



Rep. Sam Yingling

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1 AMENDMENT TO HOUSE BILL 6021

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 6021 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by  
5 changing Sections 7-154, 7-159, 15-139, 15-145, 15-154, and  
6 16-143.2 as follows:

7 (40 ILCS 5/7-154) (from Ch. 108 1/2, par. 7-154)

8 Sec. 7-154. Surviving spouse annuities - Eligibility.

9 (a) A surviving spouse annuity shall be payable to the  
10 eligible surviving spouse of a participating employee, an  
11 employee annuitant, or a person who on the date of death would  
12 have been entitled to a retirement annuity, had he applied for  
13 such annuity, and who dies at any time when a surviving spouse  
14 annuity equals at least \$5 per month, provided:

15 (1) The surviving spouse (i) was married to the  
16 participating employee for at least one year on the date of

1 death, or (ii) was married to the annuitant or person  
2 entitled to a retirement annuity for at least one year  
3 prior to the date of termination of service, or (iii) was  
4 married to the deceased annuitant for at least one year on  
5 the date of the deceased annuitant's death, if at the time  
6 of termination of service the deceased annuitant was  
7 married for at least one year to a spouse who does not  
8 survive the deceased annuitant. (Item (iii) applies to the  
9 spouses of annuitants who die on or after the effective  
10 date of this amendatory Act of the 99th General Assembly,  
11 notwithstanding whether the annuitant was in service on or  
12 after that effective date or the effective date of Public  
13 Act 87-850.)

14 (2) The male deceased employee annuitant or such other  
15 person entitled to a retirement annuity had contributed to  
16 this fund for surviving spouse annuity purposes for at  
17 least 1 year or continuously since the effective date of  
18 the participating municipality or participating  
19 instrumentality.

20 (3) The female deceased employee annuitant or such  
21 other person entitled to a retirement annuity was in  
22 service on or after July 27, 1972, provided that the  
23 annuity shall not be computed on the basis of any  
24 retirement annuity effective before that date.

25 (4) If the employee dies before termination of service,  
26 the employee did not exclude the spouse from any death

1 benefit or surviving spouse annuity pursuant to subsection  
2 (b) of Section 7-118. A designation of beneficiary naming a  
3 spouse and children jointly or a trust pursuant to  
4 subsection (b) of Section 7-118 shall preclude payment of a  
5 surviving spouse annuity.

6 (b) If a person is the spouse of a retiring participating  
7 employee on the date of the initial payment of a retirement  
8 annuity and is qualified to receive a surviving spouse annuity  
9 upon the death of the employee and the surviving spouse  
10 contributions are not refunded to the employee, then a  
11 surviving spouse annuity shall be payable to that person even  
12 if the marriage to the employee is dissolved after that date.

13 (c) Eligibility of a surviving spouse shall be determined  
14 as of the date of death. Only one surviving spouse annuity  
15 shall be paid on account of the death of any employee.

16 (Source: P.A. 87-740; 87-850.)

17 (40 ILCS 5/7-159) (from Ch. 108 1/2, par. 7-159)

18 Sec. 7-159. Surviving spouse annuity - refund of survivor  
19 credits.

20 (a) Any employee annuitant who (1) upon the date a  
21 retirement annuity begins is not then married, or (2) is  
22 married to a person who would not qualify for surviving spouse  
23 annuity if the person died on such date, is entitled to a  
24 refund of the survivor credits including interest accumulated  
25 on the date the annuity begins, excluding survivor credits and

1 interest thereon credited during periods of disability, and no  
2 spouse shall have a right to any surviving spouse annuity from  
3 this Fund. If the employee annuitant reenters service and upon  
4 subsequent retirement has a spouse who would qualify for a  
5 surviving spouse annuity, the employee annuitant may pay the  
6 fund the amount of the refund plus interest at the effective  
7 rate at the date of payment. The payment shall qualify the  
8 spouse for a surviving spouse annuity and the amount paid shall  
9 be considered as survivor contributions.

10 (b) Instead of a refund under subsection (a), the retiring  
11 employee may elect to convert the amount of the refund into an  
12 annuity, payable separately from the retirement annuity. If the  
13 annuitant dies before the guaranteed amount has been  
14 distributed, the remainder shall be paid in a lump sum to the  
15 designated beneficiary of the annuitant. The Board shall adopt  
16 any rules necessary for the implementation of this subsection.

17 (c) An annuitant who retired prior to June 1, 2011 and  
18 received a refund of survivor credits under subsection (a), and  
19 who thereafter became, and remains, either:

20 (1) a party to a civil union or a party to a legal  
21 relationship that is recognized as a civil union or  
22 marriage under the Illinois Religious Freedom Protection  
23 and Civil Union Act on or after June 1, 2011; or

24 (2) a party to a marriage under the Illinois Marriage  
25 and Dissolution of Marriage Act on or after February 26,  
26 2014; or

1           (3) a party to a marriage, civil union or other legal  
2           relationship that, at the time it was formed, was not  
3           legally recognized in Illinois but was subsequently  
4           recognized as a civil union or marriage under the Illinois  
5           Religious Freedom Protection and Civil Union Act on or  
6           after June 1, 2011, a marriage under the Illinois Marriage  
7           and Dissolution of Marriage Act on or after February 26,  
8           2014, or both;  
9           may, within a period of one year beginning 5 months after the  
10           effective date of this amendatory Act of the 99th General  
11           Assembly, make an election to re-establish rights to a  
12           surviving spouse annuity under Sections 7-154 through 7-158  
13           (notwithstanding the eligibility requirements of paragraph  
14           (a) (1) of Section 7-154), by paying to the Fund: (1) the total  
15           amount of the refund received for survivor credits; and (2)  
16           interest thereon at the actuarially assumed rate of return from  
17           the date of the refund to the date of payment. Such election  
18           must be made prior to the date of death of the annuitant.

19           The Fund may allow the annuitant to repay this refund over  
20           a period of not more than 24 months. To the extent permitted by  
21           the Internal Revenue Code of 1986, as amended, for federal and  
22           State tax purposes, if a member pays in monthly installments by  
23           reducing the monthly benefit by the amount of the otherwise  
24           applicable contribution, the monthly amount by which the  
25           annuitant's benefit is reduced shall not be treated as a  
26           contribution by the annuitant but rather as a reduction of the

1 annuitant's monthly benefit.

2 If an annuitant makes an election under this subsection (c)  
3 and the contributions required are not paid in full, an  
4 otherwise qualifying spouse shall be given the option to make  
5 an additional lump sum payment of the remaining contributions  
6 and qualify for a surviving spouse annuity. Otherwise, an  
7 additional refund representing contributions made hereunder  
8 shall be paid at the annuitant's death and there shall be no  
9 surviving spouse annuity paid.

10 (Source: P.A. 90-766, eff. 8-14-98.)

11 (40 ILCS 5/15-139) (from Ch. 108 1/2, par. 15-139)

12 Sec. 15-139. Retirement annuities; cancellation; suspended  
13 during employment.

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

21 (b) If an annuitant retires prior to age 60 and receives or  
22 becomes entitled to receive during any month compensation in  
23 excess of the monthly retirement annuity (including any  
24 automatic annual increases) for services performed after the  
25 date of retirement for any employer under this System, that

1 portion of the monthly retirement annuity provided by employer  
2 contributions shall not be payable.

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

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

23 "Academic year", as used in this subsection (b), means the  
24 12-month period beginning September 1.

25 (c) If an employer certifies that an annuitant has been  
26 reemployed on a permanent and continuous basis or in a position

1 in which the annuitant is expected to serve for at least 9  
2 months, the annuitant shall resume his or her status as a  
3 participating employee and shall be entitled to all rights  
4 applicable to participating employees upon filing with the  
5 board an election to forgo all annuity payments during the  
6 period of reemployment. Upon subsequent retirement, the  
7 retirement annuity shall consist of the annuity which was  
8 terminated by the reemployment, plus the additional retirement  
9 annuity based upon service granted during the period of  
10 reemployment, but the combined retirement annuity shall not  
11 exceed the maximum annuity applicable on the date of the last  
12 retirement.

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

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

26 The survivors insurance benefits provided under Section



1 15-145 shall not be applicable to an annuitant who resumes his  
2 or her status as a participating employee, unless the  
3 annuitant, at the time of initial retirement, has a survivors  
4 insurance beneficiary who could qualify for such benefits or  
5 the annuitant repaid the survivors insurance contribution  
6 refund or additional annuity under subsection (c-5) of Section  
7 15-154.

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

17 The amendments made to this Section by this amendatory Act  
18 of the 91st General Assembly apply without regard to whether  
19 the annuitant was in service on or after the effective date of  
20 this amendatory Act.

21 (Source: P.A. 97-933, eff. 8-10-12; 97-968, eff. 8-16-12;  
22 98-92, eff. 7-16-13; 98-596, eff. 11-19-13.)

23 (40 ILCS 5/15-145) (from Ch. 108 1/2, par. 15-145)

24 Sec. 15-145. Survivors insurance benefits; conditions and  
25 amounts.

1           (a) The survivors insurance benefits provided under this  
2 Section shall be payable to the eligible survivors of a Tier 1  
3 member covered under the traditional benefit package upon the  
4 death of (1) a participating employee with at least 1 1/2 years  
5 of service, (2) a participant who terminated employment with at  
6 least 10 years of service, and (3) an annuitant in receipt of a  
7 retirement annuity or disability retirement annuity under this  
8 Article.

9           Service under the State Employees' Retirement System of  
10 Illinois, the Teachers' Retirement System of the State of  
11 Illinois and the Public School Teachers' Pension and Retirement  
12 Fund of Chicago shall be considered in determining eligibility  
13 for survivors benefits under this Section.

14           If by law, a function of a governmental unit, as defined by  
15 Section 20-107, is transferred in whole or in part to an  
16 employer, and an employee transfers employment from this  
17 governmental unit to such employer within 6 months after the  
18 transfer of this function, the service credits in the  
19 governmental unit's retirement system which have been  
20 validated under Section 20-109 shall be considered in  
21 determining eligibility for survivors benefits under this  
22 Section.

23           (b) A surviving spouse of a deceased participant, or of a  
24 deceased annuitant who did not take a refund or additional  
25 annuity consisting of accumulated survivors insurance  
26 contributions or who repaid the refund or additional annuity,

1 shall receive a survivors annuity of 30% of the final rate of  
2 earnings. Payments shall begin on the day following the  
3 participant's or annuitant's death or the date the surviving  
4 spouse attains age 50, whichever is later, and continue until  
5 the death of the surviving spouse. The annuity shall be payable  
6 to the surviving spouse prior to attainment of age 50 if the  
7 surviving spouse has in his or her care a deceased  
8 participant's or annuitant's dependent unmarried child under  
9 age 18 (under age 22 if a full-time student) who is eligible  
10 for a survivors annuity.

11 Remarriage of a surviving spouse prior to attainment of age  
12 55 that occurs before the effective date of this amendatory Act  
13 of the 91st General Assembly shall disqualify him or her for  
14 the receipt of a survivors annuity until July 6, 2000.

15 A surviving spouse whose survivors annuity has been  
16 terminated due to remarriage may apply for reinstatement of  
17 that annuity. The reinstated annuity shall begin to accrue on  
18 July 6, 2000, except that if, on July 6, 2000, the annuity is  
19 payable to an eligible surviving child or parent, payment of  
20 the annuity to the surviving spouse shall not be reinstated  
21 until the annuity is no longer payable to any eligible  
22 surviving child or parent. The reinstated annuity shall include  
23 any one-time or annual increases received prior to the date of  
24 termination, as well as any increases that would otherwise have  
25 accrued from the date of termination to the date of  
26 reinstatement. An eligible surviving spouse whose expectation

1 of receiving a survivors annuity was lost due to remarriage  
2 before attainment of age 50 shall also be entitled to  
3 reinstatement under this subsection, but the resulting  
4 survivors annuity shall not begin to accrue sooner than upon  
5 the surviving spouse's attainment of age 50.

6 The changes made to this subsection by this amendatory Act  
7 of the 92nd General Assembly (pertaining to remarriage prior to  
8 age 55 or 50) apply without regard to whether the deceased  
9 participant or annuitant was in service on or after the  
10 effective date of this amendatory Act.

11 (c) Each dependent unmarried child under age 18 (under age  
12 22 if a full-time student) of a deceased participant, or of a  
13 deceased annuitant who did not take a refund or additional  
14 annuity consisting of accumulated survivors insurance  
15 contributions or who repaid the refund or additional annuity,  
16 shall receive a survivors annuity equal to the sum of (1) 20%  
17 of the final rate of earnings, and (2) 10% of the final rate of  
18 earnings divided by the number of children entitled to this  
19 benefit. Payments shall begin on the day following the  
20 participant's or annuitant's death and continue until the child  
21 marries, dies, or attains age 18 (age 22 if a full-time  
22 student). If the child is in the care of a surviving spouse who  
23 is eligible for survivors insurance benefits, the child's  
24 benefit shall be paid to the surviving spouse.

25 Each unmarried child over age 18 of a deceased participant  
26 or of a deceased annuitant who had a survivor's insurance

1 beneficiary at the time of his or her retirement, and who was  
2 dependent upon the participant or annuitant by reason of a  
3 physical or mental disability which began prior to the date the  
4 child attained age 18 (age 22 if a full-time student), shall  
5 receive a survivor's annuity equal to the sum of (1) 20% of the  
6 final rate of earnings, and (2) 10% of the final rate of  
7 earnings divided by the number of children entitled to  
8 survivors benefits. Payments shall begin on the day following  
9 the participant's or annuitant's death and continue until the  
10 child marries, dies, or is no longer disabled. If the child is  
11 in the care of a surviving spouse who is eligible for survivors  
12 insurance benefits, the child's benefit may be paid to the  
13 surviving spouse. For the purposes of this Section, disability  
14 means inability to engage in any substantial gainful activity  
15 by reason of any medically determinable physical or mental  
16 impairment that can be expected to result in death or that has  
17 lasted or can be expected to last for a continuous period of at  
18 least one year.

19 (d) Each dependent parent of a deceased participant, or of  
20 a deceased annuitant who did not take a refund or additional  
21 annuity consisting of accumulated survivors insurance  
22 contributions or who repaid the refund or additional annuity,  
23 shall receive a survivors annuity equal to the sum of (1) 20%  
24 of final rate of earnings, and (2) 10% of final rate of  
25 earnings divided by the number of parents who qualify for the  
26 benefit. Payments shall begin when the parent reaches age 55 or

1 the day following the participant's or annuitant's death,  
2 whichever is later, and continue until the parent dies.  
3 Remarriage of a parent prior to attainment of age 55 shall  
4 disqualify the parent for the receipt of a survivors annuity.

5 (e) In addition to the survivors annuity provided above,  
6 each survivors insurance beneficiary shall, upon death of the  
7 participant or annuitant, receive a lump sum payment of \$1,000  
8 divided by the number of such beneficiaries.

9 (f) The changes made in this Section by Public Act 81-712  
10 pertaining to survivors annuities in cases of remarriage prior  
11 to age 55 shall apply to each survivors insurance beneficiary  
12 who remarries after June 30, 1979, regardless of the date that  
13 the participant or annuitant terminated his employment or died.

14 The change made to this Section by this amendatory Act of  
15 the 91st General Assembly, pertaining to remarriage prior to  
16 age 55, applies without regard to whether the deceased  
17 participant or annuitant was in service on or after the  
18 effective date of this amendatory Act of the 91st General  
19 Assembly.

20 (g) On January 1, 1981, any person who was receiving a  
21 survivors annuity on or before January 1, 1971 shall have the  
22 survivors annuity then being paid increased by 1% for each full  
23 year which has elapsed from the date the annuity began. On  
24 January 1, 1982, any survivor whose annuity began after January  
25 1, 1971, but before January 1, 1981, shall have the survivor's  
26 annuity then being paid increased by 1% for each year which has

1 elapsed from the date the survivor's annuity began. On January  
2 1, 1987, any survivor who began receiving a survivor's annuity  
3 on or before January 1, 1977, shall have the monthly survivor's  
4 annuity increased by \$1 for each full year which has elapsed  
5 since the date the survivor's annuity began.

6 (h) If the sum of the lump sum and total monthly survivor  
7 benefits payable under this Section upon the death of a  
8 participant amounts to less than the sum of the death benefits  
9 payable under items (2) and (3) of Section 15-141, the  
10 difference shall be paid in a lump sum to the beneficiary of  
11 the participant who is living on the date that this additional  
12 amount becomes payable.

13 (i) If the sum of the lump sum and total monthly survivor  
14 benefits payable under this Section upon the death of an  
15 annuitant receiving a retirement annuity or disability  
16 retirement annuity amounts to less than the death benefit  
17 payable under Section 15-142, the difference shall be paid to  
18 the beneficiary of the annuitant who is living on the date that  
19 this additional amount becomes payable.

20 (j) Effective on the later of (1) January 1, 1990, or (2)  
21 the January 1 on or next after the date on which the survivor  
22 annuity begins, if the deceased member died while receiving a  
23 retirement annuity, or in all other cases the January 1 nearest  
24 the first anniversary of the date the survivor annuity payments  
25 begin, every survivors insurance beneficiary shall receive an  
26 increase in his or her monthly survivors annuity of 3%. On each

1 January 1 after the initial increase, the monthly survivors  
2 annuity shall be increased by 3% of the total survivors annuity  
3 provided under this Article, including previous increases  
4 provided by this subsection. Such increases shall apply to the  
5 survivors insurance beneficiaries of each participant and  
6 annuitant, whether or not the employment status of the  
7 participant or annuitant terminates before the effective date  
8 of this amendatory Act of 1990. This subsection (j) also  
9 applies to persons receiving a survivor annuity under the  
10 portable benefit package.

11 (k) If the Internal Revenue Code of 1986, as amended,  
12 requires that the survivors benefits be payable at an age  
13 earlier than that specified in this Section the benefits shall  
14 begin at the earlier age, in which event, the survivor's  
15 beneficiary shall be entitled only to that amount which is  
16 equal to the actuarial equivalent of the benefits provided by  
17 this Section.

18 (l) The changes made to this Section and Section 15-131 by  
19 this amendatory Act of 1997, relating to benefits for certain  
20 unmarried children who are full-time students under age 22,  
21 apply without regard to whether the deceased member was in  
22 service on or after the effective date of this amendatory Act  
23 of 1997. These changes do not authorize the repayment of a  
24 refund or a re-election of benefits, and any benefit or  
25 increase in benefits resulting from these changes is not  
26 payable retroactively for any period before the effective date



1 of this amendatory Act of 1997.

2 (Source: P.A. 98-92, eff. 7-16-13.)

3 (40 ILCS 5/15-154) (from Ch. 108 1/2, par. 15-154)

4 Sec. 15-154. Refunds.

5 (a) A participant whose status as an employee is  
6 terminated, regardless of cause, or who has been on lay off  
7 status for more than 120 days, and who is not on leave of  
8 absence, is entitled to a refund of contributions upon  
9 application; except that not more than one such refund  
10 application may be made during any academic year.

11 Except as set forth in subsections (a-1) and (a-2), the  
12 refund shall be the sum of the accumulated normal, additional,  
13 and survivors insurance contributions, plus the entire  
14 contribution made by the participant under Section 15-113.3,  
15 less the amount of interest credited on these contributions  
16 each year in excess of 4 1/2% of the amount on which interest  
17 was calculated.

18 (a-1) A person who elects, in accordance with the  
19 requirements of Section 15-134.5, to participate in the  
20 portable benefit package and who becomes a participating  
21 employee under that retirement program upon the conclusion of  
22 the one-year waiting period applicable to the portable benefit  
23 package election shall have his or her refund calculated in  
24 accordance with the provisions of subsection (a-2).

25 (a-2) The refund payable to a participant described in

1 subsection (a-1) shall be the sum of the participant's  
2 accumulated normal and additional contributions, as defined in  
3 Sections 15-116 and 15-117, plus the entire contribution made  
4 by the participant under Section 15-113.3. If the participant  
5 terminates with 5 or more years of service for employment as  
6 defined in Section 15-113.1, he or she shall also be entitled  
7 to a distribution of employer contributions in an amount equal  
8 to the sum of the accumulated normal and additional  
9 contributions, as defined in Sections 15-116 and 15-117.

10 (b) Upon acceptance of a refund, the participant forfeits  
11 all accrued rights and credits in the System, and if  
12 subsequently reemployed, the participant shall be considered a  
13 new employee subject to all the qualifying conditions for  
14 participation and eligibility for benefits applicable to new  
15 employees. If such person again becomes a participating  
16 employee and continues as such for 2 years, or is employed by  
17 an employer and participates for at least 2 years in the  
18 Federal Civil Service Retirement System, all such rights,  
19 credits, and previous status as a participant shall be restored  
20 upon repayment of the amount of the refund, together with  
21 compound interest thereon from the date the refund was issued  
22 to the date of repayment at the rate of 6% per annum through  
23 August 31, 1982, and at the effective rates after that date.  
24 When a participant in the portable benefit package who received  
25 a refund which included a distribution of employer  
26 contributions repays a refund pursuant to this Section,

1 one-half of the amount repaid shall be deemed the member's  
2 reinstated accumulated normal and additional contributions and  
3 the other half shall be allocated as an employer contribution  
4 to the System, except that any amount repaid for previously  
5 purchased military service credit under Section 15-113.3 shall  
6 be accounted for as such.

7 (c) Except as otherwise provided under subsection (c-5), if  
8 ~~If~~ a participant covered under the traditional benefit package  
9 has made survivors insurance contributions, but has no  
10 survivors insurance beneficiary upon retirement, he or she  
11 shall be entitled to elect a refund of the accumulated  
12 survivors insurance contributions, or to elect an additional  
13 annuity the value of which is equal to the accumulated  
14 survivors insurance contributions. This election must be made  
15 prior to the date the person's retirement annuity is approved  
16 by the System.

17 (c-5) Notwithstanding subsection (c), an annuitant who  
18 retired prior to June 1, 2011 and made the election under  
19 subsection (c), and who thereafter became, and remains, either:

20 (1) a party to a civil union or a party to a legal  
21 relationship that is recognized as a civil union or  
22 marriage under the Illinois Religious Freedom Protection  
23 and Civil Union Act on or after June 1, 2011; or

24 (2) a party to a marriage under the Illinois Marriage  
25 and Dissolution of Marriage Act on or after February 26,  
26 2014; or

1           (3) a party to a marriage, civil union or other legal  
2           relationship that, at the time it was formed, was not  
3           legally recognized in Illinois but was subsequently  
4           recognized as a civil union or marriage under the Illinois  
5           Religious Freedom Protection and Civil Union Act on or  
6           after June 1, 2011, a marriage under the Illinois Marriage  
7           and Dissolution of Marriage Act on or after February 26,  
8           2014, or both;

9           may make a one-time, irrevocable election to repay the refund  
10           or additional annuity payments received under subsection (c),  
11           together with compound interest thereon at the actuarially  
12           assumed rate of return from the date the refund was issued or  
13           the date each additional annuity payment was issued to the date  
14           of repayment. The annuitant shall submit proof of party status  
15           for item (1), (2), or (3) in the form of a valid marriage  
16           certificate or a civil union certificate with any additional  
17           requirements the Board prescribes by rulemaking. The election  
18           must be received by the System (i) within a period of one year  
19           beginning 5 months after the effective date of this amendatory  
20           Act of the 99th General Assembly and (ii) prior to the date of  
21           death of the annuitant.

22           To the extent permitted under the Internal Revenue Code of  
23           1986, as amended, the full repayment shall be made within a  
24           period beginning on the date of the election and ending on the  
25           earlier of the 24th month thereafter or the date of the  
26           annuitant's death. If an annuitant fails to make the repayment

1 within the required period, any payments made shall be  
2 returned, without interest, to the annuitant (or to the  
3 annuitant's estate if the payments ceased due to death), and  
4 survivors insurance benefits under Section 15-145 shall not be  
5 payable upon the annuitant's death.

6 Upon such repayment, all forfeited survivors insurance  
7 benefit rights and credits under Section 15-145 shall be  
8 restored. This repayment right shall not alter or modify any  
9 eligibility requirement for survivors insurance beneficiaries  
10 under this Article applicable upon the annuitant's death. The  
11 repayment shall be irrevocable. No person shall have a claim or  
12 right to the repaid amounts in a manner not otherwise provided  
13 for under this Article in the event that: the marriage, civil  
14 union, or other legal relationship described in this subsection  
15 is dissolved, annulled, or declared invalid by a court of  
16 competent jurisdiction; or the other party to the marriage,  
17 civil union, or other legal relationship predeceases the  
18 annuitant or otherwise fails to qualify as a survivors  
19 insurance beneficiary upon the annuitant's death.

20 For purposes of this subsection (c-5), the term "annuitant"  
21 shall include an annuitant who resumed his or her status as a  
22 participating employee under Section 15-139(c).

23 (d) A participant, upon application, is entitled to a  
24 refund of his or her accumulated additional contributions  
25 attributable to the additional contributions described in the  
26 last sentence of subsection (c) of Section 15-157. Upon the

1 acceptance of such a refund of accumulated additional  
2 contributions, the participant forfeits all rights and credits  
3 which may have accrued because of such contributions.

4 (e) A participant who terminates his or her employee status  
5 and elects to waive service credit under Section 15-154.2, is  
6 entitled to a refund of the accumulated normal, additional and  
7 survivors insurance contributions, if any, which were credited  
8 the participant for this service, or to an additional annuity  
9 the value of which is equal to the accumulated normal,  
10 additional and survivors insurance contributions, if any;  
11 except that not more than one such refund application may be  
12 made during any academic year. Upon acceptance of this refund,  
13 the participant forfeits all rights and credits accrued because  
14 of this service.

15 (f) If a police officer or firefighter receives a  
16 retirement annuity under Rule 1 or 3 of Section 15-136, he or  
17 she shall be entitled at retirement to a refund of the  
18 difference between his or her accumulated normal contributions  
19 and the normal contributions which would have accumulated had  
20 such person filed a waiver of the retirement formula provided  
21 by Rule 4 of Section 15-136.

22 (g) If, at the time of retirement, a participant would be  
23 entitled to a retirement annuity under Rule 1, 2, 3, 4, or 5 of  
24 Section 15-136, or under Section 15-136.4, that exceeds the  
25 maximum specified in clause (1) of subsection (c) of Section  
26 15-136, he or she shall be entitled to a refund of the employee

1 contributions, if any, paid under Section 15-157 after the date  
2 upon which continuance of such contributions would have  
3 otherwise caused the retirement annuity to exceed this maximum,  
4 plus compound interest at the effective rates.

5 (Source: P.A. 99-450, eff. 8-24-15.)

6 (40 ILCS 5/16-143.2) (from Ch. 108 1/2, par. 16-143.2)

7 Sec. 16-143.2. Refund of contributions for survivor  
8 benefits at retirement.

9 (a) If at the time of applying for a retirement annuity  
10 under Section 16-132, or while in receipt of such a retirement  
11 annuity, a member does not have a dependent beneficiary as  
12 defined in paragraph (3) of Section 16-140, such member may be  
13 granted, upon written request, a refund of actual contributions  
14 for survivor benefits, without interest. Members will be  
15 eligible for a refund of contributions for survivor benefits as  
16 provided in the previous sentence notwithstanding the fact that  
17 they began receiving retirement benefits prior to this  
18 amendatory Act of 1985. Acceptance of the refund will forfeit  
19 all rights to survivor benefits under Sections 16-140 through  
20 16-143.

21 (b) Except as provided under subsection (c), an An  
22 annuitant who reestablishes membership following acceptance of  
23 refund of contributions for survivor benefits under subsection  
24 (a) of this Section may reinstate eligibility for benefits  
25 provided under Sections 16-140 through 16-143 only through: (1)

1 repayment of such refund together with regular interest thereon  
2 from the date of the refund to the date of repayment, and (2)  
3 completion of one year of creditable service following  
4 acceptance of such refund. If membership is reestablished and  
5 the above conditions (1) and (2) are not met, an additional  
6 refund, representing contributions made following the previous  
7 refund will be provided upon the member's death or retirement,  
8 whichever is applicable.

9 (c) Notwithstanding subsection (b), an annuitant who has  
10 received a refund under subsection (a) may, during a period of  
11 one year beginning 5 months after the effective date of this  
12 amendatory Act of the 99th General Assembly, make an election  
13 to reestablish rights to survivor benefits under Sections  
14 16-140 through 16-143 by paying to the System:

15 (1) the total amount of the refund received for actual  
16 contributions; and

17 (2) interest on the amount of the refund at the  
18 actuarially assumed rate of return for the period starting  
19 on the date of receipt of the refund and ending when the  
20 annuitant has made an election under this subsection (c).

21 The System may allow an individual to repay this refund  
22 through: a tax-deferred lump sum payment in full; substantially  
23 equal monthly installments over a period of at least one but  
24 not more than 24 months by reducing the annuitant's monthly  
25 benefit over the established number of months by the amount of  
26 the otherwise applicable contribution; or a combination



1 thereof. To the extent permitted under the Internal Revenue  
2 Code of 1986, as amended, for federal and State tax purposes,  
3 the monthly amount by which the annuitant's benefit is reduced  
4 shall not be treated as a contribution by the annuitant, but  
5 rather as a reduction of the annuitant's monthly benefit.

6 If a member makes an election under this subsection (c) and  
7 the contributions required in items (1) and (2) of this  
8 subsection (c) are not paid in full, an additional one-time  
9 lump sum refund representing contributions made following the  
10 previous refund shall be provided to the named beneficiary or  
11 beneficiaries on file with the System or, if none, to the  
12 member's estate, when the member dies.

13 (Source: P.A. 87-794.)

14 Section 99. Effective date. This Act takes effect upon  
15 becoming law.".