

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 16-149, 16-149.1, and 16-149.2 and adding
6 Section 16-149.6 as follows:

7 (40 ILCS 5/16-149) (from Ch. 108 1/2, par. 16-149)
8 Sec. 16-149. Disability benefit.

9 (a) A disability benefit is payable to a member who was
10 in active service on or after June 30, 1977 and has at least
11 3 years of creditable service. Part-time and substitute
12 teachers who are in active service on or after July 1, 1990
13 must have worked as a teacher for at least 340 hours in
14 either the school year in which the disability occurs or in
15 the preceding school year.

16 The benefit is payable upon application of a member who
17 is not receiving a benefit under either Section 16-133,
18 Section 16-149.1 or Section 16-149.2. The benefit shall be
19 granted only if the member is found by medical examination to
20 be incapacitated to perform the duties of his or her position
21 as a teacher and only if the commencement of the incapacity
22 occurred while the member was employed as a teacher or within
23 90 days of such employment.

24 A member shall be considered disabled only when the
25 System has received (1) a written certificate by at least 2
26 licensed and practicing physicians designated by the System,
27 certifying that the member is disabled and unable to properly
28 perform the duties of his or her position at the time of
29 disability, except in the case of disability due to pregnancy
30 where a written certificate from only one licensed and
31 practicing physician is required; (2) a written statement

1 from the employer certifying that the member is not eligible
2 to receive a salary; and (3) a certification from the member
3 that he or she is not and has not been engaged in gainful
4 employment during the period of disability.

5 The benefit shall begin to accrue on the 31st day of
6 absence from service on account of disability, except that
7 when an application is made more than 90 days subsequent to
8 the later of the commencement of disability or the date
9 eligibility for salary ceases, it shall begin to accrue from
10 the date of application, and shall be payable during the time
11 the member does not receive a retirement annuity. The
12 benefit is not payable to a member who is receiving or has a
13 right to receive any salary as a teacher, or is employed in
14 any capacity as a teacher by the employers included under
15 this System or in an equivalent capacity in any other public
16 or private school, college or university, except as provided
17 in Section 16-149.6.

18 Service credits under the State Employees' Retirement
19 System of Illinois, the State Universities Retirement System
20 and the Illinois Municipal Retirement Fund shall be
21 considered in determining the member's eligibility for a
22 disability benefit and the total period during which the
23 disability benefit is payable.

24 (b) The disability benefit shall be 40% of the greater
25 of the member's most recent annual contract salary rate at
26 the time the disability benefit becomes payable or the
27 member's annual contract rate on the date the disability
28 commenced. Prior to July 1, 1990, if the most recent period
29 of service of any member was rendered on a less than
30 full-time but not less than half-time basis, the amount of
31 the disability benefit payable to such member shall be
32 computed on the basis of the salary received by such member
33 for the member's last year of service on a full-time basis if
34 such salary was greater than the member's most recent salary.

1 For part-time and substitute members after June 30, 1990, the
2 disability benefit shall be 40% of the greater of the
3 member's most recent annualized salary rate at the time the
4 disability benefit becomes payable or the annualized salary
5 rate or contract salary rate at the time the disability
6 commenced.

7 In addition to the above benefit, the member shall
8 receive creditable service and credit for contributions that
9 the member would have made in active employment during any
10 period of disability for which benefits are paid by the
11 System on the basis of the annual salary rate used in
12 computing the benefit, except as provided in Section
13 16-149.6.

14 (c) Effective January 1, 1988, the disability benefit
15 shall continue until the time one of the following events
16 first occurs: (1) disability ceases; (2) the member requests
17 termination of the benefit; (3) the aggregate period for
18 which disability payments made during the member's entire
19 period of service equals 1/4 of the total period of
20 creditable service, not including the time he or she has
21 received the disability payments; or (4) the member is
22 engaged or found to be able to engage in gainful employment,
23 other than limited employment under Section 16-149.6. If the
24 disability benefit is discontinued under item (4) but the
25 member is subsequently found to be unable to be gainfully
26 employed due to the disability which was the cause for his or
27 her most recent incapacity to perform the duties of a
28 teacher, the disability benefit will be resumed, upon
29 notification of the System, as soon as the member is not
30 eligible to receive salary.

31 A disabled member who receives disability benefits for
32 the maximum period specified above or who requests that the
33 disability benefits be terminated may be retired on a
34 disability retirement annuity.

1 (d) The board shall prescribe rules governing the
2 filing, investigation, control, and supervision of disability
3 claims. The rules shall include specific standards to be
4 used when requesting additional medical examinations,
5 hospital records or other data necessary for determining the
6 employment capacity and condition of the member. Costs
7 incurred by a claimant in connection with completing a claim
8 for disability benefits shall be paid by the claimant.

9 (Source: P.A. 86-272; 86-273; 86-1028; 87-794; 87-1265.)

10 (40 ILCS 5/16-149.1) (from Ch. 108 1/2, par. 16-149.1)

11 Sec. 16-149.1. Occupational disability benefit.

12 (a) A member who becomes totally and immediately
13 incapacitated for duty as the proximate result of bodily
14 injuries sustained or a hazard undergone while in the
15 performance and within the scope of his or her duties, if
16 such injuries or hazard were not the consequence of the
17 member's willful negligence, shall receive an occupational
18 disability benefit upon making proper application. If
19 application is made more than 90 days subsequent to the later
20 of the commencement of disability or the date eligibility for
21 salary ceases, benefits shall begin to accrue from the date
22 of application, but service credit and credit for
23 contributions will be earned from the date of disability.
24 The benefit is not payable to, and credit for service and
25 contributions may not be earned under this Section by, a
26 member who is receiving a benefit under Section 16-133,
27 16-149, or 16-149.2, or who is receiving salary as a teacher,
28 or is employed in any capacity as a teacher by the employers
29 included under this System or in an equivalent capacity in
30 any other public or private school, college or university,
31 except as provided in Section 16-149.6.

32 Proper proof of disability shall consist of: (1) a
33 written certificate by at least 2 licensed and practicing

1 physicians designated by the System, certifying that member
2 is disabled and unable to perform assigned duties; (2) a
3 written statement from the employer certifying that the
4 member is disabled and not receiving a salary, and related
5 information as to the cause and commencement of disability;
6 and (3) a written statement from the member certifying that
7 the member is not and has not been engaged in gainful
8 employment.

9 Occupational disability benefits under this Section shall
10 be payable only if (1) on the basis of a claim filed by the
11 applicant with the Industrial Commission of Illinois, it is
12 determined by the Commission that the disability was incurred
13 while in the performance and within the scope of assigned
14 duties, under the terms of the Illinois Workers' Compensation
15 or Occupational Diseases Act, whichever applies, and the
16 claim is adjudicated as compensable by the Commission under
17 either of the aforesaid Acts; or (2) on the basis of a claim
18 filed by the applicant with an insurance carrier with which
19 the employer of the applicant has a workers' compensation
20 insurance policy, it is determined under the terms of the
21 aforesaid policy that the disability was incurred while in
22 the performance and within the scope of the member's assigned
23 duties and the claim is approved as compensable.

24 (b) The occupational disability benefit shall be the
25 greater of 60% of the member's contract salary rate at the
26 time the disability benefit becomes payable or the member's
27 annual contract rate on the date the disability commenced,
28 and shall be payable monthly in equal installments. For
29 part-time and substitute teachers after June 30, 1990, the
30 benefit shall be the greater of the member's most recent
31 annualized salary rate at the time the disability benefit
32 becomes payable or the annualized salary rate or annual
33 contract rate at the time the disability commenced.

34 Any amounts provided for a member or a member's

1 dependents under the Illinois Workers' Compensation Act, the
2 Illinois Occupational Diseases Act or a workers' compensation
3 insurance policy provided by the employer shall be applied as
4 an offset to any occupational benefit provided under this
5 Section in such manner as may be prescribed by the board.

6 In addition to the above benefit, the member shall
7 receive creditable service and credit for contributions that
8 the member would have made in active employment during the
9 period of disability, except as provided in Section 16-149.6.

10 Creditable service and credit for contributions shall be
11 calculated on the basis of the annual salary rate used in
12 computing the benefit; however, such credit shall not be used
13 in the determination of the period for which disability
14 benefits are payable. A member who remains disabled after
15 the termination of benefits due to age or the expiration of
16 the maximum period for which benefits are payable shall be
17 entitled to the retirement annuity provided under Section
18 16-133, notwithstanding that the member may not have the
19 required minimum period of creditable service prescribed for
20 such annuity.

21 (c) Effective January 1, 1988, the occupational
22 disability benefit shall continue until the time one of the
23 following first occurs: (1) disability ceases; (2) the
24 member requests termination of the benefit; or (3) the member
25 is engaged or found to be able to engage in gainful
26 employment, other than limited employment under Section
27 16-149.6. If the disability benefit is discontinued under
28 item (3) but the member is subsequently found to be unable to
29 be gainfully employed due to the disability which was the
30 cause for his or her most recent incapacity to perform the
31 duties of a teacher, the disability benefit will be resumed,
32 upon notification of the System, as soon as the member is not
33 eligible to receive salary.

34 (d) The board shall prescribe rules governing the

1 filing, investigation, control, and supervision of disability
2 claims. Costs incurred by a claimant in connection with
3 completing a claim for disability benefits shall be paid by
4 the claimant.

5 (Source: P.A. 86-272; 86-273; 86-1488; 87-794; 87-1265.)

6 (40 ILCS 5/16-149.2) (from Ch. 108 1/2, par. 16-149.2)

7 Sec. 16-149.2. Disability retirement annuity.

8 (a) A member whose disability benefit has been
9 terminated under the provisions of Section 16-149 may be
10 retired on a disability retirement annuity payable effective
11 the day following such termination provided the member
12 remains disabled under the standard of disability provided in
13 Section 16-149.

14 The disability retirement annuity shall be payable upon
15 receipt of written certificates from at least 2 licensed
16 physicians designated by the System verifying the
17 continuation of the disability condition. A disability
18 retirement annuity shall not be paid during any period for
19 which the member receives benefits under Section 16-133,
20 Section 16-149, or Section 16-149.1 or has a right to receive
21 a salary as a teacher, or is employed in any capacity as a
22 teacher by the employers included under this System or in an
23 equivalent capacity in any other public or private school,
24 college or university, except as provided in Section
25 16-149.6.

26 (b) The disability retirement annuity shall be equal to
27 the larger of: (1) 35% of the most recent annual contract
28 salary rate or for part-time and substitute members after
29 June 30, 1990, the most recent annualized salary rate; or (2)
30 if disability commences prior to the member's attainment of
31 age 55, the amount computed in accordance with Section
32 16-133, provided the amount computed under paragraph (B) of
33 Section 16-133 shall be reduced by 1/2 of 1% for each month

1 that the member is less than age 55; or (3) if disability
2 commences after the member's attainment of age 55, and the
3 member is not receiving a retirement annuity under Section
4 16-133, the amount computed in accordance with Section
5 16-133.

6 Prior to July 1, 1990, if the most recent period of
7 service of any member eligible to receive a disability
8 retirement annuity was rendered on a less than full-time but
9 not less than half-time basis, the amount of the disability
10 retirement annuity payable shall be computed on the basis of
11 the salary received by such member for the member's last year
12 of service on a full-time basis if such salary was greater
13 than the member's most recent salary.

14 (c) If an annuitant receiving a disability retirement
15 annuity under this Section is engaged in or able to engage in
16 gainful employment (including limited employment under
17 Section 16-149.6) paying more than the difference between the
18 disability retirement annuity and the salary rate upon which
19 the disability benefit is based, with no salary to be
20 considered less than the minimum prescribed in Section 24-8
21 of the School Code, the disability retirement annuity shall
22 be reduced to an amount which together with the amount earned
23 by the annuitant, equals the salary rate upon which the
24 disability benefit is based. However, for the purposes of
25 this subsection (c) only, the salary rate upon which the
26 benefit is based shall be deemed to increase by 15% on the
27 tenth anniversary of the commencement of the annuity.

28 Once each year during the first 5 years following
29 retirement on a disability retirement annuity, and once in
30 every 3-year period thereafter, the System may require an
31 annuitant to undergo a medical examination, by a physician or
32 physicians designated by the System. If the annuitant
33 refuses to submit to such medical examination, the annuity
34 shall be discontinued until such time as the annuitant

1 consents to the examination, and if refusal continues for one
2 year, all the rights to the annuity shall be revoked.

3 (d) If an annuitant in receipt of a disability
4 retirement annuity returns to active service as a teacher
5 (other than limited employment under Section 16-149.6) or is
6 no longer disabled, such annuity shall cease and the
7 annuitant shall again become a member of the Retirement
8 System and, if in active service as a teacher, shall make
9 regular contributions. All service for which the annuitant
10 had credit on the date of disability shall be properly
11 reestablished.

12 An annuitant in receipt of a disability retirement
13 annuity who returns to active service as a teacher and who
14 again becomes disabled shall not be entitled to a
15 recomputation of the disability retirement annuity based on
16 amendments enacted while the annuitant was in receipt of the
17 annuity unless at least one year of creditable service is
18 rendered after the latest re-entry into service.

19 (e) An annuitant in receipt of a disability retirement
20 annuity may, upon reaching retirement age as specified in
21 Section 16-132, apply for a retirement annuity which is to be
22 calculated as specified in Section 16-133. The disability
23 retirement annuity shall be discontinued upon commencement of
24 the retirement annuity.

25 (f) The board shall prescribe rules governing the
26 filing, investigation, control, and supervision of disability
27 retirement claims. The rules shall include specific
28 standards to be used when requesting additional medical
29 examinations, hospital records or other data necessary for
30 determining the employment capacity and condition of the
31 annuitant. Costs incurred by a claimant in connection with
32 completing a claim for disability benefits shall be paid by
33 the claimant.

34 The changes to this Section made by this amendatory Act

1 of 1991 shall apply not only to persons who on or after its
2 effective date are in service as a teacher under the System,
3 but also to persons whose status as a teacher terminated
4 prior to that date, whether or not the person is an annuitant
5 on that date.

6 (Source: P.A. 93-469, eff. 8-8-03.)

7 (40 ILCS 5/16-149.6 new)

8 Sec. 16-149.6. Limited employment during disability.

9 (a) A teacher who (i) has been receiving a disability,
10 occupational disability, or disability retirement benefit
11 under Section 16-149, 16-149.1, or 16-149.2 for at least one
12 year and (ii) remains unable to resume regular full-time
13 teaching due to disability, but is able to engage in limited
14 or part-time employment as a teacher, may engage in such
15 limited or part-time employment as a teacher without loss of
16 the disability, occupational disability, or disability
17 retirement benefit, provided that the teacher's earnings for
18 that limited or part-time employment, when added to the
19 amount of the benefit, do not exceed 100% of the salary rate
20 upon which the benefit is based.

21 (b) A disabled teacher who engages in limited or
22 part-time teaching under this Section and earns service and
23 contribution credits for that teaching shall not receive
24 duplicate service or contribution credits under Section
25 16-149 or 16-149.1.

26 Section 99. Effective date. This Act takes effect upon
27 becoming law.