



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB1762

Introduced 2/23/2007, by Rep. Richard T. Bradley

SYNOPSIS AS INTRODUCED:

40 ILCS 5/11-134	from Ch. 108 1/2, par. 11-134
40 ILCS 5/11-145.1	from Ch. 108 1/2, par. 11-145.1
30 ILCS 805/8.31 new	

Amends the Chicago Laborers Article of the Illinois Pension Code. Beginning January 1, 2008, provides a minimum retirement annuity of \$1,050 (now, \$850) for certain employees and a minimum widow annuity of \$1,000 (now, \$800) for certain widows. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB095 07054 AMC 31637 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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 11-134 and 11-145.1 as follows:

6 (40 ILCS 5/11-134) (from Ch. 108 1/2, par. 11-134)
7 Sec. 11-134. Minimum annuities.

8 (a) An employee whose withdrawal occurs after July 1, 1957
9 at age 60 or over, with 20 or more years of service, (as
10 service is defined or computed in Section 11-216), for whom the
11 age and service and prior service annuity combined is less than
12 the amount stated in this Section, shall, from and after the
13 date of withdrawal, in lieu of all annuities otherwise provided
14 in this Article, be entitled to receive an annuity for life of
15 an amount equal to 1 2/3% for each year of service, of the
16 highest average annual salary for any 5 consecutive years
17 within the last 10 years of service immediately preceding the
18 date of withdrawal; provided, that in the case of any employee
19 who withdraws on or after July 1, 1971, such employee age 60 or
20 over with 20 or more years of service, shall be entitled to
21 instead receive an annuity for life equal to 1.67% for each of
22 the first 10 years of service; 1.90% for each of the next 10
23 years of service; 2.10% for each year of service in excess of

1 20 but not exceeding 30; and 2.30% for each year of service in
2 excess of 30, based on the highest average annual salary for
3 any 4 consecutive years within the last 10 years of service
4 immediately preceding the date of withdrawal.

5 An employee who withdraws after July 1, 1957 and before
6 January 1, 1988, with 20 or more years of service, before age
7 60, shall be entitled to an annuity, to begin not earlier than
8 age 55, if under such age at withdrawal, as computed in the
9 last preceding paragraph, reduced 0.25% if the employee was
10 born before January 1, 1936, or 0.5% if the employee was born
11 on or after January 1, 1936, for each full month or fractional
12 part thereof that his attained age when such annuity is to
13 begin is less than 60.

14 Any employee born before January 1, 1936 who withdraws with
15 20 or more years of service, and any employee with 20 or more
16 years of service who withdraws on or after January 1, 1988, may
17 elect to receive, in lieu of any other employee annuity
18 provided in this Section, an annuity for life equal to 1.80%
19 for each of the first 10 years of service, 2.00% for each of
20 the next 10 years of service, 2.20% for each year of service in
21 excess of 20, but not exceeding 30, and 2.40% for each year of
22 service in excess of 30, of the highest average annual salary
23 for any 4 consecutive years within the last 10 years of service
24 immediately preceding the date of withdrawal, to begin not
25 earlier than upon attained age of 55 years, if under such age
26 at withdrawal, reduced 0.25% for each full month or fractional

1 part thereof that his attained age when annuity is to begin is
2 less than 60; except that an employee retiring on or after
3 January 1, 1988, at age 55 or over but less than age 60, having
4 at least 35 years of service, or an employee retiring on or
5 after July 1, 1990, at age 55 or over but less than age 60,
6 having at least 30 years of service, or an employee retiring on
7 or after the effective date of this amendatory Act of 1997, at
8 age 55 or over but less than age 60, having at least 25 years of
9 service, shall not be subject to the reduction in retirement
10 annuity because of retirement below age 60.

11 However, in the case of an employee who retired on or after
12 January 1, 1985 but before January 1, 1988, at age 55 or older
13 and with at least 35 years of service, and who was subject
14 under this subsection (a) to the reduction in retirement
15 annuity because of retirement below age 60, that reduction
16 shall cease to be effective January 1, 1991, and the retirement
17 annuity shall be recalculated accordingly.

18 Any employee who withdraws on or after July 1, 1990, with
19 20 or more years of service, may elect to receive, in lieu of
20 any other employee annuity provided in this Section, an annuity
21 for life equal to 2.20% for each year of service if withdrawal
22 is before January 1, 2002, ~~60 days after the effective date of~~
23 ~~this amendatory Act of the 92nd General Assembly,~~ or 2.40% for
24 each year of service if withdrawal is on or after January 1,
25 2002, ~~60 days after the effective date of this amendatory Act~~
26 ~~of the 92nd General Assembly or later,~~ of the highest average

1 annual salary for any 4 consecutive years within the last 10
2 years of service immediately preceding the date of withdrawal,
3 to begin not earlier than upon attained age of 55 years, if
4 under such age at withdrawal, reduced 0.25% for each full month
5 or fractional part thereof that his attained age when annuity
6 is to begin is less than 60; except that an employee retiring
7 at age 55 or over but less than age 60, having at least 30 years
8 of service, shall not be subject to the reduction in retirement
9 annuity because of retirement below age 60.

10 Any employee who withdraws on or after the effective date
11 of this amendatory Act of 1997 with 20 or more years of service
12 may elect to receive, in lieu of any other employee annuity
13 provided in this Section, an annuity for life equal to 2.20%
14 for each year of service if withdrawal is before January 1,
15 2002, ~~60 days after the effective date of this amendatory Act~~
16 ~~of the 92nd General Assembly,~~ or 2.40% for each year of service
17 if withdrawal is on or after January 1, 2002, ~~60 days after the~~
18 ~~effective date of this amendatory Act of the 92nd General~~
19 ~~Assembly or later,~~ of the highest average annual salary for any
20 4 consecutive years within the last 10 years of service
21 immediately preceding the date of withdrawal, to begin not
22 earlier than upon attainment of age 55 (age 50 if the employee
23 has at least 30 years of service), reduced 0.25% for each full
24 month or remaining fractional part thereof that the employee's
25 attained age when annuity is to begin is less than 60; except
26 that an employee retiring at age 50 or over with at least 30

1 years of service or at age 55 or over with at least 25 years of
2 service shall not be subject to the reduction in retirement
3 annuity because of retirement below age 60.

4 The maximum annuity payable under this paragraph (a) of
5 this Section shall not exceed 70% of highest average annual
6 salary in the case of an employee who withdraws prior to July
7 1, 1971, 75% if withdrawal takes place on or after July 1, 1971
8 and prior to January 1, 2002, ~~60 days after the effective date~~
9 ~~of this amendatory Act of the 92nd General Assembly,~~ or 80% if
10 withdrawal is on or after January 1, 2002 ~~60 days after the~~
11 ~~effective date of this amendatory Act of the 92nd General~~
12 ~~Assembly or later.~~ For the purpose of the minimum annuity
13 provided in said paragraphs \$1,500 shall be considered the
14 minimum annual salary for any year; and the maximum annual
15 salary to be considered for the computation of such annuity
16 shall be \$4,800 for any year prior to 1953, \$6,000 for the
17 years 1953 to 1956, inclusive, and the actual annual salary, as
18 salary is defined in this Article, for any year thereafter.

19 (b) For an employee receiving disability benefit, his
20 salary for annuity purposes under this Section shall, for all
21 periods of disability benefit subsequent to the year 1956, be
22 the amount on which his disability benefit was based.

23 (c) An employee with 20 or more years of service, whose
24 entire disability benefit credit period expires prior to
25 attainment of age 55 while still disabled for service, shall be
26 entitled upon withdrawal to the larger of (1) the minimum

1 annuity provided above assuming that he is then age 55, and
2 reducing such annuity to its actuarial equivalent at his
3 attained age on such date, or (2) the annuity provided from his
4 age and service and prior service annuity credits.

5 (d) The minimum annuity provisions as aforesaid shall not
6 apply to any former employee receiving an annuity from the
7 fund, and who re-enters service as an employee, unless he
8 renders at least 3 years of additional service after the date
9 of re-entry.

10 (e) An employee in service on July 1, 1947, or who became a
11 contributor after July 1, 1947 and prior to July 1, 1950, or
12 who shall become a contributor to the fund after July 1, 1950
13 prior to attainment of age 70, who withdraws after age 65 with
14 less than 20 years of service, for whom the annuity has been
15 fixed under the foregoing Sections of this Article shall, in
16 lieu of the annuity so fixed, receive an annuity as follows:

17 Such amount as he could have received had the accumulated
18 amounts for annuity been improved with interest at the
19 effective rate to the date of his withdrawal, or to attainment
20 of age 70, whichever is earlier, and had the city contributed
21 to such earlier date for age and service annuity the amount
22 that would have been contributed had he been under age 65,
23 after the date his annuity was fixed in accordance with this
24 Article, and assuming his annuity were computed from such
25 accumulations as of his age on such earlier date. The annuity
26 so computed shall not exceed the annuity which would be payable

1 under the other provisions of this Section if the employee was
2 credited with 20 years of service and would qualify for annuity
3 thereunder.

4 (f) In lieu of the annuity provided in this or in any other
5 Section of this Article, an employee having attained age 65
6 with at least 15 years of service who withdraws from service on
7 or after July 1, 1971 and whose annuity computed under other
8 provisions of this Article is less than the amount provided
9 under this paragraph shall be entitled to receive a minimum
10 annual annuity for life equal to 1% of the highest average
11 annual salary for any 4 consecutive years within the last 10
12 years of service immediately preceding retirement for each year
13 of his service plus the sum of \$25 for each year of service.
14 Such annual annuity shall not exceed the maximum percentages
15 stated under paragraph (a) of this Section of such highest
16 average annual salary.

17 (f-1) Instead of any other retirement annuity provided in
18 this Article, an employee who has at least 10 years of service
19 and withdraws from service on or after January 1, 1999 may
20 elect to receive a retirement annuity for life, beginning no
21 earlier than upon attainment of age 60, equal to 2.2% if
22 withdrawal is before January 1, 2002, ~~60 days after the~~
23 ~~effective date of this amendatory Act of the 92nd General~~
24 ~~Assembly~~ or 2.4% for each year of service if withdrawal is on
25 or after January 1, 2002, ~~60 days after the effective date of~~
26 ~~this amendatory Act of the 92nd General Assembly or later,~~ of

1 final average salary for each year of service, subject to a
2 maximum of 75% of final average salary if withdrawal is before
3 January 1, 2002, ~~60 days after the effective date of this~~
4 ~~amendatory Act of the 92nd General Assembly,~~ or 80% if
5 withdrawal is on or after January 1, 2002 ~~60 days after the~~
6 ~~effective date of this amendatory Act of the 92nd General~~
7 ~~Assembly or later.~~ For the purpose of calculating this annuity,
8 "final average salary" means the highest average annual salary
9 for any 4 consecutive years in the last 10 years of service.

10 (g) Any annuity payable under the preceding subsections of
11 this Section 11-134 shall be paid in equal monthly
12 installments.

13 (h) The amendatory provisions of part (a) and (f) of this
14 Section shall be effective July 1, 1971 and apply in the case
15 of every qualifying employee withdrawing on or after July 1,
16 1971.

17 (h-1) The changes made to this Section by Public Act 92-609
18 ~~this amendatory Act of the 92nd General Assembly~~ (increasing
19 the retirement formula to 2.4% per year of service and
20 increasing the maximum to 80%) apply to persons who withdraw
21 from service on or after January 1, 2002, regardless of whether
22 that withdrawal takes place before the effective date of that
23 ~~this amendatory~~ Act. In the case of a person who withdraws from
24 service on or after January 1, 2002 but begins to receive a
25 retirement annuity before July 1, 2002 ~~the effective date of~~
26 ~~this amendatory Act,~~ the annuity shall be recalculated, with

1 the increase resulting from Public ~~this amendatory~~ Act 92-609
2 accruing from the date the retirement annuity began. The
3 changes made by Public Act 92-609 control over the changes made
4 by Public Act 92-599, as provided in Section 95 of P.A. 92-609.

5 (i) The amendatory provisions of this amendatory Act of
6 1985 relating to the discount of annuity because of retirement
7 prior to attainment of age 60 and increasing the retirement
8 formula for those born before January 1, 1936, shall apply only
9 to qualifying employees withdrawing on or after August 16,
10 1985.

11 (j) Beginning on January 1, 1999, the minimum amount of
12 employee's annuity shall be \$850 per month for life for the
13 following classes of employees, without regard to the fact that
14 withdrawal occurred prior to the effective date of this
15 amendatory Act of 1998:

16 (1) any employee annuitant alive and receiving a life
17 annuity on the effective date of this amendatory Act of
18 1998, except a reciprocal annuity;

19 (2) any employee annuitant alive and receiving a term
20 annuity on the effective date of this amendatory Act of
21 1998, except a reciprocal annuity;

22 (3) any employee annuitant alive and receiving a
23 reciprocal annuity on the effective date of this amendatory
24 Act of 1998, whose service in this fund is at least 5
25 years;

26 (4) any employee annuitant withdrawing after age 60 on

1 or after the effective date of this amendatory Act of 1998,
2 with at least 10 years of service in this fund.

3 The increases granted under items (1), (2) and (3) of this
4 subsection (j) shall not be limited by any other Section of
5 this Act.

6 (k) Beginning on January 1, 2008, the minimum amount of
7 employee's annuity shall be \$1,050 per month for life for the
8 following classes of employees, without regard to the fact that
9 withdrawal occurred before the effective date of this
10 amendatory Act of the 95th General Assembly:

11 (1) any employee annuitant alive and receiving a life
12 annuity on the effective date of this amendatory Act of the
13 95th General Assembly, except a reciprocal annuity;

14 (2) any employee annuitant alive and receiving a term
15 annuity on the effective date of this amendatory Act of the
16 95th General Assembly, except a reciprocal annuity;

17 (3) any employee annuitant alive and receiving a
18 reciprocal annuity on the effective date of this amendatory
19 Act of the 95th General Assembly, whose service in this
20 fund is at least 5 years;

21 (4) any employee annuitant withdrawing after age 60 on
22 or after the effective date of this amendatory Act of the
23 95th General Assembly, with at least 10 years of service in
24 this fund.

25 The increases granted under items (1), (2), and (3) of this
26 subsection (k) shall not be limited by any other Section of

1 this Act.

2 (Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02;
3 revised 9-11-02.)

4 (40 ILCS 5/11-145.1) (from Ch. 108 1/2, par. 11-145.1)

5 Sec. 11-145.1. Minimum annuities for widows. The widow
6 otherwise eligible for widow's annuity under other Sections of
7 this Article 11, of an employee hereinafter described, who
8 retires from service or dies while in the service subsequent to
9 the effective date of this amendatory provision, and for which
10 widow the amount of widow's annuity and widow's prior service
11 annuity combined, fixed or provided for such widow under other
12 provisions of said Article 11 is less than the amount
13 hereinafter provided in this section, shall, from and after the
14 date her otherwise provided annuity would begin, in lieu of
15 such otherwise provided widow's and widow's prior service
16 annuity, be entitled to the following indicated amount of
17 annuity:

18 (a) The widow of any employee who dies while in service on
19 or after the date on which he attains age 60 if the death
20 occurs before July 1, 1990, or on or after the date on which he
21 attains age 55 if the death occurs on or after July 1, 1990,
22 with at least 20 years of service, or on or after the date on
23 which he attains age 50 if the death occurs on or after the
24 effective date of this amendatory Act of 1997 with at least 30
25 years of service, shall be entitled to an annuity equal to

1 one-half of the amount of annuity which her deceased husband
2 would have been entitled to receive had he withdrawn from the
3 service on the day immediately preceding the date of his death,
4 conditional upon such widow having attained age 60 on or before
5 such date if the death occurs before July 1, 1990, or age 55 if
6 the death occurs on or after July 1, 1990, or age 50 if the
7 death occurs on or after January 1, 1998 and the employee is
8 age 50 or over with at least 30 years of service or age 55 or
9 over with at least 25 years of service. Except as provided in
10 subsection (j), the widow's annuity shall not, however, exceed
11 the sum of \$500 a month if the employee's death in service
12 occurs before January 23, 1987. The widow's annuity shall not
13 be limited to a maximum dollar amount if the employee's death
14 in service occurs on or after January 23, 1987.

15 If the employee dies in service before July 1, 1990, and if
16 such widow of such described employee shall not be 60 or more
17 years of age on such date of death, the amount provided in the
18 immediately preceding paragraph for a widow 60 or more years of
19 age, shall, in the case of such younger widow, be reduced by
20 0.25% for each month that her then attained age is less than 60
21 years if the employee was born before January 1, 1936, or dies
22 in service on or after January 1, 1988, or 0.5% for each month
23 that her then attained age is less than 60 years if the
24 employee was born on or after January 1, 1936 and dies in
25 service before January 1, 1988.

26 If the employee dies in service on or after July 1, 1990,

1 and if the widow of the employee has not attained age 55 on or
2 before the employee's date of death, the amount otherwise
3 provided in this subsection (a) shall be reduced by 0.25% for
4 each month that her then attained age is less than 55 years;
5 except that if the employee dies in service on or after January
6 1, 1998 at age 50 or over with at least 30 years of service or
7 at age 55 or over with at least 25 years of service, there
8 shall be no reduction due to the widow's age if she has
9 attained age 50 on or before the employee's date of death, and
10 if the widow has not attained age 50 on or before the
11 employee's date of death the amount otherwise provided in this
12 subsection (a) shall be reduced by 0.25% for each month that
13 her then attained age is less than 50 years.

14 (b) The widow of any employee who dies subsequent to the
15 date of his retirement on annuity, and who so retired on or
16 after the date on which he attained age 60 if retirement occurs
17 before July 1, 1990, or on or after the date on which he
18 attained age 55 if retirement occurs on or after July 1, 1990,
19 with at least 20 years of service, or on or after the date on
20 which he attained age 50 if the retirement occurs on or after
21 the effective date of this amendatory Act of 1997 with at least
22 30 years of service, shall be entitled to an annuity equal to
23 one-half of the amount of annuity which her deceased husband
24 received as of the date of his retirement on annuity,
25 conditional upon such widow having attained age 60 on or before
26 the date of her husband's retirement on annuity if retirement

1 occurs before July 1, 1990, or age 55 if retirement occurs on
2 or after July 1, 1990, or age 50 if the retirement on annuity
3 occurs on or after January 1, 1998 and the employee is age 50
4 or over with at least 30 years of service or age 55 or over with
5 at least 25 years of service. Except as provided in subsection
6 (j), this widow's annuity shall not, however, exceed the sum of
7 \$500 a month if the employee's death occurs before January 23,
8 1987. The widow's annuity shall not be limited to a maximum
9 dollar amount if the employee's death occurs on or after
10 January 23, 1987, regardless of the date of retirement;
11 provided that, if retirement was before January 23, 1987, the
12 employee or eligible spouse repays the excess spouse refund
13 with interest at the effective rate from the date of refund to
14 the date of repayment.

15 If the date of the employee's retirement on annuity is
16 before July 1, 1990, and if such widow of such described
17 employee shall not have attained such age of 60 or more years
18 on such date of her husband's retirement on annuity, the amount
19 provided in the immediately preceding paragraph for a widow 60
20 or more years of age on the date of her husband's retirement on
21 annuity, shall, in the case of such then younger widow, be
22 reduced by 0.25% for each month that her then attained age was
23 less than 60 years if the employee was born before January 1,
24 1936, or withdraws from service on or after January 1, 1988, or
25 0.5% for each month that her then attained age was less than 60
26 years if the employee was born on or after January 1, 1936 and

1 withdraws from service before January 1, 1988.

2 If the date of the employee's retirement on annuity is on
3 or after July 1, 1990, and if the widow of the employee has not
4 attained age 55 by the date of the employee's retirement on
5 annuity, the amount otherwise provided in this subsection (b)
6 shall be reduced by 0.25% for each month that her then attained
7 age is less than 55 years; except that if the employee retires
8 on annuity on or after January 1, 1998 at age 50 or over with at
9 least 30 years of service or at age 55 or over with at least 25
10 years of service, there shall be no reduction due to the
11 widow's age if she has attained age 50 on or before the
12 employee's date of death, and if the widow has not attained age
13 50 on or before the employee's date of death the amount
14 otherwise provided in this subsection (b) shall be reduced by
15 0.25% for each month that her then attained age is less than 50
16 years.

17 (c) The foregoing provisions relating to minimum annuities
18 for widows shall not apply to the widow of any former employee
19 receiving an annuity from the fund on August 2, 1965 or on the
20 effective date of this amendatory provision, who re-enters
21 service as a former employee, unless such employee renders at
22 least 3 years of additional service after the date of re-entry.

23 (d) (Blank).

24 (e) (Blank).

25 (f) The amendments to this Section by this amendatory Act
26 of 1985, relating to changing the discount because of age from

1 1/2 of 1% to 0.25% per month for widows of employees born
2 before January 1, 1936, shall apply only to qualifying widows
3 whose husbands die while in the service on or after August 16,
4 1985 or withdraw and enter on annuity on or after August 16,
5 1985.

6 (g) Beginning on January 1, 1999, the minimum amount of
7 widow's annuity shall be \$800 per month for life for the
8 following classes of widows, without regard to the fact that
9 the death of the employee occurred prior to the effective date
10 of this amendatory Act of 1998:

11 (1) any widow annuitant alive and receiving a term
12 annuity on the effective date of this amendatory Act of
13 1998, except a reciprocal annuity;

14 (2) any widow annuitant alive and receiving a life
15 annuity on the effective date of this amendatory Act of
16 1998, except a reciprocal annuity;

17 (3) any widow annuitant alive and receiving a
18 reciprocal annuity on the effective date of this amendatory
19 Act of 1998, whose employee spouse's service in this fund
20 was at least 5 years;

21 (4) the widow of an employee with at least 10 years of
22 service in this fund who dies after retirement, if the
23 retirement occurred prior to the effective date of this
24 amendatory Act of 1998;

25 (5) the widow of an employee with at least 10 years of
26 service in this fund who dies after retirement, if

1 withdrawal occurs on or after the effective date of this
2 amendatory Act of 1998;

3 (6) the widow of an employee who dies in service with
4 at least 5 years of service in this fund, if the death in
5 service occurs on or after the effective date of this
6 amendatory Act of 1998.

7 The increases granted under items (1), (2), (3) and (4) of
8 this subsection (g) shall not be limited by any other Section
9 of this Act.

10 (g-1) Beginning on January 1, 2008, the minimum amount of
11 widow's annuity shall be \$1,000 per month for life for the
12 following classes of widows, without regard to the fact that
13 the death of the employee occurred before the effective date of
14 this amendatory Act of the 95th General Assembly:

15 (1) any widow annuitant alive and receiving a term
16 annuity on the effective date of this amendatory Act of the
17 95th General Assembly, except a reciprocal annuity;

18 (2) any widow annuitant alive and receiving a life
19 annuity on the effective date of this amendatory Act of the
20 95th General Assembly, except a reciprocal annuity;

21 (3) any widow annuitant alive and receiving a
22 reciprocal annuity on the effective date of this amendatory
23 Act of the 95th General Assembly, whose employee spouse's
24 service in this fund was at least 5 years;

25 (4) the widow of an employee with at least 10 years of
26 service in this fund who dies after retirement, if the

1 retirement occurred prior to the effective date of this
2 amendatory Act of the 95th General Assembly;

3 (5) the widow of an employee with at least 10 years of
4 service in this fund who dies after retirement, if
5 withdrawal occurs on or after the effective date of this
6 amendatory Act of the 95th General Assembly;

7 (6) the widow of an employee who dies in service with
8 at least 5 years of service in this fund, if the death in
9 service occurs on or after the effective date of this
10 amendatory Act of the 95th General Assembly.

11 The increases granted under items (1), (2), (3), and (4) of
12 this subsection (g-1) shall not be limited by any other Section
13 of this Act.

14 (h) The widow of an employee who retired or died in service
15 on or after January 1, 1985 and before July 1, 1990, at age 55
16 or older, and with at least 35 years of service credit, shall
17 be entitled to have her widow's annuity increased, effective
18 January 1, 1991, to an amount equal to 50% of the retirement
19 annuity that the deceased employee received on the date of
20 retirement, or would have been eligible to receive if he had
21 retired on the day preceding the date of his death in service,
22 provided that if the widow had not attained age 60 by the date
23 of the employee's retirement or death in service, the amount of
24 the annuity shall be reduced by 0.25% for each month that her
25 then attained age was less than age 60 if the employee's
26 retirement or death in service occurred on or after January 1,

1 1988, or by 0.5% for each month that her attained age is less
2 than age 60 if the employee's retirement or death in service
3 occurred prior to January 1, 1988. However, in cases where a
4 refund of excess contributions for widow's annuity has been
5 paid by the Fund, the increase in benefit provided by this
6 subsection (h) shall be contingent upon repayment of the refund
7 to the Fund with interest at the effective rate from the date
8 of refund to the date of payment.

9 (i) If a deceased employee is receiving a retirement
10 annuity at the time of death and that death occurs on or after
11 June 27, 1997, the widow may elect to receive, in lieu of any
12 other annuity provided under this Article, 50% of the deceased
13 employee's retirement annuity at the time of death reduced by
14 0.25% for each month that the widow's age on the date of death
15 is less than 55; except that if the employee dies on or after
16 January 1, 1998 and withdrew from service on or after June 27,
17 1997 at age 50 or over with at least 30 years of service or at
18 age 55 or over with at least 25 years of service, there shall
19 be no reduction due to the widow's age if she has attained age
20 50 on or before the employee's date of death, and if the widow
21 has not attained age 50 on or before the employee's date of
22 death the amount otherwise provided in this subsection (i)
23 shall be reduced by 0.25% for each month that her age on the
24 date of death is less than 50 years. However, in cases where a
25 refund of excess contributions for widow's annuity has been
26 paid by the Fund, the benefit provided by this subsection (i)

1 is contingent upon repayment of the refund to the Fund with
2 interest at the effective rate from the date of refund to the
3 date of payment.

4 (j) For widows of employees who died before January 23,
5 1987 after retirement on annuity or in service, the maximum
6 dollar amount limitation on widow's annuity shall cease to
7 apply, beginning with the first annuity payment after the
8 effective date of this amendatory Act of 1997; except that if a
9 refund of excess contributions for widow's annuity has been
10 paid by the Fund, the increase resulting from this subsection
11 (j) shall not begin before the refund has been repaid to the
12 Fund, together with interest at the effective rate from the
13 date of the refund to the date of repayment.

14 (k) In lieu of any other annuity provided in this Article,
15 an eligible spouse of an employee who dies in service on or
16 after January 1, 2002 (regardless of whether that death in
17 service occurs prior to the effective date of this amendatory
18 Act of the 93rd General Assembly) with at least 10 years of
19 service shall be entitled to an annuity of 50% of the minimum
20 formula annuity earned and accrued to the credit of the
21 employee at the date of death. For the purposes of this
22 subsection, the minimum formula annuity earned and accrued to
23 the credit of the employee is equal to 2.40% for each year of
24 service of the highest average annual salary for any 4
25 consecutive years within the last 10 years of service
26 immediately preceding the date of death, up to a maximum of 80%

1 of the highest average annual salary. This annuity shall not be
2 reduced due to the age of the employee or spouse. In addition
3 to any other eligibility requirements under this Article, the
4 spouse is eligible for this annuity only if the marriage was in
5 effect for 10 full years or more.

6 (Source: P.A. 92-599, eff. 6-28-02; 93-654, eff. 1-16-04.)

7 Section 90. The State Mandates Act is amended by adding
8 Section 8.31 as follows:

9 (30 ILCS 805/8.31 new)

10 Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8
11 of this Act, no reimbursement by the State is required for the
12 implementation of any mandate created by this amendatory Act of
13 the 95th General Assembly.

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.