- 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 16-133.2 as follows:
- 6 (40 ILCS 5/16-133.2) (from Ch. 108 1/2, par. 16-133.2)
- 7 Sec. 16-133.2. Early retirement without discount. A
- 8 member retiring after June 1, 1980 and-on-or-before-June--3θ,
- 9 2005, and applying for a retirement annuity within 6 months
- 10 of the last day of teaching for which retirement
- 11 contributions were required, may elect at the time of
- 12 application for a retirement annuity, to make a one time
- 13 member contribution to the System and thereby avoid the
- 14 reduction in the retirement annuity for retirement before age
- 15 60 specified in paragraph (B) of Section 16-133. The
- 16 exercise of the election shall also obligate the last
- 17 employer to make a one time non-refundable contribution to
- 18 the System. Substitute teachers wishing to exercise this
- 19 election must teach 85 or more days in one school term with
- one employer, who shall be deemed the last employer for
- 21 purposes of this Section. The last day of teaching with that
- 22 employer must be within 6 months of the date of application
- 23 for retirement. All substitute teaching credit applied
- toward the required 85 days must be earned after June 30,
- 25 1990.
- The one time member and employer contributions shall be a
- 27 percentage of the retiring member's highest annual salary
- 28 rate used in the determination of the average salary for
- 29 retirement annuity purposes. However, when determining the
- 30 one-time member and employer contributions, that part of a
- 31 member's salary with the same employer which exceeds the

- annual salary rate for the preceding year by more than 20%
- 2 shall be excluded. The member contribution shall be at the
- 3 rate of 7% for the lesser of the following 2 periods: (1)
- for each year that the member is less than age 60; or (2) for
- 5 each year that the member's creditable service is less than
- 6 35 years. If a member is at least age 55 and has at least 34
- 7 years of creditable service, no member or employer
- 8 contribution for the early retirement option shall be
- 9 required. The employer contribution shall be at the rate of
- 10 20% for each year the member is under age 60.
- 11 Upon receipt of the application and election, the System
- 12 shall determine the one time employee and employer
- 13 contributions required. The member contribution shall be
- 14 credited to the individual account of the member and the
- 15 employer contribution shall be credited to the Employer's
- 16 Contribution Reserve. The provisions of this Section shall
- 17 not be applicable until the member's contribution, if any,
- 18 has been received by the System; however, the date such
- 19 contributions are received shall not be considered in
- 20 determining the effective date of retirement.
- 21 The number of members working for a single employer who
- 22 may retire under this Section in any year may be limited at
- 23 the option of the employer to a specified percentage of those
- 24 eligible, not less than 30%, with the right to participate to
- 25 be allocated among those applying on the basis of seniority
- in the service of the employer.
- 27 (Source: P.A. 90-582, eff. 5-27-98; 91-17, eff. 6-4-99.)
- Section 90. The State Mandates Act is amended by adding
- 29 Section 8.27 as follows:
- 30 (30 ILCS 805/8.27 new)
- 31 <u>Sec. 8.27. Exempt mandate. Notwithstanding Sections 6</u>
- 32 and 8 of this Act, no reimbursement by the State is required

- 1 for the implementation of any mandate created by this
- 2 <u>amendatory Act of the 93rd General Assembly.</u>
- 3 Section 99. Effective date. This Act takes effect upon
- 4 becoming law.