



Rep. Darlene J. Senger

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1 AMENDMENT TO HOUSE BILL 3372

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 3372 on page 1, by  
3 replacing all of line 5 with "Sections 7-109, 7-114, 7-116,  
4 7-139, 9-219, 9-220, 14-104.3, 14-106, 15-106, 15-107, 15-112,  
5 15-113.4, 16-106, 16-121, 16-127, 17-116, and 17-134"; and

6 by replacing line 2 on page 6 through line 24 on page 9 with the  
7 following:

8 "(40 ILCS 5/7-114) (from Ch. 108 1/2, par. 7-114)

9 Sec. 7-114. Earnings. "Earnings":

10 (a) An amount to be determined by the board, equal to the  
11 sum of:

12 1. The total amount of money paid to an employee for  
13 personal services or official duties as an employee (except  
14 those employed as independent contractors) paid out of the  
15 general fund, or out of any special funds controlled by the  
16 municipality, or by any instrumentality thereof, or

1 participating instrumentality, including compensation,  
2 fees, allowances, or other emolument paid for official  
3 duties (but not including automobile maintenance, travel  
4 expense, ~~or~~ reimbursements for expenditures incurred in  
5 the performance of duties, or, in the case of a person who  
6 first becomes a participant on or after the effective date  
7 of this amendatory Act of the 98th General Assembly,  
8 payments for unused sick or vacation time) and, for fee  
9 offices, the fees or earnings of the offices to the extent  
10 such fees are paid out of funds controlled by the  
11 municipality, or instrumentality or participating  
12 instrumentality; and

13 2. The money value, as determined by rules prescribed  
14 by the governing body of the municipality, or  
15 instrumentality thereof, of any board, lodging, fuel,  
16 laundry, and other allowances provided an employee in lieu  
17 of money.

18 (b) For purposes of determining benefits payable under this  
19 fund payments to a person who is engaged in an independently  
20 established trade, occupation, profession or business and who  
21 is paid for his service on a basis other than a monthly or  
22 other regular salary, are not earnings.

23 (c) If a disabled participating employee is eligible to  
24 receive Workers' Compensation for an accidental injury and the  
25 participating municipality or instrumentality which employed  
26 the participating employee when injured continues to pay the

1 participating employee regular salary or other compensation or  
2 pays the employee an amount in excess of the Workers'  
3 Compensation amount, then earnings shall be deemed to be the  
4 total payments, including an amount equal to the Workers'  
5 Compensation payments. These payments shall be subject to  
6 employee contributions and allocated as if paid to the  
7 participating employee when the regular payroll amounts would  
8 have been paid if the participating employee had continued  
9 working, and creditable service shall be awarded for this  
10 period.

11 (d) If an elected official who is a participating employee  
12 becomes disabled but does not resign and is not removed from  
13 office, then earnings shall include all salary payments made  
14 for the remainder of that term of office and the official shall  
15 be awarded creditable service for the term of office.

16 (e) If a participating employee is paid pursuant to "An Act  
17 to provide for the continuation of compensation for law  
18 enforcement officers, correctional officers and firemen who  
19 suffer disabling injury in the line of duty", approved  
20 September 6, 1973, as amended, the payments shall be deemed  
21 earnings, and the participating employee shall be awarded  
22 creditable service for this period.

23 (f) Additional compensation received by a person while  
24 serving as a supervisor of assessments, assessor, deputy  
25 assessor or member of a board of review from the State of  
26 Illinois pursuant to Section 4-10 or 4-15 of the Property Tax

1 Code shall not be earnings for purposes of this Article and  
2 shall not be included in the contribution formula or  
3 calculation of benefits for such person pursuant to this  
4 Article.

5 (Source: P.A. 87-740; 88-670, eff. 12-2-94.)

6 (40 ILCS 5/7-116) (from Ch. 108 1/2, par. 7-116)

7 Sec. 7-116. "Final rate of earnings":

8 (a) For retirement and survivor annuities, the monthly  
9 earnings obtained by dividing the total earnings received by  
10 the employee during the period of either (1) the 48 consecutive  
11 months of service within the last 120 months of service in  
12 which his total earnings were the highest or (2) the employee's  
13 total period of service, by the number of months of service in  
14 such period.

15 (b) For death benefits, the higher of the rate determined  
16 under paragraph (a) of this Section or total earnings received  
17 in the last 12 months of service divided by twelve. If the  
18 deceased employee has less than 12 months of service, the  
19 monthly final rate shall be the monthly rate of pay the  
20 employee was receiving when he began service.

21 (c) For disability benefits, the total earnings of a  
22 participating employee in the last 12 calendar months of  
23 service prior to the date he becomes disabled divided by 12.

24 (d) In computing the final rate of earnings: (1) the  
25 earnings rate for all periods of prior service shall be

1 considered equal to the average earnings rate for the last 3  
2 calendar years of prior service for which creditable service is  
3 received under Section 7-139 or, if there is less than 3 years  
4 of creditable prior service, the average for the total prior  
5 service period for which creditable service is received under  
6 Section 7-139; (2) for out of state service and authorized  
7 leave, the earnings rate shall be the rate upon which service  
8 credits are granted; (3) periods of military leave shall not be  
9 considered; (4) the earnings rate for all periods of disability  
10 shall be considered equal to the rate of earnings upon which  
11 the employee's disability benefits are computed for such  
12 periods; (5) the earnings to be considered for each of the  
13 final three months of the final earnings period for persons who  
14 first became participants before January 1, 2012 and the  
15 earnings to be considered for each of the final 24 months for  
16 participants who first become participants on or after January  
17 1, 2012 shall not exceed 125% of the highest earnings of any  
18 other month in the final earnings period; ~~and~~ (6) the annual  
19 amount of final rate of earnings shall be the monthly amount  
20 multiplied by the number of months of service normally required  
21 by the position in a year; and (7) in the case of a person who  
22 first becomes a participant on or after the effective date of  
23 this amendatory Act of the 98th General Assembly, payments for  
24 unused sick or vacation time shall not be considered.

25 (Source: P.A. 97-609, eff. 1-1-12.)

1 (40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)

2 Sec. 7-139. Credits and creditable service to employees.

3 (a) Each participating employee shall be granted credits  
4 and creditable service, for purposes of determining the amount  
5 of any annuity or benefit to which he or a beneficiary is  
6 entitled, as follows:

7 1. For prior service: Each participating employee who  
8 is an employee of a participating municipality or  
9 participating instrumentality on the effective date shall  
10 be granted creditable service, but no credits under  
11 paragraph 2 of this subsection (a), for periods of prior  
12 service for which credit has not been received under any  
13 other pension fund or retirement system established under  
14 this Code, as follows:

15 If the effective date of participation for the  
16 participating municipality or participating  
17 instrumentality is on or before January 1, 1998, creditable  
18 service shall be granted for the entire period of prior  
19 service with that employer without any employee  
20 contribution.

21 If the effective date of participation for the  
22 participating municipality or participating  
23 instrumentality is after January 1, 1998, creditable  
24 service shall be granted for the last 20% of the period of  
25 prior service with that employer, but no more than 5 years,  
26 without any employee contribution. A participating

1 employee may establish creditable service for the  
2 remainder of the period of prior service with that employer  
3 by making an application in writing, accompanied by payment  
4 of an employee contribution in an amount determined by the  
5 Fund, based on the employee contribution rates in effect at  
6 the time of application for the creditable service and the  
7 employee's salary rate on the effective date of  
8 participation for that employer, plus interest at the  
9 effective rate from the date of the prior service to the  
10 date of payment. Application for this creditable service  
11 may be made at any time while the employee is still in  
12 service.

13 A municipality that (i) has at least 35 employees; (ii)  
14 is located in a county with at least 2,000,000 inhabitants;  
15 and (iii) maintains an independent defined benefit pension  
16 plan for the benefit of its eligible employees may restrict  
17 creditable service in whole or in part for periods of prior  
18 service with the employer if the governing body of the  
19 municipality adopts an irrevocable resolution to restrict  
20 that creditable service and files the resolution with the  
21 board before the municipality's effective date of  
22 participation.

23 Any person who has withdrawn from the service of a  
24 participating municipality or participating  
25 instrumentality prior to the effective date, who reenters  
26 the service of the same municipality or participating

1        instrumentality after the effective date and becomes a  
2        participating employee is entitled to creditable service  
3        for prior service as otherwise provided in this subdivision  
4        (a)(1) only if he or she renders 2 years of service as a  
5        participating employee after the effective date.  
6        Application for such service must be made while in a  
7        participating status. The salary rate to be used in the  
8        calculation of the required employee contribution, if any,  
9        shall be the employee's salary rate at the time of first  
10       reentering service with the employer after the employer's  
11       effective date of participation.

12        2. For current service, each participating employee  
13        shall be credited with:

14            a. Additional credits of amounts equal to each  
15            payment of additional contributions received from him  
16            under Section 7-173, as of the date the corresponding  
17            payment of earnings is payable to him.

18            b. Normal credits of amounts equal to each payment  
19            of normal contributions received from him, as of the  
20            date the corresponding payment of earnings is payable  
21            to him, and normal contributions made for the purpose  
22            of establishing out-of-state service credits as  
23            permitted under the conditions set forth in paragraph 6  
24            of this subsection (a).

25            c. Municipality credits in an amount equal to 1.4  
26            times the normal credits, except those established by



1 out-of-state service credits, as of the date of  
2 computation of any benefit if these credits would  
3 increase the benefit.

4 d. Survivor credits equal to each payment of  
5 survivor contributions received from the participating  
6 employee as of the date the corresponding payment of  
7 earnings is payable, and survivor contributions made  
8 for the purpose of establishing out-of-state service  
9 credits.

10 3. For periods of temporary and total and permanent  
11 disability benefits, each employee receiving disability  
12 benefits shall be granted creditable service for the period  
13 during which disability benefits are payable. Normal and  
14 survivor credits, based upon the rate of earnings applied  
15 for disability benefits, shall also be granted if such  
16 credits would result in a higher benefit to any such  
17 employee or his beneficiary.

18 4. For authorized leave of absence without pay: A  
19 participating employee shall be granted credits and  
20 creditable service for periods of authorized leave of  
21 absence without pay under the following conditions:

22 a. An application for credits and creditable  
23 service is submitted to the board while the employee is  
24 in a status of active employment.

25 b. Not more than 12 complete months of creditable  
26 service for authorized leave of absence without pay

1 shall be counted for purposes of determining any  
2 benefits payable under this Article.

3 c. Credits and creditable service shall be granted  
4 for leave of absence only if such leave is approved by  
5 the governing body of the municipality, including  
6 approval of the estimated cost thereof to the  
7 municipality as determined by the fund, and employee  
8 contributions, plus interest at the effective rate  
9 applicable for each year from the end of the period of  
10 leave to date of payment, have been paid to the fund in  
11 accordance with Section 7-173. The contributions shall  
12 be computed upon the assumption earnings continued  
13 during the period of leave at the rate in effect when  
14 the leave began.

15 d. Benefits under the provisions of Sections  
16 7-141, 7-146, 7-150 and 7-163 shall become payable to  
17 employees on authorized leave of absence, or their  
18 designated beneficiary, only if such leave of absence  
19 is creditable hereunder, and if the employee has at  
20 least one year of creditable service other than the  
21 service granted for leave of absence. Any employee  
22 contributions due may be deducted from any benefits  
23 payable.

24 e. No credits or creditable service shall be  
25 allowed for leave of absence without pay during any  
26 period of prior service.

1           5. For military service: The governing body of a  
2           municipality or participating instrumentality may elect to  
3           allow creditable service to participating employees who  
4           leave their employment to serve in the armed forces of the  
5           United States for all periods of such service, provided  
6           that the person returns to active employment within 90 days  
7           after completion of full time active duty, but no  
8           creditable service shall be allowed such person for any  
9           period that can be used in the computation of a pension or  
10          any other pay or benefit, other than pay for active duty,  
11          for service in any branch of the armed forces of the United  
12          States. If necessary to the computation of any benefit, the  
13          board shall establish municipality credits for  
14          participating employees under this paragraph on the  
15          assumption that the employee received earnings at the rate  
16          received at the time he left the employment to enter the  
17          armed forces. A participating employee in the armed forces  
18          shall not be considered an employee during such period of  
19          service and no additional death and no disability benefits  
20          are payable for death or disability during such period.

21          Any participating employee who left his employment  
22          with a municipality or participating instrumentality to  
23          serve in the armed forces of the United States and who  
24          again became a participating employee within 90 days after  
25          completion of full time active duty by entering the service  
26          of a different municipality or participating

1 instrumentality, which has elected to allow creditable  
2 service for periods of military service under the preceding  
3 paragraph, shall also be allowed creditable service for his  
4 period of military service on the same terms that would  
5 apply if he had been employed, before entering military  
6 service, by the municipality or instrumentality which  
7 employed him after he left the military service and the  
8 employer costs arising in relation to such grant of  
9 creditable service shall be charged to and paid by that  
10 municipality or instrumentality.

11 Notwithstanding the foregoing, any participating  
12 employee shall be entitled to creditable service as  
13 required by any federal law relating to re-employment  
14 rights of persons who served in the United States Armed  
15 Services. Such creditable service shall be granted upon  
16 payment by the member of an amount equal to the employee  
17 contributions which would have been required had the  
18 employee continued in service at the same rate of earnings  
19 during the military leave period, plus interest at the  
20 effective rate.

21 5.1. In addition to any creditable service established  
22 under paragraph 5 of this subsection (a), creditable  
23 service may be granted for up to 48 months of service in  
24 the armed forces of the United States.

25 In order to receive creditable service for military  
26 service under this paragraph 5.1, a participating employee

1 must (1) apply to the Fund in writing and provide evidence  
2 of the military service that is satisfactory to the Board;  
3 (2) obtain the written approval of the current employer;  
4 and (3) make contributions to the Fund equal to (i) the  
5 employee contributions that would have been required had  
6 the service been rendered as a member, plus (ii) an amount  
7 determined by the board to be equal to the employer's  
8 normal cost of the benefits accrued for that military  
9 service, plus (iii) interest on items (i) and (ii) from the  
10 date of first membership in the Fund to the date of  
11 payment. The required interest shall be calculated at the  
12 regular interest rate.

13 The changes made to this paragraph 5.1 by Public Acts  
14 95-483 and 95-486 apply only to participating employees in  
15 service on or after August 28, 2007 (the effective date of  
16 those Public Acts).

17 6. For out-of-state service: Creditable service shall  
18 be granted for service rendered to an out-of-state local  
19 governmental body under the following conditions: The  
20 employee had participated and has irrevocably forfeited  
21 all rights to benefits in the out-of-state public employees  
22 pension system; the governing body of his participating  
23 municipality or instrumentality authorizes the employee to  
24 establish such service; the employee has 2 years current  
25 service with this municipality or participating  
26 instrumentality; the employee makes a payment of

1 contributions, which shall be computed at 8% (normal) plus  
2 2% (survivor) times length of service purchased times the  
3 average rate of earnings for the first 2 years of service  
4 with the municipality or participating instrumentality  
5 whose governing body authorizes the service established  
6 plus interest at the effective rate on the date such  
7 credits are established, payable from the date the employee  
8 completes the required 2 years of current service to date  
9 of payment. In no case shall more than 120 months of  
10 creditable service be granted under this provision.

11 7. For retroactive service: Any employee who could have  
12 but did not elect to become a participating employee, or  
13 who should have been a participant in the Municipal Public  
14 Utilities Annuity and Benefit Fund before that fund was  
15 superseded, may receive creditable service for the period  
16 of service not to exceed 50 months; however, a current or  
17 former elected or appointed official of a participating  
18 municipality may establish credit under this paragraph 7  
19 for more than 50 months of service as an official of that  
20 municipality, if the excess over 50 months is approved by  
21 resolution of the governing body of the affected  
22 municipality filed with the Fund before January 1, 2002.

23 Any employee who is a participating employee on or  
24 after September 24, 1981 and who was excluded from  
25 participation by the age restrictions removed by Public Act  
26 82-596 may receive creditable service for the period, on or

1 after January 1, 1979, excluded by the age restriction and,  
2 in addition, if the governing body of the participating  
3 municipality or participating instrumentality elects to  
4 allow creditable service for all employees excluded by the  
5 age restriction prior to January 1, 1979, for service  
6 during the period prior to that date excluded by the age  
7 restriction. Any employee who was excluded from  
8 participation by the age restriction removed by Public Act  
9 82-596 and who is not a participating employee on or after  
10 September 24, 1981 may receive creditable service for  
11 service after January 1, 1979. Creditable service under  
12 this paragraph shall be granted upon payment of the  
13 employee contributions which would have been required had  
14 he participated, with interest at the effective rate for  
15 each year from the end of the period of service established  
16 to date of payment.

17 8. For accumulated unused sick leave: A participating  
18 employee who first becomes a participating employee before  
19 the effective date of this amendatory Act of the 98th  
20 General Assembly and who is applying for a retirement  
21 annuity shall be entitled to creditable service for that  
22 portion of the employee's accumulated unused sick leave for  
23 which payment is not received, as follows:

24 a. Sick leave days shall be limited to those  
25 accumulated under a sick leave plan established by a  
26 participating municipality or participating

1 instrumentality which is available to all employees or  
2 a class of employees.

3 b. Except as provided in item b-1, only sick leave  
4 days accumulated with a participating municipality or  
5 participating instrumentality with which the employee  
6 was in service within 60 days of the effective date of  
7 his retirement annuity shall be credited; If the  
8 employee was in service with more than one employer  
9 during this period only the sick leave days with the  
10 employer with which the employee has the greatest  
11 number of unpaid sick leave days shall be considered.

12 b-1. If the employee was in the service of more  
13 than one employer as defined in item (2) of paragraph  
14 (a) of subsection (A) of Section 7-132, then the sick  
15 leave days from all such employers shall be credited,  
16 as long as the creditable service attributed to those  
17 sick leave days does not exceed the limitation in item  
18 f of this paragraph 8. In calculating the creditable  
19 service under this item b-1, the sick leave days from  
20 the last employer shall be considered first, then the  
21 remaining sick leave days shall be considered until  
22 there are no more days or the maximum creditable sick  
23 leave threshold under item f of this paragraph 8 has  
24 been reached.

25 c. The creditable service granted shall be  
26 considered solely for the purpose of computing the



1 amount of the retirement annuity and shall not be used  
2 to establish any minimum service period required by any  
3 provision of the Illinois Pension Code, the effective  
4 date of the retirement annuity, or the final rate of  
5 earnings.

6 d. The creditable service shall be at the rate of  
7 1/20 of a month for each full sick day, provided that  
8 no more than 12 months may be credited under this  
9 subdivision 8.

10 e. Employee contributions shall not be required  
11 for creditable service under this subdivision 8.

12 f. Each participating municipality and  
13 participating instrumentality with which an employee  
14 has service within 60 days of the effective date of his  
15 retirement annuity shall certify to the board the  
16 number of accumulated unpaid sick leave days credited  
17 to the employee at the time of termination of service.

18 9. For service transferred from another system:  
19 Credits and creditable service shall be granted for service  
20 under Article 3, 4, 5, 8, 14, or 16 of this Act, to any  
21 active member of this Fund, and to any inactive member who  
22 has been a county sheriff, upon transfer of such credits  
23 pursuant to Section 3-110.3, 4-108.3, 5-235, 8-226.7,  
24 14-105.6, or 16-131.4, and payment by the member of the  
25 amount by which (1) the employer and employee contributions  
26 that would have been required if he had participated in

1           this Fund as a sheriff's law enforcement employee during  
2           the period for which credit is being transferred, plus  
3           interest thereon at the effective rate for each year,  
4           compounded annually, from the date of termination of the  
5           service for which credit is being transferred to the date  
6           of payment, exceeds (2) the amount actually transferred to  
7           the Fund. Such transferred service shall be deemed to be  
8           service as a sheriff's law enforcement employee for the  
9           purposes of Section 7-142.1.

10           10. For service transferred from an Article 3 system  
11           under Section 3-110.8: Credits and creditable service  
12           shall be granted for service under Article 3 of this Act as  
13           provided in Section 3-110.8, to any active member of this  
14           Fund upon transfer of such credits pursuant to Section  
15           3-110.8. If the amount by which (1) the employer and  
16           employee contributions that would have been required if he  
17           had participated in this Fund during the period for which  
18           credit is being transferred, plus interest thereon at the  
19           effective rate for each year, compounded annually, from the  
20           date of termination of the service for which credit is  
21           being transferred to the date of payment, exceeds (2) the  
22           amount actually transferred to the Fund, then the amount of  
23           creditable service established under this paragraph 10  
24           shall be reduced by a corresponding amount in accordance  
25           with the rules and procedures established under this  
26           paragraph 10.

1           The board shall establish by rule the manner of making  
2           the calculation required under this paragraph 10, taking  
3           into account the appropriate actuarial assumptions; the  
4           member's service, age, and salary history; the level of  
5           funding of the employer; and any other factors that the  
6           board determines to be relevant.

7           Until January 1, 2010, members who transferred service  
8           from an Article 3 system under the provisions of Public Act  
9           94-356 may establish additional credit in this Fund, but  
10          only up to the amount of the service credit reduction in  
11          that transfer, as calculated under the actuarial  
12          assumptions. This credit may be established upon payment by  
13          the member of an amount to be determined by the board,  
14          equal to (1) the amount that would have been contributed as  
15          employee and employer contributions had all the service  
16          been as an employee under this Article, plus interest  
17          thereon compounded annually from the date of service to the  
18          date of transfer, less (2) the total amount transferred  
19          from the Article 3 system, plus (3) interest on the  
20          difference at the effective rate for each year, compounded  
21          annually, from the date of the transfer to the date of  
22          payment. The additional service credit is allowed under  
23          this amendatory Act of the 95th General Assembly  
24          notwithstanding the provisions of Article 3 terminating  
25          all transferred credits on the date of transfer.

26          (b) Creditable service - amount:

1           1. One month of creditable service shall be allowed for  
2 each month for which a participating employee made  
3 contributions as required under Section 7-173, or for which  
4 creditable service is otherwise granted hereunder. Not  
5 more than 1 month of service shall be credited and counted  
6 for 1 calendar month, and not more than 1 year of service  
7 shall be credited and counted for any calendar year. A  
8 calendar month means a nominal month beginning on the first  
9 day thereof, and a calendar year means a year beginning  
10 January 1 and ending December 31.

11           2. A seasonal employee shall be given 12 months of  
12 creditable service if he renders the number of months of  
13 service normally required by the position in a 12-month  
14 period and he remains in service for the entire 12-month  
15 period. Otherwise a fractional year of service in the  
16 number of months of service rendered shall be credited.

17           3. An intermittent employee shall be given creditable  
18 service for only those months in which a contribution is  
19 made under Section 7-173.

20           (c) No application for correction of credits or creditable  
21 service shall be considered unless the board receives an  
22 application for correction while (1) the applicant is a  
23 participating employee and in active employment with a  
24 participating municipality or instrumentality, or (2) while  
25 the applicant is actively participating in a pension fund or  
26 retirement system which is a participating system under the

1 Retirement Systems Reciprocal Act. A participating employee or  
2 other applicant shall not be entitled to credits or creditable  
3 service unless the required employee contributions are made in  
4 a lump sum or in installments made in accordance with board  
5 rule.

6 (d) Upon the granting of a retirement, surviving spouse or  
7 child annuity, a death benefit or a separation benefit, on  
8 account of any employee, all individual accumulated credits  
9 shall thereupon terminate. Upon the withdrawal of additional  
10 contributions, the credits applicable thereto shall thereupon  
11 terminate. Terminated credits shall not be applied to increase  
12 the benefits any remaining employee would otherwise receive  
13 under this Article.

14 (Source: P.A. 96-299, eff. 8-11-09; 97-415, eff. 8-16-11.)

15 (40 ILCS 5/9-219) (from Ch. 108 1/2, par. 9-219)

16 Sec. 9-219. Computation of service.

17 (1) In computing the term of service of an employee prior  
18 to the effective date, the entire period beginning on the date  
19 he was first appointed and ending on the day before the  
20 effective date, except any intervening period during which he  
21 was separated by withdrawal from service, shall be counted for  
22 all purposes of this Article.

23 (2) In computing the term of service of any employee on or  
24 after the effective date, the following periods of time shall  
25 be counted as periods of service for age and service, widow's

1 and child's annuity purposes:

2 (a) The time during which he performed the duties of  
3 his position.

4 (b) Vacations, leaves of absence with whole or part  
5 pay, and leaves of absence without pay not longer than 90  
6 days.

7 (c) For an employee who is a member of a county police  
8 department or a correctional officer with the county  
9 department of corrections, approved leaves of absence  
10 without pay during which the employee serves as a full-time  
11 officer or employee of an employee association, the  
12 membership of which consists of other participants in the  
13 Fund, provided that the employee contributes to the Fund  
14 (1) the amount that he would have contributed had he  
15 remained an active employee in the position he occupied at  
16 the time the leave of absence was granted, (2) an amount  
17 calculated by the Board representing employer  
18 contributions, and (3) regular interest thereon from the  
19 date of service to the date of payment. However, if the  
20 employee's application to establish credit under this  
21 subsection is received by the Fund on or after July 1, 2002  
22 and before July 1, 2003, the amount representing employer  
23 contributions specified in item (2) shall be waived.

24 For a former member of a county police department who  
25 has received a refund under Section 9-164, periods during  
26 which the employee serves as head of an employee

1 association, the membership of which consists of other  
2 police officers, provided that the employee contributes to  
3 the Fund (1) the amount that he would have contributed had  
4 he remained an active member of the county police  
5 department in the position he occupied at the time he left  
6 service, (2) an amount calculated by the Board representing  
7 employer contributions, and (3) regular interest thereon  
8 from the date of service to the date of payment. However,  
9 if the former member of the county police department  
10 retires on or after January 1, 1993 but no later than March  
11 1, 1993, the amount representing employer contributions  
12 specified in item (2) shall be waived.

13 For leaves of absence to which this item (c) applies  
14 and for other periods to which this item (c) applies,  
15 including those leaves of absence and other periods of  
16 service beginning before January 5, 2012 (the effective  
17 date of Public Act 97-651) ~~this amendatory Act of the 97th~~  
18 ~~General Assembly~~, the employee or former member must  
19 continue to remain in sworn status, subject to the  
20 professional standards of the public employer or those  
21 terms established in statute.

22 (d) Any period of disability for which he received  
23 disability benefit or whole or part pay.

24 (e) For a person who first becomes an employee before  
25 the effective date of this amendatory Act of the 98th  
26 General Assembly, accumulated ~~Accumulated~~ vacation or

1 other time for which an employee who retires on or after  
2 November 1, 1990 receives a lump sum payment at the time of  
3 retirement, provided that contributions were made to the  
4 fund at the time such lump sum payment was received. The  
5 service granted for the lump sum payment shall not change  
6 the employee's date of withdrawal for computing the  
7 effective date of the annuity.

8 (f) An employee who first becomes an employee before  
9 the effective date of this amendatory Act of the 98th  
10 General Assembly may receive service credit for annuity  
11 purposes for accumulated sick leave as of the date of the  
12 employee's withdrawal from service, not to exceed a total  
13 of 180 days, provided that the amount of such accumulated  
14 sick leave is certified by the County Comptroller to the  
15 Board and the employee pays an amount equal to 8.5% (9% for  
16 members of the County Police Department who are eligible to  
17 receive an annuity under Section 9-128.1) of the amount  
18 that would have been paid had such accumulated sick leave  
19 been paid at the employee's final rate of salary. Such  
20 payment shall be made within 30 days after the date of  
21 withdrawal and prior to receipt of the first annuity check.  
22 The service credit granted for such accumulated sick leave  
23 shall not change the employee's date of withdrawal for the  
24 purpose of computing the effective date of the annuity.

25 (3) In computing the term of service of an employee on or  
26 after the effective date for ordinary disability benefit



1 purposes, the following periods of time shall be counted as  
2 periods of service:

3 (a) Unless otherwise specified in Section 9-157, the  
4 time during which he performed the duties of his position.

5 (b) Paid vacations and leaves of absence with whole or  
6 part pay.

7 (c) Any period for which he received duty disability  
8 benefit.

9 (d) Any period of disability for which he received  
10 whole or part pay.

11 (4) For an employee who on January 1, 1958, was transferred  
12 by Act of the 70th General Assembly from his position in a  
13 department of welfare of any city located in the county in  
14 which this Article is in force and effect to a similar position  
15 in a department of such county, service shall also be credited  
16 for ordinary disability benefit and child's annuity for such  
17 period of department of welfare service during which period he  
18 was a contributor to a statutory annuity and benefit fund in  
19 such city and for which purposes service credit would otherwise  
20 not be credited by virtue of such involuntary transfer.

21 (5) An employee described in subsection (e) of Section  
22 9-108 shall receive credit for child's annuity and ordinary  
23 disability benefit for the period of time for which he was  
24 credited with service in the fund from which he was  
25 involuntarily separated through class or group transfer;  
26 provided, that no such credit shall be allowed to the extent

1 that it results in a duplication of credits or benefits, and  
2 neither shall such credit be allowed to the extent that it was  
3 or may be forfeited by the application for and acceptance of a  
4 refund from the fund from which the employee was transferred.

5 (6) Overtime or extra service shall not be included in  
6 computing service. Not more than 1 year of service shall be  
7 allowed for service rendered during any calendar year.

8 (7) Unused sick or vacation time shall not be used to  
9 compute the service of an employee who first becomes an  
10 employee on or after the effective date of this amendatory Act  
11 of the 98th General Assembly.

12 (Source: P.A. 97-651, eff. 1-5-12.)

13 (40 ILCS 5/9-220) (from Ch. 108 1/2, par. 9-220)

14 Sec. 9-220. Basis of service credit.

15 (a) In computing the period of service of any employee for  
16 annuity purposes under Section 9-134, the following provisions  
17 shall govern:

18 (1) All periods prior to the effective date shall be  
19 computed in accordance with the provisions governing the  
20 computation of such service.

21 (2) Service on or after the effective date shall  
22 include:

23 (i) The actual period of time the employee  
24 contributes or has contributed to the fund for service  
25 rendered to age 65 plus the actual period of time after

1 age 65 for which the employee performs the duties of  
2 his position or performs such duties and is given a  
3 county contribution for age and service annuity or  
4 minimum annuity purposes.

5 (ii) Leaves of absence from duty, or vacation, for  
6 which an employee receives all or part of his salary.

7 (iii) For a person who first becomes an employee  
8 before the effective date of this amendatory Act of the  
9 98th General Assembly, accumulated ~~Accumulated~~  
10 vacation or other time for which an employee who  
11 retires on or after November 1, 1990 receives a lump  
12 sum payment at the time of retirement, provided that  
13 contributions were made to the fund at the time such  
14 lump sum payment was received. The service granted for  
15 the lump sum payment shall not change the employee's  
16 date of withdrawal for computing the effective date of  
17 the annuity.

18 (iv) For a person who first becomes an employee  
19 before the effective date of this amendatory Act of the  
20 98th General Assembly, accumulated ~~Accumulated~~ sick  
21 leave as of the date of the employee's withdrawal from  
22 service, not to exceed a total of 180 days, provided  
23 that the amount of such accumulated sick leave is  
24 certified by the County Comptroller to the Board and  
25 the employee pays an amount equal to 8.5% (9% for  
26 members of the County Police Department who are

1 eligible to receive an annuity under Section 9-128.1)  
2 of the amount that would have been paid had such  
3 accumulated sick leave been paid at the employee's  
4 final rate of salary. Such payment shall be made within  
5 30 days after the date of withdrawal and prior to  
6 receipt of the first annuity check. The service credit  
7 granted for such accumulated sick leave shall not  
8 change the employee's date of withdrawal for the  
9 purpose of computing the effective date of the annuity.

10 (v) Periods during which the employee has had  
11 contributions for annuity purposes made for him in  
12 accordance with law while on military leave of absence  
13 during World War II.

14 (vi) Periods during which the employee receives a  
15 disability benefit under this Article.

16 (vii) For any person who first becomes a member on  
17 or after January 1, 2011, the actual period of time the  
18 employee contributes or has contributed to the fund for  
19 service rendered up to the limitation on salary in  
20 subsection (b-5) of Section 1-160 plus the actual  
21 period of time thereafter for which the employee  
22 performs the duties of his position and ceased  
23 contributing due to the salary limitation in  
24 subsection (b-5) of Section 1-160.

25 (3) The right to have certain periods of time  
26 considered as service as stated in paragraph (2) of Section

1 9-164 shall not apply for annuity purposes unless the  
2 refunds shall have been repaid in accordance with this  
3 Article.

4 (4) All service shall be computed in whole calendar  
5 months, and at least 15 days of service in any one calendar  
6 month shall constitute one calendar month of service, and 1  
7 year of service shall be equal to the number of months,  
8 days or hours for which an appropriation was made in the  
9 annual appropriation ordinance for the position held by the  
10 employee.

11 (5) Unused sick or vacation time shall not be used to  
12 compute the service of an employee who first becomes an  
13 employee on or after the effective date of this amendatory  
14 Act of the 98th General Assembly.

15 (b) For all other annuity purposes of this Article the  
16 following schedule shall govern the computation of a year of  
17 service of an employee whose salary or wages is on the basis  
18 stated, and any fractional part of a year of service shall be  
19 determined according to said schedule:

20 Annual or Monthly Basis: Service during 4 months in any 1  
21 calendar year;

22 Weekly Basis: Service during any 17 weeks of any 1 calendar  
23 year, and service during any week shall constitute a week of  
24 service;

25 Daily Basis: Service during 100 days in any 1 calendar  
26 year, and service during any day shall constitute a day of

1 service;

2 Hourly Basis: Service during 800 hours in any 1 calendar  
3 year, and service during any hour shall constitute an hour of  
4 service.

5 (Source: P.A. 96-1490, eff. 1-1-11.)

6 (40 ILCS 5/14-104.3) (from Ch. 108 1/2, par. 14-104.3)

7 Sec. 14-104.3. Notwithstanding provisions contained in  
8 Section 14-103.10, any person who first becomes a member before  
9 the effective date of this amendatory Act of the 98th General  
10 Assembly and who at the time of retirement and after December  
11 6, 1983 receives compensation in a lump sum for accumulated  
12 vacation, sickness, or personal business may receive service  
13 credit for such periods by making contributions within 90 days  
14 of withdrawal, based on the rate of compensation in effect  
15 immediately prior to retirement and the contribution rate then  
16 in effect. Any person who first becomes a member on or after  
17 the effective date of this amendatory Act of the 98th General  
18 Assembly and who receives compensation in a lump sum for  
19 accumulated vacation, sickness, or personal business may not  
20 receive service credit for such periods. Exercising the option  
21 provided in this Section shall not change a member's date of  
22 withdrawal or final average compensation for purposes of  
23 computing the amount or effective date of a retirement annuity.  
24 Any annuitant who establishes service credit as herein provided  
25 shall have his retirement annuity adjusted retroactively to the

1 date of retirement.

2 (Source: P.A. 83-1362.)

3 (40 ILCS 5/14-106) (from Ch. 108 1/2, par. 14-106)

4 Sec. 14-106. Membership service credit.

5 (a) After January 1, 1944, all service of a member since he  
6 last became a member with respect to which contributions are  
7 made shall count as membership service; provided, that for  
8 service on and after July 1, 1950, 12 months of service shall  
9 constitute a year of membership service, the completion of 15  
10 days or more of service during any month shall constitute 1  
11 month of membership service, 8 to 15 days shall constitute 1/2  
12 month of membership service and less than 8 days shall  
13 constitute 1/4 month of membership service. The payroll record  
14 of each department shall constitute conclusive evidence of the  
15 record of service rendered by a member.

16 (b) For a member who is employed and paid on an  
17 academic-year basis rather than on a 12-month annual basis,  
18 employment for a full academic year shall constitute a full  
19 year of membership service, except that the member shall not  
20 receive more than one year of membership service credit (plus  
21 any additional service credit granted for unused sick leave)  
22 for service during any 12-month period. This subsection (b)  
23 applies to all such service for which the member has not begun  
24 to receive a retirement annuity before January 1, 2001.

25 (c) A person who first becomes a member before the

1 effective date of this amendatory Act of the 98th General  
2 Assembly shall be entitled to additional service credit, under  
3 rules prescribed by the Board, for accumulated unused sick  
4 leave credited to his account in the last Department on the  
5 date of withdrawal from service or for any period for which he  
6 would have been eligible to receive benefits under a sick pay  
7 plan authorized by law, if he had suffered a sickness or  
8 accident on the date of withdrawal from service. It shall be  
9 the responsibility of the last Department to certify to the  
10 Board the length of time salary or benefits would have been  
11 paid to the member based upon the accumulated unused sick leave  
12 or the applicable sick pay plan if he had become entitled  
13 thereto because of sickness on the date that his status as an  
14 employee terminated. This period of service credit granted  
15 under this paragraph shall not be considered in determining the  
16 date the retirement annuity is to begin, or final average  
17 compensation.

18 (d) A person who first becomes a member on or after the  
19 effective date of this amendatory Act of the 98th General  
20 Assembly shall not be entitled to additional service credit for  
21 accumulated unused sick leave.

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

23 on page 17, below line 18, by inserting the following:

24 "(40 ILCS 5/15-112) (from Ch. 108 1/2, par. 15-112)



1           Sec. 15-112. Final rate of earnings.

2           "Final rate of earnings":

3           (a) This subsection (a) applies only to a person who first  
4 becomes a participant of any system before January 1, 2011.

5           For an employee who is paid on an hourly basis or who  
6 receives an annual salary in installments during 12 months of  
7 each academic year, the average annual earnings during the 48  
8 consecutive calendar month period ending with the last day of  
9 final termination of employment or the 4 consecutive academic  
10 years of service in which the employee's earnings were the  
11 highest, whichever is greater. For any other employee, the  
12 average annual earnings during the 4 consecutive academic years  
13 of service in which his or her earnings were the highest. For  
14 an employee with less than 48 months or 4 consecutive academic  
15 years of service, the average earnings during his or her entire  
16 period of service. The earnings of an employee with more than  
17 36 months of service prior to the date of becoming a  
18 participant are, for such period, considered equal to the  
19 average earnings during the last 36 months of such service.

20           (b) This subsection (b) applies to a person to whom  
21 subsection (a) does not apply.

22           For an employee who is paid on an hourly basis or who  
23 receives an annual salary in installments during 12 months of  
24 each academic year, the average annual earnings obtained by  
25 dividing by 8 the total earnings of the employee during the 96  
26 consecutive months in which the total earnings were the highest

1 within the last 120 months prior to termination.

2 For any other employee, the average annual earnings during  
3 the 8 consecutive academic years within the 10 years prior to  
4 termination in which the employee's earnings were the highest.  
5 For an employee with less than 96 consecutive months or 8  
6 consecutive academic years of service, whichever is necessary,  
7 the average earnings during his or her entire period of  
8 service.

9 (c) For an employee on leave of absence with pay, or on  
10 leave of absence without pay who makes contributions during  
11 such leave, earnings are assumed to be equal to the basic  
12 compensation on the date the leave began.

13 (d) For an employee on disability leave, earnings are  
14 assumed to be equal to the basic compensation on the date  
15 disability occurs or the average earnings during the 24 months  
16 immediately preceding the month in which disability occurs,  
17 whichever is greater.

18 (e) For a participant who retires on or after the effective  
19 date of this amendatory Act of 1997 with at least 20 years of  
20 service as a firefighter or police officer under this Article,  
21 the final rate of earnings shall be the annual rate of earnings  
22 received by the participant on his or her last day as a  
23 firefighter or police officer under this Article, if that is  
24 greater than the final rate of earnings as calculated under the  
25 other provisions of this Section.

26 (f) If a participant to whom subsection (a) of this Section

1 applies is an employee for at least 6 months during the  
2 academic year in which his or her employment is terminated, the  
3 annual final rate of earnings shall be 25% of the sum of (1)  
4 the annual basic compensation for that year, and (2) the amount  
5 earned during the 36 months immediately preceding that year, if  
6 this is greater than the final rate of earnings as calculated  
7 under the other provisions of this Section.

8 (g) In the determination of the final rate of earnings for  
9 an employee, that part of an employee's earnings for any  
10 academic year beginning after June 30, 1997, which exceeds the  
11 employee's earnings with that employer for the preceding year  
12 by more than 20 percent shall be excluded; in the event that an  
13 employee has more than one employer this limitation shall be  
14 calculated separately for the earnings with each employer. In  
15 making such calculation, only the basic compensation of  
16 employees shall be considered, without regard to vacation or  
17 overtime or to contracts for summer employment.

18 (h) The following are not considered as earnings in  
19 determining final rate of earnings: (1) severance or separation  
20 pay, (2) retirement pay, (3) payment for unused sick leave, and  
21 (4) payments from an employer for the period used in  
22 determining final rate of earnings for any purpose other than  
23 (i) services rendered, (ii) leave of absence or vacation  
24 granted during that period, and (iii) vacation of up to 56 work  
25 days allowed upon termination of employment; except that, if  
26 the benefit has been collectively bargained between the

1 employer and the recognized collective bargaining agent  
2 pursuant to the Illinois Educational Labor Relations Act,  
3 payment received during a period of up to 2 academic years for  
4 unused sick leave may be considered as earnings in accordance  
5 with the applicable collective bargaining agreement, subject  
6 to the 20% increase limitation of this Section, and if the  
7 person first becomes a participant on or after the effective  
8 date of this amendatory Act of the 98th General Assembly,  
9 payments for unused sick or vacation time shall not be  
10 considered as earnings. Any unused sick leave considered as  
11 earnings under this Section shall not be taken into account in  
12 calculating service credit under Section 15-113.4.

13 (i) Intermittent periods of service shall be considered as  
14 consecutive in determining final rate of earnings.

15 (Source: P.A. 96-1490, eff. 1-1-11.)

16 (40 ILCS 5/15-113.4) (from Ch. 108 1/2, par. 15-113.4)

17 Sec. 15-113.4. Service for unused sick leave. "Service for  
18 unused sick leave": A person who first becomes a participant  
19 before the effective date of this amendatory Act of the 98th  
20 General Assembly and who is an employee under this System or  
21 one of the other systems subject to Article 20 of this Code  
22 within 60 days immediately preceding the date on which his or  
23 her retirement annuity begins, is entitled to credit for  
24 service for that portion of unused sick leave earned in the  
25 course of employment with an employer and credited on the date

1 of termination of employment by an employer for which payment  
2 is not received, in accordance with the following schedule: 30  
3 through 90 full calendar days and 20 through 59 full work days  
4 of unused sick leave, 1/4 of a year of service; 91 through 180  
5 full calendar days and 60 through 119 full work days, 1/2 of a  
6 year of service; 181 through 270 full calendar days and 120  
7 through 179 full work days, 3/4 of a year of service; 271  
8 through 360 full calendar days and 180 through 240 full work  
9 days, one year of service. Only uncompensated, unused sick  
10 leave earned in accordance with an employer's sick leave  
11 accrual policy generally applicable to employees or a class of  
12 employees shall be taken into account in calculating service  
13 credit under this Section. Any uncompensated, unused sick leave  
14 granted by an employer to facilitate the hiring, retirement,  
15 termination, or other special circumstances of an employee  
16 shall not be taken into account in calculating service credit  
17 under this Section. If a participant transfers from one  
18 employer to another, the unused sick leave credited by the  
19 previous employer shall be considered in determining service to  
20 be credited under this Section, even if the participant  
21 terminated service prior to the effective date of P.A. 86-272  
22 (August 23, 1989); if necessary, the retirement annuity shall  
23 be recalculated to reflect such sick leave credit. Each  
24 employer shall certify to the board the number of days of  
25 unused sick leave accrued to the participant's credit on the  
26 date that the participant's status as an employee terminated.

1 This period of unused sick leave shall not be considered in  
2 determining the date the retirement annuity begins. A person  
3 who first becomes a participant on or after the effective date  
4 of this amendatory Act of the 98th General Assembly shall not  
5 receive service credit for unused sick leave.

6 (Source: P.A. 90-65, eff. 7-7-97; 90-511, eff. 8-22-97.)"; and

7 on page 21, below line 19, by inserting the following:

8 "(40 ILCS 5/16-121) (from Ch. 108 1/2, par. 16-121)

9 Sec. 16-121. Salary. "Salary": The actual compensation  
10 received by a teacher during any school year and recognized by  
11 the system in accordance with rules of the board. For purposes  
12 of this Section, "school year" includes the regular school term  
13 plus any additional period for which a teacher is compensated  
14 and such compensation is recognized by the rules of the board.  
15 In the case of a person who first becomes a member on or after  
16 the effective date of this amendatory Act of the 98th General  
17 Assembly, "salary" shall not include any payment for unused  
18 sick or vacation time.

19 (Source: P.A. 84-1028.)

20 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

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

22 (a) Each member shall receive regular credit for all  
23 service as a teacher from the date membership begins, for which

1 satisfactory evidence is supplied and all contributions have  
2 been paid.

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

7 (1) Prior service as a teacher.

8 (2) Service in a capacity essentially similar or  
9 equivalent to that of a teacher, in the public common  
10 schools in school districts in this State not included  
11 within the provisions of this System, or of any other  
12 State, territory, dependency or possession of the United  
13 States, or in schools operated by or under the auspices of  
14 the United States, or under the auspices of any agency or  
15 department of any other State, and service during any  
16 period of professional speech correction or special  
17 education experience for a public agency within this State  
18 or any other State, territory, dependency or possession of  
19 the United States, and service prior to February 1, 1951 as  
20 a recreation worker for the Illinois Department of Public  
21 Safety, for a period not exceeding the lesser of 2/5 of the  
22 total creditable service of the member or 10 years. The  
23 maximum service of 10 years which is allowable under this  
24 paragraph shall be reduced by the service credit which is  
25 validated by other retirement systems under paragraph (i)  
26 of Section 15-113 and paragraph 1 of Section 17-133. Credit

1 granted under this paragraph may not be used in  
2 determination of a retirement annuity or disability  
3 benefits unless the member has at least 5 years of  
4 creditable service earned subsequent to this employment  
5 with one or more of the following systems: Teachers'  
6 Retirement System of the State of Illinois, State  
7 Universities Retirement System, and the Public School  
8 Teachers' Pension and Retirement Fund of Chicago. Whenever  
9 such service credit exceeds the maximum allowed for all  
10 purposes of this Article, the first service rendered in  
11 point of time shall be considered. The changes to this  
12 subdivision (b)(2) made by Public Act 86-272 shall apply  
13 not only to persons who on or after its effective date  
14 (August 23, 1989) are in service as a teacher under the  
15 System, but also to persons whose status as such a teacher  
16 terminated prior to such effective date, whether or not  
17 such person is an annuitant on that date.

18 (3) Any periods immediately following teaching  
19 service, under this System or under Article 17, (or  
20 immediately following service prior to February 1, 1951 as  
21 a recreation worker for the Illinois Department of Public  
22 Safety) spent in active service with the military forces of  
23 the United States; periods spent in educational programs  
24 that prepare for return to teaching sponsored by the  
25 federal government following such active military service;  
26 if a teacher returns to teaching service within one



1 calendar year after discharge or after the completion of  
2 the educational program, a further period, not exceeding  
3 one calendar year, between time spent in military service  
4 or in such educational programs and the return to  
5 employment as a teacher under this System; and a period of  
6 up to 2 years of active military service not immediately  
7 following employment as a teacher.

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

1 to the additional service allowable under P.A. 87-794 shall  
2 be included in the calculation of automatic annual  
3 increases accruing after the effective date of the  
4 recalculation.

5 Credit for military service shall be determined as  
6 follows: if entry occurs during the months of July, August,  
7 or September and the member was a teacher at the end of the  
8 immediately preceding school term, credit shall be granted  
9 from July 1 of the year in which he or she entered service;  
10 if entry occurs during the school term and the teacher was  
11 in teaching service at the beginning of the school term,  
12 credit shall be granted from July 1 of such year. In all  
13 other cases where credit for military service is allowed,  
14 credit shall be granted from the date of entry into the  
15 service.

16 The total period of military service for which credit  
17 is granted shall not exceed 5 years for any member unless  
18 the service: (A) is validated before July 1, 1964, and (B)  
19 does not extend beyond July 1, 1963. Credit for military  
20 service shall be granted under this Section only if not  
21 more than 5 years of the military service for which credit  
22 is granted under this Section is used by the member to  
23 qualify for a military retirement allotment from any branch  
24 of the armed forces of the United States. The changes to  
25 this subdivision (b) (3) made by Public Act 86-272 shall  
26 apply not only to persons who on or after its effective

1 date (August 23, 1989) are in service as a teacher under  
2 the System, but also to persons whose status as such a  
3 teacher terminated prior to such effective date, whether or  
4 not such person is an annuitant on that date.

5 (4) Any periods served as a member of the General  
6 Assembly.

7 (5) (i) Any periods for which a teacher, as defined in  
8 Section 16-106, is granted a leave of absence, provided he  
9 or she returns to teaching service creditable under this  
10 System or the State Universities Retirement System  
11 following the leave; (ii) periods during which a teacher is  
12 involuntarily laid off from teaching, provided he or she  
13 returns to teaching following the lay-off; (iii) periods  
14 prior to July 1, 1983 during which a teacher ceased covered  
15 employment due to pregnancy, provided that the teacher  
16 returned to teaching service creditable under this System  
17 or the State Universities Retirement System following the  
18 pregnancy and submits evidence satisfactory to the Board  
19 documenting that the employment ceased due to pregnancy;  
20 and (iv) periods prior to July 1, 1983 during which a  
21 teacher ceased covered employment for the purpose of  
22 adopting an infant under 3 years of age or caring for a  
23 newly adopted infant under 3 years of age, provided that  
24 the teacher returned to teaching service creditable under  
25 this System or the State Universities Retirement System  
26 following the adoption and submits evidence satisfactory

1 to the Board documenting that the employment ceased for the  
2 purpose of adopting an infant under 3 years of age or  
3 caring for a newly adopted infant under 3 years of age.  
4 However, total credit under this paragraph (5) may not  
5 exceed 3 years.

6 Any qualified member or annuitant may apply for credit  
7 under item (iii) or (iv) of this paragraph (5) without  
8 regard to whether service was terminated before the  
9 effective date of this amendatory Act of 1997. In the case  
10 of an annuitant who establishes credit under item (iii) or  
11 (iv), the annuity shall be recalculated to include the  
12 additional service credit. The increase in annuity shall  
13 take effect on the date the System receives written  
14 notification of the annuitant's intent to purchase the  
15 credit, if the required evidence is submitted and the  
16 required contribution paid within 60 days of that  
17 notification, otherwise on the first annuity payment date  
18 following the System's receipt of the required evidence and  
19 contribution. The increase in an annuity recalculated  
20 under this provision shall be included in the calculation  
21 of automatic annual increases in the annuity accruing after  
22 the effective date of the recalculation.

23 Optional credit may be purchased under this subsection  
24 (b) (5) for periods during which a teacher has been granted  
25 a leave of absence pursuant to Section 24-13 of the School  
26 Code. A teacher whose service under this Article terminated

1 prior to the effective date of P.A. 86-1488 shall be  
2 eligible to purchase such optional credit. If a teacher who  
3 purchases this optional credit is already receiving a  
4 retirement annuity under this Article, the annuity shall be  
5 recalculated as if the annuitant had applied for the leave  
6 of absence credit at the time of retirement. The difference  
7 between the entitled annuity and the actual annuity shall  
8 be credited to the purchase of the optional credit. The  
9 remainder of the purchase cost of the optional credit shall  
10 be paid on or before April 1, 1992.

11 The change in this paragraph made by Public Act 86-273  
12 shall be applicable to teachers who retire after June 1,  
13 1989, as well as to teachers who are in service on that  
14 date.

15 (6) For a person who first becomes a member before the  
16 effective date of this amendatory Act of the 98th General  
17 Assembly, any ~~Any~~ days of unused and uncompensated  
18 accumulated sick leave earned by a teacher. The service  
19 credit granted under this paragraph shall be the ratio of  
20 the number of unused and uncompensated accumulated sick  
21 leave days to 170 days, subject to a maximum of 2 years of  
22 service credit. Prior to the member's retirement, each  
23 former employer shall certify to the System the number of  
24 unused and uncompensated accumulated sick leave days  
25 credited to the member at the time of termination of  
26 service. The period of unused sick leave shall not be

1 considered in determining the effective date of  
2 retirement. A member is not required to make contributions  
3 in order to obtain service credit for unused sick leave.

4 Credit for sick leave shall, at retirement, be granted  
5 by the System for any retiring regional or assistant  
6 regional superintendent of schools who first becomes a  
7 member before the effective date of this amendatory Act of  
8 the 98th General Assembly at the rate of 6 days per year of  
9 creditable service or portion thereof established while  
10 serving as such superintendent or assistant  
11 superintendent.

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

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

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

20 (10) Up to 2 years of employment with Southern Illinois  
21 University - Carbondale from September 1, 1959 to August  
22 31, 1961, or with Governors State University from September  
23 1, 1972 to August 31, 1974, for which the teacher has no  
24 credit under Article 15. To receive credit under this item  
25 (10), a teacher must apply in writing to the Board and pay  
26 the required contributions before May 1, 1993 and have at

1           least 12 years of service credit under this Article.

2           (b-1) A member may establish optional credit for up to 2  
3 years of service as a teacher or administrator employed by a  
4 private school recognized by the Illinois State Board of  
5 Education, provided that the teacher (i) was certified under  
6 the law governing the certification of teachers at the time the  
7 service was rendered, (ii) applies in writing on or after  
8 August 1, 2009 and on or before August 1, 2012, (iii) supplies  
9 satisfactory evidence of the employment, (iv) completes at  
10 least 10 years of contributing service as a teacher as defined  
11 in Section 16-106, and (v) pays the contribution required in  
12 subsection (d-5) of Section 16-128. The member may apply for  
13 credit under this subsection and pay the required contribution  
14 before completing the 10 years of contributing service required  
15 under item (iv), but the credit may not be used until the item  
16 (iv) contributing service requirement has been met.

17           (c) The service credits specified in this Section shall be  
18 granted only if: (1) such service credits are not used for  
19 credit in any other statutory tax-supported public employee  
20 retirement system other than the federal Social Security  
21 program; and (2) the member makes the required contributions as  
22 specified in Section 16-128. Except as provided in subsection  
23 (b-1) of this Section, the service credit shall be effective as  
24 of the date the required contributions are completed.

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

1 Credit may not be granted under this Section covering any  
2 period for which an age retirement or disability retirement  
3 allowance has been paid.

4 (Source: P.A. 96-546, eff. 8-17-09.)

5 (40 ILCS 5/17-116) (from Ch. 108 1/2, par. 17-116)

6 Sec. 17-116. Service retirement pension.

7 (a) Each teacher having 20 years of service upon attainment  
8 of age 55, or who thereafter attains age 55 shall be entitled  
9 to a service retirement pension upon or after attainment of age  
10 55; and each teacher in service on or after July 1, 1971, with  
11 5 or more but less than 20 years of service shall be entitled  
12 to receive a service retirement pension upon or after  
13 attainment of age 62.

14 (b) The service retirement pension for a teacher who  
15 retires on or after June 25, 1971, at age 60 or over, shall be  
16 calculated as follows:

17 (1) For creditable service earned before July 1, 1998  
18 that has not been augmented under Section 17-119.1: 1.67%  
19 for each of the first 10 years of service; 1.90% for each  
20 of the next 10 years of service; 2.10% for each year of  
21 service in excess of 20 but not exceeding 30; and 2.30% for  
22 each year of service in excess of 30, based upon average  
23 salary as herein defined.

24 (2) For creditable service earned on or after July 1,  
25 1998 by a member who has at least 30 years of creditable



1 service on July 1, 1998 and who does not elect to augment  
2 service under Section 17-119.1: 2.3% of average salary for  
3 each year of creditable service earned on or after July 1,  
4 1998.

5 (3) For all other creditable service: 2.2% of average  
6 salary for each year of creditable service.

7 (c) When computing such service retirement pensions, the  
8 following conditions shall apply:

9 1. Average salary shall consist of the average annual  
10 rate of salary for the 4 consecutive years of validated  
11 service within the last 10 years of service when such  
12 average annual rate was highest. In the determination of  
13 average salary for retirement allowance purposes, for  
14 members who commenced employment after August 31, 1979,  
15 that part of the salary for any year shall be excluded  
16 which exceeds the annual full-time salary rate for the  
17 preceding year by more than 20%. In the case of a member  
18 who commenced employment before August 31, 1979 and who  
19 receives salary during any year after September 1, 1983  
20 which exceeds the annual full time salary rate for the  
21 preceding year by more than 20%, an Employer and other  
22 employers of eligible contributors as defined in Section  
23 17-106 shall pay to the Fund an amount equal to the present  
24 value of the additional service retirement pension  
25 resulting from such excess salary. The present value of the  
26 additional service retirement pension shall be computed by

1 the Board on the basis of actuarial tables adopted by the  
2 Board. If a member elects to receive a pension from this  
3 Fund provided by Section 20-121, his salary under the State  
4 Universities Retirement System and the Teachers'  
5 Retirement System of the State of Illinois shall be  
6 considered in determining such average salary. Amounts  
7 paid after the effective date of this amendatory Act of  
8 1991 for unused vacation time earned after that effective  
9 date shall not under any circumstances be included in the  
10 calculation of average salary or the annual rate of salary  
11 for the purposes of this Article.

12 2. Proportionate credit shall be given for validated  
13 service of less than one year.

14 3. For retirement at age 60 or over the pension shall  
15 be payable at the full rate.

16 4. For separation from service below age 60 to a  
17 minimum age of 55, the pension shall be discounted at the  
18 rate of 1/2 of one per cent for each month that the age of  
19 the contributor is less than 60, but a teacher may elect to  
20 defer the effective date of pension in order to eliminate  
21 or reduce this discount. This discount shall not be  
22 applicable to any participant who has at least 34 years of  
23 service or a retirement pension of at least 74.6% of  
24 average salary on the date the retirement annuity begins.

25 5. No additional pension shall be granted for service  
26 exceeding 45 years. Beginning June 26, 1971 no pension

1 shall exceed the greater of \$1,500 per month or 75% of  
2 average salary as herein defined.

3 6. Service retirement pensions shall begin on the  
4 effective date of resignation, retirement, the day  
5 following the close of the payroll period for which service  
6 credit was validated, or the time the person resigning or  
7 retiring attains age 55, or on a date elected by the  
8 teacher, whichever shall be latest.

9 7. A member who is eligible to receive a retirement  
10 pension of at least 74.6% of average salary and will attain  
11 age 55 on or before December 31 during the year which  
12 commences on July 1 shall be deemed to attain age 55 on the  
13 preceding June 1.

14 8. A member retiring after the effective date of this  
15 amendatory Act of 1998 shall receive a pension equal to 75%  
16 of average salary if the member is qualified to receive a  
17 retirement pension equal to at least 74.6% of average  
18 salary under this Article or as proportional annuities  
19 under Article 20 of this Code.

20 9. In the case of a person who first becomes a  
21 participant on or after the effective date of this  
22 amendatory Act of the 98th General Assembly, payments for  
23 unused sick or vacation time shall not be used in the  
24 calculation of average salary.

25 (Source: P.A. 90-566, eff. 1-2-98; 90-582, eff. 5-27-98.)

1 (40 ILCS 5/17-134) (from Ch. 108 1/2, par. 17-134)

2 Sec. 17-134. Contributions for leaves of absence; military  
3 service; computing service. In computing service for pension  
4 purposes the following periods of service shall stand in lieu  
5 of a like number of years of teaching service upon payment  
6 therefor in the manner hereinafter provided: (a) time spent on  
7 a leave of absence granted by the employer; (b) service with  
8 teacher or labor organizations based upon special leaves of  
9 absence therefor granted by an Employer; (c) a maximum of 5  
10 years spent in the military service of the United States, of  
11 which up to 2 years may have been served outside the pension  
12 period; (d) unused sick days at termination of service to a  
13 maximum of 244 days; (e) time lost due to layoff and  
14 curtailment of the school term from June 6 through June 21,  
15 1976; and (f) time spent after June 30, 1982 as a member of the  
16 Board of Education, if required to resign from an  
17 administrative or teaching position in order to qualify as a  
18 member of the Board of Education.

19 (1) For time spent on or after September 6, 1948 on  
20 sabbatical leaves of absence or sick leaves, for which  
21 salaries are paid, an Employer shall make payroll  
22 deductions at the applicable rates in effect during such  
23 periods.

24 (2) For time spent on a leave of absence granted by the  
25 employer for which no salaries are paid, teachers desiring  
26 credit therefor shall pay the required contributions at the

1 rates in effect during such periods as though they were in  
2 teaching service. If an Employer pays salary for vacations  
3 which occur during a teacher's sick leave or maternity or  
4 paternity leave without salary, vacation pay for which the  
5 teacher would have qualified while in active service shall  
6 be considered part of the teacher's total salary for  
7 pension purposes. No more than 36 months of leave credit  
8 may be allowed any person during the entire term of  
9 service. Sabbatical leave credit shall be limited to the  
10 time the person on leave without salary under an Employer's  
11 rules is allowed to engage in an activity for which he  
12 receives salary or compensation.

13 (3) For time spent prior to September 6, 1948, on  
14 sabbatical leaves of absence or sick leaves for which  
15 salaries were paid, teachers desiring service credit  
16 therefor shall pay the required contributions at the  
17 maximum applicable rates in effect during such periods.

18 (4) For service with teacher or labor organizations  
19 authorized by special leaves of absence, for which no  
20 payroll deductions are made by an Employer, teachers  
21 desiring service credit therefor shall contribute to the  
22 Fund upon the basis of the actual salary received from such  
23 organizations at the percentage rates in effect during such  
24 periods for certified positions with such Employer. To the  
25 extent the actual salary exceeds the regular salary, which  
26 shall be defined as the salary rate, as calculated by the

1 Board, in effect for the teacher's regular position in  
2 teaching service on September 1, 1983 or on the effective  
3 date of the leave with the organization, whichever is  
4 later, the organization shall pay to the Fund the  
5 employer's normal cost as set by the Board on the  
6 increment. Notwithstanding any other provision of this  
7 subdivision (4), teachers are only eligible for credit for  
8 service under this subdivision (4) if the special leave of  
9 absence begins before January 5, 2012 (the effective date  
10 of Public Act 97-651) ~~this amendatory Act of the 97th~~  
11 ~~General Assembly.~~

12 (5) For time spent in the military service, teachers  
13 entitled to and desiring credit therefor shall contribute  
14 the amount required for each year of service or fraction  
15 thereof at the rates in force (a) at the date of  
16 appointment, or (b) on return to teaching service as a  
17 regularly certified teacher, as the case may be; provided  
18 such rates shall not be less than \$450 per year of service.  
19 These conditions shall apply unless an Employer elects to  
20 and does pay into the Fund the amount which would have been  
21 due from such person had he been employed as a teacher  
22 during such time. In the case of credit for military  
23 service not during the pension period, the teacher must  
24 also pay to the Fund an amount determined by the Board to  
25 be equal to the employer's normal cost of the benefits  
26 accrued from such service, plus interest thereon at 5% per

1 year, compounded annually, from the date of appointment to  
2 the date of payment.

3 The changes to this Section made by Public Act 87-795  
4 shall apply not only to persons who on or after its  
5 effective date are in service under the Fund, but also to  
6 persons whose status as a teacher terminated prior to that  
7 date, whether or not the person is an annuitant on that  
8 date. In the case of an annuitant who applies for credit  
9 allowable under this Section for a period of military  
10 service that did not immediately follow employment, and who  
11 has made the required contributions for such credit, the  
12 annuity shall be recalculated to include the additional  
13 service credit, with the increase taking effect on the date  
14 the Fund received written notification of the annuitant's  
15 intent to purchase the credit, if payment of all the  
16 required contributions is made within 60 days of such  
17 notice, or else on the first annuity payment date following  
18 the date of payment of the required contributions. In  
19 calculating the automatic annual increase for an annuity  
20 that has been recalculated under this Section, the increase  
21 attributable to the additional service allowable under  
22 this amendatory Act of 1991 shall be included in the  
23 calculation of automatic annual increases accruing after  
24 the effective date of the recalculation.

25 The total credit for military service shall not exceed  
26 5 years, except that any teacher who on July 1, 1963, had

1 validated credit for more than 5 years of military service  
2 shall be entitled to the total amount of such credit.

3 (6) For persons who first become teachers before the  
4 effective date of this amendatory Act of the 98th General  
5 Assembly, a ~~A~~ maximum of 244 unused sick days credited to  
6 his account by an Employer on the date of termination of  
7 employment. Members, upon verification of unused sick  
8 days, may add this service time to total creditable  
9 service.

10 (7) In all cases where time spent on leave is  
11 creditable and no payroll deductions therefor are made by  
12 an Employer, persons desiring service credit shall make the  
13 required contributions directly to the Fund.

14 (8) For time lost without pay due to layoff and  
15 curtailment of the school term from June 6 through June 21,  
16 1976, as provided in item (e) of the first paragraph of  
17 this Section, persons who were contributors on the days  
18 immediately preceding such layoff shall receive credit  
19 upon paying to the Fund a contribution based on the rates  
20 of compensation and employee contributions in effect at the  
21 time of such layoff, together with an additional amount  
22 equal to 12.2% of the compensation computed for such period  
23 of layoff, plus interest on the entire amount at 5% per  
24 annum from January 1, 1978 to the date of payment. If such  
25 contribution is paid, salary for pension purposes for any  
26 year in which such a layoff occurred shall include the



1 compensation recognized for purposes of computing that  
2 contribution.

3 (9) For time spent after June 30, 1982, as a  
4 nonsalaried member of the Board of Education, if required  
5 to resign from an administrative or teaching position in  
6 order to qualify as a member of the Board of Education, an  
7 administrator or teacher desiring credit therefor shall  
8 pay the required contributions at the rates and salaries in  
9 effect during such periods as though the member were in  
10 service.

11 Effective September 1, 1974, the interest charged for  
12 validation of service described in paragraphs (2) through (5)  
13 of this Section shall be compounded annually at a rate of 5%  
14 commencing one year after the termination of the leave or  
15 return to service.

16 (Source: P.A. 97-651, eff. 1-5-12.)".