

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 Section 14-121 as follows:

6 (40 ILCS 5/14-121) (from Ch. 108 1/2, par. 14-121)

7 Sec. 14-121. Amount of survivors annuity. A survivors
8 annuity beneficiary shall be entitled upon death of the
9 member to a single sum payment of \$1,000, payable pro rata
10 among all persons entitled thereto, together with a survivors
11 annuity payable at the rates and under the conditions
12 specified in this Article.

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

16 (b) If an eligible child or children under the care of a
17 spouse also survives the member, such spouse as natural
18 guardian of the child or children shall receive, in addition
19 to the foregoing annuity, 20% of final average compensation
20 on account of each such child and 10% of final average
21 compensation divided pro rata among such children, subject to
22 a maximum payment on account of all survivor annuity
23 beneficiaries of \$600 per month, or 80% of the member's final
24 average compensation, whichever is the lesser.

25 (c) If the survivors annuity beneficiary or
26 beneficiaries consists of an unmarried child or children, the
27 amount of survivors annuity shall be 20% of final average
28 compensation to each child, and 10% of final average
29 compensation divided pro rata among all such children
30 entitled to such annuity, subject to a maximum payment to all
31 children combined of \$600 per month or 80% of the member's

1 final average compensation, whichever is the lesser.

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

8 (e) The survivors annuity to the spouse, children or
9 dependent parents of a member whose death occurs after the
10 date of last withdrawal, or after retirement, or while in
11 service following reentry into service after retirement but
12 before completing 1 1/2 years of additional creditable
13 service, shall not exceed the lesser of 80% of the member's
14 earned retirement annuity at the date of death or the maximum
15 previously established in this Section.

16 (f) In applying the limitation prescribed on the
17 combined payments to 2 or more survivors annuity
18 beneficiaries, the annuity on account of each beneficiary
19 shall be reduced pro rata until such time as the number of
20 beneficiaries makes the reduction no longer applicable.

21 (g) A survivors annuity payable on account of any
22 covered employee who shall have been a covered employee for
23 at least 18 months at date of death or last withdrawal,
24 whichever is the later, shall be reduced by 1/2 of the
25 survivors benefits to which his beneficiaries are eligible
26 under the federal Social Security Act, except that (1) the
27 survivors annuity payable under this Article shall not be
28 reduced by any increase under that Act which occurs after the
29 offset required by this subsection is first applied to that
30 annuity, and (2) for benefits granted on or after January 1,
31 1992, the offset under this subsection (g) shall not exceed
32 50% of the amount of survivors annuity otherwise payable.

33 (h) The minimum payment to a beneficiary hereunder shall
34 be \$60 per month, which shall be reduced in accordance with

1 the limitation prescribed on the combined payments to all
2 beneficiaries of a member.

3 (i) Subject to the conditions set forth in Section
4 14-120, the minimum total survivors annuity benefit payable
5 to the survivors annuity beneficiaries of a deceased member
6 or annuitant whose death occurs on or after January 1, 1984,
7 shall be 50% of the amount of retirement annuity that was or
8 would have been payable to the deceased on the date of death,
9 regardless of the age of the deceased on such date, except as
10 otherwise provided in this subsection.

11 Subject to the conditions set forth in Section 14-120,
12 beginning January 1, 2004, the minimum total survivors
13 annuity benefit payable to the survivors annuity
14 beneficiaries of a deceased member who was earning eligible
15 creditable service at the time of termination of service or
16 of a deceased annuitant whose retirement annuity was
17 calculated under Section 14-110 shall be 65% of the amount of
18 retirement annuity that was or would have been payable to the
19 deceased on the date of death, regardless of the age of the
20 deceased on that date. The change to this Section made by
21 this amendatory Act of the 93rd General Assembly is not
22 limited to survivors of persons in service on or after its
23 effective date.

24 If the minimum total benefit provided by this subsection
25 exceeds the maximum otherwise imposed by this Section, the
26 minimum total benefit shall nevertheless be payable. Any
27 increase in the total survivors annuity benefit resulting
28 from the operation of this subsection shall be divided among
29 the survivors annuity beneficiaries of the deceased in
30 proportion to their shares of the total survivors annuity
31 benefit otherwise payable under this Section.

32 (j) Any survivors annuity beneficiary whose annuity
33 terminates due to any condition specified in this Article
34 other than death shall be entitled to a refund of the excess,

1 if any, of the accumulated contributions of the member plus
2 credited interest over all payments to the member and
3 beneficiary or beneficiaries, exclusive of the single sum
4 payment of \$1,000, provided no future survivors or
5 reversionary annuity benefits are payable.

6 (k) Upon the death of the last eligible recipient of a
7 survivors annuity the excess, if any, of the member's
8 accumulated contributions plus credited interest over all
9 annuity payments to the member and survivors exclusive of the
10 single sum payment of \$1000, shall be paid to the named
11 beneficiary of the last eligible survivor, or if none has
12 been named, to the estate of the last eligible survivor,
13 provided no reversionary annuity is payable.

14 (l) On January 1, 1981, any survivor who was receiving a
15 survivors annuity on or before January 1, 1971, shall have
16 his survivors annuity then being paid increased by 1% for
17 each full year which has elapsed from the date the annuity
18 began. On January 1, 1982, any survivor who began receiving
19 a survivor's annuity after January 1, 1971, but before
20 January 1, 1981, shall have his survivor's annuity then being
21 paid increased by 1% for each full year that has elapsed from
22 the date the annuity began. On January 1, 1987, any survivor
23 who began receiving a survivor's annuity on or before January
24 1, 1977, shall have the monthly survivor's annuity increased
25 by \$1 for each full year which has elapsed since the date the
26 survivor's annuity began.

27 (m) Beginning January 1, 1990, every survivor's annuity
28 shall be increased (1) on each January 1 occurring on or
29 after the commencement of the annuity if the deceased member
30 died while receiving a retirement annuity, or (2) in other
31 cases, on each January 1 occurring on or after the first
32 anniversary of the commencement of the annuity, by an amount
33 equal to 3% of the current amount of the annuity, including
34 any previous increases under this Article. Such increases

1 shall apply without regard to whether the deceased member was
2 in service on or after the effective date of Public Act
3 86-1488, but shall not accrue for any period prior to January
4 1, 1990.

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

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