



Rep. Tom Cross

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1 AMENDMENT TO SENATE BILL 1673

2 AMENDMENT NO. _____. Amend Senate Bill 1673, AS AMENDED,
3 with reference to page and line numbers of House Amendment No.
4 7, on page 25, in line 12, after "14-132,", by inserting
5 "14-133,"; and

6 on page 25, in line 14, before "15-163", by inserting
7 "15-157,"; and

8 on page 25, in line 15, after "16-136.1,", by inserting
9 "16-152,"; and

10 on page 25, in line 16, before "2-105.1", by inserting
11 "1-162,"; and

12 on page 25, in line 18, by deleting "15-155.1,"; and

13 on page 26, below line 24, by inserting the following:

1 "(40 ILCS 5/1-162 new)

2 Sec. 1-162. Optional cash balance plan.

3 (a) Participation and Applicability. Beginning on July 1,
4 2013, any Tier I employee who has made the election under
5 paragraph (1) of subsection (a) or (a-5) of Section 14-106.5,
6 paragraph (1) of subsection (a) or (a-5) of Section 15-134.6,
7 or paragraph (1) of subsection (a) or (a-5) of Section 16-131.7
8 may elect to participate in the optional cash balance plan
9 created under this Section.

10 This Section does not, however, apply to any person with
11 respect to service for which the person participates in the
12 self-managed plan established under Section 15-158.2 in lieu of
13 the retirement benefits otherwise provided by the State
14 Universities Retirement System.

15 The Board of Trustees of the applicable retirement system
16 shall promulgate rules to create an annual election wherein a
17 person eligible to participate in the optional cash balance
18 plan may elect to participate, and an active employee who is a
19 participant in the plan may elect to cease active
20 participation. The election to cease active participation
21 shall not disqualify the employee from eligibility to receive
22 an interest credit under subsection (f), a distribution upon
23 termination under subsection (f-10), a refund under subsection
24 (f-15), a retirement annuity under subsection (f-15), a
25 retirement annuity under subsection (g), or a survivor annuity

1 under subsection (k), or from eligibility to resume active
2 participation in the optional cash balance plan in a subsequent
3 year.

4 (b) Title. The package of benefits provided under this
5 Section may be referred to as the "optional cash balance plan".
6 Persons subject to the provisions of this Section may be
7 referred to as "participants in the optional cash balance
8 plan".

9 (b-5) Definitions. As used in this Section:

10 "Account" means the notional cash balance account
11 established under this Section for a participant in the
12 optional cash balance plan.

13 "Consumer Price Index-U" means the Consumer Price Index
14 published by the Bureau of Labor Statistics of the United
15 States Department of Labor that measures the average change in
16 prices of goods and services purchased by all urban consumers,
17 United States city average, all items, 1982-84 = 100.

18 "Salary" means "compensation" as defined in Article 14,
19 "earnings" as defined in Article 15, or "salary" as defined in
20 Article 16, whichever is applicable, without regard to the
21 limitation in subsection (b-5) of Section 1-160.

22 "Tier I employee" means a person who is a Tier I employee
23 under the applicable Article of this Code.

24 (c) Cash Balance Account. A notional cash balance account
25 shall be established by the applicable retirement system for
26 each participant in the optional cash balance plan. The account

1 is notional and does not contain any actual money segregated
2 from the commingled assets of the retirement system. The cash
3 balance in the account is to be used in calculating benefits as
4 provided in this Section, but is not to be used in the
5 calculation of any refund, transfer, or other benefit under the
6 applicable Article of this Code.

7 The amounts to be credited to the cash balance account
8 shall consist of (i) amounts contributed by or on behalf of the
9 participant as employee contributions and (ii) interest credit
10 that is attributable to the account, both as provided in this
11 Section.

12 Whenever necessary for the prompt calculation or
13 administration, or when the System lacks information necessary
14 to the calculation or administration otherwise required of or
15 for a benefit under this Section, the applicable retirement
16 system may estimate an amount to be credited to or debited from
17 a participant's cash balance account and then adjust the amount
18 so credited or debited when more accurate information becomes
19 available.

20 The applicable retirement system shall give to each
21 participant in the optional cash balance plan who has not yet
22 retired annual notice of (1) the balance in the participant's
23 cash balance account and (2) an estimate of the retirement
24 annuity that will be payable to the participant if he or she
25 retires at age 59 1/2.

26 (d) Employee Contributions. In addition to the other

1 contributions required under the applicable Article, each
2 participant shall make contributions to the applicable
3 retirement system at the rate of 2% of each payment of salary.
4 The amount of each contribution shall be credited to the
5 participant's cash balance account upon receipt and after the
6 retirement system's reconciliation of the contribution.

7 (e) Employer Contributions. There shall be no employer
8 contributions under the optional cash balance plan.

9 (f) Interest Credit. An amount representing earnings on
10 investments shall be determined by the retirement system in
11 accordance with this Section and credited to the participant's
12 cash balance account for each fiscal year in which there is a
13 positive balance in that account; except that no additional
14 interest credit shall be credited while an annuity based on the
15 account is being paid. The interest credit amount shall be a
16 percentage of the average quarterly balance in the cash balance
17 account during that fiscal year, and shall be calculated on
18 June 30.

19 The percentage shall be the assumed treasury rate for the
20 previous fiscal year, unless neither the retirement system's
21 actual rate of investment earnings for the previous fiscal year
22 nor the retirement system's actual rate of investment earnings
23 for the five-year period ending at the end of the previous
24 fiscal year is less than the assumed treasury rate.

25 If both the retirement system's actual rate of investment
26 earnings for the previous fiscal year and the actual rate of

1 investment earnings for the five-year period ending at the end
2 of the previous fiscal year are at least the assumed treasury
3 rate, then the percentage shall be:

4 (i) the assumed treasury rate, plus

5 (ii) two-thirds of the amount of the actual rate of
6 investment earnings for the previous fiscal year that
7 exceeds the assumed treasury rate.

8 However, in no event shall the percentage applied under this
9 subsection exceed 10%.

10 For the purposes of this subsection only, "previous fiscal
11 year" means fiscal year ending one year before the interest
12 rate is calculated.

13 For the purposes of this subsection only, "assumed treasury
14 rate" means the average annual yield of the 30-year U.S.
15 Treasury Bond over the previous fiscal year, but not less than
16 4%.

17 When a person applies for a benefit under this Section, the
18 retirement system shall apply an interest credit based on a
19 proration of an estimate of what the interest credit will be
20 for the relevant year. When the retirement system certifies the
21 credit on June 30, it shall adjust the benefit accordingly.

22 (f-10) Distribution upon Termination of Employment. Upon
23 termination of active employment with at least 5 years of
24 service credit under the applicable retirement system and prior
25 to making application for an annuity under this Section, a
26 participant in the optional cash balance plan may make an

1 irrevocable election to distribute an amount not to exceed 40%
2 of the balance in the participant's account in the form of a
3 direct rollover to another qualified plan, to the extent
4 allowed by federal law. If the participant makes such an
5 election, then the amount distributed shall be debited from the
6 participant's cash balance account. A participant in the
7 optional cash balance plan shall be allowed only one
8 distribution under this subsection. The remaining balance in
9 the participant's account shall be used for the determination
10 of other benefits provided under this Section.

11 (f-15) Refund. In lieu of receiving a distribution under
12 subsection (f-10), at any time after terminating active
13 employment under the applicable retirement system, but before
14 receiving a retirement annuity under this Section, a
15 participant in the optional cash balance plan may elect to
16 receive a refund under this subsection. The refund shall
17 consist of an amount equal to the amount of all employee
18 contributions credited to the participant's account, but shall
19 not include any interest credit. If the participant so
20 requests, the refund may be paid in the form of a direct
21 rollover to another qualified plan, to the extent allowed by
22 federal law and in accordance with the rules of the applicable
23 retirement system. Upon payment of the refund, the
24 participant's notional cash balance account shall be closed.

25 (g) Retirement Annuity. A participant in the optional cash
26 balance plan may begin collecting a retirement annuity at age

1 59 1/2, but no earlier than the date of termination of active
2 employment under the applicable retirement system.

3 The amount of the retirement annuity shall be calculated by
4 the retirement system, based on the balance in the cash balance
5 account, the assumption of future investment returns as
6 specified in this subsection, the participant's election to
7 have a lifetime survivor's annuity as specified in this
8 subsection, the annual increase in retirement annuity as
9 specified in subsection (h), the annual increase in survivor's
10 annuity as specified in subsection (l), and any actuarial
11 assumptions and tables adopted by the board of the retirement
12 system for this purpose. The calculation shall determine the
13 amount of retirement annuity, on an actuarially equivalent
14 basis, that shall be designed to result in the balance in the
15 participant's account arriving at zero on the date when the
16 last payment of the retirement annuity (or survivor's annuity,
17 if the participant elects to provide for a survivor's annuity
18 pursuant to this subsection) is anticipated to be paid under
19 the relevant actuarial assumptions. A retirement annuity or a
20 survivor's annuity provided under this Section shall be a life
21 annuity and shall not expire if the account balance equals
22 zero.

23 The annuity payment shall begin on the date specified by
24 the participant submitting a written application, which date
25 shall not be prior to termination of employment or more than
26 one year before the application is received by the board;

1 however, if the participant is not an employee of an employer
2 participating in this System or in a participating system as
3 defined in Article 20 of this Code on April 1 of the calendar
4 year next following the calendar year in which the participant
5 attains age 70 1/2, the annuity payment period shall begin on
6 that date regardless of whether an application has been filed.

7 The participant may elect, under the participant's written
8 application for retirement, to receive a reduced annuity
9 payable for his or her life and to have a lifetime survivor's
10 annuity in a monthly amount equal to 50%, 75%, or 100% of that
11 reduced monthly amount, to be paid after the participant's
12 death to his or her eligible survivor. Eligibility for a
13 survivor's annuity shall be determined under the applicable
14 Article of this Code.

15 For the purpose of calculating retirement annuities,
16 future investment returns shall be assumed to be a percentage
17 equal to the average yield of the 30-year U.S. Treasury Bond
18 over the 5 fiscal years prior to the calculation of the initial
19 retirement annuity, plus 250 basis points; but not less than 4%
20 nor more than 8%.

21 (h) Annual Increase in Retirement Annuity. The retirement
22 annuity shall be subject to an automatic annual increase in an
23 amount equal to 3% of the originally granted annuity on each
24 January 1 occurring on or after the first anniversary of the
25 annuity start date.

26 (i) Disability Benefits. There are no disability benefits

1 provided under the optional cash balance plan, and no amounts
2 for disability shall be deducted from the account of a
3 participant in the optional cash balance plan. The disability
4 benefits provided under the applicable retirement system apply
5 to participants in the optional cash balance plan.

6 (j) Return to Service. Upon a return to service under the
7 same retirement system after beginning to receive a retirement
8 annuity under the optional cash balance plan, the retirement
9 annuity shall be suspended and active participation in the
10 optional cash balance plan shall resume. Upon termination of
11 the employment, the retirement annuity shall resume in an
12 amount to be recalculated in accordance with subsection (g),
13 taking into effect the changes in the cash balance account. If
14 a retired annuitant returns to service, his or her notional
15 cash balance account shall be decreased by each payment of
16 retirement annuity prior to the return to service.

17 (k) Survivor's Annuity - Death before Retirement. In the
18 case of a participant in the optional cash balance plan who had
19 less than 5 years of service under the applicable Article and
20 had not begun receiving a retirement annuity, the eligible
21 survivor shall be entitled only to a refund of employee
22 contributions under subsection (f-15).

23 In the case of a participant in the optional cash balance
24 plan who had at least 5 years of service under the applicable
25 Article and had not begun receiving a retirement annuity, the
26 eligible survivor shall be entitled to receive a survivor's

1 annuity beginning at age 59 1/2 upon written application. The
2 survivor's annuity shall be calculated in the same manner as a
3 retirement annuity under subsection (g). At any time before
4 receiving a survivor's annuity, the eligible survivor may claim
5 a distribution under subsection (f-10) or a refund under
6 subsection (f-15). The deceased participant's account shall
7 continue to receive interest credit until the eligible survivor
8 begins to receive a survivor's annuity or receives a refund of
9 employee contributions under subsection (f-15).

10 Eligibility for a survivor's annuity shall be determined
11 under the applicable Article of this Code. A child's or
12 parent's annuity for an otherwise eligible child or dependent
13 parent shall be in the same amount, if any, prescribed under
14 the applicable Article.

15 (l) Annual Increase in Survivor's Annuity. A survivor's
16 annuity granted under subsection (g) or (k) shall be subject to
17 an automatic annual increase in an amount equal to 3% of the
18 originally granted annuity on each January 1 occurring on or
19 after the first anniversary of the annuity start date.

20 (m) Applicability of Provisions. The following provisions,
21 if and as they exist in this Code, do not apply to participants
22 in the optional cash balance plan with respect to participation
23 in the optional cash balance plan, except as they are
24 specifically provided for in this Section:

25 (1) minimum service or vesting requirements (other
26 than as provided in this Section);

1 (2) provisions limiting a retirement annuity to a
2 specified percentage of salary;

3 (3) provisions authorizing a minimum retirement or
4 survivor's annuity or a supplemental annuity;

5 (4) provisions authorizing any form of retirement
6 annuity or survivor's annuity not authorized under this
7 Section;

8 (5) provisions authorizing a reversionary annuity
9 (other than the survivor's annuity under subsection (g));

10 (6) provisions authorizing a refund of employee
11 contributions upon termination of service (other than upon
12 the death of the participant without an eligible survivor)
13 or any lump-sum payout in lieu of a retirement or
14 survivor's annuity (other than the distribution under
15 subsection (f-10) or the refund under subsection (f-15) of
16 this Section;

17 (7) provisions authorizing optional service credits or
18 the payment of optional additional contributions; or

19 (8) a level income option.

20 The Retirement Systems Reciprocal Act (Article 20 of this
21 Code) does not apply to participation in the optional cash
22 balance plan and does not affect the calculation of benefits
23 payable under this Section.

24 The other provisions of this Code continue to apply to
25 participants in the optional cash balance plan, to the extent
26 that they do not conflict with this Section. In the case of a

1 conflict between the provisions of this Section and any other
2 provision of this Code, the provisions of this Section control.

3 (n) Rules. The Board of Trustees of the applicable
4 retirement system may adopt rules and procedures for the
5 implementation of this Section, including but not limited to
6 determinations of how to integrate the administration of this
7 Section with the requirements of the applicable Article and any
8 other applicable provisions of this Code.

9 (o) Public Pension Division. The Public Pension Division of
10 the Department of Insurance shall determine in October of each
11 year the annual unadjusted percentage increase (but not less
12 than zero) in the Consumer Price Index-U for the 12 months
13 ending with the preceding September. The Division shall certify
14 its determination to the Board of Trustees of the State
15 Universities Retirement System by November 1 of each year.

16 (p) Prospective Modification. The provisions set forth in
17 this Section are subject to prospective changes made by law
18 provided that any such changes shall not apply to any benefits
19 accrued under this Section prior to the effective date of any
20 amendatory Act of the General Assembly.

21 (q) Qualified Plan Status. No provision of this Section
22 shall be interpreted in a way that would cause the applicable
23 retirement system to cease to be a qualified plan under section
24 461 (a) of the Internal Revenue Code of 1986."; and

25 on page 44, in line 15, by changing "14-106.5" to "2-110.3";

1 and

2 on page 52, in line 20, by changing "the Township School
3 District Trustees" to "an association or not-for-profit
4 corporation, membership in which is authorized under Section
5 85-15 of the Township Code"; and

6 on page 61, in line 25, after "14-103.10.", by inserting "In
7 addition, a Tier I employee who has made the election under
8 paragraph (1) of subsection (a) of this Section shall receive
9 the right to also participate in the optional cash balance plan
10 established under Section 1-162."; and

11 on page 62, in line 8, after "14-103.10.", by inserting "In
12 addition, a Tier I retiree who returns to active service and
13 has made the election under paragraph (1) of subsection (a-5)
14 of this Section shall receive the right to also participate in
15 the optional cash balance plan established under Section
16 1-162."; and

17 on page 62, in line 19, after "requirement.", by inserting "In
18 addition, a Tier I employee who has made the election under
19 paragraph (2) of subsection (a) of this Section shall not
20 receive the right to participate in the optional cash balance
21 plan established under Section 1-162."; and

1 on page 63, in line 4, after "requirement.", by inserting "In
2 addition, a Tier I retiree who returns to active service and
3 has made the election under paragraph (2) of subsection (a-5)
4 of this Section shall not receive the right to participate in
5 the optional cash balance plan established under Section
6 1-162."; and

7 on page 83, below line 11, by inserting the following:

8 "(40 ILCS 5/14-133) (from Ch. 108 1/2, par. 14-133)

9 Sec. 14-133. Contributions on behalf of members.

10 (a) Each participating employee shall make contributions
11 to the System, based on the employee's compensation, as
12 follows:

13 (1) Covered employees, except as indicated below, 3.5%
14 for retirement annuity, and 0.5% for a widow or survivors
15 annuity;

16 (2) Noncovered employees, except as indicated below,
17 7% for retirement annuity and 1% for a widow or survivors
18 annuity;

19 (3) Noncovered employees serving in a position in which
20 "eligible creditable service" as defined in Section 14-110
21 may be earned, 1% for a widow or survivors annuity plus the
22 following amount for retirement annuity: 8.5% through
23 December 31, 2001; 9.5% in 2002; 10.5% in 2003; and 11.5%
24 in 2004 and thereafter;

1 (4) Covered employees serving in a position in which
2 "eligible creditable service" as defined in Section 14-110
3 may be earned, 0.5% for a widow or survivors annuity plus
4 the following amount for retirement annuity: 5% through
5 December 31, 2001; 6% in 2002; 7% in 2003; and 8% in 2004
6 and thereafter;

7 (5) Each security employee of the Department of
8 Corrections or of the Department of Human Services who is a
9 covered employee, 0.5% for a widow or survivors annuity
10 plus the following amount for retirement annuity: 5%
11 through December 31, 2001; 6% in 2002; 7% in 2003; and 8%
12 in 2004 and thereafter;

13 (6) Each security employee of the Department of
14 Corrections or of the Department of Human Services who is
15 not a covered employee, 1% for a widow or survivors annuity
16 plus the following amount for retirement annuity: 8.5%
17 through December 31, 2001; 9.5% in 2002; 10.5% in 2003; and
18 11.5% in 2004 and thereafter.

19 (a-1) In addition to the contributions required under
20 subsection (a), an employee who elects to participate in the
21 optional cash balance plan under Section 1-162 shall pay to the
22 System for the purpose of participating in the optional cash
23 balance plan an additional contribution of 2% of each payment
24 of compensation received while he or she is a participant in
25 the optional cash balance plan. These contributions shall not
26 be used for the purpose of determining any benefit under this

1 Article except as provided in the optional cash balance plan.

2 (b) Contributions shall be in the form of a deduction from
3 compensation and shall be made notwithstanding that the
4 compensation paid in cash to the employee shall be reduced
5 thereby below the minimum prescribed by law or regulation. Each
6 member is deemed to consent and agree to the deductions from
7 compensation provided for in this Article, and shall receipt in
8 full for salary or compensation.

9 (Source: P.A. 92-14, eff. 6-28-01.); and

10 on page 103, in line 19, after "15-111.", by inserting "In
11 addition, a Tier I employee who has made the election under
12 paragraph (1) of subsection (a) of this Section shall receive
13 the right to also participate in the optional cash balance plan
14 established under Section 1-162."; and

15 on page 104, in line 1, after "15-111.", by inserting "In
16 addition, a Tier I retiree who returns to active service and
17 has made the election under paragraph (1) of subsection (a-5)
18 of this Section shall receive the right to also participate in
19 the optional cash balance plan established under Section
20 1-162."; and

21 on page 104, in line 11, after "requirement.", by inserting "In
22 addition, a Tier I employee who has made the election under
23 paragraph (2) of subsection (a) of this Section shall not

1 receive the right to participate in the optional cash balance
2 plan established under Section 1-162."; and

3 on page 104, in line 22, after "requirement.", by inserting "
4 In addition, a Tier I retiree who returns to active service and
5 has made the election under paragraph (2) of subsection (a-5)
6 of this Section shall not receive the right to participate in
7 the optional cash balance plan established under Section
8 1-162."; and

9 on page 126, in lines 17 and 18, by changing "~~by more than 6%,~~"
10 to "by more than 6%,"; and

11 on page 126, in line 22, by changing "~~portion of the~~" to
12 "portion of the"; and

13 on page 126, in lines 22 and 23, by changing "~~that is in excess~~
14 ~~of 6%~~" to "that is in excess of 6%"; and

15 on page 127, by replacing lines 2 through 9 with
16 "documentation."; and

17 by deleting line 21 on page 132 through line 6 on page 133 and
18 inserting in lieu thereof the following:

19 " (40 ILCS 5/15-157) (from Ch. 108 1/2, par. 15-157)

1 Sec. 15-157. Employee Contributions.

2 (a) Each participating employee shall make contributions
3 towards the retirement benefits payable under the retirement
4 program applicable to the employee from each payment of
5 earnings applicable to employment under this system on and
6 after the date of becoming a participant as follows: Prior to
7 September 1, 1949, 3 1/2% of earnings; from September 1, 1949
8 to August 31, 1955, 5%; from September 1, 1955 to August 31,
9 1969, 6%; from September 1, 1969, 6 1/2%. These contributions
10 are to be considered as normal contributions for purposes of
11 this Article.

12 Each participant who is a police officer or firefighter
13 shall make normal contributions of 8% of each payment of
14 earnings applicable to employment as a police officer or
15 firefighter under this system on or after September 1, 1981,
16 unless he or she files with the board within 60 days after the
17 effective date of this amendatory Act of 1991 or 60 days after
18 the board receives notice that he or she is employed as a
19 police officer or firefighter, whichever is later, a written
20 notice waiving the retirement formula provided by Rule 4 of
21 Section 15-136. This waiver shall be irrevocable. If a
22 participant had met the conditions set forth in Section
23 15-132.1 prior to the effective date of this amendatory Act of
24 1991 but failed to make the additional normal contributions
25 required by this paragraph, he or she may elect to pay the
26 additional contributions plus compound interest at the

1 effective rate. If such payment is received by the board, the
2 service shall be considered as police officer service in
3 calculating the retirement annuity under Rule 4 of Section
4 15-136. While performing service described in clause (i) or
5 (ii) of Rule 4 of Section 15-136, a participating employee
6 shall be deemed to be employed as a firefighter for the purpose
7 of determining the rate of employee contributions under this
8 Section.

9 (a-1) In addition to the contributions required under
10 either subsections (a), (b), and (c) or subsection (a-1), an
11 employee who elects to participate in the optional cash balance
12 plan under Section 1-162 shall pay to the System for the
13 purpose of participating in the optional cash balance plan a
14 contribution of 2% of each payment of earnings received while
15 he or she is a participant in the optional cash balance plan.
16 These contributions shall not be used for the purpose of
17 determining any benefit under this Article except as provided
18 in the optional cash balance plan.

19 (b) Starting September 1, 1969, each participating
20 employee shall make additional contributions of 1/2 of 1% of
21 earnings to finance a portion of the cost of the annual
22 increases in retirement annuity provided under Section 15-136,
23 except that with respect to participants in the self-managed
24 plan this additional contribution shall be used to finance the
25 benefits obtained under that retirement program.

26 (c) In addition to the amounts described in subsections (a)

1 and (b) of this Section, each participating employee shall make
2 contributions of 1% of earnings applicable under this system on
3 and after August 1, 1959. The contributions made under this
4 subsection (c) shall be considered as survivor's insurance
5 contributions for purposes of this Article if the employee is
6 covered under the traditional benefit package, and such
7 contributions shall be considered as additional contributions
8 for purposes of this Article if the employee is participating
9 in the self-managed plan or has elected to participate in the
10 portable benefit package and has completed the applicable
11 one-year waiting period. Contributions in excess of \$80 during
12 any fiscal year beginning before August 31, 1969 and in excess
13 of \$120 during any fiscal year thereafter until September 1,
14 1971 shall be considered as additional contributions for
15 purposes of this Article.

16 (d) If the board by board rule so permits and subject to
17 such conditions and limitations as may be specified in its
18 rules, a participant may make other additional contributions of
19 such percentage of earnings or amounts as the participant shall
20 elect in a written notice thereof received by the board.

21 (e) That fraction of a participant's total accumulated
22 normal contributions, the numerator of which is equal to the
23 number of years of service in excess of that which is required
24 to qualify for the maximum retirement annuity, and the
25 denominator of which is equal to the total service of the
26 participant, shall be considered as accumulated additional

1 contributions. The determination of the applicable maximum
2 annuity and the adjustment in contributions required by this
3 provision shall be made as of the date of the participant's
4 retirement.

5 (f) Notwithstanding the foregoing, a participating
6 employee shall not be required to make contributions under this
7 Section after the date upon which continuance of such
8 contributions would otherwise cause his or her retirement
9 annuity to exceed the maximum retirement annuity as specified
10 in clause (1) of subsection (c) of Section 15-136.

11 (g) A participating employee may make contributions for the
12 purchase of service credit under this Article.

13 (Source: P.A. 90-32, eff. 6-27-97; 90-65, eff. 7-7-97; 90-448,
14 eff. 8-16-97; 90-511, eff. 8-22-97; 90-576, eff. 3-31-98;
15 90-655, eff. 7-30-98; 90-766, eff. 8-14-98.); and

16 on page 158, in line 9, after "16-121.", by inserting "In
17 addition, a Tier I employee who has made the election under
18 paragraph (1) of subsection (a) of this Section shall receive
19 the right to also participate in the optional cash balance plan
20 established under Section 1-162. Finally, a Tier I employee who
21 has made the election under paragraph (1) of subsection (a) of
22 this Section shall receive the right to the early retirement
23 without discount option under Section 16-133.6."; and

24 on page 158, in line 17, after "16-121.", by inserting "In

1 addition, a Tier I retiree who returns to active service and
2 has made the election under paragraph (1) of subsection (a-5)
3 of this Section shall receive the right to also participate in
4 the optional cash balance plan established under Section
5 1-162."; and

6 on page 159, in line 1, after "requirement.", by inserting "In
7 addition, a Tier I employee who has made the election under
8 paragraph (2) of subsection (a) of this Section shall not
9 receive the right to participate in the optional cash balance
10 plan established under Section 1-162. Finally, a Tier I
11 employee who has made the election under paragraph (1) of
12 subsection (a) of this Section shall receive the right to the
13 early retirement without discount option under Section
14 16-133.6."; and

15 on page 159, in line 12, after "requirement.", by inserting "In
16 addition, a Tier I retiree who returns to active service and
17 has made the election under paragraph (2) of subsection (a-5)
18 of this Section shall not receive the right to participate in
19 the optional cash balance plan established under Section
20 1-162."; and

21 on page 171, below line 12, by inserting the following:

22 "(40 ILCS 5/16-152) (from Ch. 108 1/2, par. 16-152)

1 Sec. 16-152. Contributions by members.

2 (a) Each member shall make contributions for membership
3 service to this System as follows:

4 (1) Effective July 1, 1998, contributions of 7.50% of
5 salary towards the cost of the retirement annuity. Such
6 contributions shall be deemed "normal contributions".

7 (2) Effective July 1, 1969, contributions of 1/2 of 1%
8 of salary toward the cost of the automatic annual increase
9 in retirement annuity provided under Section 16-133.1.

10 (3) Effective July 24, 1959, contributions of 1% of
11 salary towards the cost of survivor benefits. Such
12 contributions shall not be credited to the individual
13 account of the member and shall not be subject to refund
14 except as provided under Section 16-143.2.

15 (4) Effective July 1, 2005, contributions of 0.40% of
16 salary toward the cost of the early retirement without
17 discount option provided under Section 16-133.2. This
18 contribution shall cease upon termination of the early
19 retirement without discount option as provided in Section
20 16-176.

21 (a-1) In addition to the contributions required under
22 subsection (a), a member who elects to participate in the
23 optional cash balance plan under Section 1-162 shall pay to the
24 System for the purpose of participating in the optional cash
25 balance plan a contribution of 2% of each payment of
26 compensation received while he or she is a participant in the

1 optional cash balance plan. These contributions shall not be
2 used for the purpose of determining any benefit under this
3 Article except as provided in the optional cash balance plan.

4 (b) The minimum required contribution for any year of
5 full-time teaching service shall be \$192.

6 (c) Contributions shall not be required of any annuitant
7 receiving a retirement annuity who is given employment as
8 permitted under Section 16-118 or 16-150.1.

9 (d) A person who (i) was a member before July 1, 1998, (ii)
10 retires with more than 34 years of creditable service, and
11 (iii) does not elect to qualify for the augmented rate under
12 Section 16-129.1 shall be entitled, at the time of retirement,
13 to receive a partial refund of contributions made under this
14 Section for service occurring after the later of June 30, 1998
15 or attainment of 34 years of creditable service, in an amount
16 equal to 1.00% of the salary upon which those contributions
17 were based.

18 (e) A member's contributions toward the cost of early
19 retirement without discount made under item (a)(4) of this
20 Section shall not be refunded if the member has elected early
21 retirement without discount under Section 16-133.2 and has
22 begun to receive a retirement annuity under this Article
23 calculated in accordance with that election. Otherwise, a
24 member's contributions toward the cost of early retirement
25 without discount made under item (a)(4) of this Section shall
26 be refunded according to whichever one of the following

1 circumstances occurs first:

2 (1) The contributions shall be refunded to the member,
3 without interest, within 120 days after the member's
4 retirement annuity commences, if the member does not elect
5 early retirement without discount under Section 16-133.2.

6 (2) The contributions shall be included, without
7 interest, in any refund claimed by the member under Section
8 16-151.

9 (3) The contributions shall be refunded to the member's
10 designated beneficiary (or if there is no beneficiary, to
11 the member's estate), without interest, if the member dies
12 without having begun to receive a retirement annuity under
13 this Article.

14 (4) The contributions shall be refunded to the member,
15 without interest, within 120 days after the early
16 retirement without discount option provided under Section
17 16-133.2 is terminated under Section 16-176.

18 (Source: P.A. 93-320, eff. 7-23-03; 94-4, eff. 6-1-05.); and

19 on page 183, in line 7, by changing "~~by more than 6%,~~" to "by
20 more than 6%,"; and

21 on page 183, in line 11, by changing "~~portion of the~~" to
22 "portion of the"; and

23 on page 183, in line 12, by changing "~~that is in excess of 6%~~"

1 to "that is in excess of 6%"; and

2 on page 184, by replacing lines 1 through 8 with "service on or
3 after its effective date.".