

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 13-301, 13-302, 13-306, 13-314, 13-402,
6 13-502, 13-601, and 13-603 as follows:

7 (40 ILCS 5/13-301) (from Ch. 108 1/2, par. 13-301)

8 Sec. 13-301. Retirement annuity; eligibility. Any
9 employee who withdraws from service and meets the age and
10 service requirements and other conditions set forth in
11 subsections (a), (b), (c) or (d) hereof is entitled to
12 receive a retirement annuity.

13 (a) Withdrawal on or after age 60. Any employee, upon
14 withdrawal from service on or after attainment of age 60 and
15 having at least 5 years of service, is entitled to a
16 retirement annuity.

17 (b) Withdrawal on or after attainment of minimum
18 retirement qualifications and prior to age 60.

19 (1) Any employee, upon withdrawal from service on
20 or after attainment of age 55 (age 50 if the employee
21 first entered service before June 13, 1997) but prior to
22 age 60 and having at least 10 years of service, is
23 entitled to a retirement annuity as of the date of
24 withdrawal or, at the option of the employee, at any time
25 thereafter.

26 (2) Any employee who withdraws on or after
27 attainment of age 55 (age 50 if the employee first
28 entered service before June 13, 1997) and prior to age 60
29 having at least 5 years but less than 10 years of service
30 is entitled to a retirement annuity upon attainment of
31 age 62, subject to the other requirements of this

1 Article.

2 (3) Any employee who withdraws from service on or
3 after attainment of age 50 but prior to age 60 and is
4 eligible for early retirement without discount under the
5 Rule of 80 as provided in subsection (c) of Section
6 13-302 is entitled to a retirement annuity at the time of
7 withdrawal.

8 (c) Withdrawal prior to minimum retirement age. Any
9 employee, upon withdrawal from service prior to age 55 (age
10 50 if the employee first entered service before June 13,
11 1997) and having at least 10 years of service, shall become
12 entitled to a retirement annuity upon attainment of age 55
13 (age 50 if the employee first entered service before June 13,
14 1997) or, at the option of the employee, at any time
15 thereafter, subject to the other requirements of this
16 Article.

17 (d) Withdrawal while disabled. Any employee having at
18 least 5 years of service who has received ordinary disability
19 benefits on or after January 1, 1986 for the maximum period
20 of time hereinafter prescribed, and who continues to be
21 disabled and withdraws from service, shall be entitled to a
22 retirement annuity. In the case of an employee who enters
23 service after the effective date of this amendatory Act of
24 the 93rd General Assembly, the required 5 years of service is
25 exclusive of service credit described in Section 13-313. The
26 age and service conditions as to eligibility for such annuity
27 shall be waived as to the employee, but the early retirement
28 discount under Section 13-302(b) shall apply. If the
29 employee is under age 55 on the date of withdrawal, the
30 retirement annuity shall be computed by assuming that the
31 employee is then age 55 and then reduced to its actuarial
32 equivalent at his attained age on that date according to
33 applicable mortality tables and interest rates. The
34 retirement annuity shall not be payable for any period prior

1 to the employee's attainment of age 55 during which the
2 employee is able to return to gainful employment. Upon the
3 employee's death while in receipt of a retirement annuity, a
4 surviving spouse or minor children shall be entitled to
5 receive a surviving spouse's annuity or child's annuity
6 subject to the conditions hereinafter prescribed in Sections
7 13-305 through 13-308.

8 (Source: P.A. 92-599, eff. 6-28-02.)

9 (40 ILCS 5/13-302) (from Ch. 108 1/2, par. 13-302)

10 Sec. 13-302. Computation of retirement annuity.

11 (a) Computation of annuity. An employee who withdraws
12 from service on or after July 1, 1989 and who has met the age
13 and service requirements and other conditions for eligibility
14 set forth in Section 13-301 of this Article is entitled to
15 receive a retirement annuity for life equal to 2.2% of
16 average final salary for each of the first 20 years of
17 service, and 2.4% of average final salary for each year of
18 service in excess of 20. The retirement annuity shall not
19 exceed 80% of average final salary.

20 (b) Early retirement discount. If an employee retires
21 prior to attainment of age 60 with less than 30 years of
22 service, the annuity computed above shall be reduced by 1/2
23 of 1% for each full month between the date the annuity begins
24 and attainment of age 60, or each full month by which the
25 employee's service is less than 30 years, whichever is less.
26 However, where the employee first enters service after June
27 13, 1997 and does not have at least 10 years of service
28 exclusive of credit under Article 20, the annuity computed
29 above shall be reduced by 1/2 of 1% for each full month
30 between the date the annuity begins and attainment of age 60.

31 (c) Rule of 80 - Early retirement without discount. For
32 an employee who retires on or after January 1, 2003 but on or
33 before December 31, 2007, if the employee is eligible for a

1 retirement annuity under Section 13-301 and has at least 10
2 years of service exclusive of credit under Article 20 and if
3 at the date of withdrawal the employee's age when added to
4 the number of years of his or her creditable service equals
5 at least 80, the early retirement discount in subsection (b)
6 of this Section does not apply. For purposes of this Rule of
7 80, portions of years shall be considered in whole months.

8 An employee who has terminated employment with the
9 employer under this Article prior to the effective date of
10 this amendatory Act of the 92nd General Assembly and
11 subsequently re-enters service must remain in service with
12 the employer under this Article for at least 2 years after
13 re-entry during the period beginning on January 1, 2003 and
14 ending on December 31, 2007 to be entitled to early
15 retirement without discount under this subsection (c).

16 In the case of an employee who retires under the terms of
17 Article 20, eligibility for early retirement without discount
18 under this subsection (c) shall be based upon the employee's
19 age and service credit at the time of withdrawal from the
20 final fund.

21 (c-1) Early retirement without discount; retirement
22 after June 29, 1997 and before January 1, 2003. An employee
23 who (i) has attained age 55 (age 50 if the employee first
24 entered service before June 13, 1997), (ii) has at least 10
25 years of service exclusive of credit under Article 20, (iii)
26 retires after June 29, 1997 and before January 1, 2003, and
27 (iv) retires within 6 months of the last day for which
28 retirement contributions were required, may elect at the time
29 of application to make a one-time employee contribution to
30 the Fund and thereby avoid the early retirement reduction
31 specified in subsection (b). The exercise of the election
32 shall also obligate the employer to make a one-time
33 nonrefundable contribution to the Fund.

34 The one-time employee and employer contributions shall be

1 a percentage of the retiring employee's highest full-time
2 annual salary, calculated as the total amount of salary
3 included in the highest 26 consecutive pay periods as used in
4 the average final salary calculation, and based on the
5 employee's age and service at retirement. The employee rate
6 shall be 7% multiplied by the lesser of the following 2
7 numbers: (1) the number of years, or portion thereof, that
8 the employee is less than age 60; or (2) the number of years,
9 or portion thereof, that the employee's service is less than
10 30 years. The employer contribution shall be at the rate of
11 20% for each year, or portion thereof, that the participant
12 is less than age 60.

13 Upon receipt of the application, the Board shall
14 determine the corresponding employee and employer
15 contributions. The annuity shall not be payable under this
16 subsection until both the required contributions have been
17 received by the Fund. However, the date the contributions
18 are received shall not be considered in determining the
19 effective date of retirement.

20 The number of employees who may retire under this Section
21 in any year may be limited at the option of the District to a
22 specified percentage of those eligible, not lower than 30%,
23 with the right to participate to be allocated among those
24 applying on the basis of seniority in the service of the
25 employer.

26 An employee who has terminated employment and
27 subsequently re-enters service shall not be entitled to early
28 retirement without discount under this subsection unless the
29 employee continues in service for at least 4 years after
30 re-entry.

31 (d) Annual increase. Except for employees retiring and
32 receiving a term annuity, an employee who retires on or after
33 July 1, 1985 but before July 12, 2001, shall, upon the first
34 payment date following the first anniversary of the date of

1 retirement, have the monthly annuity increased by 3% of the
2 amount of the monthly annuity fixed at the date of
3 retirement. Except for employees retiring and receiving a
4 term annuity, an employee who retires on or after July 12,
5 2001 shall, on the first day of the month in which the first
6 anniversary of the date of retirement occurs, have the
7 monthly annuity increased by 3% of the amount of the monthly
8 annuity fixed at the date of retirement. The monthly annuity
9 shall be increased by an additional 3% on the same date each
10 year thereafter. Beginning January 1, 1993, all annual
11 increases payable under this subsection (or any predecessor
12 provision, regardless of the date of retirement) shall be
13 calculated at the rate of 3% of the monthly annuity payable
14 at the time of the increase, including any increases
15 previously granted under this Article.

16 Any employee who (i) retired before July 1, 1985 with at
17 least 10 years of creditable service, (ii) is receiving a
18 retirement annuity under this Article, other than a term
19 annuity, and (iii) has not received any annual increase under
20 this subsection, shall begin receiving the annual increases
21 provided under this subsection (d) beginning on the next
22 annuity payment date following June 13, 1997.

23 (e) Minimum retirement annuity. Beginning January 1,
24 1993, the minimum monthly retirement annuity shall be \$500
25 for any annuitant having at least 10 years of service under
26 this Article, other than a term annuitant or an annuitant who
27 began receiving the annuity before attaining age 60. Any
28 such annuitant who is receiving a monthly annuity of less
29 than \$500 shall have the annuity increased to \$500 on that
30 date.

31 Beginning January 1, 1993, the minimum monthly retirement
32 annuity shall be \$250 for any annuitant (other than a term or
33 reciprocal annuitant or an annuitant under subsection (d) of
34 Section 13-301) having less than 10 years of service under

1 this Article, and for any annuitant (other than a term
2 annuitant) having at least 10 years of service under this
3 Article who began receiving the annuity before attaining age
4 60. Any such annuitant who is receiving a monthly annuity of
5 less than \$250 shall have the annuity increased to \$250 on
6 that date.

7 Beginning August 1, 2001 ~~on-the-first-day-of-the-month~~
8 ~~following-the-month-in-which-this-amendatory-Act-of-the--92nd~~
9 ~~General--Assembly-takes-effect~~ (and without regard to whether
10 the annuitant was in service on or after that effective
11 date), the minimum monthly retirement annuity for any
12 annuitant having at least 10 years of service, other than an
13 annuitant whose annuity is subject to an early retirement
14 discount, shall be \$500 plus \$25 for each year of service in
15 excess of 10, not to exceed \$750 for an annuitant with 20 or
16 more years of service. In the case of a reciprocal annuity,
17 this minimum shall apply only if the annuitant has at least
18 10 years of service under this Article, and the amount of the
19 minimum annuity shall be reduced by the sum of all the
20 reciprocal annuities payable to the annuitant by other
21 participating systems under Article 20 of this Code.

22 Notwithstanding any other provision of this subsection,
23 beginning on the first annuity payment date following July
24 12, 2001, an employee who retired before August 23, 1989 with
25 at least 10 years of service under this Article but before
26 attaining age 60 (regardless of whether the retirement
27 annuity was subject to an early retirement discount) shall be
28 entitled to the same minimum monthly retirement annuity under
29 this subsection as an employee who retired with at least 10
30 years of service under this Article and after attaining age
31 60.

32 Notwithstanding any other provision of this subsection,
33 beginning on the first day of the month following the month
34 in which this amendatory Act of the 93rd General Assembly

1 takes effect (and without regard to whether the annuitant was
2 in service on or after that effective date), an employee who
3 retired on or after August 23, 1989 with at least 10 years of
4 service under this Article but before attaining age 60
5 (regardless of whether the retirement annuity was subject to
6 an early retirement discount), shall be entitled to the same
7 minimum monthly retirement annuity under this subsection as
8 an employee who retired with at least 10 years of service
9 under this Article and after attaining age 60.

10 (Source: P.A. 92-53, eff. 7-12-01; 92-599, eff. 6-28-02.)

11 (40 ILCS 5/13-306) (from Ch. 108 1/2, par. 13-306)

12 Sec. 13-306. Computation of surviving spouse's annuity.

13 (a) Computation of the annuity. The surviving spouse's
14 annuity shall be equal to 60% of the retirement annuity
15 earned and accrued to the credit of the deceased employee,
16 whether death occurs while in service or after withdrawal,
17 plus 1% for each year of total service of the employee to a
18 maximum of 85%; provided, however, that if the employee's
19 death arises out of and in the course of the employee's
20 service to the employer and is compensable under either the
21 Illinois Workers' Compensation Act or Illinois Workers'
22 Occupational Diseases Act, the surviving spouse's annuity is
23 payable regardless of the employee's length of service and
24 shall be not less than 50% of the employee's salary at the
25 date of death.

26 For any death in service the early retirement discount
27 required under Section 13-302(b) shall not be applied in
28 computing the retirement annuity upon which is based the
29 surviving spouse's annuity.

30 (b) Reciprocal service. For any employee or annuitant
31 who retires on or after July 1, 1985 and whose death occurs
32 after January 1, 1991, having at least 15 years of service
33 with the employer under this Article, and who was eligible at

1 the time of death or elected at the time of retirement to
2 have his or her retirement annuity calculated as provided in
3 Section 20-131 of this Code, the surviving spouse benefit
4 shall be calculated as of the date of the employee's death as
5 indicated in subsection (a) as a percentage of the employee's
6 total benefit as if all service had been with the employer.
7 That benefit shall then be reduced by the amounts payable by
8 each of the reciprocal funds as of the date of death so that
9 the total surviving spouse benefit at that date will be equal
10 to the benefit which would have been payable had all service
11 been with the employer under this Article.

12 (c) Discount for age differential. The annuity for a
13 surviving spouse shall be discounted by 0.25% for each full
14 month that the spouse is younger than the employee as of the
15 date of withdrawal from service or death in service to a
16 maximum discount of 60% of the surviving spouse annuity as
17 calculated under subsections (a), (b), and (e) of this
18 Section. The discount shall be reduced by 10% for each full
19 year the marriage has been in continuous effect as of the
20 date of withdrawal or death in service. There shall be no
21 discount if the marriage has been in continuous effect for 10
22 full years or more at the time of withdrawal or death in
23 service.

24 (d) Annual increase. Effective August 23, 1989, on the
25 first day of each calendar month in which there occurs an
26 anniversary of the employee's date of retirement or date of
27 death, whichever occurred first, the surviving spouse's
28 annuity, other than a term annuity under Section 13-307,
29 shall be increased by an amount equal to 3% of the amount of
30 the annuity. Beginning January 1, 1993, all annual increases
31 payable under this subsection (or any predecessor provision
32 of this Article) shall be calculated at the rate of 3% of the
33 monthly annuity payable at the time of the increase,
34 including any increases previously granted under this

1 Article.

2 Beginning January 1, 1993, surviving spouse annuitants
3 whose deceased spouse died, retired or withdrew from service
4 before August 23, 1989 with at least 10 years of service
5 under this Article shall be eligible for the annual increases
6 provided under this subsection.

7 (e) Minimum surviving spouse's annuity.

8 (1) Beginning January 1, 1993, the minimum monthly
9 surviving spouse's annuity shall be \$500 for any
10 annuitant whose deceased spouse had at least 10 years of
11 service under this Article, other than a surviving spouse
12 who is a term annuitant or whose deceased spouse began
13 receiving a retirement annuity under this Article before
14 attainment of age 60. Any such surviving spouse
15 annuitant who is receiving a monthly annuity of less than
16 \$500 shall have the annuity increased to \$500 on that
17 date.

18 Beginning January 1, 1993, the minimum monthly
19 surviving spouse's annuity shall be \$250 for any
20 annuitant (other than a term or reciprocal annuitant or
21 an annuitant survivor under subsection (d) of Section
22 13-301) whose deceased spouse had less than 10 years of
23 service under this Article, and for any annuitant (other
24 than a term annuitant) whose deceased spouse had at least
25 10 years of service under this Article and began
26 receiving a retirement annuity under this Article before
27 attainment of age 60. Any such surviving spouse
28 annuitant who is receiving a monthly annuity of less than
29 \$250 shall have the annuity increased to \$250 on that
30 date.

31 (2) Beginning August 1, 2001 ~~on the first day of~~
32 ~~the month following the month in which this amendatory~~
33 ~~Act of the 92nd General Assembly takes effect~~ (and
34 without regard to whether the deceased spouse was in

1 service on or after that effective date), the minimum
2 monthly surviving spouse's annuity for any annuitant
3 whose deceased spouse had at least 10 years of service
4 shall be the greater of the following:

5 (A) An amount equal to \$500, plus \$25 for each
6 year of the deceased spouse's service in excess of
7 10, not to exceed \$750 for an annuitant whose
8 deceased spouse had 20 or more years of service.
9 This subdivision (A) is not applicable if the
10 deceased spouse received a retirement annuity that
11 was subject to an early retirement discount.

12 (B) An amount equal to (i) 50% of the
13 retirement annuity earned and accrued to the credit
14 of the deceased spouse at the time of death, plus
15 (ii) the amount of any annual increases applicable
16 to the surviving spouse's annuity (including the
17 amount of any reversionary annuity) under subsection
18 (d) before July 12, 2001 ~~the effective date of this~~
19 ~~amendatory Act of the 92nd General Assembly~~. In any
20 case in which a refund of excess contributions for
21 the surviving spouse annuity has been paid by the
22 Fund and the surviving spouse annuity is increased
23 due to the application of this subdivision (B), the
24 amount of that refund shall be recovered by the Fund
25 as an offset against the amount of the increase in
26 annuity arising from the application of this
27 subdivision (B).

28 In the case of a reciprocal annuity, the
29 minimum annuity calculated under this subdivision
30 (e)(2) shall apply only if the deceased spouse of
31 the annuitant had at least 10 years of service under
32 this Article, and the amount of the minimum annuity
33 shall be reduced by the sum of all the reciprocal
34 annuities payable to the annuitant by other

1 participating systems under Article 20 of this Code.

2 The minimum annuity calculated under this
3 subdivision (e)(2) is in addition to the amount of
4 any reversionary annuity that may be payable.

5 (3) Beginning August 1, 2001 ~~on-the-first-day-of~~
6 ~~the-month-following-the-month-in-which--this--amendatory~~
7 ~~Act--of--the--92nd--General--Assembly--takes--effect~~ (and
8 without regard to whether the deceased spouse was in
9 service on or after that effective date), any surviving
10 spouse who is receiving a term annuity under Section
11 13-307 or any predecessor provision of this Article may
12 have that term annuity recalculated and converted to a
13 minimum surviving spouse annuity under this subsection
14 (e).

15 (4) Notwithstanding any other provision of this
16 subsection, beginning August 1, 2001 ~~on-the-first-annuity~~
17 ~~payment---date--following--the--effective--date--of--this~~
18 ~~amendatory-Act-of-the-92nd-General-Assembly~~, an annuitant
19 whose deceased spouse retired before August 23, 1989 with
20 at least 10 years of service under this Article but
21 before attaining age 60 (regardless of whether the
22 retirement annuity was subject to an early retirement
23 discount) shall be entitled to the same minimum monthly
24 surviving spouse's annuity under this subsection as an
25 annuitant whose deceased spouse retired with at least 10
26 years of service under this Article and after attaining
27 age 60. Further notwithstanding any other provision of
28 this subsection, beginning on the first day of the month
29 following the month in which this amendatory Act of the
30 93rd General Assembly takes effect, an annuitant whose
31 deceased spouse retired on or after August 23, 1989 with
32 at least 10 years of service under this Article but
33 before attaining age 60 (regardless of whether the
34 retirement annuity was subject to an early retirement

1 discount) shall be entitled to the same minimum monthly
2 surviving spouse's annuity under this subsection as an
3 annuitant whose deceased spouse retired with at least 10
4 years of service under this Article and after attaining
5 age 60.

6 (5) The minimum annuity provided under this
7 subsection (e) shall be subject to the age discount
8 provided under subsection (c) of this Section.

9 (Source: P.A. 92-53, eff. 7-12-01.)

10 (40 ILCS 5/13-314) (from Ch. 108 1/2, par. 13-314)

11 Sec. 13-314. Alternative provisions for Water
12 Reclamation District commissioners.

13 (a) Transfer of credits. Any Water Reclamation District
14 commissioner elected by vote of the people and who has
15 elected to participate in this Fund may transfer to this Fund
16 credits and creditable service accumulated under any other
17 pension fund or retirement system established under Articles
18 2 through 18 of this Code, upon payment to the Fund of (1)
19 the amount by which the employer and employee contributions
20 that would have been required if he had participated in this
21 Fund during the period for which credit is being transferred,
22 plus interest, exceeds the amounts actually transferred from
23 such other fund or system to this Fund, plus (2) interest
24 thereon at 6% per year compounded annually from the date of
25 transfer to the date of payment.

26 (b) Alternative annuity. Any participant commissioner
27 may elect to establish alternative credits for an alternative
28 annuity by electing in writing to make additional optional
29 contributions in accordance with this Section and procedures
30 established by the Board. Unless and until such time as the
31 U.S. Internal Revenue Service or the federal courts provide a
32 favorable ruling as described in Section 13-502(f), a such
33 commissioner may discontinue making the additional optional

1 contributions by notifying the Fund in writing in accordance
2 with this Section and procedures established by the Board.

3 Additional optional contributions for the alternative
4 annuity shall be as follows:

5 (1) For service after the option is elected, an
6 additional contribution of 3% of salary shall be
7 contributed to the Fund on the same basis and under the
8 same conditions as contributions required under Section
9 13-502.

10 (2) For contributions on past service, the
11 additional contribution shall be 3% of the salary for the
12 applicable period of service, plus interest at the annual
13 rate from time to time as determined by the Board,
14 compounded annually from the date of service to the date
15 of payment. Contributions for service before the option
16 is elected may be made in a lump sum payment to the Fund
17 or by contributing to the Fund on the same basis and
18 under the same conditions as contributions required under
19 Section 13-502. All payments for past service must be
20 paid in full before credit is given. No additional
21 optional contributions may be made for any period of
22 service for which credit has been previously forfeited by
23 acceptance of a refund, unless the refund is repaid in
24 full with interest at the rate specified in Section
25 13-603, from the date of refund to the date of repayment.

26 In lieu of the retirement annuity otherwise payable under
27 this Article, any commissioner who has elected to participate
28 in the Fund and make additional optional contributions in
29 accordance with this Section, has attained age 55, and has at
30 least 6 years of service credit, may elect to have the
31 retirement annuity computed as follows: 3% of the
32 participant's average final salary as a commissioner for each
33 of the first 8 years of service credit, plus 4% of such
34 salary for each of the next 4 years of service credit, plus

1 5% of such salary for each year of service credit in excess
2 of 12 years, subject to a maximum of 80% of such salary. To
3 the extent such commissioner has made additional optional
4 contributions with respect to only a portion of years of
5 service credit, the retirement annuity will first be
6 determined in accordance with this Section to the extent such
7 additional optional contributions were made, and then in
8 accordance with the remaining Sections of this Article to the
9 extent of years of service credit with respect to which
10 additional optional contributions were not made. The change
11 in minimum retirement age (from 60 to 55) made by this
12 amendatory Act of 1993 applies to persons who begin receiving
13 a retirement annuity under this Section on or after the
14 effective date of this amendatory Act, without regard to
15 whether they are in service on or after that date.

16 (c) Disability benefits. In lieu of the disability
17 benefits otherwise payable under this Article, any
18 commissioner who (1) has elected to participate in the Fund,
19 and (2) has become permanently disabled and as a consequence
20 is unable to perform the duties of office, and (3) was making
21 optional contributions in accordance with this Section at the
22 time the disability was incurred, may elect to receive a
23 disability annuity calculated in accordance with the formula
24 in subsection (b). For the purposes of this subsection, such
25 commissioner shall be considered permanently disabled only
26 if: (i) disability occurs while in service as a commissioner
27 and is of such a nature as to prevent the reasonable
28 performance of the duties of office at the time; and (ii) the
29 Board has received a written certification by at least 2
30 licensed physicians appointed by it stating that such
31 commissioner is disabled and that the disability is likely to
32 be permanent.

33 (d) Alternative survivor's benefits. In lieu of the
34 survivor's benefits otherwise payable under this Article, the

1 spouse or eligible child of any deceased commissioner who (1)
2 had elected to participate in the Fund, and (2) was either
3 making additional optional contributions on the date of
4 death, or was receiving an annuity calculated under this
5 Section at the time of death, may elect to receive an annuity
6 beginning on the date of the commissioner's death, provided
7 that the spouse and commissioner must have been married on
8 the date of the last termination of a service as commissioner
9 and for a continuous period of at least one year immediately
10 preceding death.

11 The annuity shall be payable beginning on the date of the
12 commissioner's death if the spouse is then age 50 or over, or
13 beginning at age 50 if the age of the spouse is less than 50
14 years. If a minor unmarried child or children of the
15 commissioner, under age 18, also survive, and the child or
16 children are under the care of the eligible spouse, the
17 annuity shall begin as of the date of death of the
18 commissioner without regard to the spouse's age.

19 The annuity to a spouse shall be $66 \frac{2}{3}\%$ of the amount of
20 retirement annuity earned by the commissioner on the date of
21 death, subject to a minimum payment of 10% of salary,
22 provided that if an eligible spouse, regardless of age, has
23 in his or her care at the date of death of the commissioner
24 any unmarried child or children of the commissioner under age
25 18, the minimum annuity shall be 30% of the commissioner's
26 salary, plus 10% of salary on account of each minor child of
27 the commissioner, subject to a combined total payment on
28 account of a spouse and minor children not to exceed 50% of
29 the deceased commissioner's salary. In the event there shall
30 be no spouse of the commissioner surviving, or should a
31 spouse die while eligible minor children still survive the
32 commissioner, each such child shall be entitled to an annuity
33 equal to 20% of salary of the commissioner subject to a
34 combined total payment on account of all such children not to

1 exceed 50% of salary of the commissioner. The salary to be
2 used in the calculation of these benefits shall be the same
3 as that prescribed for determining a retirement annuity as
4 provided in subsection (b) of this Section.

5 Upon the death of a commissioner occurring after
6 termination of a service or while in receipt of a retirement
7 annuity, the combined total payment to a spouse and minor
8 children, or to minor children alone if no eligible spouse
9 survives, shall be limited to 75% of the amount of retirement
10 annuity earned by the commissioner.

11 Adopted children shall have status as natural children of
12 the commissioner only if the proceedings for adoption were
13 commenced at least one year prior to the date of the
14 commissioner's death.

15 Marriage of a child or attainment of age 18, whichever
16 first occurs, shall render the child ineligible for further
17 consideration in the payment of annuity to a spouse or in the
18 increase in the amount thereof. Upon attainment of
19 ineligibility of the youngest minor child of the
20 commissioner, the annuity shall immediately revert to the
21 amount payable upon death of a commissioner leaving no minor
22 children surviving. If the spouse is under age 50 at such
23 time, the annuity as revised shall be deferred until such age
24 is attained.

25 (e) Refunds. Refunds of additional optional
26 contributions shall be made on the same basis and under the
27 same conditions as provided under Section 13-601. Interest
28 shall be credited on the same basis and under the same
29 conditions as for other contributions.

30 Optional contributions shall be accounted for in a
31 separate Commission's Optional Contribution Reserve.
32 Optional contributions under this Section shall be included
33 in the amount of employee contributions used to compute the
34 tax levy under Section 13-503.

1 (f) Effective date. The effective date of this plan of
2 optional alternative benefits and contributions shall be the
3 date upon which approval was received from the U.S. Internal
4 Revenue Service. The plan of optional alternative benefits
5 and contributions shall not be available to any former
6 employee receiving an annuity from the Fund on the effective
7 date, unless said former employee re-enters service and
8 renders at least 3 years of additional service after the date
9 of re-entry as a commissioner.

10 (Source: P.A. 90-12, eff. 6-13-97; 91-887, eff. 7-6-00.)

11 (40 ILCS 5/13-402) (from Ch. 108 1/2, par. 13-402)

12 Sec. 13-402. Length of service. For the purpose of
13 computing the length of service for the retirement annuity,
14 surviving spouse's annuity and child's annuity, service of
15 120 days in any one calendar year shall constitute one year
16 of service and service for any fractional part thereof shall
17 constitute an equal fractional part of one year of service
18 unless specifically provided otherwise. For all other
19 purposes under this Article, including but not limited to the
20 optional plans of additional benefits and contributions
21 provided under Sections 13-304, 13-304.1, and 13-314 of this
22 Article, 26 pay periods of service during any 12 consecutive
23 months shall constitute a year of service, and service
24 rendered for 50% or more of a single pay period shall
25 constitute service for the full pay period. Service of less
26 than 50% of a single pay period shall not be counted.

27 (Source: P.A. 90-12, eff. 6-13-97.)

28 (40 ILCS 5/13-502) (from Ch. 108 1/2, par. 13-502)

29 Sec. 13-502. Employee contributions; deductions from
30 salary.

31 (a) Retirement annuity and child's annuity. There shall
32 be deducted from each payment of salary an amount equal to

1 7 1/2% of salary as the employee's contribution for the
2 retirement annuity, including annual increases therefore and
3 child's annuity.

4 (b) Surviving spouse's annuity. There shall be deducted
5 from each payment of salary an amount equal to 1 1/2% of
6 salary as the employee's contribution for the surviving
7 spouse's annuity and annual increases therefor.

8 (c) Pickup of employee contributions. The Employer may
9 pick up employee contributions required under subsections (a)
10 and (b) of this Section. If contributions are picked up they
11 shall be treated as Employer contributions in determining tax
12 treatment under the United States Internal Revenue Code, and
13 shall not be included as gross income of the employee until
14 such time as they are distributed. The Employer shall pay
15 these employee contributions from the same source of funds
16 used in paying salary to the employee. The Employer may pick
17 up these contributions by a reduction in the cash salary of
18 the employee or by an offset against a future salary increase
19 or by a combination of a reduction in salary and offset
20 against a future salary increase. If employee contributions
21 are picked up they shall be treated for all purposes of this
22 Article 13, including Sections 13-503 and 13-601, in the same
23 manner and to the same extent as employee contributions made
24 prior to the date picked up.

25 (d) Subject to the requirements of federal law, the
26 Employer shall pick up optional contributions that the
27 employee has elected to pay to the Fund under Section
28 13-304.1, and the contributions so picked up shall be treated
29 as employer contributions for the purposes of determining
30 federal tax treatment. The Employer shall pick up the
31 contributions by a reduction in the cash salary of the
32 employee and shall pay the contributions from the same fund
33 that is used to pay earnings to the employee. The Employer
34 shall, however, continue to withhold federal and State income

1 taxes based upon contributions made under Section 13-304.1
2 until the Internal Revenue Service or the federal courts rule
3 that pursuant to Section 414(h) of the U.S. Internal Revenue
4 Code of 1986, as amended, these contributions shall not be
5 included as gross income of the employee until such time as
6 they are distributed or made available.

7 (e) Each employee is deemed to consent and agree to the
8 deductions from compensation provided for in this Article.

9 (f) Subject to the requirements of federal law, the
10 Employer shall pick up contributions that a commissioner has
11 elected to pay to the Fund under Section 13-314, and the
12 contributions so picked up shall be treated as employer
13 contributions for the purposes of determining federal tax
14 treatment. The Employer shall pick up the contributions by a
15 reduction in the cash salary of the commissioner and shall
16 pay the contributions from the same fund as is used to pay
17 earnings to the commissioner. The Employer shall, however,
18 continue to withhold federal and State income taxes based
19 upon contributions made under Section 13-314 until the U.S.
20 Internal Revenue Service or the federal courts rule that
21 pursuant to Section 414(h) of the Internal Revenue Code of
22 1986, as amended, these contributions shall not be included
23 as gross income of the employee until such time as they are
24 distributed or made available.

25 (Source: P.A. 92-599, eff. 6-28-02.)

26 (40 ILCS 5/13-601) (from Ch. 108 1/2, par. 13-601)
27 Sec. 13-601. Refunds.

28 (a) Withdrawal from service. Upon withdrawal from
29 service, an employee under age 55 (age 50 if the employee
30 first entered service before June 13, 1997), or an employee
31 age 55 (age 50 if the employee first entered service before
32 June 13, 1997) or over but less than 60 having less than 20
33 years of service, or an employee age 60 or over having less

1 than 5 years of service shall be entitled, upon application,
2 to a refund of total contributions from salary deductions or
3 amounts otherwise paid under this Article by the employee.
4 The refund shall not include interest credited to the
5 contributions. The Board may, in its discretion, withhold
6 payment of a refund for a period not to exceed one year from
7 the date of filing an application for refund.

8 (b) Surviving spouse's annuity contributions. A refund
9 of all amounts deducted from salary or otherwise contributed
10 by an employee for the surviving spouse's annuity shall be
11 paid upon retirement to any employee who on the date of
12 retirement is either not married or is married but whose
13 spouse is not eligible for a surviving spouse's annuity paid
14 wholly or in part under this Article. The refund shall
15 include interest on each contribution at the rate of 3% per
16 annum compounded annually from the date of the contribution
17 to the date of the refund.

18 (c) When paid to children, estate or beneficiary.
19 Whenever the total accumulations, to the account of an
20 employee from employee contributions, including interest,
21 have not been paid to the employee and surviving spouse as a
22 retirement or spouse's annuity before the death of the
23 survivor of the employee and spouse, a refund shall be paid
24 as follows: an amount equal to the excess of such amounts
25 over the amounts paid on such annuities without interest on
26 either such amount, shall be paid to the children of the
27 employee, in equal parts to each, unless the employee has
28 directed in writing, signed by him before an officer
29 authorized to administer oaths, and filed with the Board
30 before the employee's death, that any such amount shall be
31 refunded and paid to any one or more of such children; and if
32 there are not children, such other beneficiary or
33 beneficiaries as might be designated by the employee. If
34 there are no such children or designation of beneficiary, the

1 refund shall be paid to the personal representative of the
2 employee's estate.

3 If a personal representative of the estate has not been
4 appointed within 90 days from the date on which a refund
5 became payable, the refund may be applied, in the discretion
6 of the Board, toward the payment of the employee's or the
7 surviving spouse's burial expenses. Any remaining balance
8 shall be paid to the heirs of the employee according to the
9 law of descent and distribution of the State of Illinois.

10 If a reversionary annuity becomes payable under Section
11 13-303, the refund provided in this section shall not be paid
12 until the death of the reversionary annuitant and the refund
13 otherwise payable under this section shall be then further
14 reduced by the amount of the reversionary annuity paid.

15 (d) In lieu of annuity. Notwithstanding the provisions
16 set forth in subsection (a) of this section, whenever an
17 employee's or surviving spouse's annuity will be less than
18 \$200 per month, the employee or surviving spouse, as the case
19 may be, may elect to receive a refund of accumulated employee
20 contributions; provided, however, that if the election is
21 made by a surviving spouse the refund shall be reduced by any
22 amounts theretofore paid to the employee in the form of an
23 annuity.

24 (e) Forfeiture of rights. An employee or surviving
25 spouse who receives a refund forfeits the right to receive an
26 annuity or any other benefit payable under this Article
27 except that if the refund is to a surviving spouse, any child
28 or children of the employee shall not be deprived of the
29 right to receive a child's annuity as provided in Section
30 13-308 of this Article, and the payment of a child's annuity
31 shall not reduce the amount refundable to the surviving
32 spouse.

33 (Source: P.A. 87-794; 87-1265.)

1 (40 ILCS 5/13-603) (from Ch. 108 1/2, par. 13-603)
2 Sec. 13-603. Restoration of rights. If an employee who
3 has received a refund subsequently re-enters the service and
4 renders one year of contributing service from the date of
5 such re-entry, the employee shall be entitled to have
6 restored all accumulation and service credits previously
7 forfeited by making a repayment of the refund, including
8 interest from the date of the refund to the date of repayment
9 at a rate equal to the higher of 8% per annum or the
10 actuarial investment return assumption used in the Fund's
11 most recent Annual Actuarial Statement. Repayment may be
12 made either directly to the Fund or in a manner similar to
13 that provided for the contributions required under Section
14 13-502. The service credits represented thereby, or any
15 part thereof, shall not become effective unless the full
16 amount due has been paid by the employee, including interest.
17 The repayment must be made in full no later than 90 days
18 following the date of the employee's final withdrawal from
19 service. If the employee fails to make a full repayment, any
20 partial amounts paid by the employee shall be refunded
21 without interest ~~if--the--employee--dies--in---service---or~~
22 ~~withdraws.~~

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

24 Section 90. The State Mandates Act is amended by adding
25 Section 8.27 as follows:

26 (30 ILCS 805/8.27 new)

27 Sec. 8.27. Exempt mandate. Notwithstanding Sections 6
28 and 8 of this Act, no reimbursement by the State is required
29 for the implementation of any mandate created by this
30 amendatory Act of the 93rd General Assembly.

31 Section 99. Effective date. This Act takes effect upon

1 becoming law.