



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB0311

Introduced 1/19/2005, by Rep. Robert S. Molaro

SYNOPSIS AS INTRODUCED:

| | |
|-----------------------|--------------------------------|
| 40 ILCS 5/7-114 | from Ch. 108 1/2, par. 7-114 |
| 40 ILCS 5/7-118 | from Ch. 108 1/2, par. 7-118 |
| 40 ILCS 5/7-139 | from Ch. 108 1/2, par. 7-139 |
| 40 ILCS 5/7-153.1 new | |
| 40 ILCS 5/7-170 | from Ch. 108 1/2, par. 7-170 |
| 40 ILCS 5/7-171 | from Ch. 108 1/2, par. 7-171 |
| 40 ILCS 5/7-172 | from Ch. 108 1/2, par. 7-172 |
| 40 ILCS 5/7-173 | from Ch. 108 1/2, par. 7-173 |
| 40 ILCS 5/7-173.2 | from Ch. 108 1/2, par. 7-173.2 |
| 40 ILCS 5/7-204 | from Ch. 108 1/2, par. 7-204 |
| 40 ILCS 5/7-205 | from Ch. 108 1/2, par. 7-205 |
| 40 ILCS 5/7-211 | from Ch. 108 1/2, par. 7-211 |
| 30 ILCS 805/8.29 new | |

Amends the IMRF Article of the Illinois Pension Code. Provides that any moneys received by an elected official from the State of Illinois for service in that capacity shall be deemed earnings unless specifically excluded. Changes the provisions defining and specifying the manner of designating a beneficiary. With respect to persons establishing service credit for periods spent on a leave of absence, removes a provision requiring application within 2 years. Removes obsolete language relating to the payment of federal social security contributions to the Fund. Provides that an employee whose disability determination or medical examination results are at issue before the Board may request that the portion of the Board meeting or committee hearing concerning the disability determination or medical examination be closed to the public. Provides that if a retiring employee has accumulated nonconcurrent service with more than one participating municipality or participating instrumentality, aggregate municipality charges shall be prorated among all nonfinal employers based on service credit and projected earnings with those employers and, for the final employer, municipality charges shall be based on the remaining cost of the employee's pension. Makes a technical correction. Provides that each county with current or former elected county officers participating in the alternative annuity program shall have a separate employer contribution rate computed for those elected officers, and provides that those officers shall be treated as a separate unit within the Fund. In the provisions relating to employer pick-up of employee contributions, requires pick-up of employee contributions under the alternative program for elected county officers. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB094 04133 AMC 34154 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning 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 changing
5 Sections 7-114, 7-118, 7-139, 7-170, 7-171, 7-172, 7-173,
6 7-173.2, 7-204, 7-205, and 7-211 and by adding Section 7-153.1
7 as follows:

8 (40 ILCS 5/7-114) (from Ch. 108 1/2, par. 7-114)

9 Sec. 7-114. Earnings. "Earnings":

10 (a) An amount to be determined by the board, equal to the
11 sum of:

12 1. The total amount of money paid to an employee for
13 personal services or official duties as an employee (except
14 those employed as independent contractors) paid out of the
15 general fund, or out of any special funds controlled by the
16 municipality, or by any instrumentality thereof, or
17 participating instrumentality, including compensation,
18 fees, allowances, or other emolument paid for official
19 duties (but not including automobile maintenance, travel
20 expense, or reimbursements for expenditures incurred in
21 the performance of duties) and, for fee offices, the fees
22 or earnings of the offices to the extent such fees are paid
23 out of funds controlled by the municipality, or
24 instrumentality or participating instrumentality; and

25 2. The money value, as determined by rules prescribed
26 by the governing body of the municipality, or
27 instrumentality thereof, of any board, lodging, fuel,
28 laundry, and other allowances provided an employee in lieu
29 of money.

30 (b) For purposes of determining benefits payable under this
31 fund payments to a person who is engaged in an independently
32 established trade, occupation, profession or business and who

1 is paid for his service on a basis other than a monthly or
2 other regular salary, are not earnings.

3 (c) If a disabled participating employee is eligible to
4 receive Workers' Compensation for an accidental injury and the
5 participating municipality or instrumentality which employed
6 the participating employee when injured continues to pay the
7 participating employee regular salary or other compensation or
8 pays the employee an amount in excess of the Workers'
9 Compensation amount, then earnings shall be deemed to be the
10 total payments, including an amount equal to the Workers'
11 Compensation payments. These payments shall be subject to
12 employee contributions and allocated as if paid to the
13 participating employee when the regular payroll amounts would
14 have been paid if the participating employee had continued
15 working, and creditable service shall be awarded for this
16 period.

17 (d) If an elected official who is a participating employee
18 becomes disabled but does not resign and is not removed from
19 office, then earnings shall include all salary payments made
20 for the remainder of that term of office and the official shall
21 be awarded creditable service for the term of office.

22 (e) If a participating employee is paid pursuant to "An Act
23 to provide for the continuation of compensation for law
24 enforcement officers, correctional officers and firemen who
25 suffer disabling injury in the line of duty", approved
26 September 6, 1973, as amended, the payments shall be deemed
27 earnings, and the participating employee shall be awarded
28 creditable service for this period.

29 (f) Additional compensation received by a person while
30 serving as a supervisor of assessments, assessor, deputy
31 assessor or member of a board of review from the State of
32 Illinois pursuant to Section 4-10 or 4-15 of the Property Tax
33 Code shall not be earnings for purposes of this Article and
34 shall not be included in the contribution formula or
35 calculation of benefits for such person pursuant to this
36 Article.

1 (g) Any moneys received by an elected official from the
2 State of Illinois for service in that capacity shall be deemed
3 earnings unless specifically excluded in this Code.

4 (Source: P.A. 87-740; 88-670, eff. 12-2-94.)

5 (40 ILCS 5/7-118) (from Ch. 108 1/2, par. 7-118)

6 Sec. 7-118. "Beneficiary" ~~is~~.

7 (a) "Beneficiary" means:

8 (1) Any person or persons, trust, or charity designated
9 as a beneficiary by an employee, former employee who has
10 not yet received a retirement annuity or separation
11 benefit, or employee annuitant. If no designation is on
12 file or no beneficiary so designated survives, the estate
13 of the employee, former employee who has not yet received a
14 retirement annuity or separation benefit, or employee
15 annuitant.

16 (2) Any person or persons, trust, or charity designated
17 as a beneficiary by a beneficiary annuitant or, if no
18 designation is on file or no beneficiary so designated
19 survives, the estate of the beneficiary annuitant. ~~The~~
20 ~~surviving spouse of an employee or of an employee~~
21 ~~annuitant, or if no surviving spouse survives, the person~~
22 ~~or persons designated by a participating employee or~~
23 ~~employee annuitant, or if no person so designated survives,~~
24 ~~or if no designation is on file, the estate of the employee~~
25 ~~or employee annuitant. The person or persons designated by~~
26 ~~a beneficiary annuitant, or if no person designated~~
27 ~~survives, or if no designation is on file, the estate of~~
28 ~~the beneficiary annuitant.~~

29 (3) The estate of a surviving spouse annuitant where
30 the employee or employee annuitant filed no designation, or
31 no person designated survives at the death of a surviving
32 spouse annuitant.

33 (b) Designations of beneficiaries shall be in writing on
34 forms prescribed by the board and effective upon filing in the
35 fund offices. The designation forms shall provide for

1 contingent beneficiaries. Divorce, dissolution or annulment of
2 marriage revokes the designation of an employee's former spouse
3 as a beneficiary on a designation executed before entry of
4 judgment for divorce, dissolution or annulment of marriage.

5 ~~(b) Notwithstanding the foregoing, an employee, former~~
6 ~~employee who has not yet received a retirement annuity or~~
7 ~~separation benefit, or employee annuitant may elect to name any~~
8 ~~person, trust or charity to be the primary beneficiary of any~~
9 ~~death benefit payable by reason of his death. Such election~~
10 ~~shall state specifically whether it is his intention to exclude~~
11 ~~the spouse, shall be in writing, and may be revoked at any~~
12 ~~time. Such election or revocation shall take effect upon being~~
13 ~~filed in the fund offices.~~

14 ~~(c) If a surviving spouse annuity is payable to a former~~
15 ~~spouse upon the death of an employee annuitant, the former~~
16 ~~spouse, unless designated by the employee annuitant after~~
17 ~~dissolution of the marriage, shall not be the beneficiary for~~
18 ~~the purposes of the \$3,000 death benefit payable under~~
19 ~~subparagraph 6 of Section 7-164. This benefit shall be paid to~~
20 ~~the designated beneficiary of the employee annuitant or, if~~
21 ~~there is no designation, then to the estate of the employee~~
22 ~~annuitant.~~

23 (Source: P.A. 89-136, eff. 7-14-95; 90-448, eff. 8-16-97.)

24 (40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)

25 Sec. 7-139. Credits and creditable service to employees.

26 (a) Each participating employee shall be granted credits
27 and creditable service, for purposes of determining the amount
28 of any annuity or benefit to which he or a beneficiary is
29 entitled, as follows:

30 1. For prior service: Each participating employee who
31 is an employee of a participating municipality or
32 participating instrumentality on the effective date shall
33 be granted creditable service, but no credits under
34 paragraph 2 of this subsection (a), for periods of prior
35 service for which credit has not been received under any

1 other pension fund or retirement system established under
2 this Code, as follows:

3 If the effective date of participation for the
4 participating municipality or participating
5 instrumentality is on or before January 1, 1998, creditable
6 service shall be granted for the entire period of prior
7 service with that employer without any employee
8 contribution.

9 If the effective date of participation for the
10 participating municipality or participating
11 instrumentality is after January 1, 1998, creditable
12 service shall be granted for the last 20% of the period of
13 prior service with that employer, but no more than 5 years,
14 without any employee contribution. A participating
15 employee may establish creditable service for the
16 remainder of the period of prior service with that employer
17 by making an application in writing, accompanied by payment
18 of an employee contribution in an amount determined by the
19 Fund, based on the employee contribution rates in effect at
20 the time of application for the creditable service and the
21 employee's salary rate on the effective date of
22 participation for that employer, plus interest at the
23 effective rate from the date of the prior service to the
24 date of payment. Application for this creditable service
25 may be made at any time while the employee is still in
26 service.

27 A municipality that (i) has at least 35 employees; (ii)
28 is located in a county with at least 2,000,000 inhabitants;
29 and (iii) maintains an independent defined benefit pension
30 plan for the benefit of its eligible employees may restrict
31 creditable service in whole or in part for periods of prior
32 service with the employer if the governing body of the
33 municipality adopts an irrevocable resolution to restrict
34 that creditable service and files the resolution with the
35 board before the municipality's effective date of
36 participation.

1 Any person who has withdrawn from the service of a
2 participating municipality or participating
3 instrumentality prior to the effective date, who reenters
4 the service of the same municipality or participating
5 instrumentality after the effective date and becomes a
6 participating employee is entitled to creditable service
7 for prior service as otherwise provided in this subdivision
8 (a)(1) only if he or she renders 2 years of service as a
9 participating employee after the effective date.
10 Application for such service must be made while in a
11 participating status. The salary rate to be used in the
12 calculation of the required employee contribution, if any,
13 shall be the employee's salary rate at the time of first
14 reentering service with the employer after the employer's
15 effective date of participation.

16 2. For current service, each participating employee
17 shall be credited with:

18 a. Additional credits of amounts equal to each
19 payment of additional contributions received from him
20 under Section 7-173, as of the date the corresponding
21 payment of earnings is payable to him.

22 b. Normal credits of amounts equal to each payment
23 of normal contributions received from him, as of the
24 date the corresponding payment of earnings is payable
25 to him, and normal contributions made for the purpose
26 of establishing out-of-state service credits as
27 permitted under the conditions set forth in paragraph 6
28 of this subsection (a).

29 c. Municipality credits in an amount equal to 1.4
30 times the normal credits, except those established by
31 out-of-state service credits, as of the date of
32 computation of any benefit if these credits would
33 increase the benefit.

34 d. Survivor credits equal to each payment of
35 survivor contributions received from the participating
36 employee as of the date the corresponding payment of

1 earnings is payable, and survivor contributions made
2 for the purpose of establishing out-of-state service
3 credits.

4 3. For periods of temporary and total and permanent
5 disability benefits, each employee receiving disability
6 benefits shall be granted creditable service for the period
7 during which disability benefits are payable. Normal and
8 survivor credits, based upon the rate of earnings applied
9 for disability benefits, shall also be granted if such
10 credits would result in a higher benefit to any such
11 employee or his beneficiary.

12 4. For authorized leave of absence without pay: A
13 participating employee shall be granted credits and
14 creditable service for periods of authorized leave of
15 absence without pay under the following conditions:

16 a. An application for credits and creditable
17 service is submitted to the board while the employee is
18 in a status of active employment, ~~and within 2 years~~
19 ~~after termination of the leave of absence period for~~
20 ~~which credits and creditable service are sought.~~

21 b. Not more than 12 complete months of creditable
22 service for authorized leave of absence without pay
23 shall be counted for purposes of determining any
24 benefits payable under this Article.

25 c. Credits and creditable service shall be granted
26 for leave of absence only if such leave is approved by
27 the governing body of the municipality, including
28 approval of the estimated cost thereof to the
29 municipality as determined by the fund, and employee
30 contributions, plus interest at the effective rate
31 applicable for each year from the end of the period of
32 leave to date of payment, have been paid to the fund in
33 accordance with Section 7-173. The contributions shall
34 be computed upon the assumption earnings continued
35 during the period of leave at the rate in effect when
36 the leave began.

1 d. Benefits under the provisions of Sections
2 7-141, 7-146, 7-150 and 7-163 shall become payable to
3 employees on authorized leave of absence, or their
4 designated beneficiary, only if such leave of absence
5 is creditable hereunder, and if the employee has at
6 least one year of creditable service other than the
7 service granted for leave of absence. Any employee
8 contributions due may be deducted from any benefits
9 payable.

10 e. No credits or creditable service shall be
11 allowed for leave of absence without pay during any
12 period of prior service.

13 5. For military service: The governing body of a
14 municipality or participating instrumentality may elect to
15 allow creditable service to participating employees who
16 leave their employment to serve in the armed forces of the
17 United States for all periods of such service, provided
18 that the person returns to active employment within 90 days
19 after completion of full time active duty, but no
20 creditable service shall be allowed such person for any
21 period that can be used in the computation of a pension or
22 any other pay or benefit, other than pay for active duty,
23 for service in any branch of the armed forces of the United
24 States. If necessary to the computation of any benefit, the
25 board shall establish municipality credits for
26 participating employees under this paragraph on the
27 assumption that the employee received earnings at the rate
28 received at the time he left the employment to enter the
29 armed forces. A participating employee in the armed forces
30 shall not be considered an employee during such period of
31 service and no additional death and no disability benefits
32 are payable for death or disability during such period.

33 Any participating employee who left his employment
34 with a municipality or participating instrumentality to
35 serve in the armed forces of the United States and who
36 again became a participating employee within 90 days after

1 completion of full time active duty by entering the service
2 of a different municipality or participating
3 instrumentality, which has elected to allow creditable
4 service for periods of military service under the preceding
5 paragraph, shall also be allowed creditable service for his
6 period of military service on the same terms that would
7 apply if he had been employed, before entering military
8 service, by the municipality or instrumentality which
9 employed him after he left the military service and the
10 employer costs arising in relation to such grant of
11 creditable service shall be charged to and paid by that
12 municipality or instrumentality.

13 Notwithstanding the foregoing, any participating
14 employee shall be entitled to creditable service as
15 required by any federal law relating to re-employment
16 rights of persons who served in the United States Armed
17 Services. Such creditable service shall be granted upon
18 payment by the member of an amount equal to the employee
19 contributions which would have been required had the
20 employee continued in service at the same rate of earnings
21 during the military leave period, plus interest at the
22 effective rate.

23 5.1. In addition to any creditable service established
24 under paragraph 5 of this subsection (a), creditable
25 service may be granted for up to 24 months of service in
26 the armed forces of the United States.

27 In order to receive creditable service for military
28 service under this paragraph 5.1, a participating employee
29 must (1) apply to the Fund in writing and provide evidence
30 of the military service that is satisfactory to the Board;
31 (2) obtain the written approval of the current employer;
32 and (3) make contributions to the Fund equal to (i) the
33 employee contributions that would have been required had
34 the service been rendered as a member, plus (ii) an amount
35 determined by the board to be equal to the employer's
36 normal cost of the benefits accrued for that military

1 service, plus (iii) interest on items (i) and (ii) from the
2 date of first membership in the Fund to the date of
3 payment. If payment is made during the 6-month period that
4 begins 3 months after the effective date of this amendatory
5 Act of 1997, the required interest shall be at the rate of
6 2.5% per year, compounded annually; otherwise, the
7 required interest shall be calculated at the regular
8 interest rate.

9 6. For out-of-state service: Creditable service shall
10 be granted for service rendered to an out-of-state local
11 governmental body under the following conditions: The
12 employee had participated and has irrevocably forfeited
13 all rights to benefits in the out-of-state public employees
14 pension system; the governing body of his participating
15 municipality or instrumentality authorizes the employee to
16 establish such service; the employee has 2 years current
17 service with this municipality or participating
18 instrumentality; the employee makes a payment of
19 contributions, which shall be computed at 8% (normal) plus
20 2% (survivor) times length of service purchased times the
21 average rate of earnings for the first 2 years of service
22 with the municipality or participating instrumentality
23 whose governing body authorizes the service established
24 plus interest at the effective rate on the date such
25 credits are established, payable from the date the employee
26 completes the required 2 years of current service to date
27 of payment. In no case shall more than 120 months of
28 creditable service be granted under this provision.

29 7. For retroactive service: Any employee who could have
30 but did not elect to become a participating employee, or
31 who should have been a participant in the Municipal Public
32 Utilities Annuity and Benefit Fund before that fund was
33 superseded, may receive creditable service for the period
34 of service not to exceed 50 months; however, a current or
35 former elected or appointed official of a participating
36 municipality may establish credit under this paragraph 7

1 for more than 50 months of service as an official of that
2 municipality, if the excess over 50 months is approved by
3 resolution of the governing body of the affected
4 municipality filed with the Fund before January 1, 2002.

5 Any employee who is a participating employee on or
6 after September 24, 1981 and who was excluded from
7 participation by the age restrictions removed by Public Act
8 82-596 may receive creditable service for the period, on or
9 after January 1, 1979, excluded by the age restriction and,
10 in addition, if the governing body of the participating
11 municipality or participating instrumentality elects to
12 allow creditable service for all employees excluded by the
13 age restriction prior to January 1, 1979, for service
14 during the period prior to that date excluded by the age
15 restriction. Any employee who was excluded from
16 participation by the age restriction removed by Public Act
17 82-596 and who is not a participating employee on or after
18 September 24, 1981 may receive creditable service for
19 service after January 1, 1979. Creditable service under
20 this paragraph shall be granted upon payment of the
21 employee contributions which would have been required had
22 he participated, with interest at the effective rate for
23 each year from the end of the period of service established
24 to date of payment.

25 8. For accumulated unused sick leave: A participating
26 employee who is applying for a retirement annuity shall be
27 entitled to creditable service for that portion of the
28 employee's accumulated unused sick leave for which payment
29 is not received, as follows:

30 a. Sick leave days shall be limited to those
31 accumulated under a sick leave plan established by a
32 participating municipality or participating
33 instrumentality which is available to all employees or
34 a class of employees.

35 b. Only sick leave days accumulated with a
36 participating municipality or participating

1 instrumentality with which the employee was in service
2 within 60 days of the effective date of his retirement
3 annuity shall be credited; If the employee was in
4 service with more than one employer during this period
5 only the sick leave days with the employer with which
6 the employee has the greatest number of unpaid sick
7 leave days shall be considered.

8 c. The creditable service granted shall be
9 considered solely for the purpose of computing the
10 amount of the retirement annuity and shall not be used
11 to establish any minimum service period required by any
12 provision of the Illinois Pension Code, the effective
13 date of the retirement annuity, or the final rate of
14 earnings.

15 d. The creditable service shall be at the rate of
16 1/20 of a month for each full sick day, provided that
17 no more than 12 months may be credited under this
18 subdivision 8.

19 e. Employee contributions shall not be required
20 for creditable service under this subdivision 8.

21 f. Each participating municipality and
22 participating instrumentality with which an employee
23 has service within 60 days of the effective date of his
24 retirement annuity shall certify to the board the
25 number of accumulated unpaid sick leave days credited
26 to the employee at the time of termination of service.

27 9. For service transferred from another system:
28 Credits and creditable service shall be granted for service
29 under Article 3, 4, 5, 14 or 16 of this Act, to any active
30 member of this Fund, and to any inactive member who has
31 been a county sheriff, upon transfer of such credits
32 pursuant to Section 3-110.3, 4-108.3, 5-235, 14-105.6 or
33 16-131.4, and payment by the member of the amount by which
34 (1) the employer and employee contributions that would have
35 been required if he had participated in this Fund as a
36 sheriff's law enforcement employee during the period for

1 which credit is being transferred, plus interest thereon at
2 the effective rate for each year, compounded annually, from
3 the date of termination of the service for which credit is
4 being transferred to the date of payment, exceeds (2) the
5 amount actually transferred to the Fund. Such transferred
6 service shall be deemed to be service as a sheriff's law
7 enforcement employee for the purposes of Section 7-142.1.

8 (b) Creditable service - amount:

9 1. One month of creditable service shall be allowed for
10 each month for which a participating employee made
11 contributions as required under Section 7-173, or for which
12 creditable service is otherwise granted hereunder. Not
13 more than 1 month of service shall be credited and counted
14 for 1 calendar month, and not more than 1 year of service
15 shall be credited and counted for any calendar year. A
16 calendar month means a nominal month beginning on the first
17 day thereof, and a calendar year means a year beginning
18 January 1 and ending December 31.

19 2. A seasonal employee shall be given 12 months of
20 creditable service if he renders the number of months of
21 service normally required by the position in a 12-month
22 period and he remains in service for the entire 12-month
23 period. Otherwise a fractional year of service in the
24 number of months of service rendered shall be credited.

25 3. An intermittent employee shall be given creditable
26 service for only those months in which a contribution is
27 made under Section 7-173.

28 (c) No application for correction of credits or creditable
29 service shall be considered unless the board receives an
30 application for correction while (1) the applicant is a
31 participating employee and in active employment with a
32 participating municipality or instrumentality, or (2) while
33 the applicant is actively participating in a pension fund or
34 retirement system which is a participating system under the
35 Retirement Systems Reciprocal Act. A participating employee or
36 other applicant shall not be entitled to credits or creditable

1 service unless the required employee contributions are made in
2 a lump sum or in installments made in accordance with board
3 rule.

4 (d) Upon the granting of a retirement, surviving spouse or
5 child annuity, a death benefit or a separation benefit, on
6 account of any employee, all individual accumulated credits
7 shall thereupon terminate. Upon the withdrawal of additional
8 contributions, the credits applicable thereto shall thereupon
9 terminate. Terminated credits shall not be applied to increase
10 the benefits any remaining employee would otherwise receive
11 under this Article.

12 (Source: P.A. 92-424, eff. 8-17-01; 93-933, eff. 8-13-04.)

13 (40 ILCS 5/7-153.1 new)

14 Sec. 7-153.1. Disability hearings; request for closed
15 meeting. Those portions of meetings of the Board or of Board
16 committees in which matters relating to the determination of
17 disability or the results of medical examinations are to be
18 considered may be closed, but only if the request for a closed
19 meeting is initiated by the participating employee whose
20 disability determination or whose medical examination results
21 are at issue.

22 (40 ILCS 5/7-170) (from Ch. 108 1/2, par. 7-170)

23 Sec. 7-170. Federal Social Security coverage.

24 (a) It is declared to be the policy and purpose of this
25 Section to extend to covered employees as defined in Section
26 7-138, the benefits of the Federal Old Age and Survivors
27 Insurance System as authorized by the Federal Social Security
28 Act and amendments thereto. To effect this, the board shall
29 take such action as may be required by applicable State and
30 Federal laws or regulations.

31 (b) The board shall execute an agreement with the State
32 Agency to secure coverage of covered employees as provided in
33 paragraph (a) of this section.

34 (c) Each participating municipality and each participating

1 instrumentality shall remit payment of contributions for
2 Social Security purposes on behalf of covered employees and
3 covered municipalities and participating instrumentalities in
4 the manner provided by law ~~as required by the board and the~~
5 ~~State Agency established by the Social Security Enabling Act.~~

6 (d) (Blank). ~~Contributions of covered employees to this~~
7 ~~fund for Federal Social Security purposes shall be paid to the~~
8 ~~State Agency in such amounts and at such time as are designated~~
9 ~~by State laws or regulations.~~

10 (e) (Blank). ~~Contributions in behalf of covered~~
11 ~~municipalities and participating instrumentalities for Federal~~
12 ~~Social Security purposes and the required pro rata share of~~
13 ~~administrative expenses shall be paid to the State Agency from~~
14 ~~this fund in accordance with applicable State laws and~~
15 ~~regulations.~~

16 (f) The board shall maintain such records and submit such
17 reports as may be required by applicable State and Federal laws
18 or regulations.

19 (Source: P.A. 81-793.)

20 (40 ILCS 5/7-171) (from Ch. 108 1/2, par. 7-171)

21 Sec. 7-171. Finance; taxes.

22 (a) Each municipality other than a school district shall
23 appropriate an amount sufficient to provide for the current
24 municipality contributions required by Section 7-172 of this
25 Article, for the fiscal year for which the appropriation is
26 made and all amounts due for municipal contributions for
27 previous years. Those municipalities which have been assessed
28 an annual amount to amortize its unfunded obligation, as
29 provided in subparagraph 4 ~~5~~ of paragraph (a) of Section 7-172
30 of this Article, shall include in the appropriation an amount
31 sufficient to pay the amount assessed. The appropriation shall
32 be based upon an estimate of assets available for municipality
33 contributions and liabilities therefor for the fiscal year for
34 which appropriations are to be made, including funds available
35 from levies for this purpose in prior years.

1 (b) For the purpose of providing monies for municipality
2 contributions, beginning for the year in which a municipality
3 is included in this fund:

4 (1) A municipality other than a school district may
5 levy a tax which shall not exceed the amount appropriated
6 for municipality contributions.

7 (2) A school district may levy a tax in an amount
8 reasonably calculated at the time of the levy to provide
9 for the municipality contributions required under Section
10 7-172 of this Article for the fiscal years for which
11 revenues from the levy will be received and all amounts due
12 for municipal contributions for previous years. Any levy
13 adopted before the effective date of this amendatory Act of
14 1995 by a school district shall be considered valid and
15 authorized to the extent that the amount was reasonably
16 calculated at the time of the levy to provide for the
17 municipality contributions required under Section 7-172
18 for the fiscal years for which revenues from the levy will
19 be received and all amounts due for municipal contributions
20 for previous years. In no event shall a budget adopted by a
21 school district limit a levy of that school district
22 adopted under this Section.

23 (c) Any county which is served by a regional office of
24 education that serves 2 or more counties may include in its
25 appropriation an amount sufficient to provide its
26 proportionate share of the municipality contributions for that
27 regional office of education. The tax levy authorized by this
28 Section may include an amount necessary to provide monies for
29 this contribution.

30 (d) Any county that is a part of a multiple-county health
31 department or consolidated health department which is formed
32 under "An Act in relation to the establishment and maintenance
33 of county and multiple-county public health departments",
34 approved July 9, 1943, as amended, and which is a participating
35 instrumentality may include in the county's appropriation an
36 amount sufficient to provide its proportionate share of

1 municipality contributions of the department. The tax levy
2 authorized by this Section may include the amount necessary to
3 provide monies for this contribution.

4 (d-5) A school district participating in a special
5 education joint agreement created under Section 10-22.31 of the
6 School Code that is a participating instrumentality may include
7 in the school district's tax levy under this Section an amount
8 sufficient to provide its proportionate share of the
9 municipality contributions for current and prior service by
10 employees of the participating instrumentality created under
11 the joint agreement.

12 (e) Such tax shall be levied and collected in like manner,
13 with the general taxes of the municipality and shall be in
14 addition to all other taxes which the municipality is now or
15 may hereafter be authorized to levy upon all taxable property
16 therein, and shall be exclusive of and in addition to the
17 amount of tax levied for general purposes under Section 8-3-1
18 of the "Illinois Municipal Code", approved May 29, 1961, as
19 amended, or under any other law or laws which may limit the
20 amount of tax which the municipality may levy for general
21 purposes. The tax may be levied by the governing body of the
22 municipality without being authorized as being additional to
23 all other taxes by a vote of the people of the municipality.

24 (f) The county clerk of the county in which any such
25 municipality is located, in reducing tax levies shall not
26 consider any such tax as a part of the general tax levy for
27 municipality purposes, and shall not include the same in the
28 limitation of any other tax rate which may be extended.

29 (g) The amount of the tax to be levied in any year shall,
30 within the limits herein prescribed, be determined by the
31 governing body of the respective municipality.

32 (h) The revenue derived from any such tax levy shall be
33 used only for the purposes specified in this Article and, as
34 collected, shall be paid to the treasurer of the municipality
35 levying the tax. Monies received by a county treasurer for use
36 in making contributions to a regional office of education for

1 its municipality contributions shall be held by him for that
2 purpose and paid to the regional office of education in the
3 same manner as other monies appropriated for the expense of the
4 regional office.

5 (Source: P.A. 89-329, eff. 8-17-95; 90-448, eff. 8-16-97;
6 90-511, eff. 8-22-97; 90-655, eff. 7-30-98.)

7 (40 ILCS 5/7-172) (from Ch. 108 1/2, par. 7-172)

8 Sec. 7-172. Contributions by participating municipalities
9 and participating instrumentalities.

10 (a) Each participating municipality and each participating
11 instrumentality shall make payment to the fund as follows:

12 1. municipality contributions in an amount determined
13 by applying the municipality contribution rate to each
14 payment of earnings paid to each of its participating
15 employees;

16 2. an amount equal to the employee contributions
17 provided by paragraphs (a) and (b) of Section 7-173,
18 whether or not the employee contributions are withheld as
19 permitted by that Section;

20 3. all accounts receivable, together with interest
21 charged thereon, as provided in Section 7-209;

22 4. if it has no participating employees with current
23 earnings, an amount payable which, over a period of 20
24 years beginning with the year following an award of
25 benefit, will amortize, at the effective rate for that
26 year, any negative balance in its municipality reserve
27 resulting from the award. This amount when established will
28 be payable as a separate contribution whether or not it
29 later has participating employees.

30 (b) A separate municipality contribution rate shall be
31 determined for each calendar year for all participating
32 municipalities together with all instrumentalities thereof.
33 The municipality contribution rate shall be determined for
34 participating instrumentalities as if they were participating
35 municipalities. The municipality contribution rate shall be

1 the sum of the following percentages:

2 1. The percentage of earnings of all the participating
3 employees of all participating municipalities and
4 participating instrumentalities which, if paid over the
5 entire period of their service, will be sufficient when
6 combined with all employee contributions available for the
7 payment of benefits, to provide all annuities for
8 participating employees, and the \$3,000 death benefit
9 payable under Sections 7-158 and 7-164, such percentage to
10 be known as the normal cost rate.

11 2. The percentage of earnings of the participating
12 employees of each participating municipality and
13 participating instrumentalities necessary to adjust for
14 the difference between the present value of all benefits,
15 excluding temporary and total and permanent disability and
16 death benefits, to be provided for its participating
17 employees and the sum of its accumulated municipality
18 contributions and the accumulated employee contributions
19 and the present value of expected future employee and
20 municipality contributions pursuant to subparagraph 1 of
21 this paragraph (b). This adjustment shall be spread over
22 the remainder of the period that is allowable under
23 generally accepted accounting principles.

24 3. The percentage of earnings of the participating
25 employees of all municipalities and participating
26 instrumentalities necessary to provide the present value
27 of all temporary and total and permanent disability
28 benefits granted during the most recent year for which
29 information is available.

30 4. The percentage of earnings of the participating
31 employees of all participating municipalities and
32 participating instrumentalities necessary to provide the
33 present value of the net single sum death benefits expected
34 to become payable from the reserve established under
35 Section 7-206 during the year for which this rate is fixed.

36 5. The percentage of earnings necessary to meet any

1 deficiency arising in the Terminated Municipality Reserve.

2 (c) A separate municipality contribution rate shall be
3 computed for each participating municipality or participating
4 instrumentality for its sheriff's law enforcement employees.

5 A separate municipality contribution rate shall be
6 computed for the sheriff's law enforcement employees of each
7 forest preserve district that elects to have such employees.
8 For the period from January 1, 1986 to December 31, 1986, such
9 rate shall be the forest preserve district's regular rate plus
10 2%.

11 In the event that the Board determines that there is an
12 actuarial deficiency in the account of any municipality with
13 respect to a person who has elected to participate in the Fund
14 under Section 3-109.1 of this Code, the Board may adjust the
15 municipality's contribution rate so as to make up that
16 deficiency over such reasonable period of time as the Board may
17 determine.

18 (d) The Board may establish a separate municipality
19 contribution rate for all employees who are program
20 participants employed under the federal Comprehensive
21 Employment Training Act by all of the participating
22 municipalities and instrumentalities. The Board may also
23 provide that, in lieu of a separate municipality rate for these
24 employees, a portion of the municipality contributions for such
25 program participants shall be refunded or an extra charge
26 assessed so that the amount of municipality contributions
27 retained or received by the fund for all CETA program
28 participants shall be an amount equal to that which would be
29 provided by the separate municipality contribution rate for all
30 such program participants. Refunds shall be made to prime
31 sponsors of programs upon submission of a claim therefor and
32 extra charges shall be assessed to participating
33 municipalities and instrumentalities. In establishing the
34 municipality contribution rate as provided in paragraph (b) of
35 this Section, the use of a separate municipality contribution
36 rate for program participants or the refund of a portion of the

1 municipality contributions, as the case may be, may be
2 considered.

3 (e) Computations of municipality contribution rates for
4 the following calendar year shall be made prior to the
5 beginning of each year, from the information available at the
6 time the computations are made, and on the assumption that the
7 employees in each participating municipality or participating
8 instrumentality at such time will continue in service until the
9 end of such calendar year at their respective rates of earnings
10 at such time.

11 (f) Any municipality which is the recipient of State
12 allocations representing that municipality's contributions for
13 retirement annuity purposes on behalf of its employees as
14 provided in Section 12-21.16 of the Illinois Public Aid Code
15 shall pay the allocations so received to the Board for such
16 purpose. Estimates of State allocations to be received during
17 any taxable year shall be considered in the determination of
18 the municipality's tax rate for that year under Section 7-171.
19 If a special tax is levied under Section 7-171, none of the
20 proceeds may be used to reimburse the municipality for the
21 amount of State allocations received and paid to the Board. Any
22 multiple-county or consolidated health department which
23 receives contributions from a county under Section 11.2 of "An
24 Act in relation to establishment and maintenance of county and
25 multiple-county health departments", approved July 9, 1943, as
26 amended, or distributions under Section 3 of the Department of
27 Public Health Act, shall use these only for municipality
28 contributions by the health department.

29 (g) Municipality contributions for the several purposes
30 specified shall, for township treasurers and employees in the
31 offices of the township treasurers who meet the qualifying
32 conditions for coverage hereunder, be allocated among the
33 several school districts and parts of school districts serviced
34 by such treasurers and employees in the proportion which the
35 amount of school funds of each district or part of a district
36 handled by the treasurer bears to the total amount of all

1 school funds handled by the treasurer.

2 From the funds subject to allocation among districts and
3 parts of districts pursuant to the School Code, the trustees
4 shall withhold the proportionate share of the liability for
5 municipality contributions imposed upon such districts by this
6 Section, in respect to such township treasurers and employees
7 and remit the same to the Board.

8 The municipality contribution rate for an educational
9 service center shall initially be the same rate for each year
10 as the regional office of education or school district which
11 serves as its administrative agent. When actuarial data become
12 available, a separate rate shall be established as provided in
13 subparagraph (i) of this Section.

14 The municipality contribution rate for a public agency,
15 other than a vocational education cooperative, formed under the
16 Intergovernmental Cooperation Act shall initially be the
17 average rate for the municipalities which are parties to the
18 intergovernmental agreement. When actuarial data become
19 available, a separate rate shall be established as provided in
20 subparagraph (i) of this Section.

21 (h) Each participating municipality and participating
22 instrumentality shall make the contributions in the amounts
23 provided in this Section in the manner prescribed from time to
24 time by the Board and all such contributions shall be
25 obligations of the respective participating municipalities and
26 participating instrumentalities to this fund. The failure to
27 deduct any employee contributions shall not relieve the
28 participating municipality or participating instrumentality of
29 its obligation to this fund. Delinquent payments of
30 contributions due under this Section may, with interest, be
31 recovered by civil action against the participating
32 municipalities or participating instrumentalities.
33 Municipality contributions, other than the amount necessary
34 for employee contributions and Social Security contributions,
35 for periods of service by employees from whose earnings no
36 deductions were made for employee contributions to the fund,

1 may be charged to the municipality reserve for the municipality
2 or participating instrumentality.

3 (i) Contributions by participating instrumentalities shall
4 be determined as provided herein except that the percentage
5 derived under subparagraph 2 of paragraph (b) of this Section,
6 and the amount payable under subparagraph 5 of paragraph (a) of
7 this Section, shall be based on an amortization period of 10
8 years.

9 (j) Each county with current or former elected county
10 officers, as defined in Section 7-145.1, participating in the
11 alternative annuity program established under that Section
12 shall have a separate municipality contribution rate computed
13 for those elected county officers.

14 (Source: P.A. 92-424, eff. 8-17-01.)

15 (40 ILCS 5/7-173) (from Ch. 108 1/2, par. 7-173)

16 Sec. 7-173. Contributions by employees.

17 (a) Each participating employee shall make contributions
18 to the fund as follows:

19 1. For retirement annuity purposes, normal
20 contributions of 3 3/4% of earnings.

21 2. Additional contributions of such percentages of
22 each payment of earnings, as shall be elected by the
23 employee for retirement annuity purposes, but not in excess
24 of 10%. The selected rate shall be applicable to all
25 earnings beginning on the first day of the second month
26 following receipt by the Board of written notice of
27 election to make such contributions. Additional
28 contributions at the selected rate shall be made
29 concurrently with normal contributions.

30 3. Survivor contributions, by each participating
31 employee, of 3/4% of each payment of earnings.

32 (b) Each employee shall make contributions ~~to the fund~~ for
33 Federal Social Security taxes, for periods during which he is a
34 covered employee, as required by the Social Security Enabling
35 Act and federal law. For participating employees, such

1 contributions shall be in addition to those required under
2 paragraph (a) of this Section.

3 (c) Contributions shall be deducted from each
4 corresponding payment of earnings paid to each employee and
5 shall be remitted to the board by the participating
6 municipality or participating instrumentality making such
7 payment. The remittance, together with a report of the earnings
8 and contributions shall be made as directed by the board. For
9 township treasurers and employees of township treasurers
10 qualifying as employees hereunder, the contributions herein
11 required as deductions from salary shall be withheld by the
12 school township trustees from funds available for the payment
13 of the compensation of such treasurers and employees as
14 provided in the School Code and remitted to the board.

15 (d) An employee who has made additional contributions under
16 paragraph (a)2 of this Section may upon retirement or at any
17 time prior thereto, elect to withdraw the total of such
18 additional contributions including interest credited thereon
19 to the end of the preceding calendar year.

20 (e) Failure to make the deductions for employee
21 contributions provided in paragraph (c) of this Section shall
22 not relieve the employee from liability for such contributions.
23 The amount of such liability may be deducted, with interest
24 charged under Section 7-209, from any annuities or benefits
25 payable hereunder to the employee or any other person receiving
26 an annuity or benefit by reason of such employee's
27 participation.

28 (f) A participating employee who has at least 40 years of
29 creditable service in the Fund may elect to cease making the
30 contributions required under this Section. The status of the
31 employee under this Article shall be unaffected by this
32 election, except that the employee shall not receive any
33 additional creditable service for the periods of employment
34 following the election. An election under this subsection
35 relieves the employer from making additional employer
36 contributions in relation to that employee.

1 (Source: P.A. 87-1265.)

2 (40 ILCS 5/7-173.2) (from Ch. 108 1/2, par. 7-173.2)

3 Sec. 7-173.2. Pickup of employee contributions.

4 (a) Until July 1, 1984, each participating municipality and
5 each participating instrumentality may elect, for all of its
6 employees, to pick up the employee contributions required by
7 subparagraphs 1 and 3 of subsection (a) of Section 7-173 and,
8 in the case of sheriff's law enforcement employees, required by
9 Section 7-173.1. The pick up may be for employee contributions
10 on earnings received by employees after December 31, 1981 and
11 shall be applicable to the contributions on total earnings paid
12 in any month. The decision to pick up contributions shall be
13 made by the governing body.

14 Beginning July 1, 1984, the pick up of employee
15 contributions shall cease to be optional. Each participating
16 municipality and participating instrumentality shall pick up
17 the employee contributions required by subparagraphs 1 and 3 of
18 subsection (a) of Section 7-173 and, in the case of sheriff's
19 law enforcement employees, contributions required by Section
20 7-173.1, for all compensation earned after such date. Each
21 participating municipality shall also pick up any employee
22 contributions made by its employees under the alternative
23 program for elected county officers under Section 7-145.1.

24 (b) Contributions that are picked up shall be treated as
25 employer contributions in determining tax treatment under the
26 United States Internal Revenue Code. The employee contribution
27 shall be paid from the same source of funds as is used in
28 payment of earnings to the employee and may not be paid from
29 funds raised by the tax levy authorized by Section 7-171. The
30 contributions shall be picked up by a reduction in earnings
31 payment to employees. Employee contributions that are picked up
32 shall be considered as earnings under Section 7-114. If a
33 participating municipality or participating instrumentality
34 fails to report participating employee earnings which should
35 have been reported to the fund and pays the employee the full

1 amount of earnings including employee contributions which
2 should have been picked up and forwarded to the fund, then the
3 employee shall make payment of the employee contributions to
4 the fund on behalf of employer and such contributions shall be
5 considered as picked up contributions if paid in the year the
6 earnings were received, or by January 31st of the following
7 year, and are reflected as picked up on reports to the Internal
8 Revenue Service. If they cannot be so reflected, or if received
9 after that date, they shall not be treated as picked up
10 contributions. Picked up employee contributions shall be
11 considered as employee contributions in computing benefits
12 paid under this Article 7.

13 (c) Subject to the requirements of federal law, an employee
14 may elect to have the employer pick up optional contributions
15 that the employee has elected to pay to the Fund, and the
16 contributions so picked up shall be treated as employer
17 contributions for the purposes of determining federal tax
18 treatment. The employer shall pick up the contributions by a
19 reduction in the cash salary of the employee and shall pay the
20 contributions from the same source of funds that is used to pay
21 earnings to the employee. The employee's election to have the
22 optional contributions picked up is irrevocable and the
23 optional contributions may not thereafter be prepaid, by direct
24 payment or otherwise.

25 (Source: P.A. 90-766, eff. 8-14-98.)

26 (40 ILCS 5/7-204) (from Ch. 108 1/2, par. 7-204)

27 Sec. 7-204. Municipality reserves.

28 (a) Except as provided in paragraph (b) of this Section,
29 each participating municipality and its instrumentalities, and
30 each participating instrumentality, shall be treated as an
31 independent unit within the fund, except that if it has any
32 sheriff's law enforcement employees or any elected county
33 officers (as defined in Section 7-154.1) participating in the
34 alternative annuity program, it shall be treated as multiple ~~2~~
35 independent units, one for its sheriff's law enforcement

1 employees, one for its elected county officers participating in
2 the alternative retirement program, and one ~~the second~~ for its
3 other employees. Separate municipality reserves shall be
4 maintained in such form and detail as is necessary to show the
5 net accumulated balances of each municipality, created or
6 arising under this Article.

7 (b) In the event of termination and dissolution of any
8 participating municipality or participating instrumentality, if
9 ~~and~~ its obligations are not assumed or transferred by law to
10 another municipality, any net debit or credit balance remaining
11 in the reserve account of such municipality, or participating
12 instrumentality, shall be transferred to a Terminated
13 Municipality Reserve Account which shall be used to fund any
14 future benefits of its employees arising out of service with
15 the terminated municipality or participating instrumentality.

16 Any deficiency arising in the Terminated Municipality
17 Reserve Account shall be eliminated by a contribution by all
18 remaining municipalities and participating instrumentalities
19 at a uniform percent of payroll, to be determined, collected
20 with other contributions required under Section 7-172.

21 (c) The municipality reserve for each municipality or
22 participating instrumentality that has any sheriff's law
23 enforcement employees shall be divided into 2 reserves. A
24 reserve for the sheriff's law enforcement employees shall be
25 allocated an amount in the same proportion to the total amount
26 in reserve as the total number of sheriff's law enforcement
27 employees is to the total participating employees of the
28 municipality or participating instrumentality at that date.
29 The remainder shall be allocated to the reserve for other
30 employees.

31 (d) The Fund shall determine what amounts shall be
32 transferred or credited to the reserve for elected county
33 officers participating in the alternative retirement program.

34 (Source: P.A. 87-740.)

1 Sec. 7-205. Reserves for annuities. Appropriate reserves
2 shall be created for payment of all annuities granted under
3 this Article at the time such annuities are granted and in
4 amounts determined to be necessary under actuarial tables
5 adopted by the Board upon recommendation of the actuary of the
6 fund. All annuities payable shall be charged to the annuity
7 reserve.

8 1. Amounts credited to annuity reserves shall be derived by
9 transfer of all the employee credits from the appropriate
10 employee reserves and by charges to the municipality reserve of
11 those municipalities in which the retiring employee has
12 accumulated service. If a retiring employee has accumulated
13 service in more than one participating municipality or
14 participating instrumentality, (i) in the case of concurrent
15 service, aggregate municipality charges shall be prorated on a
16 basis of the employee's earnings ~~in case of concurrent service~~
17 and (ii) in the case of nonconcurrent service, aggregate
18 municipality charges shall be prorated among all nonfinal
19 employers on a basis of service credit and projected earnings
20 with those employers and, for the final employer, municipality
21 charges shall be paid on a basis of the remaining cost of the
22 employee's pension, as determined by the Board. ~~creditable~~
23 ~~service in other cases.~~

24 2. Supplemental annuities shall be handled as a separate
25 annuity and amounts to be credited to the annuity reserve
26 therefor shall be derived in the same manner as a regular
27 annuity.

28 3. When a retirement annuity is granted to an employee with
29 a spouse eligible for a surviving spouse annuity, there shall
30 be credited to the annuity reserve an amount to fund the cost
31 of both the retirement and surviving spouse annuity as a joint
32 and survivors annuity.

33 4. Beginning January 1, 1989, when a retirement annuity is
34 awarded, an amount equal to the present value of the \$3,000
35 death benefit payable upon the death of the annuitant shall be
36 transferred to the annuity reserve from the appropriate

1 municipality reserves in the same manner as the transfer for
2 annuities.

3 5. All annuity reserves shall be revalued annually as of
4 December 31. Beginning as of December 31, 1973, adjustment
5 required therein by such revaluation shall be charged or
6 credited to the earnings and experience variation reserve.

7 6. There shall be credited to the annuity reserve all of
8 the payments made by annuitants under Section 7-144.2, plus an
9 additional amount from the earnings and experience variation
10 reserve to fund the cost of the incremental annuities granted
11 to annuitants making these payments.

12 7. As of December 31, 1972, the excess in the annuity
13 reserve shall be transferred to the municipality reserves. An
14 amount equal to the deficiency in the reserve of participating
15 municipalities and participating instrumentalities which have
16 no participating employees shall be allocated to their
17 reserves. The remainder shall be allocated in amounts
18 proportionate to the present value, as of January 1, 1972, of
19 annuities of annuitants of the remaining participating
20 municipalities and participating instrumentalities.

21 (Source: P.A. 89-136, eff. 7-14-95.)

22 (40 ILCS 5/7-211) (from Ch. 108 1/2, par. 7-211)

23 Sec. 7-211. Authorizations.

24 (a) Each participating municipality and instrumentality
25 thereof and each participating instrumentality shall:

26 1. Deduct all normal and additional contributions and
27 contributions for federal Social Security taxes as
28 required by the Social Security Enabling Act from each
29 payment of earnings payable to each participating employee
30 who is entitled to any earnings from such municipality or
31 instrumentality thereof or participating instrumentality,
32 and remit all such normal and additional contributions
33 immediately to the board and all such contributions for
34 federal Social Security taxes in the manner provided by
35 law; and

1 2. Pay to the board contributions required by this
2 Article.

3 (b) Each participating employee shall, by virtue of the
4 payment of contributions to this fund, receive a vested
5 interest in the annuities and benefits provided in this Article
6 and in consideration of such vested interest shall be deemed to
7 have agreed and authorized the deduction from earnings of all
8 contributions payable to this fund in accordance with this
9 Article.

10 (c) Payment of earnings less the amounts of contributions
11 provided in this Article and in the Social Security Enabling
12 Act shall be a full and complete discharge of all claims for
13 payment for services rendered by any employee during the period
14 covered by any such payment.

15 (d) Any covered annuitant may authorize the withholding of
16 all or a portion of his or her annuity, for the payment of
17 premiums on group accident and health insurance provided
18 pursuant to Section 7-199.1. The annuitant may revoke this
19 authorization at any time.

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

21 Section 90. The State Mandates Act is amended by adding
22 Section 8.29 as follows:

23 (30 ILCS 805/8.29 new)

24 Sec. 8.29. Exempt mandate. Notwithstanding Sections 6 and 8
25 of this Act, no reimbursement by the State is required for the
26 implementation of any mandate created by this amendatory Act of
27 the 94th General Assembly.

28 Section 99. Effective date. This Act takes effect upon
29 becoming law.