



Personnel and Pensions Committee

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09600HB1148ham001

LRB096 04392 AMC 22911 a

1 AMENDMENT TO HOUSE BILL 1148

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1148 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by  
5 changing Sections 16-127 and 16-128 as follows:

6 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

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

8 (a) Each member shall receive regular credit for all  
9 service as a teacher from the date membership begins, for which  
10 satisfactory evidence is supplied and all contributions have  
11 been paid.

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

16 (1) Prior service as a teacher.

1           (2) Service in a capacity essentially similar or  
2 equivalent to that of a teacher, in the public common  
3 schools in school districts in this State not included  
4 within the provisions of this System, or of any other  
5 State, territory, dependency or possession of the United  
6 States, or in schools operated by or under the auspices of  
7 the United States, or under the auspices of any agency or  
8 department of any other State, and service during any  
9 period of professional speech correction or special  
10 education experience for a public agency within this State  
11 or any other State, territory, dependency or possession of  
12 the United States, and service prior to February 1, 1951 as  
13 a recreation worker for the Illinois Department of Public  
14 Safety, for a period not exceeding the lesser of 2/5 of the  
15 total creditable service of the member or 10 years. The  
16 maximum service of 10 years which is allowable under this  
17 paragraph shall be reduced by the service credit which is  
18 validated by other retirement systems under paragraph (i)  
19 of Section 15-113 and paragraph 1 of Section 17-133. Credit  
20 granted under this paragraph may not be used in  
21 determination of a retirement annuity or disability  
22 benefits unless the member has at least 5 years of  
23 creditable service earned subsequent to this employment  
24 with one or more of the following systems: Teachers'  
25 Retirement System of the State of Illinois, State  
26 Universities Retirement System, and the Public School

1 Teachers' Pension and Retirement Fund of Chicago. Whenever  
2 such service credit exceeds the maximum allowed for all  
3 purposes of this Article, the first service rendered in  
4 point of time shall be considered. The changes to this  
5 subdivision (b)(2) made by Public Act 86-272 shall apply  
6 not only to persons who on or after its effective date  
7 (August 23, 1989) are in service as a teacher under the  
8 System, but also to persons whose status as such a teacher  
9 terminated prior to such effective date, whether or not  
10 such person is an annuitant on that date.

11 (3) Any periods immediately following teaching  
12 service, under this System or under Article 17, (or  
13 immediately following service prior to February 1, 1951 as  
14 a recreation worker for the Illinois Department of Public  
15 Safety) spent in active service with the military forces of  
16 the United States; periods spent in educational programs  
17 that prepare for return to teaching sponsored by the  
18 federal government following such active military service;  
19 if a teacher returns to teaching service within one  
20 calendar year after discharge or after the completion of  
21 the educational program, a further period, not exceeding  
22 one calendar year, between time spent in military service  
23 or in such educational programs and the return to  
24 employment as a teacher under this System; and a period of  
25 up to 2 years of active military service not immediately  
26 following employment as a teacher.

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

24           Credit for military service shall be determined as  
25 follows: if entry occurs during the months of July, August,  
26 or September and the member was a teacher at the end of the

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

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

24 (4) Any periods served as a member of the General  
25 Assembly.

26 (5) (i) Any periods for which a teacher, as defined in

1 Section 16-106, is granted a leave of absence, provided he  
2 or she returns to teaching service creditable under this  
3 System or the State Universities Retirement System  
4 following the leave; (ii) periods during which a teacher is  
5 involuntarily laid off from teaching, provided he or she  
6 returns to teaching following the lay-off; (iii) periods  
7 prior to July 1, 1983 during which a teacher ceased covered  
8 employment due to pregnancy, provided that the teacher  
9 returned to teaching service creditable under this System  
10 or the State Universities Retirement System following the  
11 pregnancy and submits evidence satisfactory to the Board  
12 documenting that the employment ceased due to pregnancy;  
13 and (iv) periods prior to July 1, 1983 during which a  
14 teacher ceased covered employment for the purpose of  
15 adopting an infant under 3 years of age or caring for a  
16 newly adopted infant under 3 years of age, provided that  
17 the teacher returned to teaching service creditable under  
18 this System or the State Universities Retirement System  
19 following the adoption and submits evidence satisfactory  
20 to the Board documenting that the employment ceased for the  
21 purpose of adopting an infant under 3 years of age or  
22 caring for a newly adopted infant under 3 years of age.  
23 However, total credit under this paragraph (5) may not  
24 exceed 3 years.

25 Any qualified member or annuitant may apply for credit  
26 under item (iii) or (iv) of this paragraph (5) without

1 regard to whether service was terminated before the  
2 effective date of this amendatory Act of 1997. In the case  
3 of an annuitant who establishes credit under item (iii) or  
4 (iv), the annuity shall be recalculated to include the  
5 additional service credit. The increase in annuity shall  
6 take effect on the date the System receives written  
7 notification of the annuitant's intent to purchase the  
8 credit, if the required evidence is submitted and the  
9 required contribution paid within 60 days of that  
10 notification, otherwise on the first annuity payment date  
11 following the System's receipt of the required evidence and  
12 contribution. The increase in an annuity recalculated  
13 under this provision shall be included in the calculation  
14 of automatic annual increases in the annuity accruing after  
15 the effective date of the recalculation.

16 Optional credit may be purchased under this subsection  
17 (b) (5) for periods during which a teacher has been granted  
18 a leave of absence pursuant to Section 24-13 of the School  
19 Code. A teacher whose service under this Article terminated  
20 prior to the effective date of P.A. 86-1488 shall be  
21 eligible to purchase such optional credit. If a teacher who  
22 purchases this optional credit is already receiving a  
23 retirement annuity under this Article, the annuity shall be  
24 recalculated as if the annuitant had applied for the leave  
25 of absence credit at the time of retirement. The difference  
26 between the entitled annuity and the actual annuity shall

1 be credited to the purchase of the optional credit. The  
2 remainder of the purchase cost of the optional credit shall  
3 be paid on or before April 1, 1992.

4 The change in this paragraph made by Public Act 86-273  
5 shall be applicable to teachers who retire after June 1,  
6 1989, as well as to teachers who are in service on that  
7 date.

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

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



1 (7) Periods prior to February 1, 1987 served as an  
2 employee of the Illinois Mathematics and Science Academy  
3 for which credit has not been terminated under Section  
4 15-113.9 of this Code.

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

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

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

17 (b-1) A member may establish optional credit for up to 2  
18 years of service as a teacher or administrator employed by a  
19 private school recognized by the Illinois State Board of  
20 Education, provided that the teacher (i) was certified under  
21 the law governing the certification of teachers at the time the  
22 service was rendered, (ii) applies in writing on or after  
23 August 1, 2009 ~~June 1, 2002~~ and on or before August 1, 2012  
24 ~~June 1, 2005~~, (iii) supplies satisfactory evidence of the  
25 employment, (iv) completes at least 10 years of contributing  
26 service as a teacher as defined in Section 16-106, and (v) pays

1 the contribution required in subsection (d-5) of Section  
2 16-128. The member may apply for credit under this subsection  
3 and pay the required contribution before completing the 10  
4 years of contributing service required under item (iv), but the  
5 credit may not be used until the item (iv) contributing service  
6 requirement has been met.

7 (c) The service credits specified in this Section shall be  
8 granted only if: (1) such service credits are not used for  
9 credit in any other statutory tax-supported public employee  
10 retirement system other than the federal Social Security  
11 program; and (2) the member makes the required contributions as  
12 specified in Section 16-128. Except as provided in subsection  
13 (b-1) of this Section, the service credit shall be effective as  
14 of the date the required contributions are completed.

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

17 Credit may not be granted under this Section covering any  
18 period for which an age retirement or disability retirement  
19 allowance has been paid.

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

21 (40 ILCS 5/16-128) (from Ch. 108 1/2, par. 16-128)

22 Sec. 16-128. Creditable service - required contributions.

23 (a) In order to receive the creditable service specified  
24 under subsection (b) of Section 16-127, a member is required to  
25 make the following contributions: (i) an amount equal to the

1 contributions which would have been required had such service  
2 been rendered as a member under this System; (ii) for military  
3 service not immediately following employment and for service  
4 established under subdivision (b)(10) of Section 16-127, an  
5 amount determined by the Board to be equal to the employer's  
6 normal cost of the benefits accrued for such service; and (iii)  
7 interest from the date the contributions would have been due  
8 (or, in the case of a person establishing credit for military  
9 service under subdivision (b)(3) of Section 16-127, the date of  
10 first membership in the System, if that date is later) to the  
11 date of payment, at the following rate of interest, compounded  
12 annually: for periods prior to July 1, 1965, regular interest;  
13 from July 1, 1965 to June 30, 1977, 4% per year; on and after  
14 July 1, 1977, regular interest.

15 (b) In order to receive creditable service under paragraph  
16 (2) of subsection (b) of Section 16-127 for those who were not  
17 members on June 30, 1963, the minimum required contribution  
18 shall be \$420 per year of service together with interest at 4%  
19 per year compounded annually from July 1, preceding the date of  
20 membership until June 30, 1977 and at regular interest  
21 compounded annually thereafter to the date of payment.

22 (c) In determining the contribution required in order to  
23 receive creditable service under paragraph (3) of subsection  
24 (b) of Section 16-127, the salary rate for the remainder of the  
25 school term in which a member enters military service shall be  
26 assumed to be equal to the member's salary rate at the time of

1 entering military service. However, for military service not  
2 immediately following employment, the salary rate on the last  
3 date as a participating teacher prior to such military service,  
4 or on the first date as a participating teacher after such  
5 military service, whichever is greater, shall be assumed to be  
6 equal to the member's salary rate at the time of entering  
7 military service. For each school term thereafter, the member's  
8 salary rate shall be assumed to be 5% higher than the salary  
9 rate in the previous school term.

10 (d) In determining the contribution required in order to  
11 receive creditable service under paragraph (5) of subsection  
12 (b) of Section 16-127, a member's salary rate during the period  
13 for which credit is being established shall be assumed to be  
14 equal to the member's last salary rate immediately preceding  
15 that period.

16 (d-5) For each year of service credit to be established  
17 under subsection (b-1) of Section 16-127, a member is required  
18 to contribute to the System (i) the employee and employer  
19 contribution that would have been required had such service  
20 been rendered as a member based on the annual salary rate  
21 during the first year of full-time employment as a teacher  
22 under this Article following the private or parochial school  
23 service, plus (ii) interest thereon at the actuarially assumed  
24 rate from the date of first full-time employment as a teacher  
25 under this Article following the private or parochial school  
26 service to the date of payment, compounded annually, at a rate

1 ~~determined by the Board (i) 16.5% of the annual salary rate~~  
2 ~~during the first year of full-time employment as a teacher~~  
3 ~~under this Article following the private school service, plus~~  
4 ~~(ii) interest thereon from the date of first full-time~~  
5 ~~employment as a teacher under this Article following the~~  
6 ~~private school service to the date of payment, compounded~~  
7 ~~annually, at the rate of 8.5% per year for periods before the~~  
8 ~~effective date of this amendatory Act of the 92nd General~~  
9 ~~Assembly, and for subsequent periods at a rate equal to the~~  
10 ~~System's actuarially assumed rate of return on investments.~~

11 (d-10) For service credit established under paragraph (6)  
12 of subsection (b) of Section 16-127 for days granted by an  
13 employer in excess of the member's normal annual sick leave  
14 allotment, the employer is required to pay the normal cost of  
15 benefits based upon such service credit. This subsection (d-10)  
16 does not apply to sick leave granted to teachers under  
17 contracts or collective bargaining agreements entered into,  
18 amended, or renewed before June 1, 2005 (the effective date of  
19 Public Act 94-4). The employer contributions required under  
20 this subsection (d-10) shall be paid in the form of a lump sum  
21 within 30 days after receipt of the bill after the teacher  
22 begins receiving benefits under this Article.

23 (e) Except for contributions under subsection (d-10), the  
24 contributions required under this Section may be made from the  
25 date the statement for such creditable service is issued until  
26 retirement date. All such required contributions must be made

1 before any retirement annuity is granted.

2 (Source: P.A. 94-4, eff. 6-1-05; 94-1057, eff. 7-31-06.)

3 Section 99. Effective date. This Act takes effect upon  
4 becoming law.".