

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing
5 Sections 7-170, 7-171, 7-172, 7-172.2, 7-173, 7-220, 15-113,
6 15-135, 15-136, 15-136.4, 15-139, and 15-153.2 as follows:

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

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

9 (a) It is declared to be the policy and purpose to extend
10 to covered employees as defined in Section 7-138, the benefits
11 of the Federal Old Age and Survivors Insurance System as
12 authorized by the Federal Social Security Act and amendments
13 thereto. To effect this, the board shall take such action as
14 may be required by applicable State and Federal laws or
15 regulations.

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

19 (c) Each participating municipality and each participating
20 instrumentality shall remit payment of contributions for
21 Social Security purposes on behalf of covered employees and
22 covered municipalities and participating instrumentalities as
23 required by applicable State and federal laws and regulations.

1 (d) Contributions of covered employees ~~to this fund~~ for
2 Federal Social Security purposes shall be paid in such amounts
3 and at such time as required by applicable State and federal
4 laws and regulations.

5 (e) (Blank).

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

9 (Source: P.A. 96-1084, eff. 7-16-10.)

10 (40 ILCS 5/7-171) (from Ch. 108 1/2, par. 7-171)

11 Sec. 7-171. Finance; taxes.

12 (a) Each municipality other than a school district shall
13 appropriate an amount sufficient to provide for the current
14 municipality contributions required by Section 7-172 of this
15 Article, for the fiscal year for which the appropriation is
16 made and all amounts due for municipal contributions for
17 previous years. Those municipalities which have been assessed
18 an annual amount to amortize its unfunded obligation, as
19 provided in subparagraph 4 of paragraph (a) of Section 7-172 of
20 this Article, shall include in the appropriation an amount
21 sufficient to pay the amount assessed. The appropriation shall
22 be based upon an estimate of assets available for municipality
23 contributions and liabilities therefor for the fiscal year for
24 which appropriations are to be made, including funds available
25 from levies for this purpose in prior years.

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

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

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

23 (c) Any county which is served by a regional office of
24 education that serves 2 or more counties may include in its
25 appropriation an amount sufficient to provide its
26 proportionate share of the municipality contributions for that

1 regional office of education. The tax levy authorized by this
2 Section may include an amount necessary to provide monies for
3 this contribution.

4 (d) Any county that is a part of a multiple-county health
5 department or consolidated health department which is formed
6 under "An Act in relation to the establishment and maintenance
7 of county and multiple-county public health departments",
8 approved July 9, 1943, as amended, and which is a participating
9 instrumentality may include in the county's appropriation an
10 amount sufficient to provide its proportionate share of
11 municipality contributions of the department. The tax levy
12 authorized by this Section may include the amount necessary to
13 provide monies for this contribution.

14 (d-5) A school district participating in a special
15 education joint agreement created under Section 10-22.31 of the
16 School Code that is a participating instrumentality may include
17 in the school district's tax levy under this Section an amount
18 sufficient to provide its proportionate share of the
19 municipality contributions for current and prior service by
20 employees of the participating instrumentality created under
21 the joint agreement.

22 (e) Such tax shall be levied and collected in like manner,
23 with the general taxes of the municipality and shall be in
24 addition to all other taxes which the municipality is now or
25 may hereafter be authorized to levy upon all taxable property
26 therein, and shall be exclusive of and in addition to the

1 amount of tax levied for general purposes under Section 8-3-1
2 of the "Illinois Municipal Code", approved May 29, 1961, as
3 amended, or under any other law or laws which may limit the
4 amount of tax which the municipality may levy for general
5 purposes. The tax may be levied by the governing body of the
6 municipality without being authorized as being additional to
7 all other taxes by a vote of the people of the municipality.

8 (f) The county clerk of the county in which any such
9 municipality is located, in reducing tax levies shall not
10 consider any such tax as a part of the general tax levy for
11 municipality purposes, and shall not include the same in the
12 limitation of any other tax rate which may be extended.

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

16 (h) The revenue derived from any such tax levy shall be
17 used only for the contributions required under Section 7-172
18 ~~purposes specified in this Article~~ and, as collected, shall be
19 paid to the treasurer of the municipality levying the tax.
20 Monies received by a county treasurer for use in making
21 contributions to a regional office of education for its
22 municipality contributions shall be held by him for that
23 purpose and paid to the regional office of education in the
24 same manner as other monies appropriated for the expense of the
25 regional office.

26 (Source: P.A. 96-1084, eff. 7-16-10.)

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

2 Sec. 7-172. Contributions by participating municipalities
3 and participating instrumentalities.

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

6 1. municipality contributions in an amount determined
7 by applying the municipality contribution rate to each
8 payment of earnings paid to each of its participating
9 employees;

10 2. an amount equal to the employee contributions
11 provided by paragraph ~~paragraphs~~ (a) ~~and (b)~~ of Section
12 7-173, whether or not the employee contributions are
13 withheld as permitted by that Section;

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

16 4. if it has no participating employees with current
17 earnings, an amount payable which, over a closed period of
18 20 years for participating municipalities and 10 years for
19 participating instrumentalities, will amortize, at the
20 effective rate for that year, any unfunded obligation. The
21 unfunded obligation shall be computed as provided in
22 paragraph 2 of subsection (b);

23 5. if it has fewer than 7 participating employees or a
24 negative balance in its municipality reserve, the greater
25 of (A) an amount payable that, over a period of 20 years,

1 will amortize at the effective rate for that year any
2 unfunded obligation, computed as provided in paragraph 2 of
3 subsection (b) or (B) the amount required by paragraph 1 of
4 this subsection (a).

5 (b) A separate municipality contribution rate shall be
6 determined for each calendar year for all participating
7 municipalities together with all instrumentalities thereof.
8 The municipality contribution rate shall be determined for
9 participating instrumentalities as if they were participating
10 municipalities. The municipality contribution rate shall be
11 the sum of the following percentages:

12 1. The percentage of earnings of all the participating
13 employees of all participating municipalities and
14 participating instrumentalities which, if paid over the
15 entire period of their service, will be sufficient when
16 combined with all employee contributions available for the
17 payment of benefits, to provide all annuities for
18 participating employees, and the \$3,000 death benefit
19 payable under Sections 7-158 and 7-164, such percentage to
20 be known as the normal cost rate.

21 2. The percentage of earnings of the participating
22 employees of each participating municipality and
23 participating instrumentalities necessary to adjust for
24 the difference between the present value of all benefits,
25 excluding temporary and total and permanent disability and
26 death benefits, to be provided for its participating

1 employees and the sum of its accumulated municipality
2 contributions and the accumulated employee contributions
3 and the present value of expected future employee and
4 municipality contributions pursuant to subparagraph 1 of
5 this paragraph (b). This adjustment shall be spread over
6 the remainder of the period that is allowable under
7 generally accepted accounting principles.

8 3. The percentage of earnings of the participating
9 employees of all municipalities and participating
10 instrumentalities necessary to provide the present value
11 of all temporary and total and permanent disability
12 benefits granted during the most recent year for which
13 information is available.

14 4. The percentage of earnings of the participating
15 employees of all participating municipalities and
16 participating instrumentalities necessary to provide the
17 present value of the net single sum death benefits expected
18 to become payable from the reserve established under
19 Section 7-206 during the year for which this rate is fixed.

20 5. The percentage of earnings necessary to meet any
21 deficiency arising in the Terminated Municipality Reserve.

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

25 A separate municipality contribution rate shall be
26 computed for the sheriff's law enforcement employees of each

1 forest preserve district that elects to have such employees.
2 For the period from January 1, 1986 to December 31, 1986, such
3 rate shall be the forest preserve district's regular rate plus
4 2%.

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

12 (d) The Board may establish a separate municipality
13 contribution rate for all employees who are program
14 participants employed under the federal Comprehensive
15 Employment Training Act by all of the participating
16 municipalities and instrumentalities. The Board may also
17 provide that, in lieu of a separate municipality rate for these
18 employees, a portion of the municipality contributions for such
19 program participants shall be refunded or an extra charge
20 assessed so that the amount of municipality contributions
21 retained or received by the fund for all CETA program
22 participants shall be an amount equal to that which would be
23 provided by the separate municipality contribution rate for all
24 such program participants. Refunds shall be made to prime
25 sponsors of programs upon submission of a claim therefor and
26 extra charges shall be assessed to participating

1 municipalities and instrumentalities. In establishing the
2 municipality contribution rate as provided in paragraph (b) of
3 this Section, the use of a separate municipality contribution
4 rate for program participants or the refund of a portion of the
5 municipality contributions, as the case may be, may be
6 considered.

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

15 (f) Any municipality which is the recipient of State
16 allocations representing that municipality's contributions for
17 retirement annuity purposes on behalf of its employees as
18 provided in Section 12-21.16 of the Illinois Public Aid Code
19 shall pay the allocations so received to the Board for such
20 purpose. Estimates of State allocations to be received during
21 any taxable year shall be considered in the determination of
22 the municipality's tax rate for that year under Section 7-171.
23 If a special tax is levied under Section 7-171, none of the
24 proceeds may be used to reimburse the municipality for the
25 amount of State allocations received and paid to the Board. Any
26 multiple-county or consolidated health department which

1 receives contributions from a county under Section 11.2 of "An
2 Act in relation to establishment and maintenance of county and
3 multiple-county health departments", approved July 9, 1943, as
4 amended, or distributions under Section 3 of the Department of
5 Public Health Act, shall use these only for municipality
6 contributions by the health department.

7 (g) Municipality contributions for the several purposes
8 specified shall, for township treasurers and employees in the
9 offices of the township treasurers who meet the qualifying
10 conditions for coverage hereunder, be allocated among the
11 several school districts and parts of school districts serviced
12 by such treasurers and employees in the proportion which the
13 amount of school funds of each district or part of a district
14 handled by the treasurer bears to the total amount of all
15 school funds handled by the treasurer.

16 From the funds subject to allocation among districts and
17 parts of districts pursuant to the School Code, the trustees
18 shall withhold the proportionate share of the liability for
19 municipality contributions imposed upon such districts by this
20 Section, in respect to such township treasurers and employees
21 and remit the same to the Board.

22 The municipality contribution rate for an educational
23 service center shall initially be the same rate for each year
24 as the regional office of education or school district which
25 serves as its administrative agent. When actuarial data become
26 available, a separate rate shall be established as provided in

1 subparagraph (i) of this Section.

2 The municipality contribution rate for a public agency,
3 other than a vocational education cooperative, formed under the
4 Intergovernmental Cooperation Act shall initially be the
5 average rate for the municipalities which are parties to the
6 intergovernmental agreement. When actuarial data become
7 available, a separate rate shall be established as provided in
8 subparagraph (i) of this Section.

9 (h) Each participating municipality and participating
10 instrumentality shall make the contributions in the amounts
11 provided in this Section in the manner prescribed from time to
12 time by the Board and all such contributions shall be
13 obligations of the respective participating municipalities and
14 participating instrumentalities to this fund. The failure to
15 deduct any employee contributions shall not relieve the
16 participating municipality or participating instrumentality of
17 its obligation to this fund. Delinquent payments of
18 contributions due under this Section may, with interest, be
19 recovered by civil action against the participating
20 municipalities or participating instrumentalities.
21 Municipality contributions, other than the amount necessary
22 for employee contributions ~~and Social Security contributions,~~
23 for periods of service by employees from whose earnings no
24 deductions were made for employee contributions to the fund,
25 may be charged to the municipality reserve for the municipality
26 or participating instrumentality.

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

7 (j) Notwithstanding the other provisions of this Section,
8 the additional unfunded liability accruing as a result of this
9 amendatory Act of the 94th General Assembly shall be amortized
10 over a period of 30 years beginning on January 1 of the second
11 calendar year following the calendar year in which this
12 amendatory Act takes effect, except that the employer may
13 provide for a longer amortization period by adopting a
14 resolution or ordinance specifying a 35-year or 40-year period
15 and submitting a certified copy of the ordinance or resolution
16 to the fund no later than June 1 of the calendar year following
17 the calendar year in which this amendatory Act takes effect.

18 (k) If the amount of a participating employee's reported
19 earnings for any of the 12-month periods used to determine the
20 final rate of earnings exceeds the employee's 12 month reported
21 earnings with the same employer for the previous year by the
22 greater of 6% or 1.5 times the annual increase in the Consumer
23 Price Index-U, as established by the United States Department
24 of Labor for the preceding September, the participating
25 municipality or participating instrumentality that paid those
26 earnings shall pay to the Fund, in addition to any other

1 contributions required under this Article, the present value of
2 the increase in the pension resulting from the portion of the
3 increase in salary that is in excess of the greater of 6% or
4 1.5 times the annual increase in the Consumer Price Index-U, as
5 determined by the Fund. This present value shall be computed on
6 the basis of the actuarial assumptions and tables used in the
7 most recent actuarial valuation of the Fund that is available
8 at the time of the computation.

9 Whenever it determines that a payment is or may be required
10 under this subsection (k), the fund shall calculate the amount
11 of the payment and bill the participating municipality or
12 participating instrumentality for that amount. The bill shall
13 specify the calculations used to determine the amount due. If
14 the participating municipality or participating
15 instrumentality disputes the amount of the bill, it may, within
16 30 days after receipt of the bill, apply to the fund in writing
17 for a recalculation. The application must specify in detail the
18 grounds of the dispute. Upon receiving a timely application for
19 recalculation, the fund shall review the application and, if
20 appropriate, recalculate the amount due. The participating
21 municipality and participating instrumentality contributions
22 required under this subsection (k) may be paid in the form of a
23 lump sum within 90 days after receipt of the bill. If the
24 participating municipality and participating instrumentality
25 contributions are not paid within 90 days after receipt of the
26 bill, then interest will be charged at a rate equal to the

1 fund's annual actuarially assumed rate of return on investment
2 compounded annually from the 91st day after receipt of the
3 bill. Payments must be concluded within 3 years after receipt
4 of the bill by the participating municipality or participating
5 instrumentality.

6 When assessing payment for any amount due under this
7 subsection (k), the fund shall exclude earnings increases
8 resulting from overload or overtime earnings.

9 When assessing payment for any amount due under this
10 subsection (k), the fund shall also exclude earnings increases
11 attributable to standard employment promotions resulting in
12 increased responsibility and workload.

13 This subsection (k) does not apply to earnings increases
14 paid to individuals under contracts or collective bargaining
15 agreements entered into, amended, or renewed before January 1,
16 2012 (the effective date of Public Act 97-609) ~~this amendatory~~
17 ~~Act of the 97th General Assembly~~, earnings increases paid to
18 members who are 10 years or more from retirement eligibility,
19 or earnings increases resulting from an increase in the number
20 of hours required to be worked.

21 When assessing payment for any amount due under this
22 subsection (k), the fund shall also exclude earnings
23 attributable to personnel policies adopted before January 1,
24 2012 (the effective date of Public Act 97-609) ~~this amendatory~~
25 ~~Act of the 97th General Assembly~~ as long as those policies are
26 not applicable to employees who begin service on or after

1 January 1, 2012 (the effective date of Public Act 97-609) ~~this~~
2 ~~amendatory Act of the 97th General Assembly.~~

3 (Source: P.A. 96-1084, eff. 7-16-10; 96-1140, eff. 7-21-10;
4 97-333, eff. 8-12-11; 97-609, eff. 1-1-12.)

5 (40 ILCS 5/7-172.2) (from Ch. 108 1/2, par. 7-172.2)

6 Sec. 7-172.2. In addition to the payments otherwise
7 required by this Article, each participating municipality and
8 each participating instrumentality shall make payment of
9 Social Security contributions and medicare taxes in the amounts
10 and in the manner provided by law. Each employee shall make
11 contributions for Federal Social Security and medicare taxes,
12 for periods during which he or she is a covered employee, as
13 required by the Social Security Enabling Act and State and
14 federal law.

15 (Source: P.A. 84-1472.)

16 (40 ILCS 5/7-173) (from Ch. 108 1/2, par. 7-173)

17 Sec. 7-173. Contributions by employees.

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

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

22 2. Additional contributions of such percentages of
23 each payment of earnings, as shall be elected by the
24 employee for retirement annuity purposes, but not in excess

1 of 10%. The selected rate shall be applicable to all
2 earnings paid following receipt by the Board of written
3 notice of election to make such contributions. Additional
4 contributions at the selected rate shall be made
5 concurrently with normal contributions.

6 3. Survivor contributions, by each participating
7 employee, of 3/4% of each payment of earnings.

8 (b) (Blank) ~~Each employee shall make contributions for~~
9 ~~Federal Social Security taxes, for periods during which he is a~~
10 ~~covered employee, as required by the Social Security Enabling~~
11 ~~Act and State and federal law. For participating employees,~~
12 ~~such contributions shall be in addition to those required under~~
13 ~~paragraph (a) of this Section.~~

14 (c) Contributions shall be deducted from each
15 corresponding payment of earnings paid to each employee and
16 shall be remitted to the board by the participating
17 municipality or participating instrumentality making such
18 payment. The remittance, together with a report of the earnings
19 and contributions shall be made as directed by the board. For
20 township treasurers and employees of township treasurers
21 qualifying as employees hereunder, the contributions herein
22 required as deductions from salary shall be withheld by the
23 school township trustees from funds available for the payment
24 of the compensation of such treasurers and employees as
25 provided in the School Code and remitted to the board.

26 (d) An employee who has made additional contributions under

1 paragraph (a)2 of this Section may upon retirement or at any
2 time prior thereto, elect to withdraw the total of such
3 additional contributions including interest credited thereon
4 to the end of the preceding calendar year.

5 (e) Failure to make the deductions for employee
6 contributions provided in paragraph (c) of this Section shall
7 not relieve the employee from liability for such contributions.
8 The amount of such liability may be deducted, with interest
9 charged under Section 7-209, from any annuities or benefits
10 payable hereunder to the employee or any other person receiving
11 an annuity or benefit by reason of such employee's
12 participation.

13 (f) A participating employee who has at least 40 years of
14 creditable service in the Fund may elect to cease making the
15 contributions required under this Section. The status of the
16 employee under this Article shall be unaffected by this
17 election, except that the employee shall not receive any
18 additional creditable service for the periods of employment
19 following the election. An election under this subsection
20 relieves the employer from making additional employer
21 contributions in relation to that employee.

22 (Source: P.A. 96-1084, eff. 7-16-10; 96-1258, eff. 7-23-10;
23 97-333, eff. 8-12-11.)

24 (40 ILCS 5/7-220) (from Ch. 108 1/2, par. 7-220)

25 Sec. 7-220. Administrative review. The provisions of the

1 Administrative Review Law, and all amendments and
2 modifications thereof and the rules adopted pursuant thereto
3 shall apply to and govern all proceedings for the judicial
4 review of final administrative decisions of the retirement
5 board provided for under this Article. The term "administrative
6 decision" is as defined in Section 3-101 of the Code of Civil
7 Procedure. The venue for actions brought under the
8 Administrative Review Law shall be any county in which the
9 Board maintains an office or the county in which the member's
10 ~~plaintiff's~~ employing participating municipality or
11 participating instrumentality has its main office.

12 (Source: P.A. 96-1140, eff. 7-21-10.)

13 (40 ILCS 5/15-113) (from Ch. 108 1/2, par. 15-113)

14 Sec. 15-113. Service. "Service": The periods defined in
15 Sections 15-113.1 through 15-113.9 and Section 15-113.11.

16 (Source: P.A. 84-1472.)

17 (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)

18 Sec. 15-135. Retirement annuities - Conditions.

19 (a) A participant who retires in one of the following
20 specified years with the specified amount of service is
21 entitled to a retirement annuity at any age under the
22 retirement program applicable to the participant:

23 35 years if retirement is in 1997 or before;

24 34 years if retirement is in 1998;

- 1 33 years if retirement is in 1999;
2 32 years if retirement is in 2000;
3 31 years if retirement is in 2001;
4 30 years if retirement is in 2002 or later.

5 A participant with 8 or more years of service after
6 September 1, 1941, is entitled to a retirement annuity on or
7 after attainment of age 55.

8 A participant with at least 5 but less than 8 years of
9 service after September 1, 1941, is entitled to a retirement
10 annuity on or after attainment of age 62.

11 A participant who has at least 25 years of service in this
12 system as a police officer or firefighter is entitled to a
13 retirement annuity on or after the attainment of age 50, if
14 Rule 4 of Section 15-136 is applicable to the participant.

15 (b) The annuity payment period shall begin on the date
16 specified by the participant or the recipient of a disability
17 retirement annuity submitting a written application, which
18 date shall not be prior to termination of employment or more
19 than one year before the application is received by the board;
20 however, if the participant is not an employee of an employer
21 participating in this System or in a participating system as
22 defined in Article 20 of this Code on April 1 of the calendar
23 year next following the calendar year in which the participant
24 attains age 70 1/2, the annuity payment period shall begin on
25 that date regardless of whether an application has been filed.

26 (c) An annuity is not payable if the amount provided under

1 Section 15-136 is less than \$10 per month.

2 (Source: P.A. 92-749, eff. 8-2-02.)

3 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

4 Sec. 15-136. Retirement annuities - Amount. The provisions
5 of this Section 15-136 apply only to those participants who are
6 participating in the traditional benefit package or the
7 portable benefit package and do not apply to participants who
8 are participating in the self-managed plan.

9 (a) The amount of a participant's retirement annuity,
10 expressed in the form of a single-life annuity, shall be
11 determined by whichever of the following rules is applicable
12 and provides the largest annuity:

13 Rule 1: The retirement annuity shall be 1.67% of final rate
14 of earnings for each of the first 10 years of service, 1.90%
15 for each of the next 10 years of service, 2.10% for each year
16 of service in excess of 20 but not exceeding 30, and 2.30% for
17 each year in excess of 30; or for persons who retire on or
18 after January 1, 1998, 2.2% of the final rate of earnings for
19 each year of service.

20 Rule 2: The retirement annuity shall be the sum of the
21 following, determined from amounts credited to the participant
22 in accordance with the actuarial tables and the effective
23 ~~prescribed~~ rate of interest in effect at the time the
24 retirement annuity begins:

25 (i) the normal annuity which can be provided on an

1 actuarially equivalent basis, by the accumulated normal
2 contributions as of the date the annuity begins;

3 (ii) an annuity from employer contributions of an
4 amount equal to that which can be provided on an
5 actuarially equivalent basis from the accumulated normal
6 contributions made by the participant under Section
7 15-113.6 and Section 15-113.7 plus 1.4 times all other
8 accumulated normal contributions made by the participant;
9 and

10 (iii) the annuity that can be provided on an
11 actuarially equivalent basis from the entire contribution
12 made by the participant under Section 15-113.3.

13 With respect to a police officer or firefighter who retires
14 on or after August 14, 1998, the accumulated normal
15 contributions taken into account under clauses (i) and (ii) of
16 this Rule 2 shall include the additional normal contributions
17 made by the police officer or firefighter under Section
18 15-157(a).

19 The amount of a retirement annuity calculated under this
20 Rule 2 shall be computed solely on the basis of the
21 participant's accumulated normal contributions, as specified
22 in this Rule and defined in Section 15-116. Neither an employee
23 or employer contribution for early retirement under Section
24 15-136.2 nor any other employer contribution shall be used in
25 the calculation of the amount of a retirement annuity under
26 this Rule 2.

1 This amendatory Act of the 91st General Assembly is a
2 clarification of existing law and applies to every participant
3 and annuitant without regard to whether status as an employee
4 terminates before the effective date of this amendatory Act.

5 This Rule 2 does not apply to a person who first becomes an
6 employee under this Article on or after July 1, 2005.

7 Rule 3: The retirement annuity of a participant who is
8 employed at least one-half time during the period on which his
9 or her final rate of earnings is based, shall be equal to the
10 participant's years of service not to exceed 30, multiplied by
11 (1) \$96 if the participant's final rate of earnings is less
12 than \$3,500, (2) \$108 if the final rate of earnings is at least
13 \$3,500 but less than \$4,500, (3) \$120 if the final rate of
14 earnings is at least \$4,500 but less than \$5,500, (4) \$132 if
15 the final rate of earnings is at least \$5,500 but less than
16 \$6,500, (5) \$144 if the final rate of earnings is at least
17 \$6,500 but less than \$7,500, (6) \$156 if the final rate of
18 earnings is at least \$7,500 but less than \$8,500, (7) \$168 if
19 the final rate of earnings is at least \$8,500 but less than
20 \$9,500, and (8) \$180 if the final rate of earnings is \$9,500 or
21 more, except that the annuity for those persons having made an
22 election under Section 15-154(a-1) shall be calculated and
23 payable under the portable retirement benefit program pursuant
24 to the provisions of Section 15-136.4.

25 Rule 4: A participant who is at least age 50 and has 25 or
26 more years of service as a police officer or firefighter, and a

1 participant who is age 55 or over and has at least 20 but less
2 than 25 years of service as a police officer or firefighter,
3 shall be entitled to a retirement annuity of 2 1/4% of the
4 final rate of earnings for each of the first 10 years of
5 service as a police officer or firefighter, 2 1/2% for each of
6 the next 10 years of service as a police officer or
7 firefighter, and 2 3/4% for each year of service as a police
8 officer or firefighter in excess of 20. The retirement annuity
9 for all other service shall be computed under Rule 1.

10 For purposes of this Rule 4, a participant's service as a
11 firefighter shall also include the following:

12 (i) service that is performed while the person is an
13 employee under subsection (h) of Section 15-107; and

14 (ii) in the case of an individual who was a
15 participating employee employed in the fire department of
16 the University of Illinois's Champaign-Urbana campus
17 immediately prior to the elimination of that fire
18 department and who immediately after the elimination of
19 that fire department transferred to another job with the
20 University of Illinois, service performed as an employee of
21 the University of Illinois in a position other than police
22 officer or firefighter, from the date of that transfer
23 until the employee's next termination of service with the
24 University of Illinois.

25 Rule 5: The retirement annuity of a participant who elected
26 early retirement under the provisions of Section 15-136.2 and

1 who, on or before February 16, 1995, brought administrative
2 proceedings pursuant to the administrative rules adopted by the
3 System to challenge the calculation of his or her retirement
4 annuity shall be the sum of the following, determined from
5 amounts credited to the participant in accordance with the
6 actuarial tables and the prescribed rate of interest in effect
7 at the time the retirement annuity begins:

8 (i) the normal annuity which can be provided on an
9 actuarially equivalent basis, by the accumulated normal
10 contributions as of the date the annuity begins; and

11 (ii) an annuity from employer contributions of an
12 amount equal to that which can be provided on an
13 actuarially equivalent basis from the accumulated normal
14 contributions made by the participant under Section
15 15-113.6 and Section 15-113.7 plus 1.4 times all other
16 accumulated normal contributions made by the participant;
17 and

18 (iii) an annuity which can be provided on an
19 actuarially equivalent basis from the employee
20 contribution for early retirement under Section 15-136.2,
21 and an annuity from employer contributions of an amount
22 equal to that which can be provided on an actuarially
23 equivalent basis from the employee contribution for early
24 retirement under Section 15-136.2.

25 In no event shall a retirement annuity under this Rule 5 be
26 lower than the amount obtained by adding (1) the monthly amount

1 obtained by dividing the combined employee and employer
2 contributions made under Section 15-136.2 by the System's
3 annuity factor for the age of the participant at the beginning
4 of the annuity payment period and (2) the amount equal to the
5 participant's annuity if calculated under Rule 1, reduced under
6 Section 15-136(b) as if no contributions had been made under
7 Section 15-136.2.

8 With respect to a participant who is qualified for a
9 retirement annuity under this Rule 5 whose retirement annuity
10 began before the effective date of this amendatory Act of the
11 91st General Assembly, and for whom an employee contribution
12 was made under Section 15-136.2, the System shall recalculate
13 the retirement annuity under this Rule 5 and shall pay any
14 additional amounts due in the manner provided in Section
15 15-186.1 for benefits mistakenly set too low.

16 The amount of a retirement annuity calculated under this
17 Rule 5 shall be computed solely on the basis of those
18 contributions specifically set forth in this Rule 5. Except as
19 provided in clause (iii) of this Rule 5, neither an employee
20 nor employer contribution for early retirement under Section
21 15-136.2, nor any other employer contribution, shall be used in
22 the calculation of the amount of a retirement annuity under
23 this Rule 5.

24 The General Assembly has adopted the changes set forth in
25 Section 25 of this amendatory Act of the 91st General Assembly
26 in recognition that the decision of the Appellate Court for the

1 Fourth District in *Mattis v. State Universities Retirement*
2 *System et al.* might be deemed to give some right to the
3 plaintiff in that case. The changes made by Section 25 of this
4 amendatory Act of the 91st General Assembly are a legislative
5 implementation of the decision of the Appellate Court for the
6 Fourth District in *Mattis v. State Universities Retirement*
7 *System et al.* with respect to that plaintiff.

8 The changes made by Section 25 of this amendatory Act of
9 the 91st General Assembly apply without regard to whether the
10 person is in service as an employee on or after its effective
11 date.

12 (b) The retirement annuity provided under Rules 1 and 3
13 above shall be reduced by 1/2 of 1% for each month the
14 participant is under age 60 at the time of retirement. However,
15 this reduction shall not apply in the following cases:

16 (1) For a disabled participant whose disability
17 benefits have been discontinued because he or she has
18 exhausted eligibility for disability benefits under clause
19 (6) of Section 15-152;

20 (2) For a participant who has at least the number of
21 years of service required to retire at any age under
22 subsection (a) of Section 15-135; or

23 (3) For that portion of a retirement annuity which has
24 been provided on account of service of the participant
25 during periods when he or she performed the duties of a
26 police officer or firefighter, if these duties were

1 performed for at least 5 years immediately preceding the
2 date the retirement annuity is to begin.

3 (c) The maximum retirement annuity provided under Rules 1,
4 2, 4, and 5 shall be the lesser of (1) the annual limit of
5 benefits as specified in Section 415 of the Internal Revenue
6 Code of 1986, as such Section may be amended from time to time
7 and as such benefit limits shall be adjusted by the
8 Commissioner of Internal Revenue, and (2) 80% of final rate of
9 earnings.

10 (d) An annuitant whose status as an employee terminates
11 after August 14, 1969 shall receive automatic increases in his
12 or her retirement annuity as follows:

13 Effective January 1 immediately following the date the
14 retirement annuity begins, the annuitant shall receive an
15 increase in his or her monthly retirement annuity of 0.125% of
16 the monthly retirement annuity provided under Rule 1, Rule 2,
17 Rule 3, Rule 4, or Rule 5, contained in this Section,
18 multiplied by the number of full months which elapsed from the
19 date the retirement annuity payments began to January 1, 1972,
20 plus 0.1667% of such annuity, multiplied by the number of full
21 months which elapsed from January 1, 1972, or the date the
22 retirement annuity payments began, whichever is later, to
23 January 1, 1978, plus 0.25% of such annuity multiplied by the
24 number of full months which elapsed from January 1, 1978, or
25 the date the retirement annuity payments began, whichever is
26 later, to the effective date of the increase.

1 The annuitant shall receive an increase in his or her
2 monthly retirement annuity on each January 1 thereafter during
3 the annuitant's life of 3% of the monthly annuity provided
4 under Rule 1, Rule 2, Rule 3, Rule 4, or Rule 5 contained in
5 this Section. The change made under this subsection by P.A.
6 81-970 is effective January 1, 1980 and applies to each
7 annuitant whose status as an employee terminates before or
8 after that date.

9 Beginning January 1, 1990, all automatic annual increases
10 payable under this Section shall be calculated as a percentage
11 of the total annuity payable at the time of the increase,
12 including all increases previously granted under this Article.

13 The change made in this subsection by P.A. 85-1008 is
14 effective January 26, 1988, and is applicable without regard to
15 whether status as an employee terminated before that date.

16 (e) If, on January 1, 1987, or the date the retirement
17 annuity payment period begins, whichever is later, the sum of
18 the retirement annuity provided under Rule 1 or Rule 2 of this
19 Section and the automatic annual increases provided under the
20 preceding subsection or Section 15-136.1, amounts to less than
21 the retirement annuity which would be provided by Rule 3, the
22 retirement annuity shall be increased as of January 1, 1987, or
23 the date the retirement annuity payment period begins,
24 whichever is later, to the amount which would be provided by
25 Rule 3 of this Section. Such increased amount shall be
26 considered as the retirement annuity in determining benefits

1 provided under other Sections of this Article. This paragraph
2 applies without regard to whether status as an employee
3 terminated before the effective date of this amendatory Act of
4 1987, provided that the annuitant was employed at least
5 one-half time during the period on which the final rate of
6 earnings was based.

7 (f) A participant is entitled to such additional annuity as
8 may be provided on an actuarially equivalent basis, by any
9 accumulated additional contributions to his or her credit.
10 However, the additional contributions made by the participant
11 toward the automatic increases in annuity provided under this
12 Section shall not be taken into account in determining the
13 amount of such additional annuity.

14 (g) If, (1) by law, a function of a governmental unit, as
15 defined by Section 20-107 of this Code, is transferred in whole
16 or in part to an employer, and (2) a participant transfers
17 employment from such governmental unit to such employer within
18 6 months after the transfer of the function, and (3) the sum of
19 (A) the annuity payable to the participant under Rule 1, 2, or
20 3 of this Section (B) all proportional annuities payable to the
21 participant by all other retirement systems covered by Article
22 20, and (C) the initial primary insurance amount to which the
23 participant is entitled under the Social Security Act, is less
24 than the retirement annuity which would have been payable if
25 all of the participant's pension credits validated under
26 Section 20-109 had been validated under this system, a

1 supplemental annuity equal to the difference in such amounts
2 shall be payable to the participant.

3 (h) On January 1, 1981, an annuitant who was receiving a
4 retirement annuity on or before January 1, 1971 shall have his
5 or her retirement annuity then being paid increased \$1 per
6 month for each year of creditable service. On January 1, 1982,
7 an annuitant whose retirement annuity began on or before
8 January 1, 1977, shall have his or her retirement annuity then
9 being paid increased \$1 per month for each year of creditable
10 service.

11 (i) On January 1, 1987, any annuitant whose retirement
12 annuity began on or before January 1, 1977, shall have the
13 monthly retirement annuity increased by an amount equal to 8¢
14 per year of creditable service times the number of years that
15 have elapsed since the annuity began.

16 (Source: P.A. 93-347, eff. 7-24-03; 94-4, eff. 6-1-05.)

17 (40 ILCS 5/15-136.4)

18 Sec. 15-136.4. Retirement and Survivor Benefits Under
19 Portable Benefit Package.

20 (a) This Section 15-136.4 describes the form of annuity and
21 survivor benefits available to a participant who has elected
22 the portable benefit package and has completed the one-year
23 waiting period required under subsection (e) of Section
24 15-134.5. For purposes of this Section, the term "eligible
25 spouse" means the husband or wife of a participant to whom the

1 participant is married on the date the participant's annuity
2 payment period begins, provided however, that if the
3 participant should die prior to the commencement of retirement
4 annuity benefits, then "eligible spouse" means the husband or
5 wife, if any, to whom the participant was married throughout
6 the one-year period preceding the date of his or her death.

7 (b) This subsection (b) describes the normal form of
8 annuity payable to a participant subject to this Section
9 15-136.4. If the participant is unmarried on the date his or
10 her annuity payment period begins, then the annuity payments
11 shall be made in the form of a single-life annuity as described
12 in Section 15-118. If the participant is married on the date
13 his or her annuity payments commence, then the annuity payments
14 shall be paid in the form of a qualified joint and survivor
15 annuity that is the actuarial equivalent of the single-life
16 annuity. Under the "qualified joint and survivor annuity", a
17 reduced amount shall be paid to the participant for his or her
18 lifetime and his or her eligible spouse, if surviving at the
19 participant's death, shall be entitled to receive thereafter a
20 lifetime survivorship annuity in a monthly amount equal to 50%
21 of the reduced monthly amount that was payable to the
22 participant. The last payment of a qualified joint and survivor
23 annuity shall be made as of the first day of the month in which
24 the death of the survivor occurs.

25 (c) Instead of the normal form of annuity that would be
26 paid under subsection (b), a participant may elect in writing

1 within the 180-day ~~90-day~~ period prior to the date his or her
2 annuity payments commence to waive the normal form of annuity
3 payment and receive an optional form of payment as described in
4 subsection (h). If the participant is married and elects an
5 optional form of payment under subsection (h) other than a
6 joint and survivor annuity with the eligible spouse designated
7 as the contingent annuitant, then such election shall require
8 the consent of his or her eligible spouse in the manner
9 described in subsection (d). At any time during the 180-day
10 ~~90-day~~ period preceding the date the participant's payment
11 period begins, the participant may revoke the optional form of
12 payment elected under this subsection (c) and reinstate
13 coverage under the qualified joint and survivor annuity without
14 the spouse's consent, but an election to revoke the optional
15 form elected and elect a new optional form of payment or
16 designate a different contingent annuitant shall not be
17 effective without the eligible spouse's consent.

18 (d) The eligible spouse's consent to any election made
19 pursuant to this Section that requires the eligible spouse's
20 consent shall be in writing and shall acknowledge the effect of
21 the consent. In addition, the eligible spouse's signature on
22 the written consent must be witnessed by a notary public. The
23 eligible spouse's consent need not be obtained if the system is
24 satisfied that there is no eligible spouse, that the eligible
25 spouse cannot be located, or because of any other relevant
26 circumstances. An eligible spouse's consent under this Section

1 is valid only with respect to the specified optional form of
2 payment and, if applicable, contingent annuitant designated by
3 the participant. If the optional form of payment or the
4 contingent annuitant is subsequently changed (other than by a
5 revocation of the optional form of payment and reinstatement of
6 the qualified joint and survivor annuity), a new consent by the
7 eligible spouse is required. The eligible spouse's consent to
8 an election made by a participant pursuant to this Section,
9 once made, may not be revoked by the eligible spouse.

10 (e) Within a reasonable period of time preceding the date a
11 participant's annuity commences, a participant shall be
12 supplied with a written explanation of (1) the terms and
13 conditions of the normal form single-life annuity and qualified
14 joint and survivor annuity, (2) the participant's right to
15 elect a single-life annuity or an optional form of payment
16 under subsection (h) subject to his or her eligible spouse's
17 consent, if applicable, and (3) the participant's right to
18 reinstate coverage under the qualified joint and survivor
19 annuity prior to his or her annuity commencement date by
20 revoking an election of an optional form of payment under
21 subsection (h).

22 (f) If a married participant with at least 1.5 years of
23 service dies prior to commencing retirement annuity payments
24 and prior to taking a refund under Section 15-154, his or her
25 eligible spouse is entitled to receive a pre-retirement
26 survivor annuity, if there is not then in effect a waiver of

1 the pre-retirement survivor annuity. The pre-retirement
2 survivor annuity payable under this subsection shall be a
3 monthly annuity payable for the eligible spouse's life,
4 commencing as of the beginning of the month next following the
5 later of the date of the participant's death or the date the
6 participant would have first met the eligibility requirements
7 for retirement, and continuing through the beginning of the
8 month in which the death of the eligible spouse occurs. The
9 monthly amount payable to the spouse under the pre-retirement
10 survivor annuity shall be equal to the monthly amount that
11 would be payable as a survivor annuity under the qualified
12 joint and survivor annuity described in subsection (b) if: (1)
13 in the case of a participant who dies on or after the date on
14 which the participant has met the eligibility requirements for
15 retirement, the participant had retired with an immediate
16 qualified joint and survivor annuity on the day before the
17 participant's date of death; or (2) in the case of a
18 participant who dies before the earliest date on which the
19 participant would have met the eligibility requirements for
20 retirement age, the participant had separated from service on
21 the date of death, survived to the earliest retirement age
22 based on service prior to his or her death, retired with an
23 immediate qualified joint and survivor annuity at the earliest
24 retirement age, and died on the day after the day on which the
25 participant would have attained the earliest retirement age.

26 (g) A married participant who has not retired may elect at

1 any time to waive the pre-retirement survivor annuity described
2 in subsection (f). Any such election shall require the consent
3 of the participant's eligible spouse in the manner described in
4 subsection (d). A waiver of the pre-retirement survivor annuity
5 shall increase the lump sum death benefit payable under
6 subsection (b) of Section 15-141. Prior to electing any waiver
7 of the pre-retirement survivor annuity, the participant shall
8 be provided with a written explanation of (1) the terms and
9 conditions of the pre-retirement survivor annuity and the death
10 benefits payable from the system both with and without the
11 pre-retirement survivor annuity, (2) the participant's right
12 to elect a waiver of the pre-retirement survivor annuity
13 coverage subject to his or her spouse's consent, and (3) the
14 participant's right to reinstate pre-retirement survivor
15 annuity coverage at any time by revoking a prior waiver of such
16 coverage.

17 (h) By filing a timely election with the system, a
18 participant who will be eligible to receive a retirement
19 annuity under this Section may waive the normal form of annuity
20 payment described in subsection (b), subject to obtaining the
21 consent of his or her eligible spouse, if applicable, and elect
22 to receive any one of the following optional forms of payment:

23 (1) Joint and Survivor Annuity Options: The
24 participant may elect to receive a reduced annuity payable
25 for his or her life and to have a lifetime survivorship
26 annuity in a monthly amount equal to 50%, 75%, or 100% (as

1 elected by the participant) of that reduced monthly amount,
2 to be paid after the participant's death to his or her
3 contingent annuitant, if the contingent annuitant is alive
4 at the time of the participant's death.

5 (2) Single-Life Annuity Option (optional for married
6 participants). The participant may elect to receive a
7 single-life annuity payable for his or her life only.

8 (3) Lump sum retirement benefit. The participant may
9 elect to receive a lump sum retirement benefit that is
10 equal to the amount of a refund payable under Section
11 15-154(a-2).

12 All joint and survivor annuity forms shall be in an amount that
13 is the actuarial equivalent of the single-life annuity.

14 For the purposes of this Section, the term "contingent
15 annuitant" means the beneficiary who is designated by a
16 participant at the time the participant elects a joint and
17 survivor annuity to receive the lifetime survivorship annuity
18 in the event the beneficiary survives the participant at the
19 participant's death.

20 (i) Under no circumstances may an option be elected,
21 changed, or revoked after the date the participant's retirement
22 annuity commences.

23 (j) An election made pursuant to subsection (h) shall
24 become inoperative if the participant or the contingent
25 annuitant dies before the date the participant's annuity
26 payments commence, or if the eligible spouse's consent is

1 required and not given.

2 (k) (Blank).

3 (l) The automatic annual increases described in subsection
4 (d) of Section 15-136 shall apply to retirement benefits under
5 the portable benefit package and the automatic annual increases
6 described in subsection (j) of Section 15-145 shall apply to
7 survivor benefits under the portable benefit package.

8 (Source: P.A. 96-586, eff. 8-18-09.)

9 (40 ILCS 5/15-139) (from Ch. 108 1/2, par. 15-139)

10 Sec. 15-139. Retirement annuities; cancellation; suspended
11 during employment.

12 (a) If an annuitant returns to employment for an employer
13 within 60 days after the beginning of the retirement annuity
14 payment period, the retirement annuity shall be cancelled, and
15 the annuitant shall refund to the System the total amount of
16 the retirement annuity payments which he or she received. If
17 the retirement annuity is cancelled, the participant shall
18 continue to participate in the System.

19 (b) If an annuitant retires prior to age 60 and receives or
20 becomes entitled to receive during any month compensation in
21 excess of the monthly retirement annuity (including any
22 automatic annual increases) for services performed after the
23 date of retirement for any employer under this System, that
24 portion of the monthly retirement annuity provided by employer
25 contributions shall not be payable.

1 If an annuitant retires at age 60 or over and receives or
2 becomes entitled to receive during any academic year
3 compensation in excess of the difference between his or her
4 highest annual earnings prior to retirement and his or her
5 annual retirement annuity computed under Rule 1, Rule 2, Rule
6 3, Rule 4, or Rule 5 of Section 15-136, or under Section
7 15-136.4, for services performed after the date of retirement
8 for any employer under this System, that portion of the monthly
9 retirement annuity provided by employer contributions shall be
10 reduced by an amount equal to the compensation that exceeds
11 such difference.

12 However, any remuneration received for serving as a member
13 of the Illinois Educational Labor Relations Board shall be
14 excluded from "compensation" for the purposes of this
15 subsection (b), and serving as a member of the Illinois
16 Educational Labor Relations Board shall not be deemed to be a
17 return to employment for the purposes of this Section. This
18 provision applies without regard to whether service was
19 terminated prior to the effective date of this amendatory Act
20 of 1991.

21 (c) If an employer certifies that an annuitant has been
22 reemployed on a permanent and continuous basis or in a position
23 in which the annuitant is expected to serve for at least 9
24 months, the annuitant shall resume his or her status as a
25 participating employee and shall be entitled to all rights
26 applicable to participating employees upon filing with the

1 board an election to forego all annuity payments during the
2 period of reemployment. Upon subsequent retirement, the
3 retirement annuity shall consist of the annuity which was
4 terminated by the reemployment, plus the additional retirement
5 annuity based upon service granted during the period of
6 reemployment, but the combined retirement annuity shall not
7 exceed the maximum annuity applicable on the date of the last
8 retirement.

9 The total service and earnings credited before and after
10 the initial date of retirement shall be considered in
11 determining eligibility of the employee or the employee's
12 beneficiary to benefits under this Article, and in calculating
13 final rate of earnings.

14 In determining the death benefit payable to a beneficiary
15 of an annuitant who again becomes a participating employee
16 under this Section, accumulated normal and additional
17 contributions shall be considered as the sum of the accumulated
18 normal and additional contributions at the date of initial
19 retirement and the accumulated normal and additional
20 contributions credited after that date, less the sum of the
21 annuity payments received by the annuitant.

22 The survivors insurance benefits provided under Section
23 15-145 shall not be applicable to an annuitant who resumes his
24 or her status as a participating employee, unless the
25 annuitant, at the time of initial retirement, has a survivors
26 insurance beneficiary who could qualify for such benefits.

1 If the participant's ~~annuitant's~~ employment is terminated
2 because of circumstances other than death before 9 months from
3 the date of reemployment, the provisions of this Section
4 regarding resumption of status as a participating employee
5 shall not apply. The normal and survivors insurance
6 contributions which are deducted during this period shall be
7 refunded to the annuitant without interest, and subsequent
8 benefits under this Article shall be the same as those which
9 were applicable prior to the date the annuitant resumed
10 employment.

11 The amendments made to this Section by this amendatory Act
12 of the 91st General Assembly apply without regard to whether
13 the annuitant was in service on or after the effective date of
14 this amendatory Act.

15 (Source: P.A. 91-887 (Sections 10 and 25), eff. 7-6-00; 92-16,
16 eff. 6-28-01.)

17 (40 ILCS 5/15-153.2) (from Ch. 108 1/2, par. 15-153.2)

18 Sec. 15-153.2. Disability retirement annuity. A
19 participant whose disability benefits are discontinued under
20 the provisions of clause (6) of Section 15-152 and who is not a
21 participant in the optional retirement plan established under
22 Section 15-158.2 is entitled to a disability retirement annuity
23 of 35% of the basic compensation which was payable to the
24 participant at the time that disability began, provided that
25 the board determines that the participant has a medically

1 determinable physical or mental impairment that prevents him or
2 her from engaging in any substantial gainful activity, and
3 which can be expected to result in death or which has lasted or
4 can be expected to last for a continuous period of not less
5 than 12 months.

6 The board's determination of whether a participant is
7 disabled shall be based upon:

8 (i) a written certificate from one or more licensed and
9 practicing physicians appointed by or acceptable to the
10 board, stating that the participant is unable to engage in
11 any substantial gainful activity; and

12 (ii) any other medical examinations, hospital records,
13 laboratory results, or other information necessary for
14 determining the employment capacity and condition of the
15 participant.

16 The terms "medically determinable physical or mental
17 impairment" and "substantial gainful activity" shall have the
18 meanings ascribed to them in the federal Social Security Act,
19 as now or hereafter amended, and the regulations issued
20 thereunder.

21 The disability retirement annuity payment period shall
22 begin immediately following the expiration of the disability
23 benefit payments under clause (6) of Section 15-152 and shall
24 be discontinued for a recipient of a disability retirement
25 annuity when (1) the physical or mental impairment no longer
26 prevents the participant from engaging in any substantial

1 gainful activity, (2) the participant dies or (3) the
2 participant elects to receive a retirement annuity under
3 Sections 15-135 and 15-136. If a person's disability retirement
4 annuity is discontinued under clause (1), all rights and
5 credits accrued in the system on the date that the disability
6 retirement annuity began shall be restored, and the disability
7 retirement annuity paid shall be considered as disability
8 payments under clause (6) of Section 15-152.

9 (Source: P.A. 90-14, eff. 7-1-97; 90-65, eff. 7-7-97; 90-511,
10 eff. 8-22-97; 90-766, eff. 8-14-98.)

11 Section 90. The State Mandates Act is amended by adding
12 Section 8.36 as follows:

13 (30 ILCS 805/8.36 new)

14 Sec. 8.36. Exempt mandate. Notwithstanding Sections 6 and 8
15 of this Act, no reimbursement by the State is required for the
16 implementation of any mandate created by this amendatory Act of
17 the 97th General Assembly.

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.