



Rep. Michael J. Madigan

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1 AMENDMENT TO SENATE BILL 1946

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1946, AS AMENDED,  
3 by replacing everything after the enacting clause with the  
4 following:

5 "Section 5. The Illinois Public Labor Relations Act is  
6 amended by changing Section 15 as follows:

7 (5 ILCS 315/15) (from Ch. 48, par. 1615)

8 Sec. 15. Act Takes Precedence.

9 (a) In case of any conflict between the provisions of this  
10 Act and any other law (other than Section 5 of the State  
11 Employees Group Insurance Act of 1971 and other than the  
12 changes made to the Illinois Pension Code by this amendatory  
13 Act of the 96th General Assembly), executive order or  
14 administrative regulation relating to wages, hours and  
15 conditions of employment and employment relations, the  
16 provisions of this Act or any collective bargaining agreement

1 negotiated thereunder shall prevail and control. Nothing in  
2 this Act shall be construed to replace or diminish the rights  
3 of employees established by Sections 28 and 28a of the  
4 Metropolitan Transit Authority Act, Sections 2.15 through 2.19  
5 of the Regional Transportation Authority Act. The provisions of  
6 this Act are subject to Section 5 of the State Employees Group  
7 Insurance Act of 1971. Nothing in this Act shall be construed  
8 to replace the necessity of complaints against a sworn peace  
9 officer, as defined in Section 2(a) of the Uniform Peace  
10 Officer Disciplinary Act, from having a complaint supported by  
11 a sworn affidavit.

12 (b) Except as provided in subsection (a) above, any  
13 collective bargaining contract between a public employer and a  
14 labor organization executed pursuant to this Act shall  
15 supersede any contrary statutes, charters, ordinances, rules  
16 or regulations relating to wages, hours and conditions of  
17 employment and employment relations adopted by the public  
18 employer or its agents. Any collective bargaining agreement  
19 entered into prior to the effective date of this Act shall  
20 remain in full force during its duration.

21 (c) It is the public policy of this State, pursuant to  
22 paragraphs (h) and (i) of Section 6 of Article VII of the  
23 Illinois Constitution, that the provisions of this Act are the  
24 exclusive exercise by the State of powers and functions which  
25 might otherwise be exercised by home rule units. Such powers  
26 and functions may not be exercised concurrently, either

1 directly or indirectly, by any unit of local government,  
2 including any home rule unit, except as otherwise authorized by  
3 this Act.

4 (Source: P.A. 95-331, eff. 8-21-07.)

5 Section 10. The Illinois Pension Code is amended by adding  
6 Section 1-160 and by amending Sections 2-108.1, 2-119,  
7 2-119.01, 2-119.1, 2-121.1, 17-129, 18-124, 18-125, 18-125.1,  
8 and 18-128.01 as follows:

9 (40 ILCS 5/1-160 new)

10 Sec. 1-160. Provisions applicable to new hires.

11 (a) The provisions of this Section apply to a person who  
12 first becomes an employee of any retirement system or pension  
13 fund under this Code, other than a retirement system or pension  
14 fund established under Article 2, 3, 4, 5, 6, or 18 of this  
15 Code, on or after the effective date of this amendatory Act of  
16 the 96th General Assembly notwithstanding any other provision  
17 of this Code to the contrary, but do not apply to any  
18 self-managed plan established under this Code or to any person  
19 with respect to service as a sheriff's law enforcement employee  
20 under Article 7.

21 (b) "Final average salary" means the average monthly salary  
22 obtained by dividing the total salary of the participant during  
23 the 96 consecutive months of service within the last 120 months  
24 of service in which the total salary was the highest by the

1 number of months of service in that period; however, the annual  
2 final average salary may not exceed \$106,800, as automatically  
3 increased by the lesser of 3% or one-half of the annual  
4 increase in the consumer price index-u during the preceding  
5 12-month calendar year. For the purposes of a person who first  
6 becomes an employee of any retirement system or pension fund to  
7 which this Section applies on or after the effective date of  
8 this amendatory Act of the 96th General Assembly, in this Code,  
9 "final average salary" shall be substituted for the following:

10 (1) In Articles 7 (except for service as sheriff's law  
11 enforcement employees) and 15, "final rate of earnings".

12 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
13 annual salary for any 4 consecutive years within the last  
14 10 years of service immediately preceding the date of  
15 withdrawal".

16 (3) In Article 13, "average final salary".

17 (4) In Article 14, "final average compensation".

18 (5) In Article 17, "average salary".

19 (6) In Section 22-101, "Average Annual Compensation in  
20 the highest four (4) completed Plan Years".

21 (7) In Section 22-207, "wages or salary received by him  
22 at the date of retirement or discharge".

23 For the purposes of this Section, "consumer price index-u"  
24 means the index published by the Bureau of Labor Statistics of  
25 the United States Department of Labor that measures the average  
26 change in prices of goods and services purchased by all urban

1 consumers, United States city average, all items, 1982-84 =  
2 100. The new amount resulting from each annual adjustment shall  
3 be determined by the Public Pension Division of the Department  
4 of Insurance and made available to the boards of the retirement  
5 systems and pension funds.

6 (c) A participant is entitled to a retirement annuity  
7 beginning on the date specified by the participant in a written  
8 application only if, on that specified date, he or she has  
9 attained age 67 and has at least 10 years of service credit.

10 A participant who has attained age 62 and has at least 10  
11 years of service credit may elect to receive the lower  
12 retirement annuity provided in subsection (d) of this Section.

13 (d) The retirement annuity of a participant who is retiring  
14 after attaining age 62 with at least 10 years of service credit  
15 shall be reduced by one-half of 1% for each month that the  
16 member's age is under age 67.

17 (e) Any retirement annuity or supplemental annuity shall be  
18 subject to annual increases upon (1) attainment of age 67 or  
19 (2) the first anniversary of the commencement of the annuity,  
20 whichever occurs later. Each annual increase shall be  
21 calculated at 3% or one-half the annual increase in the  
22 consumer price index-u for the preceding calendar year,  
23 whichever is less, of the originally granted retirement  
24 annuity. If the increase in the consumer price index-u for the  
25 preceding calendar year is zero or there is a decrease, then  
26 the annuity shall not be increased.

1       (f) The initial survivor's annuity of an otherwise eligible  
2 survivor of a participant who first becomes a participant on or  
3 after the effective date of this amendatory Act of the 96th  
4 General Assembly shall be in the amount of 66 2/3% of the  
5 participant's earned retirement annuity at the date of death  
6 and shall be increased (1) on each January 1 occurring on or  
7 after the commencement of the annuity if the deceased member  
8 died while receiving a retirement annuity or (2) in other  
9 cases, on each January 1 occurring after the first anniversary  
10 of the commencement of the annuity. Each annual increase shall  
11 be calculated at 3% or one-half the annual increase in the  
12 consumer price index-u for the preceding calendar year,  
13 whichever is less, of the originally granted survivor's  
14 annuity. If the increase in the consumer price index-u for the  
15 preceding calendar year is zero or there is a decrease, then  
16 the annuity shall not be increased.

17       (g) The benefits in Section 14-110 apply only if the person  
18 is a State policeman, a fire fighter in the fire protection  
19 service of a department, or a security employee of the  
20 Department of Corrections or the Department of Juvenile  
21 Justice, as those terms are defined in subsection (b) of  
22 Section 14-110. A person who meets the requirements of this  
23 Section is entitled to an annuity calculated under the  
24 provisions of Section 14-110, in lieu of the regular or minimum  
25 retirement annuity, only if the person has withdrawn from  
26 service with not less than 20 years of eligible creditable

1 service and has attained age 60, regardless of whether the  
2 attainment of age 60 occurs while the person is still in  
3 service.

4 (h) If a person who first becomes a member of a retirement  
5 system or pension fund subject to this Section on or after the  
6 effective date of this amendatory Act of the 96th General  
7 Assembly is receiving a retirement annuity or retirement  
8 pension under that system or fund and accepts employment in a  
9 position covered under the same Article or any other Article of  
10 this Code on a full-time basis, then the person's retirement  
11 annuity or retirement pension under that system or fund shall  
12 be suspended during that employment. Upon termination of that  
13 employment, the person's retirement annuity or retirement  
14 pension payments shall resume and, if appropriate, be  
15 recalculated under the applicable provisions of this Code.

16 (i) Notwithstanding any other provision of this Section, a  
17 person who first becomes a participant of the retirement system  
18 established under Article 15 on or after the effective date of  
19 this amendatory Act of the 96th General Assembly shall have the  
20 option to enroll in the self-managed plan created under Section  
21 15-158.2 of this Code.

22 (j) In the case of a conflict between the provisions of  
23 this Section and any other provision of this Code, the  
24 provisions of this Section shall control.

1           Sec. 2-108.1. Highest salary for annuity purposes.

2           (a) "Highest salary for annuity purposes" means whichever  
3 of the following is applicable to the participant:

4           For a participant who first becomes a participant of this  
5 System before August 10, 2009 (the effective date of Public Act  
6 96-207) ~~this amendatory Act of the 96th General Assembly:~~

7           (1) For a participant who is a member of the General  
8 Assembly on his or her last day of service: the highest  
9 salary that is prescribed by law, on the participant's last  
10 day of service, for a member of the General Assembly who is  
11 not an officer; plus, if the participant was elected or  
12 appointed to serve as an officer of the General Assembly  
13 for 2 or more years and has made contributions as required  
14 under subsection (d) of Section 2-126, the highest  
15 additional amount of compensation prescribed by law, at the  
16 time of the participant's service as an officer, for  
17 members of the General Assembly who serve in that office.

18           (2) For a participant who holds one of the State  
19 executive offices specified in Section 2-105 on his or her  
20 last day of service: the highest salary prescribed by law  
21 for service in that office on the participant's last day of  
22 service.

23           (3) For a participant who is Clerk or Assistant Clerk  
24 of the House of Representatives or Secretary or Assistant  
25 Secretary of the Senate on his or her last day of service:  
26 the salary received for service in that capacity on the



1 last day of service, but not to exceed the highest salary  
2 (including additional compensation for service as an  
3 officer) that is prescribed by law on the participant's  
4 last day of service for the highest paid officer of the  
5 General Assembly.

6 (4) For a participant who is a continuing participant  
7 under Section 2-117.1 on his or her last day of service:  
8 the salary received for service in that capacity on the  
9 last day of service, but not to exceed the highest salary  
10 (including additional compensation for service as an  
11 officer) that is prescribed by law on the participant's  
12 last day of service for the highest paid officer of the  
13 General Assembly.

14 For a participant who first becomes a participant of this  
15 System on or after August 10, 2009 (the effective date of  
16 Public Act 96-207) and before the effective date of this  
17 amendatory Act of the 96th General Assembly ~~this amendatory Act~~  
18 ~~of the 96th General Assembly~~, the average monthly salary  
19 obtained by dividing the total salary of the participant during  
20 the period of: (1) the 48 consecutive months of service within  
21 the last 120 months of service in which the total compensation  
22 was the highest, or (2) the total period of service, if less  
23 than 48 months, by the number of months of service in that  
24 period.

25 For a participant who first becomes a participant of this  
26 System on or after the effective date of this amendatory Act of

1 the 96th General Assembly, the average monthly salary obtained  
2 by dividing the total salary of the participant during the 96  
3 consecutive months of service within the last 120 months of  
4 service in which the total compensation was the highest by the  
5 number of months of service in that period; however, the  
6 highest salary for annuity purposes may not exceed the Social  
7 Security Covered Wage Base for 2010, and shall automatically be  
8 increased or decreased, as applicable, by a percentage equal to  
9 the percentage change in the consumer price index-u during the  
10 preceding 12-month calendar year. "Consumer price index-u"  
11 means the index published by the Bureau of Labor Statistics of  
12 the United States Department of Labor that measures the average  
13 change in prices of goods and services purchased by all urban  
14 consumers, United States city average, all items, 1982-84 =  
15 100. The new amount resulting from each annual adjustment shall  
16 be determined by the Public Pension Division of the Department  
17 of Insurance and made available to the Board.

18 (b) The earnings limitations of subsection (a) apply to  
19 earnings under any other participating system under the  
20 Retirement Systems Reciprocal Act that are considered in  
21 calculating a proportional annuity under this Article, except  
22 in the case of a person who first became a member of this  
23 System before August 22, 1994.

24 (c) In calculating the subsection (a) earnings limitation  
25 to be applied to earnings under any other participating system  
26 under the Retirement Systems Reciprocal Act for the purpose of

1 calculating a proportional annuity under this Article, the  
2 participant's last day of service shall be deemed to mean the  
3 last day of service in any participating system from which the  
4 person has applied for a proportional annuity under the  
5 Retirement Systems Reciprocal Act.

6 (Source: P.A. 96-207, eff. 8-10-09.)

7 (40 ILCS 5/2-119) (from Ch. 108 1/2, par. 2-119)

8 Sec. 2-119. Retirement annuity - conditions for  
9 eligibility.

10 (a) A participant whose service as a member is terminated,  
11 regardless of age or cause, is entitled to a retirement annuity  
12 beginning on the date specified by the participant in a written  
13 application subject to the following conditions:

14 1. The date the annuity begins does not precede the  
15 date of final termination of service, or is not more than  
16 30 days before the receipt of the application by the board  
17 in the case of annuities based on disability or one year  
18 before the receipt of the application in the case of  
19 annuities based on attained age;

20 2. The participant meets one of the following  
21 eligibility requirements:

22 For a participant who first becomes a participant of  
23 this System before the effective date of this amendatory  
24 Act of the 96th General Assembly:

25 (A) He or she has attained age 55 and has at least

1           8 years of service credit;

2           (B) He or she has attained age 62 and terminated  
3           service after July 1, 1971 with at least 4 years of  
4           service credit; or

5           (C) He or she has completed 8 years of service and  
6           has become permanently disabled and as a consequence,  
7           is unable to perform the duties of his or her office.

8           For a participant who first becomes a participant of  
9           this System on or after the effective date of this  
10           amendatory Act of the 96th General Assembly, he or she has  
11           attained age 67 and has at least 8 years of service credit.

12           (a-5) A participant who first becomes a participant of this  
13           System on or after the effective date of this amendatory Act of  
14           the 96th General Assembly who has attained age 62 and has at  
15           least 8 years of service credit may elect to receive the lower  
16           retirement annuity provided in paragraph (c) of Section  
17           2-119.01 of this Code.

18           (b) A participant shall be considered permanently disabled  
19           only if: (1) disability occurs while in service and is of such  
20           a nature as to prevent him or her from reasonably performing  
21           the duties of his or her office at the time; and (2) the board  
22           has received a written certificate by at least 2 licensed  
23           physicians appointed by the board stating that the member is  
24           disabled and that the disability is likely to be permanent.

25           (Source: P.A. 83-1440.)

1 (40 ILCS 5/2-119.01) (from Ch. 108 1/2, par. 2-119.01)

2 Sec. 2-119.01. Retirement annuities - Amount.

3 (a) For a participant in service after June 30, 1977 who  
4 has not made contributions to this System after January 1,  
5 1982, the annual retirement annuity is 3% for each of the first  
6 8 years of service, plus 4% for each of the next 4 years of  
7 service, plus 5% for each year of service in excess of 12  
8 years, based on the participant's highest salary for annuity  
9 purposes. The maximum retirement annuity payable shall be 80%  
10 of the participant's highest salary for annuity purposes.

11 (b) For a participant in service after June 30, 1977 who  
12 has made contributions to this System on or after January 1,  
13 1982, the annual retirement annuity is 3% for each of the first  
14 4 years of service, plus 3 1/2% for each of the next 2 years of  
15 service, plus 4% for each of the next 2 years of service, plus  
16 4 1/2% for each of the next 4 years of service, plus 5% for each  
17 year of service in excess of 12 years, of the participant's  
18 highest salary for annuity purposes. The maximum retirement  
19 annuity payable shall be 85% of the participant's highest  
20 salary for annuity purposes.

21 (c) Notwithstanding any other provision of this Article,  
22 for a participant who first becomes a participant on or after  
23 the effective date of this amendatory Act of the 96th General  
24 Assembly, the annual retirement annuity is 3% of the  
25 participant's highest salary for annuity purposes for each year  
26 of service. The maximum retirement annuity payable shall be 60%

1 of the participant's highest salary for annuity purposes.

2 (d) Notwithstanding any other provision of this Article,  
3 for a participant who first becomes a participant on or after  
4 the effective date of this amendatory Act of the 96th General  
5 Assembly and who is retiring after attaining age 62 with at  
6 least 8 years of service credit, the retirement annuity shall  
7 be reduced by one-half of 1% for each month that the member's  
8 age is under age 67.

9 (Source: P.A. 86-1488.)

10 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

11 Sec. 2-119.1. Automatic increase in retirement annuity.

12 (a) A participant who retires after June 30, 1967, and who  
13 has not received an initial increase under this Section before  
14 the effective date of this amendatory Act of 1991, shall, in  
15 January or July next following the first anniversary of  
16 retirement, whichever occurs first, and in the same month of  
17 each year thereafter, but in no event prior to age 60, have the  
18 amount of the originally granted retirement annuity increased  
19 as follows: for each year through 1971, 1 1/2%; for each year  
20 from 1972 through 1979, 2%; and for 1980 and each year  
21 thereafter, 3%. Annuitants who have received an initial  
22 increase under this subsection prior to the effective date of  
23 this amendatory Act of 1991 shall continue to receive their  
24 annual increases in the same month as the initial increase.

25 (b) Beginning January 1, 1990, for eligible participants

1 who remain in service after attaining 20 years of creditable  
2 service, the 3% increases provided under subsection (a) shall  
3 begin to accrue on the January 1 next following the date upon  
4 which the participant (1) attains age 55, or (2) attains 20  
5 years of creditable service, whichever occurs later, and shall  
6 continue to accrue while the participant remains in service;  
7 such increases shall become payable on January 1 or July 1,  
8 whichever occurs first, next following the first anniversary of  
9 retirement. For any person who has service credit in the System  
10 for the entire period from January 15, 1969 through December  
11 31, 1992, regardless of the date of termination of service, the  
12 reference to age 55 in clause (1) of this subsection (b) shall  
13 be deemed to mean age 50.

14 This subsection (b) does not apply to any person who first  
15 becomes a member of the System after the effective date of this  
16 amendatory Act of the 93rd General Assembly.

17 (b-5) Notwithstanding any other provision of this Article,  
18 a participant who first becomes a participant on or after the  
19 effective date of this amendatory Act of the 96th General  
20 Assembly shall, in January or July next following the first  
21 anniversary of retirement, whichever occurs first, and in the  
22 same month of each year thereafter, but in no event prior to  
23 age 67, have the amount of the retirement annuity then being  
24 paid increased by 3% or the annual change in the Consumer Price  
25 Index for All Urban Consumers, whichever is less.

26 (c) The foregoing provisions relating to automatic

1 increases are not applicable to a participant who retires  
2 before having made contributions (at the rate prescribed in  
3 Section 2-126) for automatic increases for less than the  
4 equivalent of one full year. However, in order to be eligible  
5 for the automatic increases, such a participant may make  
6 arrangements to pay to the system the amount required to bring  
7 the total contributions for the automatic increase to the  
8 equivalent of one year's contributions based upon his or her  
9 last salary.

10 (d) A participant who terminated service prior to July 1,  
11 1967, with at least 14 years of service is entitled to an  
12 increase in retirement annuity beginning January, 1976, and to  
13 additional increases in January of each year thereafter.

14 The initial increase shall be 1 1/2% of the originally  
15 granted retirement annuity multiplied by the number of full  
16 years that the annuitant was in receipt of such annuity prior  
17 to January 1, 1972, plus 2% of the originally granted  
18 retirement annuity for each year after that date. The  
19 subsequent annual increases shall be at the rate of 2% of the  
20 originally granted retirement annuity for each year through  
21 1979 and at the rate of 3% for 1980 and thereafter.

22 (e) Beginning January 1, 1990, all automatic annual  
23 increases payable under this Section shall be calculated as a  
24 percentage of the total annuity payable at the time of the  
25 increase, including previous increases granted under this  
26 Article.



1 (Source: P.A. 93-494, eff. 8-8-03.)

2 (40 ILCS 5/2-121.1) (from Ch. 108 1/2, par. 2-121.1)

3 Sec. 2-121.1. Survivor's annuity - amount.

4 (a) A surviving spouse shall be entitled to 66 2/3% of the  
5 amount of retirement annuity to which the participant or  
6 annuitant was entitled on the date of death, without regard to  
7 whether the participant had attained age 55 prior to his or her  
8 death, subject to a minimum payment of 10% of salary. If a  
9 surviving spouse, regardless of age, has in his or her care at  
10 the date of death any eligible child or children of the  
11 participant, the survivor's annuity shall be the greater of the  
12 following: (1) 66 2/3% of the amount of retirement annuity to  
13 which the participant or annuitant was entitled on the date of  
14 death, or (2) 30% of the participant's salary increased by 10%  
15 of salary on account of each such child, subject to a total  
16 payment for the surviving spouse and children of 50% of salary.  
17 If eligible children survive but there is no surviving spouse,  
18 or if the surviving spouse dies or becomes disqualified by  
19 remarriage while eligible children survive, each eligible  
20 child shall be entitled to an annuity of 20% of salary, subject  
21 to a maximum total payment for all such children of 50% of  
22 salary.

23 However, the survivor's annuity payable under this Section  
24 shall not be less than 100% of the amount of retirement annuity  
25 to which the participant or annuitant was entitled on the date

1 of death, if he or she is survived by a dependent disabled  
2 child.

3 The salary to be used for determining these benefits shall  
4 be the salary used for determining the amount of retirement  
5 annuity as provided in Section 2-119.01.

6 (b) Upon the death of a participant after the termination  
7 of service or upon death of an annuitant, the maximum total  
8 payment to a surviving spouse and eligible children, or to  
9 eligible children alone if there is no surviving spouse, shall  
10 be 75% of the retirement annuity to which the participant or  
11 annuitant was entitled, unless there is a dependent disabled  
12 child among the survivors.

13 (c) When a child ceases to be an eligible child, the  
14 annuity to that child, or to the surviving spouse on account of  
15 that child, shall thereupon cease, and the annuity payable to  
16 the surviving spouse or other eligible children shall be  
17 recalculated if necessary.

18 Upon the ineligibility of the last eligible child, the  
19 annuity shall immediately revert to the amount payable upon  
20 death of a participant or annuitant who leaves no eligible  
21 children. If the surviving spouse is then under age 50, the  
22 annuity as revised shall be deferred until the attainment of  
23 age 50.

24 (d) Beginning January 1, 1990, every survivor's annuity  
25 shall be increased (1) on each January 1 occurring on or after  
26 the commencement of the annuity if the deceased member died

1 while receiving a retirement annuity, or (2) in other cases, on  
2 each January 1 occurring on or after the first anniversary of  
3 the commencement of the annuity, by an amount equal to 3% of  
4 the current amount of the annuity, including any previous  
5 increases under this Article. Such increases shall apply  
6 without regard to whether the deceased member was in service on  
7 or after the effective date of this amendatory Act of 1991, but  
8 shall not accrue for any period prior to January 1, 1990.

9 (d-5) Notwithstanding any other provision of this Article,  
10 the initial survivor's annuity of a survivor of a participant  
11 who first becomes a participant on or after the effective date  
12 of this amendatory Act of the 96th General Assembly shall be in  
13 the amount of 66 2/3% of the amount of the retirement annuity  
14 to which the participant or annuitant was entitled on the date  
15 of death and shall be increased (1) on each January 1 occurring  
16 on or after the commencement of the annuity if the deceased  
17 member died while receiving a retirement annuity or (2) in  
18 other cases, on each January 1 occurring on or after the first  
19 anniversary of the commencement of the annuity, by an amount  
20 equal to 3% or the annual change in the Consumer Price Index  
21 for All Urban Consumers, whichever is less, of the survivor's  
22 annuity then being paid.

23 (e) Notwithstanding any other provision of this Article,  
24 beginning January 1, 1990, the minimum survivor's annuity  
25 payable to any person who is entitled to receive a survivor's  
26 annuity under this Article shall be \$300 per month, without

1 regard to whether or not the deceased participant was in  
2 service on the effective date of this amendatory Act of 1989.

3 (f) In the case of a proportional survivor's annuity  
4 arising under the Retirement Systems Reciprocal Act where the  
5 amount payable by the System on January 1, 1993 is less than  
6 \$300 per month, the amount payable by the System shall be  
7 increased beginning on that date by a monthly amount equal to  
8 \$2 for each full year that has expired since the annuity began.  
9 (Source: P.A. 91-887, eff. 7-6-00.)

10 (40 ILCS 5/17-129) (from Ch. 108 1/2, par. 17-129)

11 Sec. 17-129. Employer contributions; deficiency in Fund.

12 (a) If in any fiscal year of the Board of Education ending  
13 prior to 1997 the total amounts paid to the Fund from the Board  
14 of Education (other than under this subsection, and other than  
15 amounts used for making or "picking up" contributions on behalf  
16 of teachers) and from the State do not equal the total  
17 contributions made by or on behalf of the teachers for such  
18 year, or if the total income of the Fund in any such fiscal  
19 year of the Board of Education from all sources is less than  
20 the total such expenditures by the Fund for such year, the  
21 Board of Education shall, in the next succeeding year, in  
22 addition to any other payment to the Fund set apart and  
23 appropriate from moneys from its tax levy for educational  
24 purposes, a sum sufficient to remove such deficiency or  
25 deficiencies, and promptly pay such sum into the Fund in order

1 to restore any of the reserves of the Fund that may have been  
2 so temporarily applied. Any amounts received by the Fund after  
3 December 4, 1997 from State appropriations, including under  
4 Section 17-127, shall be a credit against and shall fully  
5 satisfy any obligation that may have arisen, or be claimed to  
6 have arisen, under this subsection (a) as a result of any  
7 deficiency or deficiencies in the fiscal year of the Board of  
8 Education ending in calendar year 1997.

9 (b) (i) Notwithstanding any other provision of this  
10 Section, and notwithstanding any prior certification by the  
11 Board under subsection (c) for fiscal year 2011, the Board of  
12 Education's total required contribution to the Fund for fiscal  
13 year 2011 under this Section is \$187,000,000.

14 (ii) Notwithstanding any other provision of this Section,  
15 the Board of Education's total required contribution to the  
16 Fund for fiscal year 2012 under this Section is \$192,000,000.

17 (iii) Notwithstanding any other provision of this Section,  
18 the Board of Education's total required contribution to the  
19 Fund for fiscal year 2013 under this Section is \$196,000,000.

20 (iv) For fiscal years 2014 through 2059, the minimum  
21 contribution to the Fund to be made by the Board of Education  
22 in each fiscal year shall be an amount determined by the Fund  
23 to be sufficient to bring the total assets of the Fund up to  
24 90% of the total actuarial liabilities of the Fund by the end  
25 of fiscal year 2059. In making these determinations, the  
26 required Board of Education contribution shall be calculated

1 each year as a level percentage of the applicable employee  
2 payrolls over the years remaining to and including fiscal year  
3 2059 and shall be determined under the projected unit credit  
4 actuarial cost method.

5 (v) Beginning in fiscal year 2060, the minimum Board of  
6 Education contribution for each fiscal year shall be the amount  
7 needed to maintain the total assets of the Fund at 90% of the  
8 total actuarial liabilities of the Fund.

9 (vi) Notwithstanding any other provision of this  
10 subsection (b), for any fiscal year, the contribution to the  
11 Fund from the Board of Education shall not be required to be in  
12 excess of the amount calculated as needed to maintain the  
13 assets (or cause the assets to be) at the 90% level by the end  
14 of the fiscal year.

15 (vii) Any contribution by the State to or for the benefit  
16 of the Fund, including, without limitation, as referred to  
17 under Section 17-127, shall be a credit against any  
18 contribution required to be made by the Board of Education  
19 under this subsection (b).

20 ~~(b) (i) For fiscal years 2011 through 2045, the minimum~~  
21 ~~contribution to the Fund to be made by the Board of Education~~  
22 ~~in each fiscal year shall be an amount determined by the Fund~~  
23 ~~to be sufficient to bring the total assets of the Fund up to~~  
24 ~~90% of the total actuarial liabilities of the Fund by the end~~  
25 ~~of fiscal year 2045. In making these determinations, the~~  
26 ~~required Board of Education contribution shall be calculated~~

1 ~~each year as a level percentage of the applicable employee~~  
2 ~~payrolls over the years remaining to and including fiscal year~~  
3 ~~2045 and shall be determined under the projected unit credit~~  
4 ~~actuarial cost method.~~

5 ~~(ii) For fiscal years 1999 through 2010, the Board of~~  
6 ~~Education's contribution to the Fund, as a percentage of the~~  
7 ~~applicable employee payroll, shall be increased in equal annual~~  
8 ~~increments so that by fiscal year 2011, the Board of Education~~  
9 ~~is contributing at the rate required under this subsection.~~

10 ~~(iii) Beginning in fiscal year 2046, the minimum Board of~~  
11 ~~Education contribution for each fiscal year shall be the amount~~  
12 ~~needed to maintain the total assets of the Fund at 90% of the~~  
13 ~~total actuarial liabilities of the Fund.~~

14 ~~(iv) Notwithstanding the provisions of paragraphs (i),~~  
15 ~~(ii), and (iii) of this subsection (b), for any fiscal year the~~  
16 ~~contribution to the Fund from the Board of Education shall not~~  
17 ~~be required to be in excess of the amount calculated as needed~~  
18 ~~to maintain the assets (or cause the assets to be) at the 90%~~  
19 ~~level by the end of the fiscal year.~~

20 ~~(v) Any contribution by the State to or for the benefit of~~  
21 ~~the Fund, including, without limitation, as referred to under~~  
22 ~~Section 17-127, shall be a credit against any contribution~~  
23 ~~required to be made by the Board of Education under this~~  
24 ~~subsection (b).~~

25 (c) The Board shall determine the amount of Board of  
26 Education contributions required for each fiscal year on the

1 basis of the actuarial tables and other assumptions adopted by  
2 the Board and the recommendations of the actuary, in order to  
3 meet the minimum contribution requirements of subsections (a)  
4 and (b). Annually, on or before February 28, the Board shall  
5 certify to the Board of Education the amount of the required  
6 Board of Education contribution for the coming fiscal year. The  
7 certification shall include a copy of the actuarial  
8 recommendations upon which it is based.

9 (Source: P.A. 89-15, eff. 5-30-95; 90-548, eff. 12-4-97;  
10 90-566, eff. 1-2-98; 90-655, eff. 7-30-98.)

11 (40 ILCS 5/18-124) (from Ch. 108 1/2, par. 18-124)

12 Sec. 18-124. Retirement annuities - conditions for  
13 eligibility.

14 (a) This subsection (a) applies to a participant who first  
15 serves as a judge before the effective date of this amendatory  
16 Act of the 96th General Assembly.

17 A participant whose employment as a judge is terminated,  
18 regardless of age or cause is entitled to a retirement annuity  
19 beginning on the date specified in a written application  
20 subject to the following:

21 (1) the date the annuity begins is subsequent to the  
22 date of final termination of employment, or the date 30  
23 days prior to the receipt of the application by the board  
24 for annuities based on disability, or one year before the  
25 receipt of the application by the board for annuities based



1 on attained age;

2 (2) the participant is at least age 55, or has become  
3 permanently disabled and as a consequence is unable to  
4 perform the duties of his or her office;

5 (3) the participant has at least 10 years of service  
6 credit except that a participant terminating service after  
7 June 30 1975, with at least 6 years of service credit,  
8 shall be entitled to a retirement annuity at age 62 or  
9 over;

10 (4) the participant is not receiving or entitled to  
11 receive, at the date of retirement, any salary from an  
12 employer for service currently performed.

13 (b) This subsection (b) applies to a participant who first  
14 serves as a judge on or after the effective date of this  
15 amendatory Act of the 96th General Assembly.

16 A participant who has at least 8 years of creditable  
17 service is entitled to a retirement annuity when he or she has  
18 attained age 67.

19 A member who has attained age 62 and has at least 8 years  
20 of service credit may elect to receive the lower retirement  
21 annuity provided in subsection (d) of Section 18-125 of this  
22 Code.

23 (Source: P.A. 83-1440.)

24 (40 ILCS 5/18-125) (from Ch. 108 1/2, par. 18-125)  
25 Sec. 18-125. Retirement annuity amount.

1 (a) The annual retirement annuity for a participant who  
2 terminated service as a judge prior to July 1, 1971 shall be  
3 based on the law in effect at the time of termination of  
4 service.

5 (b) Except as provided in subsection (b-5), effective  
6 ~~Effective~~ July 1, 1971, the retirement annuity for any  
7 participant in service on or after such date shall be 3 1/2% of  
8 final average salary, as defined in this Section, for each of  
9 the first 10 years of service, and 5% of such final average  
10 salary for each year of service on excess of 10.

11 For purposes of this Section, final average salary for a  
12 participant who first serves as a judge before August 10, 2009  
13 (the effective date of Public Act 96-207) ~~this amendatory Act~~  
14 ~~of the 96th General Assembly~~ shall be:

15 (1) the average salary for the last 4 years of credited  
16 service as a judge for a participant who terminates service  
17 before July 1, 1975.

18 (2) for a participant who terminates service after June  
19 30, 1975 and before July 1, 1982, the salary on the last  
20 day of employment as a judge.

21 (3) for any participant who terminates service after  
22 June 30, 1982 and before January 1, 1990, the average  
23 salary for the final year of service as a judge.

24 (4) for a participant who terminates service on or  
25 after January 1, 1990 but before the effective date of this  
26 amendatory Act of 1995, the salary on the last day of

1 employment as a judge.

2 (5) for a participant who terminates service on or  
3 after the effective date of this amendatory Act of 1995,  
4 the salary on the last day of employment as a judge, or the  
5 highest salary received by the participant for employment  
6 as a judge in a position held by the participant for at  
7 least 4 consecutive years, whichever is greater.

8 However, in the case of a participant who elects to  
9 discontinue contributions as provided in subdivision (a) (2) of  
10 Section 18-133, the time of such election shall be considered  
11 the last day of employment in the determination of final  
12 average salary under this subsection.

13 For a participant who first serves as a judge on or after  
14 August 10, 2009 (the effective date of Public Act 96-207) and  
15 before the effective date of this amendatory Act of the 96th  
16 General Assembly ~~this amendatory Act of the 96th General~~  
17 ~~Assembly~~, final average salary shall be the average monthly  
18 salary obtained by dividing the total salary of the participant  
19 during the period of: (1) the 48 consecutive months of service  
20 within the last 120 months of service in which the total  
21 compensation was the highest, or (2) the total period of  
22 service, if less than 48 months, by the number of months of  
23 service in that period.

24 The maximum retirement annuity for any participant shall be  
25 85% of final average salary.

26 (b-5) Notwithstanding any other provision of this Article,

1 for a participant who first serves as a judge on or after the  
2 effective date of this amendatory Act of the 96th General  
3 Assembly, the annual retirement annuity is 3% of the  
4 participant's final average salary for each year of service.  
5 The maximum retirement annuity payable shall be 60% of the  
6 participant's final average salary.

7 For a participant who first serves as a judge on or after  
8 the effective date of this amendatory Act of the 96th General  
9 Assembly, final average salary shall be the average monthly  
10 salary obtained by dividing the total salary of the judge  
11 during the 96 consecutive months of service within the last 120  
12 months of service in which the total salary was the highest by  
13 the number of months of service in that period; however, the  
14 final average salary may not exceed the Social Security Covered  
15 Wage Base for 2010, and shall automatically be increased or  
16 decreased, as applicable, by a percentage equal to the  
17 percentage change in the consumer price index-u during the  
18 preceding 12-month calendar year. "Consumer price index-u"  
19 means the index published by the Bureau of Labor Statistics of  
20 the United States Department of Labor that measures the average  
21 change in prices of goods and services purchased by all urban  
22 consumers, United States city average, all items, 1982-84 =  
23 100. The new amount resulting from each annual adjustment shall  
24 be determined by the Public Pension Division of the Department  
25 of Insurance and made available to the Board.

26 (c) The retirement annuity for a participant who retires

1 prior to age 60 with less than 28 years of service in the  
2 System shall be reduced 1/2 of 1% for each month that the  
3 participant's age is under 60 years at the time the annuity  
4 commences. However, for a participant who retires on or after  
5 the effective date of this amendatory Act of the 91st General  
6 Assembly, the percentage reduction in retirement annuity  
7 imposed under this subsection shall be reduced by 5/12 of 1%  
8 for every month of service in this System in excess of 20  
9 years, and therefore a participant with at least 26 years of  
10 service in this System may retire at age 55 without any  
11 reduction in annuity.

12 The reduction in retirement annuity imposed by this  
13 subsection shall not apply in the case of retirement on account  
14 of disability.

15 (d) Notwithstanding any other provision of this Article,  
16 for a participant who first serves as a judge on or after the  
17 effective date of this amendatory Act of the 96th General  
18 Assembly and who is retiring after attaining age 62, the  
19 retirement annuity shall be reduced by 1/2 of 1% for each month  
20 that the participant's age is under age 67 at the time of the  
21 annuity commences.

22 (Source: P.A. 96-207, eff. 8-10-09; revised 10-30-09.)

23 (40 ILCS 5/18-125.1) (from Ch. 108 1/2, par. 18-125.1)

24 Sec. 18-125.1. Automatic increase in retirement annuity. A  
25 participant who retires from service after June 30, 1969,

1 shall, in January of the year next following the year in which  
2 the first anniversary of retirement occurs, and in January of  
3 each year thereafter, have the amount of his or her originally  
4 granted retirement annuity increased as follows: for each year  
5 up to and including 1971, 1 1/2%; for each year from 1972  
6 through 1979 inclusive, 2%; and for 1980 and each year  
7 thereafter, 3%.

8 Notwithstanding any other provision of this Article, a  
9 retirement annuity for a participant who first serves as a  
10 judge on or after the effective date of this amendatory Act of  
11 the 96th General Assembly shall be increased in January of the  
12 year next following the year in which the first anniversary of  
13 retirement occurs, and in January of each year thereafter, by  
14 an amount equal to 3% or the annual change in the Consumer  
15 Price Index for All Urban Consumers, whichever is less, of the  
16 retirement annuity then being paid.

17 This Section is not applicable to a participant who retires  
18 before he or she has made contributions at the rate prescribed  
19 in Section 18-133 for automatic increases for not less than the  
20 equivalent of one full year, unless such a participant arranges  
21 to pay the system the amount required to bring the total  
22 contributions for the automatic increase to the equivalent of  
23 one year's contribution based upon his or her last year's  
24 salary.

25 This Section is applicable to all participants in service  
26 after June 30, 1969 unless a participant has elected, prior to

1 September 1, 1969, in a written direction filed with the board  
2 not to be subject to the provisions of this Section. Any  
3 participant in service on or after July 1, 1992 shall have the  
4 option of electing prior to April 1, 1993, in a written  
5 direction filed with the board, to be covered by the provisions  
6 of the 1969 amendatory Act. Such participant shall be required  
7 to make the aforesaid additional contributions with compound  
8 interest at 4% per annum.

9 Any participant who has become eligible to receive the  
10 maximum rate of annuity and who resumes service as a judge  
11 after receiving a retirement annuity under this Article shall  
12 have the amount of his or her retirement annuity increased by  
13 3% of the originally granted annuity amount for each year of  
14 such resumed service, beginning in January of the year next  
15 following the date of such resumed service, upon subsequent  
16 termination of such resumed service.

17 Beginning January 1, 1990, all automatic annual increases  
18 payable under this Section shall be calculated as a percentage  
19 of the total annuity payable at the time of the increase,  
20 including previous increases granted under this Article.

21 (Source: P.A. 86-273; 87-1265.)

22 (40 ILCS 5/18-128.01) (from Ch. 108 1/2, par. 18-128.01)

23 Sec. 18-128.01. Amount of survivor's annuity.

24 (a) Upon the death of an annuitant, his or her surviving  
25 spouse shall be entitled to a survivor's annuity of 66 2/3% of

1 the annuity the annuitant was receiving immediately prior to  
2 his or her death, inclusive of annual increases in the  
3 retirement annuity to the date of death.

4 (b) Upon the death of an active participant, his or her  
5 surviving spouse shall receive a survivor's annuity of 66 2/3%  
6 of the annuity earned by the participant as of the date of his  
7 or her death, determined without regard to whether the  
8 participant had attained age 60 as of that time, or 7 1/2% of  
9 the last salary of the decedent, whichever is greater.

10 (c) Upon the death of a participant who had terminated  
11 service with at least 10 years of service, his or her surviving  
12 spouse shall be entitled to a survivor's annuity of 66 2/3% of  
13 the annuity earned by the deceased participant at the date of  
14 death.

15 (d) Upon the death of an annuitant, active participant, or  
16 participant who had terminated service with at least 10 years  
17 of service, each surviving child under the age of 18 or  
18 disabled as defined in Section 18-128 shall be entitled to a  
19 child's annuity in an amount equal to 5% of the decedent's  
20 final salary, not to exceed in total for all such children the  
21 greater of 20% of the decedent's last salary or 66 2/3% of the  
22 annuity received or earned by the decedent as provided under  
23 subsections (a) and (b) of this Section. This child's annuity  
24 shall be paid whether or not a survivor's annuity was elected  
25 under Section 18-123.

26 (e) The changes made in the survivor's annuity provisions



1 by Public Act 82-306 shall apply to the survivors of a deceased  
2 participant or annuitant whose death occurs on or after August  
3 21, 1981.

4 (f) Beginning January 1, 1990, every survivor's annuity  
5 shall be increased (1) on each January 1 occurring on or after  
6 the commencement of the annuity if the deceased member died  
7 while receiving a retirement annuity, or (2) in other cases, on  
8 each January 1 occurring on or after the first anniversary of  
9 the commencement of the annuity, by an amount equal to 3% of  
10 the current amount of the annuity, including any previous  
11 increases under this Article. Such increases shall apply  
12 without regard to whether the deceased member was in service on  
13 or after the effective date of this amendatory Act of 1991, but  
14 shall not accrue for any period prior to January 1, 1990.

15 (g) Notwithstanding any other provision of this Article,  
16 the initial survivor's annuity for a survivor of a participant  
17 who first serves as a judge after the effective date of this  
18 amendatory Act of the 96th General Assembly shall be in the  
19 amount of 66 2/3% of the annuity received or earned by the  
20 decedent, and shall be increased (1) on each January 1  
21 occurring on or after the commencement of the annuity if the  
22 deceased participant died while receiving a retirement  
23 annuity, or (2) in other cases, on each January 1 occurring on  
24 or after the first anniversary of the commencement of the  
25 annuity, by an amount equal to 3% or the annual change in the  
26 Consumer Price Index for All Urban Consumers, whichever is

1 less, of the survivor's annuity then being paid.

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

3 Section 90. The State Mandates Act is amended by adding  
4 Section 8.34 as follows:

5 (30 ILCS 805/8.34 new)

6 Sec. 8.34. Exempt mandate. Notwithstanding Sections 6 and 8  
7 of this Act, no reimbursement by the State is required for the  
8 implementation of any mandate created by this amendatory Act of  
9 the 96th General Assembly.

10 Section 97. Severability. The provisions of this Act are  
11 severable under Section 1.31 of the Statute on Statutes.

12 Section 99. Effective date. This Section and the changes to  
13 Section 17-129 of the Illinois Pension Code take effect upon  
14 becoming law."