



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB3584

Introduced 2/24/2005, by Rep. Gary Hannig

SYNOPSIS AS INTRODUCED:

40 ILCS 5/16-106	from Ch. 108 1/2, par. 16-106
40 ILCS 5/16-113	from Ch. 108 1/2, par. 16-113
40 ILCS 5/16-123	from Ch. 108 1/2, par. 16-123
40 ILCS 5/16-127	from Ch. 108 1/2, par. 16-127
40 ILCS 5/16-129.1	
40 ILCS 5/16-130	from Ch. 108 1/2, par. 16-130
40 ILCS 5/16-136.4	from Ch. 108 1/2, par. 16-136.4
40 ILCS 5/16-141	from Ch. 108 1/2, par. 16-141
40 ILCS 5/16-155	from Ch. 108 1/2, par. 16-155
40 ILCS 5/16-158	from Ch. 108 1/2, par. 16-158
40 ILCS 5/16-131.4 rep.	from Ch. 108 1/2, par. 16-131.4
40 ILCS 5/16-134 rep.	from Ch. 108 1/2, par. 16-134
40 ILCS 5/16-149.3 rep.	from Ch. 108 1/2, par. 16-149.3

Amends the Downstate Teachers Article of the Illinois Pension Code. Provides for participation in the System by current System employees who elect to participate after a change in position. Includes within the membership of the System persons employed in a professional position by the State Board of Education. Excludes from membership executives of certain boards engaged in the service of public education. Eliminates the 100-day TRS membership waiting period for persons receiving a retirement annuity under the Chicago Teacher Article. Requires 1.5 years of contributing service (rather than just creditable service) to qualify for a survivor's benefit upon death in service. Permits certain teachers who interrupted service under the Chicago Teacher Article because of pregnancy to purchase TRS credit for the period of leave. Reduces the required contribution for certain persons electing to receive the augmented 2.2% retirement formula, and incorporates the 2.2% retirement formula into the calculation of the single-sum retirement benefit. In the definition of "accumulated contributions", specifies that interest is neither accumulated nor paid on contributions for the automatic increase in base pension. Deletes a provision authorizing the Board to prescribe rules relating to contribution statements. Repeals certain obsolete provisions, including provisions relating to SIU employment, transfers by county sheriffs, exemptions from paying certain employer contributions, and increases in certain retirement and disability annuities that were being paid in 1947. Effective immediately.

LRB094 10789 EFG 41251 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

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 changing
5 Sections 16-106, 16-113, 16-123, 16-127, 16-129.1, 16-130,
6 16-136.4, 16-141, 16-155, and 16-158 as follows:

7 (40 ILCS 5/16-106) (from Ch. 108 1/2, par. 16-106)

8 Sec. 16-106. Teacher. "Teacher": The following
9 individuals, provided that, for employment prior to July 1,
10 1990, they are employed on a full-time basis, or if not
11 full-time, on a permanent and continuous basis in a position in
12 which services are expected to be rendered for at least one
13 school term:

14 (1) Any educational, administrative, professional or
15 other staff employed in the public common schools included
16 within this system in a position requiring certification
17 under the law governing the certification of teachers;

18 (2) Any educational, administrative, professional or
19 other staff employed in any facility of the Department of
20 Children and Family Services or the Department of Human
21 Services, in a position requiring certification under the
22 law governing the certification of teachers, and any person
23 who (i) works in such a position for the Department of
24 Corrections, (ii) was a member of this System on May 31,
25 1987, and (iii) did not elect to become a member of the
26 State Employees' Retirement System pursuant to Section
27 14-108.2 of this Code; except that "teacher" does not
28 include any person who (A) becomes a security employee of
29 the Department of Human Services, as defined in Section
30 14-110, after June 28, 2001 (the effective date of Public
31 Act 92-14), or (B) becomes a member of the State Employees'
32 Retirement System pursuant to Section 14-108.2c of this

1 Code;

2 (3) Any regional superintendent of schools, assistant
3 regional superintendent of schools, or State
4 Superintendent of Education; and any person employed by the
5 State Board of Education in a professional position; as an
6 ~~executive; any executive of the boards engaged in the~~
7 ~~service of public common school education in school~~
8 ~~districts covered under this system of which the State~~
9 ~~Superintendent of Education is an ex officio member;~~

10 (4) Any employee of a school board association
11 operating in compliance with Article 23 of the School Code
12 who is certificated under the law governing the
13 certification of teachers;

14 (5) Any person employed by the retirement system who:

15 (i) was an employee of and a participant in the
16 system on August 17, 2001 (the effective date of Public
17 Act 92-416), or

18 (ii) was an employee of but not a participant in
19 the system on the effective date of this amendatory Act
20 of the 94th General Assembly, and has thereafter become
21 employed by the system in a different position and made
22 an irrevocable election to begin participating in the
23 system, or

24 (iii) becomes an employee of the system on or after
25 August 17, 2001;

26 (6) Any educational, administrative, professional or
27 other staff employed by and under the supervision and
28 control of a regional superintendent of schools, provided
29 such employment position requires the person to be
30 certificated under the law governing the certification of
31 teachers and is in an educational program serving 2 or more
32 districts in accordance with a joint agreement authorized
33 by the School Code or by federal legislation;

34 (7) Any educational, administrative, professional or
35 other staff employed in an educational program serving 2 or
36 more school districts in accordance with a joint agreement

1 authorized by the School Code or by federal legislation and
2 in a position requiring certification under the laws
3 governing the certification of teachers;

4 (8) Any officer or employee of a statewide teacher
5 organization or officer of a national teacher organization
6 who is certified under the law governing certification of
7 teachers, provided: (i) the individual had previously
8 established creditable service under this Article, (ii)
9 the individual files with the system an irrevocable
10 election to become a member, and (iii) the individual does
11 not receive credit for such service under any other Article
12 of this Code;

13 (9) Any educational, administrative, professional, or
14 other staff employed in a charter school operating in
15 compliance with the Charter Schools Law who is certificated
16 under the law governing the certification of teachers.

17 An annuitant receiving a retirement annuity under this
18 Article ~~or under Article 17 of this Code~~ who is employed by a
19 board of education or other employer as permitted under Section
20 16-118 or 16-150.1 is not a "teacher" for purposes of this
21 Article. A person who has received a single-sum retirement
22 benefit under Section 16-136.4 of this Article is not a
23 "teacher" for purposes of this Article.

24 (Source: P.A. 92-14, eff. 6-28-01; 92-416, eff. 8-17-01;
25 92-651, eff. 7-11-02; 93-320, eff. 7-23-03.)

26 (40 ILCS 5/16-113) (from Ch. 108 1/2, par. 16-113)

27 Sec. 16-113. Accumulated contributions. "Accumulated
28 contributions": The sum of all contributions to this System
29 made by or on behalf of a member in respect to membership
30 service and credited to his or her account in the Benefit Trust
31 Reserve, together with regular interest thereon. Interest is
32 neither accumulated nor paid on contributions for the automatic
33 increase in base pension.

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

1 (40 ILCS 5/16-123) (from Ch. 108 1/2, par. 16-123)

2 Sec. 16-123. Membership of System.

3 (a) The membership of this System shall be composed of all
4 teachers employed after June 30, 1939 who become members as a
5 condition of employment on the date they become teachers.
6 Membership shall continue until the date a member becomes an
7 annuitant, dies, accepts a single-sum retirement benefit,
8 accepts a refund, ~~or~~ forfeits the rights to a refund, or is
9 convicted of any felony relating to or arising out of or in
10 connection with his or her service as a teacher.

11 (b) This Article does not apply to any person first
12 employed after June 30, 1979 as a public service employment
13 program participant under the Federal Comprehensive Employment
14 and Training Act and whose wages or fringe benefits are paid in
15 whole or in part by funds provided under such Act.

16 (Source: P.A. 87-11.)

17 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

18 Sec. 16-127. Computation of creditable service.

19 (a) Each member shall receive regular credit for all
20 service as a teacher from the date membership begins, for which
21 satisfactory evidence is supplied and all contributions have
22 been paid.

23 (b) The following periods of service shall earn optional
24 credit and each member shall receive credit for all such
25 service for which satisfactory evidence is supplied and all
26 contributions have been paid as of the date specified:

27 (1) Prior service as a teacher.

28 (2) Service in a capacity essentially similar or
29 equivalent to that of a teacher, in the public common
30 schools in school districts in this State not included
31 within the provisions of this System, or of any other
32 State, territory, dependency or possession of the United
33 States, or in schools operated by or under the auspices of
34 the United States, or under the auspices of any agency or
35 department of any other State, and service during any

1 period of professional speech correction or special
2 education experience for a public agency within this State
3 or any other State, territory, dependency or possession of
4 the United States, and service prior to February 1, 1951 as
5 a recreation worker for the Illinois Department of Public
6 Safety, for a period not exceeding the lesser of 2/5 of the
7 total creditable service of the member or 10 years. The
8 maximum service of 10 years which is allowable under this
9 paragraph shall be reduced by the service credit which is
10 validated by other retirement systems under paragraph (i)
11 of Section 15-113 and paragraph 1 of Section 17-133. Credit
12 granted under this paragraph may not be used in
13 determination of a retirement annuity or disability
14 benefits unless the member has at least 5 years of
15 creditable service earned subsequent to this employment
16 with one or more of the following systems: Teachers'
17 Retirement System of the State of Illinois, State
18 Universities Retirement System, and the Public School
19 Teachers' Pension and Retirement Fund of Chicago. Whenever
20 such service credit exceeds the maximum allowed for all
21 purposes of this Article, the first service rendered in
22 point of time shall be considered. The changes to this
23 subdivision (b)(2) made by Public Act 86-272 shall apply
24 not only to persons who on or after its effective date
25 (August 23, 1989) are in service as a teacher under the
26 System, but also to persons whose status as such a teacher
27 terminated prior to such effective date, whether or not
28 such person is an annuitant on that date.

29 (3) Any periods immediately following teaching
30 service, under this System or under Article 17, (or
31 immediately following service prior to February 1, 1951 as
32 a recreation worker for the Illinois Department of Public
33 Safety) spent in active service with the military forces of
34 the United States; periods spent in educational programs
35 that prepare for return to teaching sponsored by the
36 federal government following such active military service;

1 if a teacher returns to teaching service within one
2 calendar year after discharge or after the completion of
3 the educational program, a further period, not exceeding
4 one calendar year, between time spent in military service
5 or in such educational programs and the return to
6 employment as a teacher under this System; and a period of
7 up to 2 years of active military service not immediately
8 following employment as a teacher.

9 The changes to this Section and Section 16-128 relating
10 to military service made by P.A. 87-794 shall apply not
11 only to persons who on or after its effective date are in
12 service as a teacher under the System, but also to persons
13 whose status as a teacher terminated prior to that date,
14 whether or not the person is an annuitant on that date. In
15 the case of an annuitant who applies for credit allowable
16 under this Section for a period of military service that
17 did not immediately follow employment, and who has made the
18 required contributions for such credit, the annuity shall
19 be recalculated to include the additional service credit,
20 with the increase taking effect on the date the System
21 received written notification of the annuitant's intent to
22 purchase the credit, if payment of all the required
23 contributions is made within 60 days of such notice, or
24 else on the first annuity payment date following the date
25 of payment of the required contributions. In calculating
26 the automatic annual increase for an annuity that has been
27 recalculated under this Section, the increase attributable
28 to the additional service allowable under P.A. 87-794 shall
29 be included in the calculation of automatic annual
30 increases accruing after the effective date of the
31 recalculation.

32 Credit for military service shall be determined as
33 follows: if entry occurs during the months of July, August,
34 or September and the member was a teacher at the end of the
35 immediately preceding school term, credit shall be granted
36 from July 1 of the year in which he or she entered service;

1 if entry occurs during the school term and the teacher was
2 in teaching service at the beginning of the school term,
3 credit shall be granted from July 1 of such year. In all
4 other cases where credit for military service is allowed,
5 credit shall be granted from the date of entry into the
6 service.

7 The total period of military service for which credit
8 is granted shall not exceed 5 years for any member unless
9 the service: (A) is validated before July 1, 1964, and (B)
10 does not extend beyond July 1, 1963. Credit for military
11 service shall be granted under this Section only if not
12 more than 5 years of the military service for which credit
13 is granted under this Section is used by the member to
14 qualify for a military retirement allotment from any branch
15 of the armed forces of the United States. The changes to
16 this subdivision (b) (3) made by Public Act 86-272 shall
17 apply not only to persons who on or after its effective
18 date (August 23, 1989) are in service as a teacher under
19 the System, but also to persons whose status as such a
20 teacher terminated prior to such effective date, whether or
21 not such person is an annuitant on that date.

22 (4) Any periods served as a member of the General
23 Assembly.

24 (5) (i) Any periods for which a teacher, as defined in
25 Section 16-106, is granted a leave of absence, provided he
26 or she returns to teaching service creditable under this
27 System or the State Universities Retirement System
28 following the leave; (ii) periods during which a teacher is
29 involuntarily laid off from teaching, provided he or she
30 returns to teaching following the lay-off; (iii) periods
31 prior to July 1, 1983 during which a teacher ceased covered
32 employment under this Article or Article 17 due to
33 pregnancy, provided that the teacher returned to teaching
34 service creditable under this System or the State
35 Universities Retirement System following the pregnancy and
36 submits evidence satisfactory to the Board documenting

1 that the employment ceased due to pregnancy; and (iv)
2 periods prior to July 1, 1983 during which a teacher ceased
3 covered employment for the purpose of adopting an infant
4 under 3 years of age or caring for a newly adopted infant
5 under 3 years of age, provided that the teacher returned to
6 teaching service creditable under this System or the State
7 Universities Retirement System following the adoption and
8 submits evidence satisfactory to the Board documenting
9 that the employment ceased for the purpose of adopting an
10 infant under 3 years of age or caring for a newly adopted
11 infant under 3 years of age. However, total credit under
12 this paragraph (5) may not exceed 3 years.

13 Any qualified member or annuitant may apply for credit
14 under item (iii) or (iv) of this paragraph (5) without
15 regard to whether service was terminated before the
16 effective date of this amendatory Act of 1997. In the case
17 of an annuitant who establishes credit under item (iii) or
18 (iv), the annuity shall be recalculated to include the
19 additional service credit. The increase in annuity shall
20 take effect on the date the System receives written
21 notification of the annuitant's intent to purchase the
22 credit, if the required evidence is submitted and the
23 required contribution paid within 60 days of that
24 notification, otherwise on the first annuity payment date
25 following the System's receipt of the required evidence and
26 contribution. The increase in an annuity recalculated
27 under this provision shall be included in the calculation
28 of automatic annual increases in the annuity accruing after
29 the effective date of the recalculation.

30 Optional credit may be purchased under this subsection
31 (b) (5) for periods during which a teacher has been granted
32 a leave of absence pursuant to Section 24-13 of the School
33 Code. A teacher whose service under this Article terminated
34 prior to the effective date of P.A. 86-1488 shall be
35 eligible to purchase such optional credit. If a teacher who
36 purchases this optional credit is already receiving a

1 retirement annuity under this Article, the annuity shall be
2 recalculated as if the annuitant had applied for the leave
3 of absence credit at the time of retirement. The difference
4 between the entitled annuity and the actual annuity shall
5 be credited to the purchase of the optional credit. The
6 remainder of the purchase cost of the optional credit shall
7 be paid on or before April 1, 1992.

8 The change in this paragraph made by Public Act 86-273
9 shall be applicable to teachers who retire after June 1,
10 1989, as well as to teachers who are in service on that
11 date.

12 (6) Any days of unused and uncompensated accumulated
13 sick leave earned by a teacher. The service credit granted
14 under this paragraph shall be the ratio of the number of
15 unused and uncompensated accumulated sick leave days to 170
16 days, subject to a maximum of 2 years of service credit.
17 Prior to the member's retirement, each former employer
18 shall certify to the System the number of unused and
19 uncompensated accumulated sick leave days credited to the
20 member at the time of termination of service. The period of
21 unused sick leave shall not be considered in determining
22 the effective date of retirement. A member is not required
23 to make contributions in order to obtain service credit for
24 unused sick leave.

25 Credit for sick leave shall, at retirement, be granted
26 by the System for any retiring regional or assistant
27 regional superintendent of schools at the rate of 6 days
28 per year of creditable service or portion thereof
29 established while serving as such superintendent or
30 assistant superintendent.

31 (7) Periods prior to February 1, 1987 served as an
32 employee of the Illinois Mathematics and Science Academy
33 for which credit has not been terminated under Section
34 15-113.9 of this Code.

35 (8) Service as a substitute teacher for work performed
36 prior to July 1, 1990.

1 (9) Service as a part-time teacher for work performed
2 prior to July 1, 1990.

3 (10) (Blank). ~~Up to 2 years of employment with Southern~~
4 ~~Illinois University - Carbondale from September 1, 1959 to~~
5 ~~August 31, 1961, or with Governors State University from~~
6 ~~September 1, 1972 to August 31, 1974, for which the teacher~~
7 ~~has no credit under Article 15. To receive credit under~~
8 ~~this item (10), a teacher must apply in writing to the~~
9 ~~Board and pay the required contributions before May 1, 1993~~
10 ~~and have at least 12 years of service credit under this~~
11 ~~Article.~~

12 (b-1) A member may establish optional credit for up to 2
13 years of service as a teacher or administrator employed by a
14 private school recognized by the Illinois State Board of
15 Education, provided that the teacher (i) was certified under
16 the law governing the certification of teachers at the time the
17 service was rendered, (ii) applies in writing on or after June
18 1, 2002 and on or before June 1, 2005, (iii) supplies
19 satisfactory evidence of the employment, (iv) completes at
20 least 10 years of contributing service as a teacher as defined
21 in Section 16-106, and (v) pays the contribution required in
22 subsection (d-5) of Section 16-128. The member may apply for
23 credit under this subsection and pay the required contribution
24 before completing the 10 years of contributing service required
25 under item (iv), but the credit may not be used until the item
26 (iv) contributing service requirement has been met.

27 (c) The service credits specified in this Section shall be
28 granted only if: (1) such service credits are not used for
29 credit in any other statutory tax-supported public employee
30 retirement system other than the federal Social Security
31 program; and (2) the member makes the required contributions as
32 specified in Section 16-128. Except as provided in subsection
33 (b-1) of this Section, the service credit shall be effective as
34 of the date the required contributions are completed.

35 Any service credits granted under this Section shall
36 terminate upon cessation of membership for any cause.

1 Credit may not be granted under this Section covering any
2 period for which an age retirement or disability retirement
3 allowance has been paid.

4 (Source: P.A. 92-867, eff. 1-3-03.)

5 (40 ILCS 5/16-129.1)

6 Sec. 16-129.1. Optional increase in retirement annuity.

7 (a) A member of the System may qualify for the augmented
8 rate under subdivision (a)(B)(1) of Section 16-133 for all
9 years of creditable service earned before July 1, 1998 by
10 making the optional contribution specified in subsection (b). A
11 member may not elect to qualify for the augmented rate for only
12 a portion of his or her creditable service earned before July
13 1, 1998.

14 (b) The contribution shall be an amount equal to 1.0% of
15 the member's highest salary rate in the 4 consecutive school
16 years immediately prior to but not including the school year in
17 which the application occurs, multiplied by the number of years
18 of creditable service earned by the member before July 1, 1998
19 or 20, whichever is less. This contribution shall be reduced by
20 1.0% of that salary rate for every 3 full years of creditable
21 service earned by the member after June 30, 1998. The
22 contribution shall be further reduced at the rate of 25% of the
23 contribution (as reduced for service after June 30, 1998) for
24 each year of the member's total creditable service in excess of
25 34 years or the number of years needed to achieve a 75% maximum
26 annuity, whichever is greater. The contribution shall not in
27 any event exceed 20% of that salary rate.

28 The member shall pay to the System the amount of the
29 contribution as calculated at the time of application under
30 this Section. The amount of the contribution determined under
31 this subsection shall be recalculated at the time of
32 retirement, and if the System determines that the amount paid
33 by the member exceeds the recalculated amount, the System shall
34 refund the difference to the member with regular interest from
35 the date of payment to the date of refund.

1 The contribution required by this subsection shall be paid
2 in one of the following ways or in a combination of the
3 following ways that does not extend over more than 5 years:

4 (i) in a lump sum on or before the date of retirement;

5 (ii) in substantially equal installments over a period
6 of time not to exceed 5 years, as a deduction from salary
7 in accordance with subsection (b) of Section 16-154;

8 (iii) in substantially equal monthly installments over
9 a 24-month period, by reducing the annuitant's monthly
10 benefit over a 24-month period by the amount of the
11 otherwise applicable contribution. For federal and
12 Illinois tax purposes, the monthly amount by which the
13 annuitant's benefit is reduced shall not be treated as a
14 contribution by the annuitant, but rather as a reduction of
15 the annuitant's monthly benefit.

16 (c) If the member fails to make the full contribution under
17 this Section in a timely fashion, the payments made under this
18 Section shall be refunded to the member, without interest. If
19 the member dies before making the full contribution, the
20 payments made under this Section, together with regular
21 interest thereon, shall be refunded to the member's designated
22 beneficiary for benefits under Section 16-138.

23 (d) For purposes of this Section and subdivision (a) (B) (1)
24 of Section 16-133, optional creditable service established by a
25 member shall be deemed to have been earned at the time of the
26 employment or other qualifying event upon which the service is
27 based, rather than at the time the credit was established in
28 this System.

29 (e) The contributions required under this Section are the
30 responsibility of the teacher and not the teacher's employer.
31 However, an employer of teachers may, after the effective date
32 of this amendatory Act of 1998, specifically agree, through
33 collective bargaining or otherwise, to make the contributions
34 required by this Section on behalf of those teachers.

35 (f) A person who, on or after July 1, 1998 and before June
36 4, 1999, began receiving a retirement annuity calculated at the

1 augmented rate may apply in writing to have the annuity
2 recalculated to reflect the changes to this Section and Section
3 16-133 that were enacted in Public Act 91-17. The amount of any
4 resulting decrease in the optional contribution shall be
5 refunded to the annuitant, without interest. Any resulting
6 increase in retirement annuity shall take effect on the next
7 annuity payment date following the date of application under
8 this subsection.

9 (Source: P.A. 92-416, eff. 8-17-01; 93-469, eff. 8-8-03.)

10 (40 ILCS 5/16-130) (from Ch. 108 1/2, par. 16-130)

11 Sec. 16-130. Creditable service - whole or portion of year.

12 (a) Except as provided in paragraph (6) of subsection (b)
13 of Section 16-127, only one year of service is creditable for
14 all service in any one school year.

15 (b) For employment prior to July 1, 1990, service rendered
16 for the regular legal school term, if creditable hereunder, is
17 equivalent to one year of service, and time less than a legal
18 school term shall be counted as a portion of a year in the
19 ratio that the number of days paid bears to the number of days
20 required at the time to constitute a legal school term;
21 however, service of 170 or more days in any school year after
22 June 30, 1959 shall constitute a year of service.

23 (c) Creditable service for periods of employment after June
24 30, 1990 shall be calculated as follows:

25 For full-time, part-time, and substitute teachers,
26 creditable service in any school year shall be that fraction of
27 a year equal to the ratio of days paid in the legal school
28 term, or the employment agreement if longer, to 170 days.

29 (d) Creditable service for optional service verified after
30 July 1, 1990 for periods of employment prior to July 1, 1990
31 shall be calculated as follows:

32 For full-time, part-time, and substitute teachers,
33 creditable service in any school year shall be that fraction of
34 a year that is equal to the ratio of days paid in the legal
35 school term, ~~or employment agreement if longer,~~ to either the

1 number of days required at the time of service to constitute a
2 legal school term ~~or the number of days in the employment~~
3 ~~agreement, whichever is greater.~~ However, service of 170 or
4 more days in any school year after June 30, 1959 shall
5 constitute a year of service.

6 (Source: P.A. 86-273; 86-1028; 86-1488.)

7 (40 ILCS 5/16-136.4) (from Ch. 108 1/2, par. 16-136.4)

8 Sec. 16-136.4. Single-sum retirement benefit.

9 (a) A member who has less than 5 years of creditable
10 service shall be entitled, upon written application to the
11 board, to receive a retirement benefit payable in a single sum
12 upon or after the member's attainment of age 65. However, the
13 benefit shall not be paid while the member is employed as a
14 teacher in the schools included under this Article or Article
15 17, unless the System is required by federal law to make
16 payment due to the member's age.

17 (b) The retirement benefit shall consist of a single sum
18 that is the actuarial equivalent of a life annuity consisting
19 of 1.67% of the member's final average salary for each year of
20 creditable service earned before July 1, 1998 and 2.2% of the
21 member's final average salary for each year of creditable
22 service earned after June 30, 1998. In determining the amount
23 of the benefit, a fractional year shall be granted proportional
24 credit.

25 For the purposes of this Section, final average salary
26 shall be the average salary of the member's highest 4
27 consecutive years of service as determined under rules of the
28 board. For a member with less than 4 consecutive years of
29 service, final average salary shall be the average salary
30 during the member's entire period of service. In the
31 determination of final average salary for members other than
32 elected officials and their appointees when such appointees are
33 allowed by statute, that part of a member's salary which
34 exceeds the member's annual full-time salary rate with the same
35 employer for the preceding year by more than 20% shall be

1 excluded. The exclusion shall not apply in any year in which
2 the member's creditable earnings are less than 50% of the
3 preceding year's mean salary for downstate teachers as
4 determined by the survey of school district salaries provided
5 in Section 2-3.103 of the School Code.

6 (c) The retirement benefit determined under this Section
7 shall be available to all members who render teaching service
8 after July 1, 1947 for which member contributions are required.

9 (d) Upon acceptance of the retirement benefit, all of the
10 member's accrued rights and credits in the System are
11 forfeited. Receipt of a single-sum retirement benefit under
12 this Section does not make a person an "annuitant" for the
13 purposes of this Article, nor a "benefit recipient" for the
14 purposes of Sections 16-153.1 through 16-153.4.

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

16 (40 ILCS 5/16-141) (from Ch. 108 1/2, par. 16-141)

17 Sec. 16-141. Survivors' benefits - death in service.

18 (a) Upon the death of a member in service occurring on or
19 after July 1, 1990, a beneficiary designated by the member
20 shall be entitled to receive, in a single sum, for each
21 completed year of service up to a maximum of 6 years, an amount
22 equal to 1/6 of the member's highest annual salary rate within
23 the last 4 years of service. If death occurs prior to
24 completion of the first year of service, the beneficiary shall
25 be entitled to receive, in a single sum, an amount equal to 1/6
26 of the most recent annual salary rate. If no beneficiary is
27 designated by the member or if no designated beneficiary
28 survives the member, the single sum benefit under this
29 paragraph shall be paid to the eligible dependent beneficiary
30 or to the trust established for such eligible dependent
31 beneficiary, as determined under paragraph (3) of Section
32 16-140, or, if there is no dependent beneficiary, to the
33 decedent's estate upon receipt of proper proof of death.

34 (b) If the deceased member had at least 1.5 years of
35 contributing ~~creditable~~ service, had rendered at least 60 days

1 of creditable service within the 18 months immediately
2 preceding death and had not designated a non-dependent
3 beneficiary who survives, a dependent beneficiary may elect to
4 receive, instead of the benefit under subsection (a) of this
5 Section, a single sum payment of \$1,000, divided by the number
6 of such beneficiaries, together with a survivor's benefit as
7 specified under the following paragraphs:

8 (1) A surviving spouse, if no eligible children exist,
9 shall receive a survivor's benefit of 30% of average
10 salary, beginning at age 50 or upon the date of the
11 member's death, whichever is later, except that if the
12 member's death occurred before July 1, 1973 and the
13 surviving spouse is less than age 55 on the effective date
14 of this amendatory Act of 1997, the survivor's benefit
15 shall begin on the effective date of this amendatory Act of
16 1997 or upon the surviving spouse's attainment of age 50,
17 whichever occurs later.

18 (2) A surviving spouse, regardless of age, who is
19 providing for the support of the deceased member's eligible
20 child, shall receive a survivor's benefit of 30% of average
21 salary, plus the sum of (A) 20% of average salary on
22 account of each dependent child, and (B) 10% of average
23 salary divided by the number of children entitled to this
24 benefit.

25 (3) Each eligible child, if there is no eligible
26 surviving spouse, shall receive upon the death of the
27 member a survivor's benefit equal to the sum of: (A) 20% of
28 average salary, and (B) 10% of average salary divided by
29 the number of children entitled to this benefit.

30 (4) A dependent parent shall receive upon attainment of
31 age 55 or the date of the member's death, whichever is
32 later, a survivor's benefit of 30% of average salary,
33 unless dependency is terminated by remarriage or
34 otherwise.

35 (c) No election under this Section may be made by a
36 dependent beneficiary if a non-dependent beneficiary

1 designated by the member survives such member.

2 (d) Notwithstanding the other provisions of this Section,
3 if the member is in receipt of a benefit at the time of his or
4 her death, a dependent beneficiary shall receive a survivor
5 benefit beginning the first of the month following the death of
6 the member.

7 (e) In cases where the changes to this Section or Section
8 16-142 made by Public Act 87-1265 increase the amount of a
9 single-sum death benefit that has already been paid by the
10 System, the System shall pay to the beneficiary the amount of
11 the increase provided by this amendatory Act.

12 (Source: P.A. 90-32, eff. 6-27-97.)

13 (40 ILCS 5/16-155) (from Ch. 108 1/2, par. 16-155)

14 Sec. 16-155. Report to system and payment of deductions.

15 (a) The governing body of each school district shall make
16 two deposits each month. The deposit for member contributions
17 for salary paid between the first and the fifteenth of the
18 month is due by the 25th of the month. The deposit of member
19 contributions for salary paid between the sixteenth and last
20 day of the month is due by the 10th of the following month. All
21 required contributions for salary earned during a school term
22 are due by July 10 next following the close of such school
23 term.

24 The governing body of each State institution coming under
25 this retirement system, the State Comptroller or other State
26 officer certifying payroll vouchers including payments of
27 salary or wages to teachers, and any other employer of
28 teachers, shall, monthly, forward to the secretary of the
29 retirement system the member contributions required under this
30 Article.

31 Each employer specified above shall, prior to August 15 of
32 each year, forward to the System a detailed statement, verified
33 in all cases of school districts by the secretary or clerk of
34 the district, of the amounts so contributed since the period
35 covered by the last previous annual statement, together with

1 required contributions not yet forwarded, such payments being
2 payable to the System.

3 ~~The board may prescribe rules governing the form, content,~~
4 ~~investigation, control, and supervision of such statements. If~~
5 ~~no teacher in a school district comes under the provisions of~~
6 ~~this Article, the governing body of the district shall so state~~
7 ~~under the oath of its secretary to this system, and shall at~~
8 ~~the same time forward a copy of the statement to the regional~~
9 ~~superintendent of schools.~~

10 (b) If the governing body of an employer that is not a
11 State agency fails to forward such required contributions
12 within the time permitted in subsection (a) above, the System
13 shall notify the employer of an additional amount due, equal to
14 the greater of the following: (1) an amount representing the
15 interest lost by the system due to late forwarding of
16 contributions, calculated for the number of days which the
17 employer is late in forwarding contributions at a rate of
18 interest prescribed by the board, based on its investment
19 experience; or (2) \$50.

20 (c) If the system, on August 15, is not in receipt of the
21 detailed statements required under this Section of any school
22 district or other employing unit, such school district or other
23 employing unit shall pay to the system an amount equal to \$250
24 for each day that elapses from August 15, until the day such
25 statement is filed with the system.

26 (Source: P.A. 90-448, eff. 8-16-97.)

27 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

28 Sec. 16-158. Contributions by State and other employing
29 units.

30 (a) The State shall make contributions to the System by
31 means of appropriations from the Common School Fund and other
32 State funds of amounts which, together with other employer
33 contributions, employee contributions, investment income, and
34 other income, will be sufficient to meet the cost of
35 maintaining and administering the System on a 90% funded basis

1 in accordance with actuarial recommendations.

2 The Board shall determine the amount of State contributions
3 required for each fiscal year on the basis of the actuarial
4 tables and other assumptions adopted by the Board and the
5 recommendations of the actuary, using the formula in subsection
6 (b-3).

7 (a-1) Annually, on or before November 15, the Board shall
8 certify to the Governor the amount of the required State
9 contribution for the coming fiscal year. The certification
10 shall include a copy of the actuarial recommendations upon
11 which it is based.

12 On or before May 1, 2004, the Board shall recalculate and
13 recertify to the Governor the amount of the required State
14 contribution to the System for State fiscal year 2005, taking
15 into account the amounts appropriated to and received by the
16 System under subsection (d) of Section 7.2 of the General
17 Obligation Bond Act.

18 (b) Through State fiscal year 1995, the State contributions
19 shall be paid to the System in accordance with Section 18-7 of
20 the School Code.

21 (b-1) Beginning in State fiscal year 1996, on the 15th day
22 of each month, or as soon thereafter as may be practicable, the
23 Board shall submit vouchers for payment of State contributions
24 to the System, in a total monthly amount of one-twelfth of the
25 required annual State contribution certified under subsection
26 (a-1). From the effective date of this amendatory Act of the
27 93rd General Assembly through June 30, 2004, the Board shall
28 not submit vouchers for the remainder of fiscal year 2004 in
29 excess of the fiscal year 2004 certified contribution amount
30 determined under this Section after taking into consideration
31 the transfer to the System under subsection (a) of Section
32 6z-61 of the State Finance Act. These vouchers shall be paid by
33 the State Comptroller and Treasurer by warrants drawn on the
34 funds appropriated to the System for that fiscal year.

35 If in any month the amount remaining unexpended from all
36 other appropriations to the System for the applicable fiscal

1 year (including the appropriations to the System under Section
2 8.12 of the State Finance Act and Section 1 of the State
3 Pension Funds Continuing Appropriation Act) is less than the
4 amount lawfully vouchered under this subsection, the
5 difference shall be paid from the Common School Fund under the
6 continuing appropriation authority provided in Section 1.1 of
7 the State Pension Funds Continuing Appropriation Act.

8 (b-2) Allocations from the Common School Fund apportioned
9 to school districts not coming under this System shall not be
10 diminished or affected by the provisions of this Article.

11 (b-3) For State fiscal years 2011 through 2045, the minimum
12 contribution to the System to be made by the State for each
13 fiscal year shall be an amount determined by the System to be
14 sufficient to bring the total assets of the System up to 90% of
15 the total actuarial liabilities of the System by the end of
16 State fiscal year 2045. In making these determinations, the
17 required State contribution shall be calculated each year as a
18 level percentage of payroll over the years remaining to and
19 including fiscal year 2045 and shall be determined under the
20 projected unit credit actuarial cost method.

21 For State fiscal years 1996 through 2010, the State
22 contribution to the System, as a percentage of the applicable
23 employee payroll, shall be increased in equal annual increments
24 so that by State fiscal year 2011, the State is contributing at
25 the rate required under this Section; except that in the
26 following specified State fiscal years, the State contribution
27 to the System shall not be less than the following indicated
28 percentages of the applicable employee payroll, even if the
29 indicated percentage will produce a State contribution in
30 excess of the amount otherwise required under this subsection
31 and subsection (a), and notwithstanding any contrary
32 certification made under subsection (a-1) before the effective
33 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%
34 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY
35 2003; and 13.56% in FY 2004.

36 Beginning in State fiscal year 2046, the minimum State

1 contribution for each fiscal year shall be the amount needed to
2 maintain the total assets of the System at 90% of the total
3 actuarial liabilities of the System.

4 Notwithstanding any other provision of this Section, the
5 required State contribution for State fiscal year 2005 and each
6 fiscal year thereafter, as calculated under this Section and
7 certified under subsection (a-1), shall not exceed an amount
8 equal to (i) the amount of the required State contribution that
9 would have been calculated under this Section for that fiscal
10 year if the System had not received any payments under
11 subsection (d) of Section 7.2 of the General Obligation Bond
12 Act, minus (ii) the portion of the State's total debt service
13 payments for that fiscal year on the bonds issued for the
14 purposes of that Section 7.2, as determined and certified by
15 the Comptroller, that is the same as the System's portion of
16 the total moneys distributed under subsection (d) of Section
17 7.2 of the General Obligation Bond Act.

18 (c) Payment of the required State contributions and of all
19 pensions, retirement annuities, death benefits, refunds, and
20 other benefits granted under or assumed by this System, and all
21 expenses in connection with the administration and operation
22 thereof, are obligations of the State.

23 If members are paid from special trust or federal funds
24 which are administered by the employing unit, whether school
25 district or other unit, the employing unit shall pay to the
26 System from such funds the full accruing retirement costs based
27 upon that service, as determined by the System. Employer
28 contributions, based on salary paid to members from federal
29 funds, may be forwarded by the distributing agency of the State
30 of Illinois to the System prior to allocation, in an amount
31 determined in accordance with guidelines established by such
32 agency and the System.

33 (d) Effective July 1, 1986, any employer of a teacher as
34 defined in paragraph (8) of Section 16-106 shall pay the
35 employer's normal cost of benefits based upon the teacher's
36 service, in addition to employee contributions, as determined

1 by the System. Such employer contributions shall be forwarded
2 monthly in accordance with guidelines established by the
3 System.

4 However, with respect to benefits granted under Section
5 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
6 of Section 16-106, the employer's contribution shall be 12%
7 (rather than 20%) of the member's highest annual salary rate
8 for each year of creditable service granted, and the employer
9 shall also pay the required employee contribution on behalf of
10 the teacher. For the purposes of Sections 16-133.4 and
11 16-133.5, a teacher as defined in paragraph (8) of Section
12 16-106 who is serving in that capacity while on leave of
13 absence from another employer under this Article shall not be
14 considered an employee of the employer from which the teacher
15 is on leave.

16 (e) Beginning July 1, 1998, every employer of a teacher
17 shall pay to the System an employer contribution computed as
18 follows:

19 (1) Beginning July 1, 1998 through June 30, 1999, the
20 employer contribution shall be equal to 0.3% of each
21 teacher's salary.

22 (2) Beginning July 1, 1999 and thereafter, the employer
23 contribution shall be equal to 0.58% of each teacher's
24 salary.

25 The school district or other employing unit may pay these
26 employer contributions out of any source of funding available
27 for that purpose and shall forward the contributions to the
28 System on the schedule established for the payment of member
29 contributions.

30 These employer contributions are intended to offset a
31 portion of the cost to the System of the increases in
32 retirement benefits resulting from this amendatory Act of 1998.

33 Each employer of teachers is entitled to a credit against
34 the contributions required under this subsection (e) with
35 respect to salaries paid to teachers for the period January 1,
36 2002 through June 30, 2003, equal to the amount paid by that

1 employer under subsection (a-5) of Section 6.6 of the State
2 Employees Group Insurance Act of 1971 with respect to salaries
3 paid to teachers for that period.

4 The additional 1% employee contribution required under
5 Section 16-152 by this amendatory Act of 1998 is the
6 responsibility of the teacher and not the teacher's employer,
7 unless the employer agrees, through collective bargaining or
8 otherwise, to make the contribution on behalf of the teacher.

9 ~~If an employer is required by a contract in effect on May~~
10 ~~1, 1998 between the employer and an employee organization to~~
11 ~~pay, on behalf of all its full-time employees covered by this~~
12 ~~Article, all mandatory employee contributions required under~~
13 ~~this Article, then the employer shall be excused from paying~~
14 ~~the employer contribution required under this subsection (c)~~
15 ~~for the balance of the term of that contract. The employer and~~
16 ~~the employee organization shall jointly certify to the System~~
17 ~~the existence of the contractual requirement, in such form as~~
18 ~~the System may prescribe. This exclusion shall cease upon the~~
19 ~~termination, extension, or renewal of the contract at any time~~
20 ~~after May 1, 1998.~~

21 (Source: P.A. 92-505, eff. 12-20-01; 93-2, eff. 4-7-03; 93-665,
22 eff. 3-5-04.)

23 (40 ILCS 5/16-131.4 rep.) (from Ch. 108 1/2, par. 16-131.4)

24 (40 ILCS 5/16-134 rep.) (from Ch. 108 1/2, par. 16-134)

25 (40 ILCS 5/16-149.3 rep.) (from Ch. 108 1/2, par. 16-149.3)

26 Section 10. The Illinois Pension Code is amended by
27 repealing Sections 16-131.4, 16-134, and 16-149.3.

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