionary annuity is payable.

22 (l) On January 1, 1981, any survivor who was receiving a  
23 survivors annuity on or before January 1, 1971, shall have  
24 his survivors annuity then being paid increased by 1% for  
25 each full year which has elapsed from the date the annuity  
26 began. On January 1, 1982, any survivor who began receiving  
27 a survivor's annuity after January 1, 1971, but before  
28 January 1, 1981, shall have his survivor's annuity then being  
29 paid increased by 1% for each full year that has elapsed from  
30 the date the annuity began. On January 1, 1987, any survivor  
31 who began receiving a survivor's annuity on or before January  
32 1, 1977, shall have the monthly survivor's annuity increased  
33 by \$1 for each full year which has elapsed since the date the  
34 survivor's annuity began.

1           (m) Beginning January 1, 1990, every survivor's annuity  
2 shall be increased (1) on each January 1 occurring on or  
3 after the commencement of the annuity if the deceased member  
4 died while receiving a retirement annuity, or (2) in other  
5 cases, on each January 1 occurring on or after the first  
6 anniversary of the commencement of the annuity, by an amount  
7 equal to 3% of the current amount of the annuity, including  
8 any previous increases under this Article. Such increases  
9 shall apply without regard to whether the deceased member was  
10 in service on or after the effective date of Public Act  
11 86-1488, but shall not accrue for any period prior to January  
12 1, 1990.

13           (Source: P.A. 86-273; 86-1488; 87-794.)

14           Section 99. Effective date. This Act takes effect upon  
15 becoming law.