

1 AN ACT in relation to public employee benefits.

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

4 Section 10. The Illinois Pension Code is amended by
5 changing Sections 5-144, 5-167.5, 6-164.2, 8-110, 8-113,
6 8-120, 8-137, 8-138, 8-150.1, 8-158, 8-161, 8-164.1, 8-168,
7 8-171, 8-227, 8-230.7, 8-243.2, 9-121.15, 9-134, 9-134.3,
8 9-146.1, 9-148, 9-163, 9-179.3, 9-219, 11-125.8, 11-134,
9 11-134.1, 11-145.1, 11-153, 11-156, 11-160.1, 11-164, 11-167,
10 13-301, 13-302, 13-304, 13-502, 13-503, 14-105.7, 15-112,
11 17-106, 17-119.1, 17-121, 17-134, and 17-149 and adding
12 Sections 5-129.1, 5-233.1, 8-230.9, 8-230.10, 9-121.16,
13 9-134.4, 9-148.1, and 13-304.1 as follows:

14 (40 ILCS 5/5-129.1 new)

15 Sec. 5-129.1. Withdrawal at mandatory retirement age -
16 amount of annuity.

17 (a) In lieu of any annuity provided in the other
18 provisions of this Article, a policeman who is required to
19 withdraw from service due to attainment of mandatory
20 retirement age and has less than 20 years of service credit
21 may elect to receive an annuity equal to 30% of average
22 salary for the first 10 years of service plus 2% of average
23 salary for each completed year of service or fraction thereof
24 in excess of 10, but not to exceed a maximum of 48% of
25 average salary.

26 (b) For the purpose of this Section, "average salary"
27 means the average of the highest 4 consecutive years of
28 salary within the last 10 years of service, or such shorter
29 period as may be used to calculate a minimum retirement
30 annuity under Section 5-132.

31 (c) For the purpose of qualifying for the annual

1 increases provided in Section 5-167.1, a policeman whose
 2 retirement annuity is calculated under this Section shall be
 3 deemed to qualify for a minimum annuity.

4 (40 ILCS 5/5-144) (from Ch. 108 1/2, par. 5-144)
 5 Sec. 5-144. Death from injury in the performance of acts
 6 of duty; compensation annuity and supplemental annuity.

7 (a) Beginning January 1, 1986, and without regard to
 8 whether or not the annuity in question began before that
 9 date, if the annuity for the widow of a policeman whose
 10 death, on or after January 1, 1940, results from injury
 11 incurred in the performance of an act or acts of duty, is not
 12 equal to the sum hereinafter stated, "compensation annuity"
 13 equal to the difference between the annuity and an amount
 14 equal to 75% of the policeman's salary attached to the
 15 position he held by certification and appointment as a result
 16 of competitive civil service examination that would
 17 ordinarily have been paid to him as though he were in active
 18 discharge of his duties shall be payable to the widow until
 19 the policeman, had he lived, would have attained age 63. The
 20 total amount of the widow's annuity and children's awards
 21 payable to the family of such policeman shall not exceed the
 22 amounts stated in Section 5-152.

23 The provisions of this Section, as amended by Public Act
 24 84-1104, including the reference to the date upon which the
 25 deceased policeman would have attained age 63, shall apply to
 26 all widows of policemen whose death occurs on or after
 27 January 1, 1940 due to injury incurred in the performance of
 28 an act of duty, regardless of whether such death occurred
 29 prior to September 17, 1969. For those widows of policemen
 30 that died prior to September 17, 1969, who became eligible
 31 for compensation annuity by the action of Public Act 84-1104,
 32 such compensation annuity shall begin and be calculated from
 33 January 1, 1986. The provisions of this amendatory Act of

1 1987 are intended to restate and clarify the intent of Public
2 Act 84-1104, and do not make any substantive change.

3 (b) Upon termination of the compensation annuity,
4 "supplemental annuity" shall become payable to the widow,
5 equal to the difference between the annuity for the widow and
6 an amount equal to 75% 50% of the annual salary (including
7 all salary increases and longevity raises) that the policeman
8 would have been receiving when he attained age 63 if the
9 policeman had continued in service at the same rank (whether
10 career service or exempt) that he last held in the police
11 department. The increase in supplemental annuity resulting
12 from this amendatory Act of the 92nd General Assembly 1995
13 applies without regard to whether the deceased policeman was
14 in service on or after the effective date of this amendatory
15 Act and is payable from July 1, 2002 ~~January-17-1996~~ or the
16 date upon which the supplemental annuity begins, whichever is
17 later.

18 (c) Neither compensation nor supplemental annuity shall
19 be paid unless the death of the policeman was a direct result
20 of the injury, or the injury was of such character as to
21 prevent him from subsequently resuming service as a
22 policeman; nor shall compensation or supplemental annuity be
23 paid unless the widow was the wife of the policeman when the
24 injury occurred.

25 (Source: P.A. 89-12, eff. 4-20-95.)

26 (40 ILCS 5/5-167.5) (from Ch. 108 1/2, par. 5-167.5)

27 Sec. 5-167.5. Group health benefit.

28 (a) For the purposes of this Section: (1) "annuitant"
29 means a person receiving an age and service annuity, a prior
30 service annuity, a widow's annuity, a widow's prior service
31 annuity, or a minimum annuity, under Article 5, 6, 8 or 11,
32 by reason of previous employment by the City of Chicago
33 (hereinafter, in this Section, "the city"); (2) "Medicare

1 Plan annuitant" means an annuitant described in item (1) who
 2 is eligible for Medicare benefits; and (3) "non-Medicare Plan
 3 annuitant" means an annuitant described in item (1) who is
 4 not eligible for Medicare benefits.

5 (b) The city shall offer group health benefits to
 6 annuitants and their eligible dependents through June 30,
 7 2003 2002. The basic city health care plan available as of
 8 June 30, 1988 (hereinafter called the basic city plan) shall
 9 cease to be a plan offered by the city, except as specified
 10 in subparagraphs (4) and (5) below, and shall be closed to
 11 new enrollment or transfer of coverage for any non-Medicare
 12 Plan annuitant as of June 27, ~~the--effective--date--of--this~~
 13 ~~amendatory--Act--of~~ 1997. The city shall offer non-Medicare
 14 Plan annuitants and their eligible dependents the option of
 15 enrolling in its Annuitant Preferred Provider Plan and may
 16 offer additional plans for any annuitant. The city may
 17 amend, modify, or terminate any of its additional plans at
 18 its sole discretion. If the city offers more than one
 19 annuitant plan, the city shall allow annuitants to convert
 20 coverage from one city annuitant plan to another, except the
 21 basic city plan, during times designated by the city, which
 22 periods of time shall occur at least annually. For the
 23 period dating from June 27, ~~the--effective--date--of--this~~
 24 ~~amendatory--Act--of~~ 1997 through June 30, 2003 2002, monthly
 25 premium rates may be increased for annuitants during the time
 26 of their participation in non-Medicare plans, except as
 27 provided in subparagraphs (1) through (4) of this subsection.

28 (1) For non-Medicare Plan annuitants who retired
 29 prior to January 1, 1988, the annuitant's share of
 30 monthly premium for non-Medicare Plan coverage only shall
 31 not exceed the highest premium rate chargeable under any
 32 city non-Medicare Plan annuitant coverage as of December
 33 1, 1996.

34 (2) For non-Medicare Plan annuitants who retire on

1 or after January 1, 1988, the annuitant's share of
2 monthly premium for non-Medicare Plan coverage only shall
3 be the rate in effect on December 1, 1996, with monthly
4 premium increases to take effect no sooner than April 1,
5 1998 at the lower of (i) the premium rate determined
6 pursuant to subsection (g) or (ii) 10% of the immediately
7 previous month's rate for similar coverage.

8 (3) In no event shall any non-Medicare Plan
9 annuitant's share of monthly premium for non-Medicare
10 Plan coverage exceed 10% of the annuitant's monthly
11 annuity.

12 (4) Non-Medicare Plan annuitants who are enrolled
13 in the basic city plan as of July 1, 1998 may remain in
14 the basic city plan, if they so choose, on the condition
15 that they are not entitled to the caps on rates set forth
16 in subparagraphs (1) through (3), and their premium rate
17 shall be the rate determined in accordance with
18 subsections (c) and (g).

19 (5) Medicare Plan annuitants who are currently
20 enrolled in the basic city plan for Medicare eligible
21 annuitants may remain in that plan, if they so choose,
22 through June 30, 2003 2002. Annuitants shall not be
23 allowed to enroll in or transfer into the basic city plan
24 for Medicare eligible annuitants on or after July 1,
25 1999. The city shall continue to offer annuitants a
26 supplemental Medicare Plan for Medicare eligible
27 annuitants through June 30, 2003 2002, and the city may
28 offer additional plans to Medicare eligible annuitants in
29 its sole discretion. All Medicare Plan annuitant monthly
30 rates shall be determined in accordance with subsections
31 (c) and (g).

32 (c) The city shall pay 50% of the aggregated costs of
33 the claims or premiums, whichever is applicable, as
34 determined in accordance with subsection (g), of annuitants

1 and their dependents under all health care plans offered by
2 the city. The city may reduce its obligation by application
3 of price reductions obtained as a result of financial
4 arrangements with providers or plan administrators.

5 (d) From January 1, 1993 until June 30, 2003 2002, the
6 board shall pay to the city on behalf of each of the board's
7 annuitants who chooses to participate in any of the city's
8 plans the following amounts: up to a maximum of \$75 per month
9 for each such annuitant who is not qualified to receive
10 medicare benefits, and up to a maximum of \$45 per month for
11 each such annuitant who is qualified to receive medicare
12 benefits.

13 The payments described in this subsection shall be paid
14 from the tax levy authorized under Section 5-168; such
15 amounts shall be credited to the reserve for group hospital
16 care and group medical and surgical plan benefits, and all
17 payments to the city required under this subsection shall be
18 charged against it.

19 (e) The city's obligations under subsections (b) and (c)
20 shall terminate on June 30, 2003 2002, except with regard to
21 covered expenses incurred but not paid as of that date. This
22 subsection shall not affect other obligations that may be
23 imposed by law.

24 (f) The group coverage plans described in this Section
25 are not and shall not be construed to be pension or
26 retirement benefits for purposes of Section 5 of Article XIII
27 of the Illinois Constitution of 1970.

28 (g) For each annuitant plan offered by the city, the
29 aggregate cost of claims, as reflected in the claim records
30 of the plan administrator, shall be estimated by the city,
31 based upon a written determination by a qualified independent
32 actuary to be appointed and paid by the city and the board.
33 If the estimated annual cost for each annuitant plan offered
34 by the city is more than the estimated amount to be

1 contributed by the city for that plan pursuant to subsections
2 (b) and (c) during that year plus the estimated amounts to be
3 paid pursuant to subsection (d) and by the other pension
4 boards on behalf of other participating annuitants, the
5 difference shall be paid by all annuitants participating in
6 the plan, except as provided in subsection (b). The city,
7 based upon the determination of the independent actuary,
8 shall set the monthly amounts to be paid by the participating
9 annuitants. The board may deduct the amounts to be paid by
10 its annuitants from the participating annuitants' monthly
11 annuities.

12 If it is determined from the city's annual audit, or from
13 audited experience data, that the total amount paid by all
14 participating annuitants was more or less than the difference
15 between (1) the cost of providing the group health care
16 plans, and (2) the sum of the amount to be paid by the city
17 as determined under subsection (c) and the amounts paid by
18 all the pension boards, then the independent actuary and the
19 city shall account for the excess or shortfall in the next
20 year's payments by annuitants, except as provided in
21 subsection (b).

22 (h) An annuitant may elect to terminate coverage in a
23 plan at the end of any month, which election shall terminate
24 the annuitant's obligation to contribute toward payment of
25 the excess described in subsection (g).

26 (i) The city shall advise the board of all proposed
27 premium increases for health care at least 75 days prior to
28 the effective date of the change, and any increase shall be
29 prospective only.

30 (Source: P.A. 90-32, eff. 6-27-97.)

31 (40 ILCS 5/5-233.1 new)

32 Sec. 5-233.1. Transfer of creditable service to Article
33 8 or 11 fund. A person who (i) is an active participant in a

1 fund established under Article 8 or 11 of this Code and (ii)
 2 has at least 10 and no more than 22 years of creditable
 3 service in this Fund may, within the 90 days following the
 4 effective date of this Section, apply for transfer of his or
 5 her credits and creditable service accumulated in this Fund
 6 to the Article 8 or 11 fund. At the time of the transfer,
 7 this Fund shall pay to the Article 8 or 11 fund an amount
 8 consisting of:

9 (1) the amounts credited to the applicant through
 10 employee contributions for the service to be transferred,
 11 including interest; and

12 (2) the corresponding municipality credits,
 13 including interest, on the books of the Fund on the date
 14 of transfer.

15 Participation in this Fund with respect to the credits
 16 transferred shall terminate on the date of transfer.

17 (40 ILCS 5/6-164.2) (from Ch. 108 1/2, par. 6-164.2)
 18 Sec. 6-164.2. Group health benefit.

19 (a) For the purposes of this Section: (1) "annuitant"
 20 means a person receiving an age and service annuity, a prior
 21 service annuity, a widow's annuity, a widow's prior service
 22 annuity, or a minimum annuity, under Article 5, 6, 8 or 11,
 23 by reason of previous employment by the City of Chicago
 24 (hereinafter, in this Section, "the city"); (2) "Medicare
 25 Plan annuitant" means an annuitant described in item (1) who
 26 is eligible for Medicare benefits; and (3) "non-Medicare Plan
 27 annuitant" means an annuitant described in item (1) who is
 28 not eligible for Medicare benefits.

29 (b) The city shall offer group health benefits to
 30 annuitants and their eligible dependents through June 30,
 31 2003 2002. The basic city health care plan available as of
 32 June 30, 1988 (hereinafter called the basic city plan) shall
 33 cease to be a plan offered by the city, except as specified

1 in subparagraphs (4) and (5) below, and shall be closed to
2 new enrollment or transfer of coverage for any non-Medicare
3 Plan annuitant as of June 27, ~~the effective date of this~~
4 ~~amendatory Act of~~ 1997. The city shall offer non-Medicare
5 Plan annuitants and their eligible dependents the option of
6 enrolling in its Annuitant Preferred Provider Plan and may
7 offer additional plans for any annuitant. The city may
8 amend, modify, or terminate any of its additional plans at
9 its sole discretion. If the city offers more than one
10 annuitant plan, the city shall allow annuitants to convert
11 coverage from one city annuitant plan to another, except the
12 basic city plan, during times designated by the city, which
13 periods of time shall occur at least annually. For the
14 period dating from June 27, ~~the effective date of this~~
15 ~~amendatory Act of~~ 1997 through June 30, 2003 2002, monthly
16 premium rates may be increased for annuitants during the time
17 of their participation in non-Medicare plans, except as
18 provided in subparagraphs (1) through (4) of this subsection.

19 (1) For non-Medicare Plan annuitants who retired
20 prior to January 1, 1988, the annuitant's share of
21 monthly premium for non-Medicare Plan coverage only shall
22 not exceed the highest premium rate chargeable under any
23 city non-Medicare Plan annuitant coverage as of December
24 1, 1996.

25 (2) For non-Medicare Plan annuitants who retire on
26 or after January 1, 1988, the annuitant's share of
27 monthly premium for non-Medicare Plan coverage only shall
28 be the rate in effect on December 1, 1996, with monthly
29 premium increases to take effect no sooner than April 1,
30 1998 at the lower of (i) the premium rate determined
31 pursuant to subsection (g) or (ii) 10% of the immediately
32 previous month's rate for similar coverage.

33 (3) In no event shall any non-Medicare Plan
34 annuitant's share of monthly premium for non-Medicare

1 Plan coverage exceed 10% of the annuitant's monthly
2 annuity.

3 (4) Non-Medicare Plan annuitants who are enrolled
4 in the basic city plan as of July 1, 1998 may remain in
5 the basic city plan, if they so choose, on the condition
6 that they are not entitled to the caps on rates set forth
7 in subparagraphs (1) through (3), and their premium rate
8 shall be the rate determined in accordance with
9 subsections (c) and (g).

10 (5) Medicare Plan annuitants who are currently
11 enrolled in the basic city plan for Medicare eligible
12 annuitants may remain in that plan, if they so choose,
13 through June 30, 2003 2002. Annuitants shall not be
14 allowed to enroll in or transfer into the basic city plan
15 for Medicare eligible annuitants on or after July 1,
16 1999. The city shall continue to offer annuitants a
17 supplemental Medicare Plan for Medicare eligible
18 annuitants through June 30, 2003 2002, and the city may
19 offer additional plans to Medicare eligible annuitants in
20 its sole discretion. All Medicare Plan annuitant monthly
21 rates shall be determined in accordance with subsections
22 (c) and (g).

23 (c) The city shall pay 50% of the aggregated costs of
24 the claims or premiums, whichever is applicable, as
25 determined in accordance with subsection (g), of annuitants
26 and their dependents under all health care plans offered by
27 the city. The city may reduce its obligation by application
28 of price reductions obtained as a result of financial
29 arrangements with providers or plan administrators.

30 (d) From January 1, 1993 until June 30, 2003 2002, the
31 board shall pay to the city on behalf of each of the board's
32 annuitants who chooses to participate in any of the city's
33 plans the following amounts: up to a maximum of \$75 per month
34 for each such annuitant who is not qualified to receive

1 medicare benefits, and up to a maximum of \$45 per month for
2 each such annuitant who is qualified to receive medicare
3 benefits.

4 The payments described in this subsection shall be paid
5 from the tax levy authorized under Section 6-165; such
6 amounts shall be credited to the reserve for group hospital
7 care and group medical and surgical plan benefits, and all
8 payments to the city required under this subsection shall be
9 charged against it.

10 (e) The city's obligations under subsections (b) and (c)
11 shall terminate on June 30, 2003 2002, except with regard to
12 covered expenses incurred but not paid as of that date. This
13 subsection shall not affect other obligations that may be
14 imposed by law.

15 (f) The group coverage plans described in this Section
16 are not and shall not be construed to be pension or
17 retirement benefits for purposes of Section 5 of Article XIII
18 of the Illinois Constitution of 1970.

19 (g) For each annuitant plan offered by the city, the
20 aggregate cost of claims, as reflected in the claim records
21 of the plan administrator, shall be estimated by the city,
22 based upon a written determination by a qualified independent
23 actuary to be appointed and paid by the city and the board.
24 If the estimated annual cost for each annuitant plan offered
25 by the city is more than the estimated amount to be
26 contributed by the city for that plan pursuant to subsections
27 (b) and (c) during that year plus the estimated amounts to be
28 paid pursuant to subsection (d) and by the other pension
29 boards on behalf of other participating annuitants, the
30 difference shall be paid by all annuitants participating in
31 the plan, except as provided in subsection (b). The city,
32 based upon the determination of the independent actuary,
33 shall set the monthly amounts to be paid by the participating
34 annuitants. The board may deduct the amounts to be paid by

1 its annuitants from the participating annuitants' monthly
2 annuities.

3 If it is determined from the city's annual audit, or from
4 audited experience data, that the total amount paid by all
5 participating annuitants was more or less than the difference
6 between (1) the cost of providing the group health care
7 plans, and (2) the sum of the amount to be paid by the city
8 as determined under subsection (c) and the amounts paid by
9 all the pension boards, then the independent actuary and the
10 city shall account for the excess or shortfall in the next
11 year's payments by annuitants, except as provided in
12 subsection (b).

13 (h) An annuitant may elect to terminate coverage in a
14 plan at the end of any month, which election shall terminate
15 the annuitant's obligation to contribute toward payment of
16 the excess described in subsection (g).

17 (i) The city shall advise the board of all proposed
18 premium increases for health care at least 75 days prior to
19 the effective date of the change, and any increase shall be
20 prospective only.

21 (Source: P.A. 90-32, eff. 6-27-97.)

22 (40 ILCS 5/8-110) (from Ch. 108 1/2, par. 8-110)

23 Sec. 8-110. Employer. "Employer":

24 (1) a city of more than 500,000 inhabitants;

25 (2) or the Board of Education of the such city, with
26 respect to any of its employees who participate in this Fund;

27 (3) the Chicago Housing Authority, with respect to any
28 of its employees who participate in this Fund subject to the
29 provisions of Section 8-230.9;

30 (4) the Public Building Commission of the city, with
31 respect to any of its employees who participate in this Fund;
32 and

33 (5) to-which-this-Article--applies,--or the Retirement

1 Board.

2 (Source: Laws 1968, p. 181.)

3 (40 ILCS 5/8-113) (from Ch. 108 1/2, par. 8-113)

4 Sec. 8-113. Municipal employee, employee, contributor,
5 or participant. "Municipal employee", "employee",
6 "contributor", or "participant":

7 (a) Any employee of an employer employed in the
8 classified civil service thereof other than by temporary
9 appointment or in a position excluded or exempt from the
10 classified service by the Civil Service Act, or in the case
11 of a city operating under a personnel ordinance, any employee
12 of an employer employed in the classified or career service
13 under the provisions of a personnel ordinance, other than in
14 a provisional or exempt position as specified in such
15 ordinance or in rules and regulations formulated thereunder.

16 (b) Any employee in the service of an employer before
17 the Civil Service Act came in effect for the employer.

18 (c) Any person employed by the board.

19 (d) Any person employed after December 31, 1949, but
20 prior to January 1, 1984, in the service of the employer by
21 temporary appointment or in a position exempt from the
22 classified service as set forth in the Civil Service Act, or
23 in a provisional or exempt position as specified in the
24 personnel ordinance, who meets the following qualifications:

25 (1) has rendered service during not less than 12
26 calendar months to an employer as an employee, officer, or
27 official, 4 months of which must have been consecutive full
28 normal working months of service rendered immediately prior
29 to filing application to be included; and

30 (2) files written application with the board, while in
31 the service, to be included hereunder.

32 (e) After December 31, 1949, any alderman or other
33 officer or official of the employer, who files, while in

1 office, written application with the board to be included
2 hereunder.

3 (f) Beginning January 1, 1984, any person employed by an
4 employer other than the Chicago Housing Authority or the
5 Public Building Commission of the city, whether or not such
6 person is serving by temporary appointment or in a position
7 exempt from the classified service as set forth in the Civil
8 Service Act, or in a provisional or exempt position as
9 specified in the personnel ordinance, provided that such
10 person is neither (1) an alderman or other officer or
11 official of the employer, nor (2) participating, on the basis
12 of such employment, in any other pension fund or retirement
13 system established under this Act.

14 (g) After December 31, 1959, any person employed in the
15 law department of the city, or municipal court or Board of
16 Election Commissioners of the city, who was a contributor and
17 participant, on December 31, 1959, in the annuity and benefit
18 fund in operation in the city on said date, by virtue of the
19 Court and Law Department Employees' Annuity Act or the Board
20 of Election Commissioners Employees' Annuity Act.

21 After December 31, 1959, the foregoing definition
22 includes any other person employed or to be employed in the
23 law department, or municipal court (other than as a judge),
24 or Board of Election Commissioners (if his salary is provided
25 by appropriation of the city council of the city and his
26 salary paid by the city) -- subject, however, in the case of
27 such persons not participants on December 31, 1959, to
28 compliance with the same qualifications and restrictions
29 otherwise set forth in this Section and made generally
30 applicable to employees or officers of the city concerning
31 eligibility for participation or membership.

32 (h) After December 31, 1965, any person employed in the
33 public library of the city -- and any other person -- who was
34 a contributor and participant, on December 31, 1965, in the

1 pension fund in operation in the city on said date, by virtue
2 of the Public Library Employees' Pension Act.

3 (i) After December 31, 1968, any person employed in the
4 house of correction of the city, who was a contributor and
5 participant, on December 31, 1968, in the pension fund in
6 operation in the city on said date, by virtue of the House of
7 Correction Employees' Pension Act.

8 (j) Any person employed full-time on or after the
9 effective date of this amendatory Act of the 92nd General
10 Assembly by the Chicago Housing Authority who has elected to
11 participate in this Fund as provided in subsection (a) of
12 Section 8-230.9.

13 (k) Any person employed full-time by the Public Building
14 Commission of the city who has elected to participate in this
15 Fund as provided in subsection (d) of Section 8-230.7.

16 (Source: P.A. 83-802.)

17 (40 ILCS 5/8-120) (from Ch. 108 1/2, par. 8-120)

18 Sec. 8-120. Child or children. "Child" or "children":
19 The natural child or children, or any child or children
20 legally adopted by an employee at least one year prior to the
21 date any benefit for the child or children accrues, ~~and~~
22 ~~adopted prior to the date the employee attained age 55.~~

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

24 (40 ILCS 5/8-137) (from Ch. 108 1/2, par. 8-137)

25 Sec. 8-137. Automatic increase in annuity.

26 (a) An employee who retired or retires from service
27 after December 31, 1959 and before January 1, 1987, having
28 attained age 60 or more, shall, in January of the year after
29 the year in which the first anniversary of retirement occurs,
30 have the amount of his then fixed and payable monthly annuity
31 increased by 1 1/2%, and such first fixed annuity as granted
32 at retirement increased by a further 1 1/2% in January of

1 each year thereafter. Beginning with January of the year
2 1972, such increases shall be at the rate of 2% in lieu of
3 the aforesaid specified 1 1/2%, and beginning with January of
4 the year 1984 such increases shall be at the rate of 3%.
5 Beginning in January of 1999, such increases shall be at the
6 rate of 3% of the currently payable monthly annuity,
7 including any increases previously granted under this
8 Article. An employee who retires on annuity after December
9 31, 1959 and before January 1, 1987, but before age 60, shall
10 receive such increases beginning in January of the year after
11 the year in which he attains age 60.

12 An employee who retires from service on or after January
13 1, 1987 shall, upon the first annuity payment date following
14 the first anniversary of the date of retirement, or upon the
15 first annuity payment date following attainment of age 60,
16 whichever occurs later, have his then fixed and payable
17 monthly annuity increased by 3%, and such annuity shall be
18 increased by an additional 3% of the original fixed annuity
19 on the same date each year thereafter. Beginning in January
20 of 1999, such increases shall be at the rate of 3% of the
21 currently payable monthly annuity, including any increases
22 previously granted under this Article.

23 (a-5) Notwithstanding the provisions of subsection (a),
24 upon the first annuity payment date following (1) the third
25 anniversary of retirement, (2) the attainment of age 53, or
26 (3) the date 60 days after the effective date of this
27 amendatory Act of the 92nd General Assembly, whichever occurs
28 latest, the monthly pension of an employee who retires on
29 annuity prior to the attainment of age 60 who has not
30 received an increase under subsection (a) shall be increased
31 by 3%, and such annuity shall be increased by an additional
32 3% of the current payable monthly annuity, including such
33 increases previously granted under this Article, on the same
34 date each year thereafter. The increases provided under this

1 subsection are in lieu of the increases provided in
2 subsection (a).

3 (b) Subsections (a) and (a-5) are ~~The--foregoing~~
4 ~~provision-is~~ not applicable to an employee retiring and
5 receiving a term annuity, as herein defined, nor to any
6 otherwise qualified employee who retires before he makes
7 employee contributions (at the 1/2 of 1% rate as provided in
8 this Act) for this additional annuity for not less than the
9 equivalent of one full year. Such employee, however, shall
10 make arrangement to pay to the fund a balance of such 1/2 of
11 1% contributions, based on his final salary, as will bring
12 such 1/2 of 1% contributions, computed without interest, to
13 the equivalent of or completion of one year's contributions.

14 Beginning with January, 1960, each employee shall
15 contribute by means of salary deductions 1/2 of 1% of each
16 salary payment, concurrently with and in addition to the
17 employee contributions otherwise made for annuity purposes.

18 Each such additional contribution shall be credited to an
19 account in the prior service annuity reserve, to be used,
20 together with city contributions, to defray the cost of the
21 specified annuity increments. Any balance in such account at
22 the beginning of each calendar year shall be credited with
23 interest at the rate of 3% per annum.

24 Such additional employee contributions are not
25 refundable, except to an employee who withdraws and applies
26 for refund under this Article, and in cases where a term
27 annuity becomes payable. In such cases his contributions
28 shall be refunded, without interest, and charged to such
29 account in the prior service annuity reserve.

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

31 (40 ILCS 5/8-138) (from Ch. 108 1/2, par. 8-138)

32 Sec. 8-138. Minimum annuities - Additional provisions.

33 (a) An employee who withdraws after age 65 or more with

1 at least 20 years of service, for whom the amount of age and
2 service and prior service annuity combined is less than the
3 amount stated in this Section, shall from the date of
4 withdrawal, instead of all annuities otherwise provided, be
5 entitled to receive an annuity for life of \$150 a year, plus
6 1 1/2% for each year of service, to and including 20 years,
7 and 1 2/3% for each year of service over 20 years, of his
8 highest average annual salary for any 4 consecutive years
9 within the last 10 years of service immediately preceding the
10 date of withdrawal.

11 An employee who withdraws after 20 or more years of
12 service, before age 65, shall be entitled to such annuity, to
13 begin not earlier than upon attained age of 55 years if under
14 such age at withdrawal, reduced by 2% for each full year or
15 fractional part thereof that his attained age is less than
16 65, plus an additional 2% reduction for each full year or
17 fractional part thereof that his attained age when annuity is
18 to begin is less than 60 so that the total reduction at age
19 55 shall be 30%.

20 (b) An employee who withdraws after July 1, 1957, at age
21 60 or over, with 20 or more years of service, for whom the
22 age and service and prior service annuity combined, is less
23 than the amount stated in this paragraph, shall, from the
24 date of withdrawal, instead of such annuities, be entitled to
25 receive an annuity for life equal to 1 2/3% for each year of
26 service, of the highest average annual salary for any 5
27 consecutive years within the last 10 years of service
28 immediately preceding the date of withdrawal; provided, that
29 in the case of any employee who withdraws on or after July 1,
30 1971, such employee age 60 or over with 20 or more years of
31 service, shall receive an annuity for life equal to 1.67% for
32 each of the first 10 years of service; 1.90% for each of the
33 next 10 years of service; 2.10% for each year of service in
34 excess of 20 but not exceeding 30; and 2.30% for each year of

1 service in excess of 30, based on the highest average annual
2 salary for any 4 consecutive years within the last 10 years
3 of service immediately preceding the date of withdrawal.

4 An employee who withdraws after July 1, 1957 and before
5 January 1, 1988, with 20 or more years of service, before age
6 60 years is entitled to annuity, to begin not earlier than
7 upon attained age of 55 years, if under such age at
8 withdrawal, as computed in the last preceding paragraph,
9 reduced 0.25% for each full month or fractional part thereof
10 that his attained age when annuity is to begin is less than
11 60 if the employee was born before January 1, 1936, or 0.5%
12 for each such month if the employee was born on or after
13 January 1, 1936.

14 Any employee born before January 1, 1936, who withdraws
15 with 20 or more years of service, and any employee with 20 or
16 more years of service who withdraws on or after January 1,
17 1988, may elect to receive, in lieu of any other employee
18 annuity provided in this Section, an annuity for life equal
19 to 1.80% for each of the first 10 years of service, 2.00% for
20 each of the next 10 years of service, 2.20% for each year of
21 service in excess of 20 but not exceeding 30, and 2.40% for
22 each year of service in excess of 30, of the highest average
23 annual salary for any 4 consecutive years within the last 10
24 years of service immediately preceding the date of
25 withdrawal, to begin not earlier than upon attained age of 55
26 years, if under such age at withdrawal, reduced 0.25% for
27 each full month or fractional part thereof that his attained
28 age when annuity is to begin is less than 60; except that an
29 employee retiring on or after January 1, 1988, at age 55 or
30 over but less than age 60, having at least 35 years of
31 service, or an employee retiring on or after July 1, 1990, at
32 age 55 or over but less than age 60, having at least 30 years
33 of service, or an employee retiring on or after the effective
34 date of this amendatory Act of 1997, at age 55 or over but

1 less than age 60, having at least 25 years of service, shall
2 not be subject to the reduction in retirement annuity because
3 of retirement below age 60.

4 However, in the case of an employee who retired on or
5 after January 1, 1985 but before January 1, 1988, at age 55
6 or older and with at least 35 years of service, and who was
7 subject under this subsection (b) to the reduction in
8 retirement annuity because of retirement below age 60, that
9 reduction shall cease to be effective January 1, 1991, and
10 the retirement annuity shall be recalculated accordingly.

11 Any employee who withdraws on or after July 1, 1990, with
12 20 or more years of service, may elect to receive, in lieu of
13 any other employee annuity provided in this Section, an
14 annuity for life equal to 2.20% for each year of service if
15 withdrawal is before 60 days after the effective date of this
16 amendatory Act of the 92nd General Assembly, or 2.40% for
17 each year of service if withdrawal is 60 days after the
18 effective date of this amendatory Act of the 92nd General
19 Assembly or later, of the highest average annual salary for
20 any 4 consecutive years within the last 10 years of service
21 immediately preceding the date of withdrawal, to begin not
22 earlier than upon attained age of 55 years, if under such age
23 at withdrawal, reduced 0.25% for each full month or
24 fractional part thereof that his attained age when annuity is
25 to begin is less than 60; except that an employee retiring at
26 age 55 or over but less than age 60, having at least 30 years
27 of service, shall not be subject to the reduction in
28 retirement annuity because of retirement below age 60.

29 Any employee who withdraws on or after the effective date
30 of this amendatory Act of 1997 with 20 or more years of
31 service may elect to receive, in lieu of any other employee
32 annuity provided in this Section, an annuity for life equal
33 to 2.20%, for each year of service, if withdrawal is before
34 60 days after the effective date of this amendatory Act of

1 the 92nd General Assembly, or 2.40% for each year of service
2 if withdrawal is 60 days after the effective date of this
3 amendatory Act of the 92nd General Assembly or later, of the
4 highest average annual salary for any 4 consecutive years
5 within the last 10 years of service immediately preceding the
6 date of withdrawal, to begin not earlier than upon attainment
7 of age 55 (age 50 if the employee has at least 30 years of
8 service), reduced 0.25% for each full month or remaining
9 fractional part thereof that the employee's attained age when
10 annuity is to begin is less than 60; except that an employee
11 retiring at age 50 or over with at least 30 years of service
12 or at age 55 or over with at least 25 years of service shall
13 not be subject to the reduction in retirement annuity because
14 of retirement below age 60.

15 The maximum annuity payable under part (a) and (b) of
16 this Section shall not exceed 70% of highest average annual
17 salary in the case of an employee who withdraws prior to July
18 1, 1971, and 75% if withdrawal takes place on or after July
19 1, 1971 and prior to 60 days after the effective date of this
20 amendatory Act of the 92nd General Assembly, or 80% if
21 withdrawal is 60 days after the effective date of this
22 amendatory Act of the 92nd General Assembly or later. For the
23 purpose of the minimum annuity provided in this Section
24 \$1,500 is considered the minimum annual salary for any year;
25 and the maximum annual salary for the computation of such
26 annuity is \$4,800 for any year before 1953, \$6000 for the
27 years 1953 to 1956, inclusive, and the actual annual salary,
28 as salary is defined in this Article, for any year
29 thereafter.

30 To preserve rights existing on December 31, 1959, for
31 participants and contributors on that date to the fund
32 created by the Court and Law Department Employees' Annuity
33 Act, who became participants in the fund provided for on
34 January 1, 1960, the maximum annual salary to be considered

1 for such persons for the years 1955 and 1956 is \$7,500.

2 (c) For an employee receiving disability benefit, his
3 salary for annuity purposes under paragraphs (a) and (b) of
4 this Section, for all periods of disability benefit
5 subsequent to the year 1956, is the amount on which his
6 disability benefit was based.

7 (d) An employee with 20 or more years of service, whose
8 entire disability benefit credit period expires before
9 attainment of age 55 while still disabled for service, is
10 entitled upon withdrawal to the larger of (1) the minimum
11 annuity provided above, assuming he is then age 55, and
12 reducing such annuity to its actuarial equivalent as of his
13 attained age on such date or (2) the annuity provided from
14 his age and service and prior service annuity credits.

15 (e) The minimum annuity provisions do not apply to any
16 former municipal employee receiving an annuity from the fund
17 who re-enters service as a municipal employee, unless he
18 renders at least 3 years of additional service after the date
19 of re-entry.

20 (f) An employee in service on July 1, 1947, or who
21 became a contributor after July 1, 1947 and before attainment
22 of age 70, who withdraws after age 65, with less than 20
23 years of service for whom the annuity has been fixed under
24 this Article shall, instead of the annuity so fixed, receive
25 an annuity as follows:

26 Such amount as he could have received had the accumulated
27 amounts for annuity been improved with interest at the
28 effective rate to the date of his withdrawal, or to
29 attainment of age 70, whichever is earlier, and had the city
30 contributed to such earlier date for age and service annuity
31 the amount that it would have contributed had he been under
32 age 65, after the date his annuity was fixed in accordance
33 with this Article, and assuming his annuity were computed
34 from such accumulations as of his age on such earlier date.

1 The annuity so computed shall not exceed the annuity which
2 would be payable under the other provisions of this Section
3 if the employee was credited with 20 years of service and
4 would qualify for annuity thereunder.

5 (g) Instead of the annuity provided in this Article, an
6 employee having attained age 65 with at least 15 years of
7 service who withdraws from service on or after July 1, 1971
8 and whose annuity computed under other provisions of this
9 Article is less than the amount provided under this
10 paragraph, is entitled to a minimum annuity for life equal to
11 1% of the highest average annual salary, as salary is defined
12 and limited in this Section for any 4 consecutive years
13 within the last 10 years of service for each year of service,
14 plus the sum of \$25 for each year of service. The annuity
15 shall not exceed 60% of such highest average annual salary.

16 (g-1) Instead of any other retirement annuity provided
17 in this Article, an employee who has at least 10 years of
18 service and withdraws from service on or after January 1,
19 1999 may elect to receive a retirement annuity for life,
20 beginning no earlier than upon attainment of age 60, equal to
21 2.2% if withdrawal is before 60 days after the effective date
22 of this amendatory Act of the 92nd General Assembly or 2.4%
23 if withdrawal is 60 days after the effective date of this
24 amendatory Act of the 92nd General Assembly or later, of
25 final average salary for each year of service, subject to a
26 maximum of 75% of final average salary if withdrawal is
27 before 60 days after the effective date of this amendatory
28 Act of the 92nd General Assembly, or 80% if withdrawal is 60
29 days after the effective date of this amendatory Act of the
30 92nd General Assembly or later. For the purpose of
31 calculating this annuity, "final average salary" means the
32 highest average annual salary for any 4 consecutive years in
33 the last 10 years of service.

34 (h) The minimum annuities provided under this Section

1 shall be paid in equal monthly installments.

2 (i) The amendatory provisions of part (b) and (g) of
3 this Section shall be effective July 1, 1971 and apply in the
4 case of every qualifying employee withdrawing on or after
5 July 1, 1971.

6 (j) The amendatory provisions of this amendatory Act of
7 1985 (P.A. 84-23) relating to the discount of annuity because
8 of retirement prior to attainment of age 60, and to the
9 retirement formula, for those born before January 1, 1936,
10 shall apply only to qualifying employees withdrawing on or
11 after July 18, 1985.

12 (k) Beginning on January 1, 1999, the minimum amount of
13 employee's annuity shall be \$850 per month for life for the
14 following classes of employees, without regard to the fact
15 that withdrawal occurred prior to the effective date of this
16 amendatory Act of 1998:

17 (1) any employee annuitant alive and receiving a
18 life annuity on the effective date of this amendatory Act
19 of 1998, except a reciprocal annuity;

20 (2) any employee annuitant alive and receiving a
21 term annuity on the effective date of this amendatory Act
22 of 1998, except a reciprocal annuity;

23 (3) any employee annuitant alive and receiving a
24 reciprocal annuity on the effective date of this
25 amendatory Act of 1998, whose service in this fund is at
26 least 5 years;

27 (4) any employee annuitant withdrawing after age 60
28 on or after the effective date of this amendatory Act of
29 1998, with at least 10 years of service in this fund.

30 The increases granted under items (1), (2) and (3) of
31 this subsection (k) shall not be limited by any other Section
32 of this Act.

33 (Source: P.A. 90-32, eff. 6-27-97; 90-511, eff. 8-22-97;
34 90-766, eff. 8-14-98.)

1 (40 ILCS 5/8-150.1) (from Ch. 108 1/2, par. 8-150.1)
2 Sec. 8-150.1. Minimum annuities for widows. The widow
3 (otherwise eligible for widow's annuity under other Sections
4 of this Article 8) of an employee hereinafter described, who
5 retires from service or dies while in the service subsequent
6 to the effective date of this amendatory provision, and for
7 which widow the amount of widow's annuity and widow's prior
8 service annuity combined, fixed or provided for such widow
9 under other provisions of this Article is less than the
10 amount provided in this Section, shall, from and after the
11 date her otherwise provided annuity would begin, in lieu of
12 such otherwise provided widow's and widow's prior service
13 annuity, be entitled to the following indicated amount of
14 annuity:

15 (a) The widow of any employee who dies while in service
16 on or after the date on which he attains age 60 if the death
17 occurs before July 1, 1990, or on or after the date on which
18 he attains age 55 if the death occurs on or after July 1,
19 1990, with at least 20 years of service, or on or after the
20 date on which he attains age 50 if the death occurs on or
21 after the effective date of this amendatory Act of 1997 with
22 at least 30 years of service, shall be entitled to an annuity
23 equal to one-half of the amount of annuity which her deceased
24 husband would have been entitled to receive had he withdrawn
25 from the service on the day immediately preceding the date of
26 his death, conditional upon such widow having attained the
27 age of 60 or more years on such date if the death occurs
28 before July 1, 1990, or age 55 or more if the death occurs on
29 or after July 1, 1990, or age 50 or more if the death occurs
30 on or after January 1, 1998 and the employee is age 50 or
31 over with at least 30 years of service or age 55 or over with
32 at least 25 years of service. Except as provided in
33 subsection (k), this widow's annuity shall not, however,
34 exceed the sum of \$500 a month if the employee's death in

1 service occurs before January 23, 1987. The widow's annuity
2 shall not be limited to a maximum dollar amount if the
3 employee's death in service occurs on or after January 23,
4 1987.

5 If the employee dies in service before July 1, 1990, and
6 if such widow of such described employee shall not be 60 or
7 more years of age on such date of death, the amount provided
8 in the immediately preceding paragraph for a widow 60 or more
9 years of age, shall, in the case of such younger widow, be
10 reduced by 0.25% for each month that her then attained age is
11 less than 60 years if the employee was born before January 1,
12 1936 or dies in service on or after January 1, 1988, or by
13 0.5% for each month that her then attained age is less than
14 60 years if the employee was born on or after July 1, 1936
15 and dies in service before January 1, 1988.

16 If the employee dies in service on or after July 1, 1990,
17 and if the widow of the employee has not attained age 55 on
18 or before the employee's date of death, the amount otherwise
19 provided in this subsection (a) shall be reduced by 0.25% for
20 each month that her then attained age is less than 55 years;
21 except that if the employee dies in service on or after
22 January 1, 1998 at age 50 or over with at least 30 years of
23 service or at age 55 or over with at least 25 years of
24 service, there shall be no reduction due to the widow's age
25 if she has attained age 50 on or before the employee's date
26 of death, and if the widow has not attained age 50 on or
27 before the employee's date of death the amount otherwise
28 provided in this subsection (a) shall be reduced by 0.25% for
29 each month that her then attained age is less than 50 years.

30 (b) The widow of any employee who dies subsequent to the
31 date of his retirement on annuity, and who so retired on or
32 after the date on which he attained the age of 60 or more
33 years if retirement occurs before July 1, 1990, or on or
34 after the date on which he attained age 55 if retirement

1 occurs on or after July 1, 1990, with at least 20 years of
2 service, or on or after the date on which he attained age 50
3 if the retirement occurs on or after the effective date of
4 this amendatory Act of 1997 with at least 30 years of
5 service, shall be entitled to an annuity equal to one-half of
6 the amount of annuity which her deceased husband received as
7 of the date of his retirement on annuity, conditional upon
8 such widow having attained the age of 60 or more years on the
9 date of her husband's retirement on annuity if retirement
10 occurs before July 1, 1990, or age 55 or more if retirement
11 occurs on or after July 1, 1990, or age 50 or more if the
12 retirement on annuity occurs on or after January 1, 1998 and
13 the employee is age 50 or over with at least 30 years of
14 service or age 55 or over with at least 25 years of service.
15 Except as provided in subsection (k), this widow's annuity
16 shall not, however, exceed the sum of \$500 a month if the
17 employee's death occurs before January 23, 1987. The widow's
18 annuity shall not be limited to a maximum dollar amount if
19 the employee's death occurs on or after January 23, 1987,
20 regardless of the date of retirement; provided that, if
21 retirement was before January 23, 1987, the employee or
22 eligible spouse repays the excess spouse refund with interest
23 at the effective rate from the date of refund to the date of
24 repayment.

25 If the date of the employee's retirement on annuity is
26 before July 1, 1990, and if such widow of such described
27 employee shall not have attained such age of 60 or more years
28 on such date of her husband's retirement on annuity, the
29 amount provided in the immediately preceding paragraph for a
30 widow 60 or more years of age on the date of her husband's
31 retirement on annuity, shall, in the case of such then
32 younger widow, be reduced by 0.25% for each month that her
33 then attained age was less than 60 years if the employee was
34 born before January 1, 1936 or withdraws from service on or

1 after January 1, 1988, or by 0.5% for each month that her
2 then attained age is less than 60 years if the employee was
3 born on or after January 1, 1936 and withdraws from service
4 before January 1, 1988.

5 If the date of the employee's retirement on annuity is on
6 or after July 1, 1990, and if the widow of the employee has
7 not attained age 55 by the date of the employee's retirement
8 on annuity, the amount otherwise provided in this subsection
9 (b) shall be reduced by 0.25% for each month that her then
10 attained age is less than 55 years; except that if the
11 employee retires on annuity on or after January 1, 1998 at
12 age 50 or over with at least 30 years of service or at age 55
13 or over with at least 25 years of service, there shall be no
14 reduction due to the widow's age if she has attained age 50
15 on or before the employee's date of death, and if the widow
16 has not attained age 50 on or before the employee's date of
17 death the amount otherwise provided in this subsection (b)
18 shall be reduced by 0.25% for each month that her then
19 attained age is less than 50 years.

20 (c) The foregoing provisions relating to minimum
21 annuities for widows shall not apply to the widow of any
22 former municipal employee receiving an annuity from the fund
23 on August 9, 1965 or on the effective date of this amendatory
24 provision, who re-enters service as a municipal employee,
25 unless such employee renders at least 3 years of additional
26 service after the date of re-entry.

27 (d) In computing the amount of annuity which the husband
28 specified in the foregoing paragraphs (a) and (b) of this
29 Section would have been entitled to receive, or received,
30 such amount shall be the annuity to which such husband would
31 have been, or was entitled, before reduction in the amount of
32 his annuity for the purposes of the voluntary optional
33 reversionary annuity provided for in Section See- 8-139 of
34 this Article, if such option was elected.

1 (e) (Blank).

2 (f) (Blank).

3 (g) The amendatory provisions of this amendatory Act of
4 1985 relating to annuity discount because of age for widows
5 of employees born before January 1, 1936, shall apply only to
6 qualifying widows of employees withdrawing or dying in
7 service on or after July 18, 1985.

8 (h) Beginning on January 1, 1999, the minimum amount of
9 widow's annuity shall be \$800 per month for life for the
10 following classes of widows, without regard to the fact that
11 the death of the employee occurred prior to the effective
12 date of this amendatory Act of 1998:

13 (1) any widow annuitant alive and receiving a life
14 annuity on the effective date of this amendatory Act of
15 1998, except a reciprocal annuity;

16 (2) any widow annuitant alive and receiving a term
17 annuity on the effective date of this amendatory Act of
18 1998, except a reciprocal annuity;

19 (3) any widow annuitant alive and receiving a
20 reciprocal annuity on the effective date of this
21 amendatory Act of 1998, whose employee spouse's service
22 in this fund was at least 5 years;

23 (4) the widow of an employee with at least 10 years
24 of service in this fund who dies after retirement, if the
25 retirement occurred prior to the effective date of this
26 amendatory Act of 1998;

27 (5) the widow of an employee with at least 10 years
28 of service in this fund who dies after retirement, if
29 withdrawal occurs on or after the effective date of this
30 amendatory Act of 1998;

31 (6) the widow of an employee who dies in service
32 with at least 5 years of service in this fund, if the
33 death in service occurs on or after the effective date of
34 this amendatory Act of 1998.

1 The increases granted under items (1), (2), (3) and (4)
2 of this subsection (h) shall not be limited by any other
3 Section of this Act.

4 (i) The widow of an employee who retired or died in
5 service on or after January 1, 1985 and before July 1, 1990,
6 at age 55 or older, and with at least 35 years of service
7 credit, shall be entitled to have her widow's annuity
8 increased, effective January 1, 1991, to an amount equal to
9 50% of the retirement annuity that the deceased employee
10 received on the date of retirement, or would have been
11 eligible to receive if he had retired on the day preceding
12 the date of his death in service, provided that if the widow
13 had not attained age 60 by the date of the employee's
14 retirement or death in service, the amount of the annuity
15 shall be reduced by 0.25% for each month that her then
16 attained age was less than age 60 if the employee's
17 retirement or death in service occurred on or after January
18 1, 1988, or by 0.5% for each month that her attained age is
19 less than age 60 if the employee's retirement or death in
20 service occurred prior to January 1, 1988. However, in cases
21 where a refund of excess contributions for widow's annuity
22 has been paid by the Fund, the increase in benefit provided
23 by this subsection (i) shall be contingent upon repayment of
24 the refund to the Fund with interest at the effective rate
25 from the date of refund to the date of payment.

26 (j) If a deceased employee is receiving a retirement
27 annuity at the time of death and that death occurs on or
28 after June 27, 1997, the widow may elect to receive, in lieu
29 of any other annuity provided under this Article, 50% of the
30 deceased employee's retirement annuity at the time of death
31 reduced by 0.25% for each month that the widow's age on the
32 date of death is less than 55; except that if the employee
33 dies on or after January 1, 1998 and withdrew from service on
34 or after June 27, 1997 at age 50 or over with at least 30

1 years of service or at age 55 or over with at least 25 years
2 of service, there shall be no reduction due to the widow's
3 age if she has attained age 50 on or before the employee's
4 date of death, and if the widow has not attained age 50 on or
5 before the employee's date of death the amount otherwise
6 provided in this subsection (j) shall be reduced by 0.25% for
7 each month that her age on the date of death is less than 50
8 years. However, in cases where a refund of excess
9 contributions for widow's annuity has been paid by the Fund,
10 the benefit provided by this subsection (j) is contingent
11 upon repayment of the refund to the Fund with interest at the
12 effective rate from the date of refund to the date of
13 payment.

14 (k) For widows of employees who died before January 23,
15 1987 after retirement on annuity or in service, the maximum
16 dollar amount limitation on widow's annuity shall cease to
17 apply, beginning with the first annuity payment after the
18 effective date of this amendatory Act of 1997; except that if
19 a refund of excess contributions for widow's annuity has been
20 paid by the Fund, the increase resulting from this subsection
21 (k) shall not begin before the refund has been repaid to the
22 Fund, together with interest at the effective rate from the
23 date of the refund to the date of repayment.

24 (l) In lieu of any other annuity provided in this
25 Article, an eligible spouse of an employee who dies in
26 service at least 60 days after the effective date of this
27 amendatory Act of the 92nd General Assembly with at least 10
28 years of service shall be entitled to an annuity of 50% of
29 the minimum formula annuity earned and accrued to the credit
30 of the employee at the date of death. For the purposes of
31 this subsection, the minimum formula annuity earned and
32 accrued to the credit of the employee is equal to 2.40% for
33 each year of service of the highest average annual salary for
34 any 4 consecutive years within the last 10 years of service

1 immediately preceding the date of death, up to a maximum of
2 80% of the highest average annual salary. This annuity shall
3 not be reduced due to the age of the employee or spouse. In
4 addition to any other eligibility requirements under this
5 Article, the spouse is eligible for this annuity only if the
6 marriage was in effect for 10 full years or more.

7 (Source: P.A. 90-32, eff. 6-27-97; 90-511, eff. 8-22-97;
8 90-766, eff. 8-14-98.)

9 (40 ILCS 5/8-158) (from Ch. 108 1/2, par. 8-158)

10 Sec. 8-158. Child's annuity. A child's annuity is
11 payable monthly after the death of an employee parent to the
12 child until the child's attainment of age 18, under the
13 following conditions, if the child was born before the
14 employee attained age 65, and before he withdrew from
15 service:

16 (a) ~~upon death resulting from injury incurred in~~
17 ~~the performance of an act of duty;~~

18 (b) upon death in service from any cause other than
19 ~~injury incurred in the performance of an act of duty, if~~
20 ~~the employee has at least 4 years of service after the~~
21 ~~date of his original entry into service, and at least 2~~
22 ~~years after the date of his latest re-entry;~~

23 (b) (e) upon death of an employee who withdraws
24 from service after age 55 (or after age 50 with at least
25 30 years of service if withdrawal is on or after June 27,
26 1997) and who has entered upon or is eligible for
27 annuity.

28 Payment shall be made as provided in Section 8-125.

29 (Source: P.A. 90-31, eff. 6-27-97; 90-766, eff. 8-14-98.)

30 (40 ILCS 5/8-161) (from Ch. 108 1/2, par. 8-161)

31 Sec. 8-161. Ordinary disability benefit. An employee
32 while under age 65 and prior to January 1, 1979, or while

1 under age 70 and after January 1, 1979, who becomes disabled
2 after the effective date as the result of any cause other
3 than injury incurred in the performance of duty, shall be
4 entitled to ordinary disability benefit during such
5 disability, after the first 30 days thereof.

6 The first payment shall be made not later than one month
7 after the benefit is granted and each subsequent payment
8 shall be made not later than one month after the last
9 preceding payment.

10 The disability benefit prescribed herein shall cease when
11 the first of the following dates shall occur and the
12 employee, if still disabled, shall thereafter be entitled to
13 such annuity as is otherwise provided in this Article:

14 (a) the date disability ceases.

15 (b) the date the disabled employee attains age 65 for
16 disability commencing prior to January 1, 1979.

17 (c) the date the disabled employee attains age 65 for
18 disability commencing prior to attainment of age 60 in the
19 service and after January 1, 1979.

20 (d) the date the disabled employee attains the age of 70
21 for disability commencing after attainment of age 60 in the
22 service and after January 1, 1979.

23 (e) the date the payments of the benefit shall exceed in
24 the aggregate, throughout the employee's service, a period
25 equal to 1/4 of the total service rendered prior to the date
26 of disability but in no event more than 5 years. In
27 computing such total service any period during which the
28 employee received ordinary disability benefit shall be
29 excluded.

30 Any employee whose ordinary disability benefit was
31 terminated after January 1, 1979 by reason of his attainment
32 of age 65 and who continues disabled after age 65 may elect
33 before July 1, 1986 to have such benefits resumed beginning
34 at the time of such termination and continuing until

1 termination is required under this Section as amended by this
2 amendatory Act of 1985. The amount payable to any employee
3 for such resumed benefit for any period shall be reduced by
4 the amount of any retirement annuity paid to such employee
5 under this Article for the same period of time or by any
6 refund paid in lieu of annuity.

7 Ordinary disability benefit shall be 50% of the
8 employee's salary at the date of disability.

9 For ordinary disability benefits paid before January 1,
10 2001, before any payment, an amount equal to less the sum
11 ordinarily deducted from salary for all annuity purposes for
12 such period for which the ordinary disability benefit is made
13 shall be deducted from such payment and credited to the
14 employee as a deduction from salary for that period. The
15 sums so deducted shall ~~be-credited-to-the-employee-and-shall~~
16 be regarded, for annuity and refund purposes, as an amount
17 contributed by him.

18 For ordinary disability benefits paid on or after January
19 1, 2001, the fund shall credit sums equal to the amounts
20 ordinarily contributed by an employee for annuity purposes
21 for any period during which the employee receives ordinary
22 disability, and those sums shall be deemed for annuity
23 purposes and purposes of Section 8-173 as amounts contributed
24 by the employee. These amounts credited for annuity purposes
25 shall not be credited for refund purposes.

26 If a participating employee is eligible for a disability
27 benefit under the federal Social Security Act, the amount of
28 ordinary disability benefit under this Section attributable
29 to employment with the Chicago Housing Authority or the
30 Public Building Commission of the city shall be reduced, but
31 not to less than \$10 per month, by the amount that the
32 employee would be eligible to receive as a disability benefit
33 under the federal Social Security Act, whether or not that
34 federal benefit is based on service as a covered employee

1 under this Article. The reduction shall be effective as of
 2 the month the employee is eligible for the social security
 3 disability benefit. The Board may make this reduction
 4 pending determination of eligibility for the social security
 5 disability benefit, if it appears to the Board that the
 6 employee may be eligible, and make an appropriate adjustment
 7 if necessary after eligibility for the social security
 8 disability benefit is determined. If the employee's social
 9 security disability benefit is reduced or terminated because
 10 of a refusal to accept rehabilitation services under the
 11 federal Rehabilitation Act of 1973 or the federal Social
 12 Security Act or because the employee is receiving a workers'
 13 compensation benefit, the ordinary disability benefit under
 14 this Section shall be reduced as if the employee were
 15 receiving the full social security disability benefit.

16 The amount of ordinary disability benefit shall not be
 17 reduced by reason of any increase in the amount of social
 18 security disability benefit that takes effect after the month
 19 of the initial reduction under this Section, other than an
 20 increase resulting from a correction in the employee's wage
 21 records.

22 (Source: P.A. 84-23.)

23 (40 ILCS 5/8-164.1) (from Ch. 108 1/2, par. 8-164.1)
 24 Sec. 8-164.1. Group health benefit.

25 (a) For the purposes of this Section: (1) "annuitant"
 26 means a person receiving an age and service annuity, a prior
 27 service annuity, a widow's annuity, a widow's prior service
 28 annuity, or a minimum annuity, under Article 5, 6, 8 or 11,
 29 by reason of previous employment by the City of Chicago
 30 (hereinafter, in this Section, "the city"); (2) "Medicare
 31 Plan annuitant" means an annuitant described in item (1) who
 32 is eligible for Medicare benefits; and (3) "non-Medicare Plan
 33 annuitant" means an annuitant described in item (1) who is

1 not eligible for Medicare benefits.

2 (b) The city shall offer group health benefits to
3 annuitants and their eligible dependents through June 30,
4 2003 2002. The basic city health care plan available as of
5 June 30, 1988 (hereinafter called the basic city plan) shall
6 cease to be a plan offered by the city, except as specified
7 in subparagraphs (4) and (5) below, and shall be closed to
8 new enrollment or transfer of coverage for any non-Medicare
9 Plan annuitant as of June 27, ~~the effective date of this~~
10 ~~amendatory Act of~~ 1997. The city shall offer non-Medicare
11 Plan annuitants and their eligible dependents the option of
12 enrolling in its Annuitant Preferred Provider Plan and may
13 offer additional plans for any annuitant. The city may
14 amend, modify, or terminate any of its additional plans at
15 its sole discretion. If the city offers more than one
16 annuitant plan, the city shall allow annuitants to convert
17 coverage from one city annuitant plan to another, except the
18 basic city plan, during times designated by the city, which
19 periods of time shall occur at least annually. For the
20 period dating from June 27, ~~the effective date of this~~
21 ~~amendatory Act of~~ 1997 through June 30, 2003 2002, monthly
22 premium rates may be increased for annuitants during the time
23 of their participation in non-Medicare plans, except as
24 provided in subparagraphs (1) through (4) of this subsection.

25 (1) For non-Medicare Plan annuitants who retired
26 prior to January 1, 1988, the annuitant's share of
27 monthly premium for non-Medicare Plan coverage only shall
28 not exceed the highest premium rate chargeable under any
29 city non-Medicare Plan annuitant coverage as of December
30 1, 1996.

31 (2) For non-Medicare Plan annuitants who retire on
32 or after January 1, 1988, the annuitant's share of
33 monthly premium for non-Medicare Plan coverage only shall
34 be the rate in effect on December 1, 1996, with monthly

1 premium increases to take effect no sooner than April 1,
2 1998 at the lower of (i) the premium rate determined
3 pursuant to subsection (g) or (ii) 10% of the immediately
4 previous month's rate for similar coverage.

5 (3) In no event shall any non-Medicare Plan
6 annuitant's share of monthly premium for non-Medicare
7 Plan coverage exceed 10% of the annuitant's monthly
8 annuity.

9 (4) Non-Medicare Plan annuitants who are enrolled
10 in the basic city plan as of July 1, 1998 may remain in
11 the basic city plan, if they so choose, on the condition
12 that they are not entitled to the caps on rates set forth
13 in subparagraphs (1) through (3), and their premium rate
14 shall be the rate determined in accordance with
15 subsections (c) and (g).

16 (5) Medicare Plan annuitants who are currently
17 enrolled in the basic city plan for Medicare eligible
18 annuitants may remain in that plan, if they so choose,
19 through June 30, 2003 2002. Annuitants shall not be
20 allowed to enroll in or transfer into the basic city plan
21 for Medicare eligible annuitants on or after July 1,
22 1999. The city shall continue to offer annuitants a
23 supplemental Medicare Plan for Medicare eligible
24 annuitants through June 30, 2003 2002, and the city may
25 offer additional plans to Medicare eligible annuitants in
26 its sole discretion. All Medicare Plan annuitant monthly
27 rates shall be determined in accordance with subsections
28 (c) and (g).

29 (c) The city shall pay 50% of the aggregated costs of
30 the claims or premiums, whichever is applicable, as
31 determined in accordance with subsection (g), of annuitants
32 and their dependents under all health care plans offered by
33 the city. The city may reduce its obligation by application
34 of price reductions obtained as a result of financial

1 arrangements with providers or plan administrators.

2 (d) From January 1, 1993 until June 30, 2003 2002, the
3 board shall pay to the city on behalf of each of the board's
4 annuitants who chooses to participate in any of the city's
5 plans the following amounts: up to a maximum of \$75 per month
6 for each such annuitant who is not qualified to receive
7 medicare benefits, and up to a maximum of \$45 per month for
8 each such annuitant who is qualified to receive medicare
9 benefits.

10 Commencing on August 23, ~~the--effective--date--of--this~~
11 ~~amendatory--Act--of~~ 1989, the board is authorized to pay to the
12 board of education on behalf of each person who chooses to
13 participate in the board of education's plan the amounts
14 specified in this subsection (d) during the years indicated.
15 For the period January 1, 1988 through August 23, ~~the~~
16 ~~effective--date--of--this--amendatory--Act--of~~ 1989, the board
17 shall pay to the board of education annuitants who
18 participate in the board of education's health benefits plan
19 for annuitants the following amounts: \$10 per month to each
20 annuitant who is not qualified to receive medicare benefits,
21 and \$14 per month to each annuitant who is qualified to
22 receive medicare benefits.

23 The payments described in this subsection shall be paid
24 from the tax levy authorized under Section 8-189; such
25 amounts shall be credited to the reserve for group hospital
26 care and group medical and surgical plan benefits, and all
27 payments to the city required under this subsection shall be
28 charged against it.

29 (e) The city's obligations under subsections (b) and (c)
30 shall terminate on June 30, 2003 2002, except with regard to
31 covered expenses incurred but not paid as of that date. This
32 subsection shall not affect other obligations that may be
33 imposed by law.

34 (f) The group coverage plans described in this Section

1 are not and shall not be construed to be pension or
2 retirement benefits for purposes of Section 5 of Article XIII
3 of the Illinois Constitution of 1970.

4 (g) For each annuitant plan offered by the city, the
5 aggregate cost of claims, as reflected in the claim records
6 of the plan administrator, shall be estimated by the city,
7 based upon a written determination by a qualified independent
8 actuary to be appointed and paid by the city and the board.
9 If the estimated annual cost for each annuitant plan offered
10 by the city is more than the estimated amount to be
11 contributed by the city for that plan pursuant to subsections
12 (b) and (c) during that year plus the estimated amounts to be
13 paid pursuant to subsection (d) and by the other pension
14 boards on behalf of other participating annuitants, the
15 difference shall be paid by all annuitants participating in
16 the plan, except as provided in subsection (b). The city,
17 based upon the determination of the independent actuary,
18 shall set the monthly amounts to be paid by the participating
19 annuitants. The board may deduct the amounts to be paid by
20 its annuitants from the participating annuitants' monthly
21 annuities.

22 If it is determined from the city's annual audit, or from
23 audited experience data, that the total amount paid by all
24 participating annuitants was more or less than the difference
25 between (1) the cost of providing the group health care
26 plans, and (2) the sum of the amount to be paid by the city
27 as determined under subsection (c) and the amounts paid by
28 all the pension boards, then the independent actuary and the
29 city shall account for the excess or shortfall in the next
30 year's payments by annuitants, except as provided in
31 subsection (b).

32 (h) An annuitant may elect to terminate coverage in a
33 plan at the end of any month, which election shall terminate
34 the annuitant's obligation to contribute toward payment of

1 the excess described in subsection (g).

2 (i) The city shall advise the board of all proposed
3 premium increases for health care at least 75 days prior to
4 the effective date of the change, and any increase shall be
5 prospective only.

6 (Source: P.A. 90-32, eff. 6-27-97.)

7 (40 ILCS 5/8-168) (from Ch. 108 1/2, par. 8-168)

8 Sec. 8-168. Refunds - Withdrawal before age 55 or with
9 less than 10 years of service.

10 1. An employee, without regard to length of service, who
11 withdraws before age 55, and any employee with less than 10
12 years of service who withdraws before age 60, shall be
13 entitled to a refund of the accumulated sums to his credit,
14 as of the date of withdrawal, for age and service annuity and
15 widow's annuity from amounts contributed by him, including
16 interest credited and including amounts contributed for him
17 for age and service and widow's annuity purposes by the city
18 while receiving duty disability benefits; provided that such
19 amounts contributed by the city after December 31, 1981,
20 while the employee is receiving duty disability benefits, and
21 amounts credited to the employee for annuity purposes by the
22 fund after December 31, 2000, while the employee is receiving
23 ordinary disability benefits, shall not be credited for
24 refund purposes. If he is a present employee he shall also be
25 entitled to a refund of the accumulations from any sums
26 contributed by him, and applied to any municipal pension fund
27 superseded by this fund.

28 2. Upon receipt of the refund, the employee surrenders
29 and forfeits all rights to any annuity or other benefits, for
30 himself and for any other persons who might have benefited
31 through him; provided that he may have such period of service
32 counted in computing the term of his service if he becomes an
33 employee before age 65, excepting as limited by the

1 provisions of paragraph (a) (3) of Section 8-232 of this
2 Article relating to the basis of computing the term of
3 service.

4 3. Any such employee shall retain such right to a refund
5 of such amounts when he shall apply for same until he
6 re-enters the service or until the amount of annuity shall
7 have been fixed as provided in this Article. Thereafter, no
8 such right shall exist in the case of any such employee.

9 4. Any such municipal employee who shall have served 10
10 or more years and who shall not withdraw the amounts
11 aforesaid to which he shall have a right of refund shall have
12 a right to annuity as stated in this Article.

13 5. Any such municipal employee who shall have served
14 less than 10 years and who shall not withdraw the amounts to
15 which he shall have a right to refund shall have a right to
16 have all such amounts and all other amounts to his credit for
17 annuity purposes on date of his withdrawal from service
18 retained to his credit and improved by interest while he
19 shall be out of the service at the rate of 3 1/2% or 3% per
20 annum (whichever rate shall apply under the provisions of
21 Section 8-155 of this Article) and used for annuity purposes
22 for his benefit and the benefit of any person who may have
23 any right to annuity through him because of his service,
24 according to the provisions of this Article in the event that
25 he shall subsequently re-enter the service and complete the
26 number of years of service necessary to attain a right to
27 annuity; but such sum shall be improved by interest to his
28 credit while he shall be out of the service only until he
29 shall have become 65 years of age.

30 (Source: P.A. 82-283.)

31 (40 ILCS 5/8-171) (from Ch. 108 1/2, par. 8-171)

32 Sec. 8-171. Refund in lieu of annuity. In lieu of an
33 annuity, an employee who withdraws and whose annuity would

1 amount to less than \$800 a month for life, may elect to
2 receive a refund of his accumulated contributions for annuity
3 purposes, based on the amounts contributed by him.

4 The widow of any employee, eligible for annuity upon the
5 death of her husband, whose widow's annuity would amount to
6 less than \$800 a month for life, may, in lieu of widow's
7 annuity, elect to receive a refund of the accumulated
8 contributions for annuity purposes, based on the amounts
9 contributed by her deceased employee husband, but reduced by
10 any amounts theretofore paid to him in the form of an annuity
11 or refund out of such accumulated contributions.

12 Accumulated contributions shall mean the amounts -
13 including the interest credited thereon - contributed by the
14 employee for age and service and widow's annuity to the date
15 of his withdrawal or death, whichever first occurs, including
16 any amounts contributed for him as salary deductions while
17 receiving duty disability benefits, and, if not otherwise
18 included, any accumulations from sums contributed by him and
19 applied to any pension fund superseded by this fund; provided
20 that such amounts contributed by the city after December 31,
21 1981 while the employee is receiving duty disability benefits
22 and amounts credited to the employee for annuity purposes by
23 the fund after December 31, 2000 while the employee is
24 receiving ordinary disability shall not be included.

25 The acceptance of such refund in lieu of widow's annuity,
26 on the part of a widow, shall not deprive a child or children
27 of the right to receive a child's annuity as provided for in
28 Sections 8-158 and 8-159 of this Article, and neither shall
29 the payment of a child's annuity in the case of such refund
30 to a widow reduce the amount herein set forth as refundable
31 to such widow electing a refund in lieu of widow's annuity.

32 (Source: P.A. 91-887, eff. 7-6-00.)

33 (40 ILCS 5/8-227) (from Ch. 108 1/2, par. 8-227)

1 Sec. 8-227. Service as police officer, firefighter or
2 teacher.

3 (a) Service rendered by an employee as a police officer
4 and member of the regularly constituted police department of
5 the city, or as a firefighter and regular member of the paid
6 fire department of the city, or as a teacher in the public
7 school system in the city shall be counted, for the purposes
8 of this Article, as service rendered as an employee of the
9 city. Salary received for any such service shall be treated,
10 for the purposes of this Article, as salary received for the
11 performance of duty as an employee.

12 (b) Subsection (a) applies ~~The--foregoing--provisions~~
13 ~~shall-apply~~ to service rendered after the effective date only
14 if the employee pays to the Fund, prior to his separation
15 from service, an amount equal to what would have accumulated
16 in his or her account from salary deductions as employee
17 contributions, including interest at the effective rate, if
18 such contributions had been made for age and service and
19 spouse's annuity during all of such service; provided, that
20 no service shall be counted or payments received for any
21 period of service for which the employee retains or has not
22 forfeited his or her rights to credit for the same period of
23 service in another annuity and benefit fund, or pension fund,
24 in operation in the city for the benefit of such police
25 officers, firefighters, or teachers. The amount transferred
26 to the Fund under item (1) of Section 5-233.1, if any, shall
27 be credited against the contributions required under this
28 subsection.

29 (Source: P.A. 81-1536.)

30 (40 ILCS 5/8-230.7)

31 Sec. 8-230.7. Service rendered to Public Building
32 Commission.

33 (a) An employee or former employee of the Public

1 Building Commission of the city who has established credit
2 under the Fund with regard to service to an employer other
3 than the Public Building Commission of the city may
4 contribute to the Fund and receive credit for all periods of
5 full-time employment with by the Public Building Commission
6 created by the employing city occurring prior to 60 days
7 after the effective date of this amendatory Act, except for
8 those periods for which the employee retains a right to
9 credit in another public pension fund or retirement system
10 established under this Code. Such service credit shall be
11 paid for and granted on the same basis and under the same
12 conditions as are applicable in the case of employees who
13 make payment for past service under Section 8-230, provided
14 that the person must also pay the corresponding employer
15 contributions, and further provided that the contributions
16 and service credit are permitted under Section 415 of the
17 Internal Revenue Code of 1986. The contributions shall be
18 based on the salary actually received by the person from the
19 Commission for that employment.

20 (b) A person establishing service credit under
21 subsection (a) or electing to participate in the Fund under
22 subsection (d) may, at the same time, reinstate service
23 credit that was terminated through receipt of a refund by
24 repaying to the Fund the amount of the refund plus interest
25 at the effective rate from the date of the refund to the date
26 of repayment.

27 (c) An eligible person may establish service credit
28 under subsection (a) and reinstate service credit under
29 subsection (b) without returning to active service as an
30 employee under this Article, but the required contributions
31 and repayment must be received by the Fund before the person
32 begins to receive a retirement annuity under this Article.

33 (d) Within 60 days after beginning full-time employment
34 with the Public Building Commission of the city (or within 60

1 days after the effective date of this amendatory Act of the
2 92nd General Assembly, whichever is later), a person having
3 service credits in this Fund or reinstating service credits
4 under subsection (b) may elect to participate in this Fund
5 with respect to that Public Building Commission employment.
6 An employee who participates in this Fund with respect to
7 Public Building Commission employment shall not, with respect
8 to the same period of employment, participate in any other
9 pension plan for employees of the Commission for which
10 contributions are made by the Commission, except that this
11 provision shall not prevent an employee from making elective
12 contributions to a plan of deferred compensation during that
13 period. An election under this subsection (d), once made, is
14 irrevocable.

15 Participation under this subsection shall be on the same
16 basis and under the same conditions as are applicable in the
17 case of participating employees of the city. Employee
18 contributions shall be based on the salary actually received
19 by the employee for that employment. Employer contributions
20 shall be paid by the Public Building Commission rather than
21 the city, at a rate to be determined by the Retirement Board.
22 (Source: P.A. 90-766, eff. 8-14-98.)

23 (40 ILCS 5/8-230.9 new)

24 Sec. 8-230.9. Service rendered to Chicago Housing
25 Authority.

26 (a) Within 60 days after beginning full-time employment
27 with the Chicago Housing Authority (or within 60 days after
28 the effective date of this amendatory Act of the 92nd General
29 Assembly, whichever is later), a person having service
30 credits in this Fund or reinstating service credits under
31 subsection (c) may elect to participate in this Fund with
32 respect to that Chicago Housing Authority employment. An
33 employee who participates in this Fund with respect to

1 Chicago Housing Authority employment shall not, with respect
2 to the same period of employment, participate in any other
3 pension plan for employees of the Authority for which
4 contributions are made by the Authority, except that this
5 provision shall not prevent an employee from making elective
6 contributions to a plan of deferred compensation during that
7 period. An election under this subsection (a), once made, is
8 irrevocable.

9 Participation under this subsection shall be on the same
10 basis and under the same conditions as are applicable in the
11 case of participating employees of the city. Employee
12 contributions shall be based on the salary actually received
13 by the employee for that employment. Employer contributions
14 shall be paid by the Chicago Housing Authority rather than
15 the city, at a rate to be determined by the Retirement Board.

16 (b) An employee or former employee of the Chicago
17 Housing Authority who has established credit under the Fund
18 with regard to service to an employer other than the Chicago
19 Housing Authority may contribute to the Fund and receive
20 credit for all periods of full-time employment with the
21 Chicago Housing Authority occurring prior to 60 days after
22 the effective date of this amendatory Act, except for those
23 periods for which the employee retains a right to credit in
24 another public pension fund or retirement system established
25 under this Code. Such service credit shall be paid for and
26 granted on the same basis and under the same conditions as
27 are applicable in the case of employees who make payment for
28 past service under Section 8-230, provided that the person
29 must also pay the corresponding employer contributions, and
30 further provided that the contributions and service credit
31 are permitted under Section 415 of the Internal Revenue Code
32 of 1986. The contributions shall be based on the salary
33 actually received by the person from the Authority for that
34 employment.

1 (c) A person establishing service credit under
2 subsection (b) or electing to participate in the Fund under
3 subsection (a) may, at the same time, reinstate service
4 credit that was terminated through receipt of a refund by
5 repaying to the Fund the amount of the refund plus interest
6 at the effective rate from the date of the refund to the date
7 of repayment.

8 (d) An eligible person may establish service credit
9 under subsection (b) and reinstate service credit under
10 subsection (c) without returning to active service as an
11 employee under this Article, but the required contributions
12 and repayment must be received by the Fund before the person
13 begins to receive a retirement annuity under this Article.

14 (40 ILCS 5/8-230.10 new)

15 Sec. 8-230.10. Service rendered to IHDA. An employee
16 with at least 10 years of creditable service in the Fund may
17 establish service credit for up to 7 years of full-time
18 employment by the Illinois Housing Development Authority for
19 which the employee does not have credit in another public
20 pension fund or retirement system.

21 To establish service credit under this Section, the
22 employee must apply to the Fund in writing by January 1, 2003
23 and pay to the Fund, at any time before beginning to receive
24 a retirement annuity under this Article, an amount to be
25 determined by the Fund, consisting of (i) employee
26 contributions based on the salary actually received by the
27 person from the Illinois Housing Development Authority for
28 that employment and the contribution rates then in effect for
29 employees of the Fund, (ii) the corresponding employer
30 contributions, and (iii) regular interest on the amounts in
31 items (i) and (ii) from the date of the service to the date
32 of payment.

1 (40 ILCS 5/8-243.2) (from Ch. 108 1/2, par. 8-243.2)
2 Sec. 8-243.2. Alternative annuity for city officers.

3 (a) For the purposes of this Section and Sections
4 8-243.1 and 8-243.3, "city officer" means the city clerk, the
5 city treasurer, or an alderman of the city elected by vote of
6 the people, while serving in that capacity or as provided in
7 subsection (f), who has elected to participate in the Fund.

8 (b) Any elected city officer, while serving in that
9 capacity or as provided in subsection (f), may elect to
10 establish alternative credits for an alternative annuity by
11 electing in writing to make additional optional
12 contributions in accordance with this Section and the
13 procedures established by the board. Such elected city
14 officer may discontinue making the additional optional
15 contributions by notifying the Fund in writing in accordance
16 with this Section and procedures established by the board.

17 Additional optional contributions for the alternative
18 annuity shall be as follows:

19 (1) For service after the option is elected, an
20 additional contribution of 3% of salary shall be
21 contributed to the Fund on the same basis and under the
22 same conditions as contributions required under Sections
23 8-174 and 8-182.

24 (2) For service before the option is elected, an
25 additional contribution of 3% of the salary for the
26 applicable period of service, plus interest at the
27 effective rate from the date of service to the date of
28 payment. All payments for past service must be paid in
29 full before credit is given. No additional optional
30 contributions may be made for any period of service for
31 which credit has been previously forfeited by acceptance
32 of a refund, unless the refund is repaid in full with
33 interest at the effective rate from the date of refund to
34 the date of repayment.

1 (c) In lieu of the retirement annuity otherwise payable
2 under this Article, any city officer elected by vote of the
3 people who (1) has elected to participate in the Fund and
4 make additional optional contributions in accordance with
5 this Section, and (2) has attained age 55 ~~60~~ with at least 10
6 years of service credit, or has attained age 60 ~~65~~ with at
7 least 8 years of service credit, may elect to have his
8 retirement annuity computed as follows: 3% of the
9 participant's salary at the time of termination of service
10 for each of the first 8 years of service credit, plus 4% of
11 such salary for each of the next 4 years of service credit,
12 plus 5% of such salary for each year of service credit in
13 excess of 12 years, subject to a maximum of 80% of such
14 salary. To the extent such elected city officer has made
15 additional optional contributions with respect to only a
16 portion of his years of service credit, his retirement
17 annuity will first be determined in accordance with this
18 Section to the extent such additional optional contributions
19 were made, and then in accordance with the remaining Sections
20 of this Article to the extent of years of service credit with
21 respect to which additional optional contributions were not
22 made.

23 (d) In lieu of the disability benefits otherwise payable
24 under this Article, any city officer elected by vote of the
25 people who (1) has elected to participate in the Fund, and
26 (2) has become permanently disabled and as a consequence is
27 unable to perform the duties of his office, and (3) was
28 making optional contributions in accordance with this Section
29 at the time the disability was incurred, may elect to receive
30 a disability annuity calculated in accordance with the
31 formula in subsection (c). For the purposes of this
32 subsection, such elected city officer shall be considered
33 permanently disabled only if: (i) disability occurs while in
34 service as an elected city officer and is of such a nature as

1 to prevent him from reasonably performing the duties of his
2 office at the time; and (ii) the board has received a written
3 certification by at least 2 licensed physicians appointed by
4 it stating that such officer is disabled and that the
5 disability is likely to be permanent.

6 (e) Refunds of additional optional contributions shall
7 be made on the same basis and under the same conditions as
8 provided under Sections 8-168, 8-170 and 8-171. Interest
9 shall be credited at the effective rate on the same basis and
10 under the same conditions as for other contributions.
11 Optional contributions shall be accounted for in a separate
12 Elected City Officer Optional Contribution Reserve. Optional
13 contributions under this Section shall be included in the
14 amount of employee contributions used to compute the tax levy
15 under Section 8-173.

16 (f) The effective date of this plan of optional
17 alternative benefits and contributions shall be July 1, 1990,
18 or the date upon which approval is received from the U.S.
19 Internal Revenue Service, whichever is later.

20 The plan of optional alternative benefits and
21 contributions shall not be available to any former city
22 officer or employee receiving an annuity from the Fund on the
23 effective date of the plan, unless he re-enters service as an
24 elected city officer and renders at least 3 years of
25 additional service after the date of re-entry. However, a
26 person who holds office as a city officer on June 1, 1995
27 ~~April-30-1991~~ may elect to participate in the plan, to
28 transfer credits into the Fund from other Articles of this
29 Code, and to make the contributions required for prior
30 service, until 30 days after the effective date of this
31 amendatory Act of the 92nd General Assembly ~~the--plan--takes~~
32 ~~effect~~, notwithstanding the ending of his term of office
33 prior to that effective date; in the event that the person is
34 already receiving an annuity from this Fund or any other

1 Article of this Code at the time of making this election, the
2 annuity shall be recalculated to include any increase
3 resulting from participation in the plan, with such increase
4 taking effect on the effective date of the election plan.

5 (Source: P.A. 86-1488; 87-794.)

6 (40 ILCS 5/9-121.15)

7 Sec. 9-121.15. Transfer of credit from Article 14 system.
8 A current or former An employee shall be entitled to service
9 credit in the Fund for any creditable service transferred to
10 this Fund from the State Employees' Retirement System under
11 Section 14-105.7 of this Code. Credit under this Fund shall
12 be granted upon receipt by the Fund of the amounts required
13 to be transferred under Section 14-105.7; no additional
14 contribution is necessary.

15 (Source: P.A. 90-511, eff. 8-22-97.)

16 (40 ILCS 5/9-121.16 new)

17 Sec. 9-121.16. Contractual service to the Retirement
18 Board. A person who has rendered continuous contractual
19 services (other than legal or actuarial services) to the
20 Retirement Board for a period of at least 5 years may
21 establish creditable service in the Fund for up to 10 years
22 of those services by making written application to the Board
23 before July 1, 2003 and paying to the Fund an amount to be
24 determined by the Board, equal to the employee contributions
25 that would have been required if those services had been
26 performed as an employee.

27 For the purposes of calculating the required payment, the
28 Board may determine the applicable salary equivalent based on
29 the compensation received by the person for performing those
30 contractual services. The salary equivalent calculated under
31 this Section shall not be used for determining final average
32 salary under Section 9-134 or any other provisions of this

1 Code.

2 A person may not make optional contributions under
3 Section 9-121.6 or 9-179.3 for periods of credit established
4 under this Section.

5 (40 ILCS 5/9-134) (from Ch. 108 1/2, par. 9-134)

6 Sec. 9-134. Minimum annuity - Additional provisions.

7 (a) An employee who withdraws after July 1, 1957 at age
8 60 or more with 20 or more years of service, for whom the
9 amount of age and service and prior service annuity combined
10 is less than the amount stated in this Section from the date
11 of withdrawal, instead of all annuities otherwise provided in
12 this Article, is entitled to receive an annuity for life of
13 an amount equal to 1 2/3% for each year of service, of his
14 highest average annual salary for any 5 consecutive years
15 within the last 10 years of service immediately preceding the
16 date of withdrawal; provided that in the case of any employee
17 who withdraws on or after July 1, 1971, such employee age 60
18 or over with 20 or more years of service, or who withdraws on
19 or after January 1, 1982 and on or after attainment of age 65
20 with 10 or more years of service, shall instead receive an
21 annuity for life equal to 1.67% for each of the first 10
22 years of service; 1.90% for each of the next 10 years of
23 service; 2.10% for each year of service in excess of 20 but
24 not exceeding 30; and 2.30% for each year of service in
25 excess of 30, based on the highest average annual salary for
26 any 4 consecutive years within the last 10 years of service
27 immediately preceding the date of withdrawal.

28 An employee who withdraws after July 1, 1957, but prior
29 to January 1, 1988, with 20 or more years of service, before
30 age 60 is entitled to annuity, to begin not earlier than age
31 55, if under such age at withdrawal, as computed in the last
32 preceding paragraph, reduced 1/2 of 1% for each full month or
33 fractional part thereof that his attained age when annuity is

1 to begin is less than 60 to the end that the total reduction
2 at age 55 shall be 30%, except that an employee retiring at
3 age 55 or over but less than age 60, having at least 35 years
4 of service, shall not be subject to the reduction in his
5 retirement annuity because of retirement below age 60.

6 An employee who withdraws on or after January 1, 1988,
7 with 20 or more years of service and before age 60, is
8 entitled to annuity as computed above, to begin not earlier
9 than age 50 if under such age at withdrawal, reduced 1/2 of
10 1% for each full month or fractional part thereof that his
11 attained age when annuity is to begin is less than 60, to the
12 end that the total reduction at age 50 shall be 60%, except
13 that an employee retiring at age 50 or over but less than age
14 60, having at least 30 years of service, shall not be subject
15 to the reduction in retirement annuity because of retirement
16 below age 60.

17 An employee who withdraws on or after January 1, 1992 but
18 before January 1, 1993, at age 60 or over with 5 or more
19 years of service, may elect, in lieu of any other employee
20 annuity provided in this Section, to receive an annuity for
21 life equal to 2.20% for each of the first 20 years of
22 service, and 2.40% for each year of service in excess of 20,
23 based on the highest average annual salary for any 4
24 consecutive years within the last 10 years of service
25 immediately preceding the date of withdrawal. An employee
26 who withdraws on or after January 1, 1992, but before January
27 1, 1993, on or after attainment of age 55 but before
28 attainment of age 60 with 5 or more years of service, is
29 entitled to elect such annuity, but the annuity shall be
30 reduced 0.25% for each full month or fractional part thereof
31 that his attained age when the annuity is to begin is less
32 than age 60, to the end that the total reduction at age 55
33 shall be 15%, except that an employee retiring at age 55 or
34 over but less than age 60, having at least 30 years of

1 service, shall not be subject to the reduction in retirement
2 annuity because of retirement below age 60. This annuity
3 benefit formula shall only apply to those employees who are
4 age 55 or over prior to January 1, 1993, and who elect to
5 withdraw at age 55 or over on or after January 1, 1992 but
6 before January 1, 1993.

7 An employee who withdraws on or after July 1, 1996 but
8 before August 1, 1996, at age 55 or over with 8 or more years
9 of service, may elect, in lieu of any other employee annuity
10 provided in this Section, to receive an annuity for life
11 equal to 2.20% for each of the first 20 years of service, and
12 2.40% for each year of service in excess of 20, based on the
13 highest average annual salary for any 4 consecutive years
14 within the last 10 years of service immediately preceding the
15 date of withdrawal, but the annuity shall be reduced by 0.25%
16 for each full month or fractional part thereof that the
17 annuitant's attained age when the annuity is to begin is less
18 than age 60, unless the annuitant has at least 30 years of
19 service.

20 The maximum annuity under this paragraph (a) shall not
21 exceed 70% of highest average annual salary for any 5
22 consecutive years within the last 10 years of service in the
23 case of an employee who withdraws prior to July 1, 1971, and
24 75% of the highest average annual salary for any 4
25 consecutive years within the last 10 years of service
26 immediately preceding the date of withdrawal if withdrawal
27 takes place on or after July 1, 1971 and prior to January 1,
28 1988, and 80% of the highest average annual salary for any 4
29 consecutive years within the last 10 years of service
30 immediately preceding the date of withdrawal if withdrawal
31 takes place on or after January 1, 1988. Fifteen hundred
32 dollars shall be considered the minimum amount of annual
33 salary for any year, and the maximum shall be his salary as
34 defined in this Article, except that for the years before

1 1957 and subsequent to 1952 the maximum annual salary to be
2 considered shall be \$6,000, and for any year before the year
3 1953, \$4,800.

4 (b) Any employee who withdraws on or after July 1, 1985
5 but prior to January 1, 1988, at age 60 or over with 10 or
6 more years of service, may elect in lieu of the benefit in
7 paragraph (a) to receive an annuity for life equal to 2.00%
8 for each year of service, based on the highest average annual
9 salary for any 4 consecutive years within the last 10 years
10 of service immediately preceding the date of withdrawal. An
11 employee who withdraws on or after July 1, 1985, but prior to
12 January 1, 1988, with 10 or more years of service, but before
13 age 60, is entitled to elect such annuity, to begin not
14 earlier than age 55, but the annuity shall be reduced 0.5%
15 for each full month or fractional part thereof that his
16 attained age when the annuity is to begin is less than 60, to
17 the end that the total reduction at age 55 shall be 30%;
18 except that an employee retiring at age 55 or over but less
19 than age 60, having at least 30 years of service, shall not
20 be subject to the reduction in retirement annuity because of
21 retirement below age 60.

22 An employee who withdraws on or after January 1, 1988, at
23 age 60 or over with 10 or more years of service, may elect,
24 in lieu of the benefit in paragraph (a), to receive an
25 annuity for life equal to 2.20% for each of the first 20
26 years of service, and 2.4% for each year of service in excess
27 of 20, based on the highest average annual salary for any 4
28 consecutive years within the last 10 years of service
29 immediately preceding the date of withdrawal. An employee who
30 withdraws on or after January 1, 1988, with 10 or more years
31 of service, but before age 60, is entitled to elect such
32 annuity, to begin not earlier than age 50, but the annuity
33 shall be reduced 0.5% for each full month or fractional part
34 thereof that his attained age when the annuity is to begin is

1 less than 60, to the end that the total reduction at age 50
2 shall be 60%, except that an employee retiring at age 50 or
3 over but less than age 60, having at least 30 years of
4 service, shall not be subject to the reduction in retirement
5 annuity because of retirement below age 60.

6 An employee who withdraws on or after June 30, 2002 with
7 10 or more years of service may elect, in lieu of any other
8 retirement annuity provided under this Article, to receive an
9 annuity for life, beginning no earlier than upon attainment
10 of age 50, equal to 2.40% of his or her highest average
11 annual salary for any 4 consecutive years within the last 10
12 years of service immediately preceding withdrawal, for each
13 year of service. If the employee has less than 30 years of
14 service, the annuity shall be reduced by 0.5% for each full
15 month or remaining fraction thereof that the employee's
16 attained age when the annuity is to begin is less than 60.

17 The maximum annuity under this paragraph (b) shall not
18 exceed 75% of the highest average annual salary for any 4
19 consecutive years within the last 10 years of service
20 immediately preceding the date of withdrawal if withdrawal
21 occurs prior to January 1, 1988, or 80% of the highest
22 average annual salary for any 4 consecutive years within the
23 last 10 years of service immediately preceding the date of
24 withdrawal if withdrawal takes place on or after January 1,
25 1988.

26 The provisions of this paragraph (b) do not apply to any
27 former County employee receiving an annuity from the fund,
28 who re-enters service as a County employee, unless he renders
29 at least 3 years of additional service after the date of
30 re-entry.

31 (c) For an employee receiving disability benefit, the
32 salary for annuity purposes under paragraph (a) or (b) of
33 this Section shall, for all periods of disability benefit
34 subsequent to the year 1956, be the amount on which his

1 disability benefit was based.

2 (d) A county employee with 20 or more years of service,
3 whose entire disability benefit credit period expires before
4 attainment of age 50 (age 55 if expiration occurs before
5 January 1, 1988), while still disabled for service is
6 entitled upon withdrawal to the larger of:

7 (1) The minimum annuity provided above, assuming
8 that he is then age 50 (age 55 if expiration occurs
9 before January 1, 1988), and reducing such annuity to its
10 actuarial equivalent at his attained age on such date, or

11 (2) the annuity provided from his age and service
12 and prior service annuity credits.

13 (e) The minimum annuity provisions above do not apply to
14 any former county employee receiving an annuity from the
15 fund, who re-enters service as a county employee, unless he
16 renders at least 3 years of additional service after the date
17 of re-entry.

18 (f) Any employee in service on July 1, 1947, or who
19 enters service thereafter before attaining age 65 and
20 withdraws after age 65 with less than 10 years of service for
21 whom the annuity has been fixed under the foregoing Sections
22 of this Article, shall, instead of the annuity so fixed,
23 receive an annuity as follows:

24 Such amount as he could have received had the accumulated
25 amounts for annuity been improved with interest at the
26 effective rate to the date of withdrawal, or to attainment of
27 age 70, whichever is earlier, and had the county contributed
28 to such earlier date for age and service annuity the amount
29 that it would have contributed had he been under age 65,
30 after the date his annuity was fixed in accordance with this
31 Article, and assuming his annuity were computed from such
32 accumulations as of his age on such earlier date. However
33 those employees who before July 1, 1953, made additional
34 contributions in accordance with this Article, the annuity so

1 computed under this paragraph shall not exceed the annuity
2 which would be payable under the other provisions of this
3 Section if the employee concerned was credited with 20 years
4 of service and would qualify for annuity thereunder.

5 (g) Instead of the annuity provided in this or any other
6 Section of this Article, an employee having attained age 65
7 with at least 15 years of service may elect to receive a
8 minimum annual annuity for life equal to 1% of the highest
9 average annual salary for any 4 consecutive years within the
10 last 10 years of service immediately preceding retirement for
11 each year of service, plus the sum of \$25 for each year of
12 service provided that no such minimum annual annuity may be
13 greater than 60% of such highest average annual salary.

14 (h) The annuity is payable in equal monthly
15 installments.

16 (i) If, by operation of law, a function of a
17 governmental unit, as defined by Section 20-107 of this Code,
18 is transferred in whole or in part to the county in which
19 this Article 9 is created as set forth in Section 9-101, and
20 employees of the governmental unit are transferred as a class
21 to such county, the earnings credits in the retirement system
22 covering the governmental unit which have been validated
23 under Section 20-109 of this Code shall be considered in
24 determining the highest average annual salary for purposes of
25 this Section 9-134.

26 (j) The annuity being paid to an employee annuitant on
27 July 1, 1988, shall be increased on that date by 1% for each
28 full year that has elapsed from the date the annuity began.

29 (k) Notwithstanding anything to the contrary in this
30 Article 9, Section 20-131 shall not apply to an employee who
31 withdraws on or after January 1, 1988, but prior to attaining
32 age 55. Therefore, no employee shall be entitled to elect to
33 have the alternative formula previously set forth in Section
34 20-122 prior to the amendatory Act of 1975 apply to any

1 annuity, the payment of which commenced after January 1,
2 1988, but prior to such employee's attainment of age 55.

3 (Source: P.A. 86-272; 87-794.)

4 (40 ILCS 5/9-134.3)

5 Sec. 9-134.3. Early retirement incentives.

6 (a) To be eligible for the benefits provided in this
7 Section, a person must:

8 (1) be a current contributing member of the Fund
9 established under this Article who, on May 1, 1997 and
10 within 30 days prior to the date of retirement, is (i) in
11 active payroll status in a position of employment under
12 this Article or (ii) receiving disability benefits under
13 Section 9-156 or 9-157; or else be eligible under
14 subsection (g);

15 (2) have not previously retired from the Fund,
16 except as provided under subsection (g);

17 (3) file with the Board before October 1, 1997 (or
18 the date specified in subsection (g), if applicable); a
19 written application requesting the benefits provided in
20 this Section;

21 (4) elect to retire under this Section on or after
22 September 1, 1997 and on or before February 28, 1998 (or
23 the date established under subsection (d) or (g), if
24 applicable);

25 (5) have attained age 55 on or before the date of
26 retirement and before February 28, 1998; and

27 (6) have at least 10 years of creditable service in
28 the Fund, excluding service in any of the other
29 participating systems under the Retirement Systems
30 Reciprocal Act, by the effective date of the retirement
31 annuity or February 28, 1998, whichever occurs first.

32 (b) An employee who qualifies for the benefits provided
33 under this Section shall be entitled to the following:

1 (1) The employee's retirement annuity, as
2 calculated under the other provisions of this Article,
3 shall be increased at the time of retirement by an amount
4 equal to 1% of the employee's average annual salary for
5 the highest 4 consecutive years within the last 10 years
6 of service, multiplied by the employee's number of years
7 of service credit in this Fund up to a maximum of 10
8 years; except that the total retirement annuity,
9 including any additional benefits elected under Section
10 9-121.6 or 9-179.3, shall not exceed 80% of that highest
11 average annual salary.

12 (2) If the employee's retirement annuity is
13 calculated under Section 9-134, the employee shall not be
14 subject to the reduction in retirement annuity because of
15 retirement below age 60 that is otherwise required under
16 that Section.

17 (c) A person who elects to retire under the provisions
18 of this Section thereby relinquishes his or her right, if
19 any, to have the retirement annuity calculated under the
20 alternative formula formerly set forth in Section 20-122 of
21 the Retirement Systems Reciprocal Act.

22 (d) In the case of an employee whose immediate
23 retirement could jeopardize public safety or create hardship
24 for the employer, the deadline for retirement provided in
25 subdivision (a)(4) of this Section may be extended to a
26 specified date, no later than August 31, 1998, by the
27 employee's department head, with the approval of the
28 President of the County Board. In the case of an employee
29 who is not employed by a department of the County, the
30 employee's "department head", for the purposes of this
31 Section, shall be a person designated by the President of the
32 County Board.

33 (e) Notwithstanding Section 9-161, an annuitant who
34 reenters service under this Article after receiving a

1 retirement annuity based on benefits provided under this
2 Section thereby forfeits the right to continue to receive
3 those benefits and shall have his or her retirement annuity
4 recalculated without the benefits provided in this Section.

5 (f) This Section also applies to the Fund established
6 under Article 10 of this Code.

7 (g) A person who (1) was a participating employee on
8 November 30, 1996, (2) was laid off on or after December 1,
9 1996 and before May 1, 1997 due to the elimination of the
10 employee's job or position, (3) meets the requirements of
11 items (3) through (6) of subsection (a), and (4) has not been
12 reinstated as a Cook County employee since being laid off is
13 eligible for the benefits provided under this Section. For
14 such a person, the application required under subdivision
15 (a)(3) of this Section must be filed within 60 days after the
16 effective date of this amendatory Act of the 92nd General
17 Assembly, and the date of retirement must be within 60 days
18 after the effective date of this amendatory Act.

19 In the case of a person eligible under this subsection
20 (g) who began to receive a retirement annuity before the
21 effective date of this amendatory Act, the annuity shall be
22 recalculated to include the increase under this Section, and
23 that increase shall take effect on the first annuity payment
24 date following the date of application.

25 (Source: P.A. 90-32, eff. 6-27-97.)

26 (40 ILCS 5/9-134.4 new)

27 Sec. 9-134.4. Early retirement incentives.

28 (a) To be eligible for the benefits provided in this
29 Section, a person must:

30 (1) be a current contributing member of the Fund
31 established under this Article who, on January 1, 2001
32 and within 30 days prior to the date of retirement, is
33 (i) in active payroll status in a position of employment

1 under this Article or (ii) receiving disability benefits
2 under Section 9-156 or 9-157;

3 (2) have not previously retired from the Fund;

4 (3) file with the Board before March 1, 2003 a
5 written application requesting the benefits provided in
6 this Section;

7 (4) elect to retire under this Section on or after
8 November 30, 2002 and on or before March 31, 2003 (or the
9 date established under subsection (d), if applicable);

10 (5) have attained age 50 on or before the date of
11 retirement and on or before March 31, 2003; and

12 (6) have at least 20 years of creditable service in
13 the Fund, excluding service in any of the other
14 participating systems under the Retirement Systems
15 Reciprocal Act, by the effective date of the retirement
16 annuity or March 31, 2003, whichever occurs first.

17 (b) An employee who qualifies for the benefits provided
18 under this Section shall be entitled to the following:

19 (1) The employee's retirement annuity, as
20 calculated under the other provisions of this Article,
21 shall be increased at the time of retirement by an amount
22 equal to 1% of the employee's average annual salary for
23 the highest 4 consecutive years within the last 10 years
24 of service, multiplied by the employee's number of years
25 of service credit in this Fund up to a maximum of 10
26 years; except that the total retirement annuity,
27 including any additional benefits elected under Section
28 9-121.6 or 9-179.3, shall not exceed 80% of that highest
29 average annual salary.

30 (2) If the employee's retirement annuity is
31 calculated under Section 9-134, the employee shall not be
32 subject to the reduction in retirement annuity because of
33 retirement below age 60 that is otherwise required under
34 that Section.

1 (c) A person who elects to retire under the provisions
2 of this Section thereby relinquishes his or her right, if
3 any, to have the retirement annuity calculated under the
4 alternative formula formerly set forth in Section 20-122 of
5 the Retirement Systems Reciprocal Act.

6 (d) In the case of an employee whose immediate
7 retirement could jeopardize public safety or create hardship
8 for the employer, the deadline for retirement provided in
9 subdivision (a)(4) of this Section may be extended to a
10 specified date, no later than September 30, 2003, by the
11 employee's department head, with the approval of the
12 President of the County Board. In the case of an employee
13 who is not employed by a department of the County, the
14 employee's "department head", for the purposes of this
15 Section, shall be a person designated by the President of the
16 County Board.

17 (e) Notwithstanding Section 9-161, an annuitant who
18 reenters service under this Article after receiving a
19 retirement annuity based on benefits provided under this
20 Section thereby forfeits the right to continue to receive
21 those benefits and shall have his or her retirement annuity
22 recalculated without the benefits provided in this Section.

23 (f) This Section also applies to the Fund established
24 under Article 10 of this Code.

25 (40 ILCS 5/9-146.1) (from Ch. 108 1/2, par. 9-146.1)

26 Sec. 9-146.1. Minimum annuities for widows. The widow of
27 an employee who retires from service or dies while in the
28 service subsequent to June 11, 1965, who is otherwise
29 eligible for widow's annuity under this Article and for whom
30 the amount of widow's annuity and widow's prior service
31 annuity combined, fixed or provided for such widow under
32 other provisions of this Article 9 is less than the amount
33 hereinafter provided in this Section, shall, from and after

1 the date her otherwise provided annuity would begin, in lieu
2 of such otherwise provided widow's and widow's prior service
3 annuity, be entitled to the following indicated amount of
4 annuity:

5 (a) The widow, of any employee who dies while in the
6 service on or after the date on which he attains the age of
7 60 or more years with at least 20 years of service, or 10 or
8 more years of service if death occurs on or after attainment
9 of age 65 and on or after January 1, 1982, shall be entitled
10 to an annuity equal to one-half of the amount of annuity
11 which her deceased husband would have been entitled to
12 receive had he withdrawn from the service on the day
13 immediately preceding the date of his death, conditional upon
14 such widow having attained the age of 60 or more years on
15 such date. Such amount of widow's annuity shall not, however,
16 exceed the sum of \$500 a month if death in service occurs
17 before July 1, 1985.

18 If such widow of such described employee shall not be 60
19 or more years of age on such date of death, the amount
20 provided in the immediately preceding paragraph for a widow
21 60 or more years of age, shall, in the case of such younger
22 widow, be reduced by 1/2 of 1 per cent for each month that
23 her then attained age is less than 60 years; except that such
24 younger widow of an employee who dies while in service on or
25 after July 1, 1985 with at least 30 years of service, shall
26 not be subject to the reduction in widow's annuity because of
27 her age less than 60 on the date of the employee's death.

28 (b) The widow, of any employee who dies subsequent to
29 the date of his retirement on annuity, and who so retired on
30 or after the date on which he attained the age of 60 or more
31 years with at least 20 years of service, or 10 or more years
32 of service if retirement occurs on or after attainment of age
33 65 and on or after January 1, 1982, shall be entitled to an
34 annuity equal to one-half of the amount of annuity which her

1 deceased husband received as of the date of his retirement on
2 annuity, conditional upon such widow having attained the age
3 of 60 or more years on the date of her husband's retirement
4 on annuity. Such amount of widow's annuity shall not,
5 however, exceed the sum of \$500 a month if the death occurs
6 before the effective date of this amendatory Act of 1991.

7 If such widow of such described employee shall not have
8 attained such age of 60 or more years on such date of her
9 husband's retirement on annuity, the amount provided in the
10 immediately preceding paragraph for a widow 60 or more years
11 of age on the date of her husband's retirement on annuity,
12 shall, in the case of such then younger widow, be reduced by
13 1/2 of 1 per cent for each month that her then attained age
14 was less than 60 years; except that such younger widow of an
15 employee retiring on or after July 1, 1985 with at least 30
16 years of service, shall not be subject to the reduction in
17 widow's annuity because of her age less than 60 on the date
18 of the employee's retirement.

19 (c) The foregoing provisions relating to minimum
20 annuities for widows shall not apply to the widow of any
21 former county employee receiving an annuity from the Fund on
22 June 11, 1965, who re-enters service as a county employee,
23 unless such employee renders at least 3 years of additional
24 service after the date of re-entry.

25 (d) An annuity being paid to a surviving spouse on
26 January 1, 1984 shall be increased by 10% and shall
27 thereafter be paid at the increased rate until the
28 termination of the annuity by death or other cause. The
29 annuity for a qualifying widow shall not exceed \$500 per
30 month.

31 (e) The widow of any employee who dies while in service
32 on or after July 1, 1985 but prior to January 1, 1988, and
33 the widow of an employee who retires on or after July 1, 1985
34 but prior to January 1, 1988 with at least 10 years of

1 service, and the widow of an employee who retires on or after
2 January 1, 1984 but prior to July 1, 1985 with at least 30
3 years of service, shall be entitled to an annuity equal to
4 one-half of the amount of annuity which her deceased husband
5 would have received had he retired immediately prior to his
6 death or one-half the amount of the originally granted
7 retirement annuity, whichever is applicable. Such widow's
8 annuity will be reduced 0.5% for each month that the widow's
9 attained age is less than age 60 on the date of the
10 employee's death in service or retirement if the employee's
11 death in service or retirement is before January 1, 1988;
12 except that such younger widow of an employee with at least
13 30 years of service shall not be subject to the reduction in
14 widow's annuity because of her age less than 60 on the date
15 of the employee's death in service or retirement.

16 The widow of an employee who dies in service on or after
17 January 1, 1988, or retires on or after January 1, 1988 with
18 at least 10 years of service, shall be entitled to an annuity
19 equal to 1/2 of the amount of annuity which her deceased
20 husband would have received had he retired immediately prior
21 to his death or 1/2 of the amount of the annuity which her
22 deceased husband received as of the date of his death,
23 whichever is applicable. Such widow's annuity shall be
24 reduced 0.5% for each month that the widow's attained age is
25 less than age 60 on the date of the employee's death if
26 employee's death in service or retirement is after January 1,
27 1988; except that such younger widow of an employee with at
28 least 30 years of service shall not be subject to the
29 reduction in widow's annuity because of her age on the date
30 of the employee's death.

31 In lieu of any other annuity provided by this Article,
32 the widow of an employee who dies in service on or after
33 January 1, 1992, or retires on or after January 1, 1992 with
34 at least 10 years of service, shall be entitled to an annuity

1 equal to 1/2 of the amount of annuity which her deceased
2 husband would have received had he retired immediately prior
3 to his death or 1/2 of the amount of the annuity which her
4 deceased husband received as of the date of his death,
5 whichever is applicable. Such widow's annuity shall be
6 reduced 0.5% for each month that the widow's attained age is
7 less than age 55 on the date of the employee's death; except
8 that such younger widow of an employee with at least 30 years
9 of service shall not be subject to the reduction in widow's
10 annuity because of her age on the date of the employee's
11 death.

12 In lieu of any other annuity provided by this Article,
13 the widow of an employee who dies in service or withdraws
14 from service on or after January 1, 1992 but before January
15 1, 1993 at age 55 or over with at least 5 but less than 10
16 years of service, shall be entitled to an annuity equal to
17 half of the amount of annuity which her deceased husband
18 would have received had he retired immediately prior to his
19 death or half of the amount of the annuity which her deceased
20 husband received as of the date of his death, whichever is
21 applicable. This widow's annuity shall be reduced 0.5% for
22 each month that the widow's attained age is less than 60 on
23 the date of the employee's death.

24 However, in the case of an employee dying in service, the
25 amount of widow's annuity shall not be less than 10% of the
26 highest average annual salary for any 4 consecutive years
27 within the last 10 years of service immediately preceding the
28 date of withdrawal. The maximum amount of annuity under this
29 paragraph shall not be limited to a dollar maximum. The
30 provisions of this paragraph shall not apply to the widow of
31 any former County employee receiving an annuity from the fund
32 who re-enters service as a County employee, unless such
33 employee renders at least 3 years of additional service after
34 the date of re-entry.

1 (f) An annuity being paid to a surviving spouse on July
2 1, 1988, shall be increased on that date by 1% for each full
3 year that has elapsed from the date the annuity began.

4 (g) In lieu of any other annuity provided under this
5 Article, if the deceased employee was receiving a retirement
6 annuity at the time of his death and that death occurs on or
7 after January 1, 1993, the widow's annuity shall be 50% of
8 the deceased employee's retirement annuity at the time of
9 death, reduced by 0.5% for each month that the widow's age on
10 the date of death is less than 55, except that the reduction
11 does not apply if the deceased employee had at least 30 years
12 of service.

13 (h) In lieu of any other annuity provided under this
14 Article, the widow of an employee who dies in service on or
15 after July 1, 2002 or has at least 10 years of service and
16 dies on or after July 1, 2002 while receiving an annuity
17 shall be entitled to a widow's annuity equal to 65% of the
18 amount of annuity which her deceased husband would have
19 received had he retired immediately prior to his death or 65%
20 of the amount of the annuity which her deceased husband
21 received as of the date of his death, whichever is
22 applicable. This widow's annuity shall be reduced by 0.5%
23 for each month that the widow's age on the date of the
24 employee's death is less than 55, unless the deceased husband
25 had at least 30 years of service.

26 (Source: P.A. 86-273; 87-794; 87-1265.)

27 (40 ILCS 5/9-148) (from Ch. 108 1/2, par. 9-148)

28 Sec. 9-148. Widows or wives not entitled to annuity.
29 Except as provided in Section 9-148.1, the following widows
30 or wives of employees have no right to annuity from the fund:

31 (a) The widow or wife, married subsequent to the
32 effective date, of an employee who dies in service if she was
33 not married to him before he attained age 65;

1 (b) The widow or wife, married subsequent to the
2 effective date, of an employee who withdraws from service
3 whether or not he enters upon annuity, and who dies while out
4 of service, if she was not his wife while he was in service
5 and before he attained age 65;

6 (c) The widow or wife of an employee with 10 or more
7 years of service whose death occurs out of and after he has
8 withdrawn from service, and who has received a refund of
9 contributions for annuity purposes;

10 (d) The widow or wife of an employee with less than 10
11 years of service who dies out of service after he has
12 withdrawn from service before he attained age 60.

13 (Source: P.A. 81-1536.)

14 (40 ILCS 5/9-148.1 new)

15 Sec. 9-148.1. Widow's annuity for widow married to member
16 for at least one year. Notwithstanding Section 9-148, if a
17 member was not married at the time of retirement but married
18 after retirement, that member's widow shall be entitled to a
19 widow's annuity if (1) the widow was married to the member
20 for at least the last year prior to the member's death; (2)
21 the widow is otherwise eligible for a widow's annuity; and
22 (3) the widow repays to the Fund (i) an amount equal to the
23 amount of any refund paid to the member at the time of
24 retirement pursuant to Section 9-165 plus (ii) interest
25 thereon from the date of the refund until the time of
26 repayment at the rate of 6% per year.

27 (40 ILCS 5/9-163) (from Ch. 108 1/2, par. 9-163)

28 Sec. 9-163. Restoration of rights. An employee who has
29 withdrawn as a refund the amounts credited for annuity
30 purposes, and who re-enters service and serves for periods
31 comprising at least 2 years after the date of the last refund
32 paid to him, may have his annuity rights restored by making

1 application to the board in writing for the privilege of
2 reinstating such rights and by compliance with the following
3 provisions:

4 (a) The employee shall repay in full to the fund
5 while in service all refunds received, together with
6 interest at the effective rate from the application date
7 of such refund or refunds to the date of repayment.

8 (b) If payment is not made in a single sum, the
9 repayment may be made in installments by deductions from
10 salary or otherwise in such amounts as the employee may
11 elect to pay, with interest at the effective rate
12 accruing on unpaid balances.

13 (c) If the employee withdraws from service or dies
14 in service before full repayment is made, or during the
15 required return to service, the amounts repaid, including
16 interest repaid but without further interest, shall be
17 refunded in accordance with the refund provisions of this
18 Article.

19 For an employee who applies to the Fund to reinstate
20 credit and repay a refund between January 1, 1993 and March
21 1, 1993, the 2 year minimum period of subsequent service
22 required under item (a) shall be instead a period of 6
23 months.

24 A person who establishes service credit under Section
25 9-121.16 may, at the same time, reinstate credit in this Fund
26 and repay a refund without a return to service,
27 notwithstanding the other provisions of this Section.

28 (Source: P.A. 87-1265.)

29 (40 ILCS 5/9-179.3) (from Ch. 108 1/2, par. 9-179.3)
30 Sec. 9-179.3. Optional plan of additional benefits and
31 contributions.

32 (a) While this plan is in effect, an employee may
33 establish additional optional credit for additional optional

1 benefits by electing in writing at any time to make
2 additional optional contributions. The employee may
3 discontinue making the additional optional contributions at
4 any time by notifying the fund in writing.

5 (b) Additional optional contributions for the additional
6 optional benefits shall be as follows:

7 (1) For service after the option is elected, an
8 additional contribution of 3% of salary shall be
9 contributed to the fund on the same basis and under the
10 same conditions as contributions required under Sections
11 9-170 and 9-176.

12 (2) For service before the option is elected, an
13 additional contribution of 3% of the salary for the
14 applicable period of service, plus interest at the
15 effective rate from the date of service to the date of
16 payment. All payments for past service must be paid in
17 full before credit is given. No additional optional
18 contributions may be made for any period of service for
19 which credit has been previously forfeited by acceptance
20 of a refund, unless the refund is repaid in full with
21 interest at the effective rate from the date of refund to
22 the date of repayment.

23 (c) Additional optional benefits shall accrue for all
24 periods of eligible service for which additional
25 contributions are paid in full. The additional benefit shall
26 consist of an additional 1% for each year of service for
27 which optional contributions have been paid, based on the
28 highest average annual salary for any 4 consecutive years
29 within the last 10 years of service immediately preceding the
30 date of withdrawal, to be added to the employee retirement
31 annuity benefits as otherwise computed under this Article.
32 The calculation of these additional benefits shall be subject
33 to the same terms and conditions as are used in the
34 calculation of retirement annuity under Section 9-134. The

1 additional benefit shall be included in the calculation of
2 the automatic annual increase in annuity, and in the
3 calculation of widow's annuity, where applicable. However no
4 additional benefits will be granted which produce a total
5 annuity greater than the applicable maximum established for
6 that type of annuity in this Article, and additional benefits
7 shall not apply to any benefit computed under Section
8 9-128.1.

9 (d) Refunds of additional optional contributions shall
10 be made on the same basis and under the same conditions as
11 provided under Sections 9-164, 9-166 and 9-167. Interest
12 shall be credited at the effective rate on the same basis and
13 under the same conditions as for other contributions.

14 (e) Optional contributions shall be accounted for in a
15 separate Optional Contribution Reserve.

16 (f) The tax levy, computed under Section 9-169, shall be
17 based on employee contributions including the amount of
18 optional additional employee contributions.

19 (g) Service eligible under this Section may include only
20 service as an employee of the County as defined in Section
21 9-108, and subject to Sections 9-219 and 9-220. No service
22 granted under Section 9-121.1, 9-121.4 or 9-179.2 shall be
23 eligible for optional service credit. No optional service
24 credit may be established for any military service, or for
25 any service under any other Article of this Code. Optional
26 service credit may be established for any period of
27 disability paid from this fund, if the employee makes
28 additional optional contributions for such periods of
29 disability.

30 (h) This plan of optional benefits and contributions
31 shall not apply to any former county employee receiving an
32 annuity from the fund, who re-enters service as a County
33 employee, unless he renders at least 3 years of additional
34 service after the date of re-entry.

1 (i) The effective date of the optional plan of
2 additional benefits and contributions shall be July 1, 1985,
3 or the date upon which approval is received from the Internal
4 Revenue Service, whichever is later.

5 (j) This plan of additional benefits and contributions
6 shall expire July 1, 2005 2002. No additional contributions
7 may be made after that date, and no additional benefits will
8 accrue after that date.

9 (Source: P.A. 90-32, eff. 6-27-97; 90-460, eff. 8-17-97.)

10 (40 ILCS 5/9-219) (from Ch. 108 1/2, par. 9-219)

11 Sec. 9-219. Computation of service.

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

18 (2) In computing the term of service of any employee on
19 or after the effective date, the following periods of time
20 shall be counted as periods of service for age and service,
21 widow's and child's annuity purposes:

22 (a) The time during which he performed the duties
23 of his position.

24 (b) Vacations, leaves of absence with whole or part
25 pay, and leaves of absence without pay not longer than 90
26 days.

27 (c) For an employee who is a member of a county
28 police department or a correctional officer with the
29 county department of corrections, approved leaves of
30 absence without pay during which the employee serves as a
31 full-time officer or employee head of an employee
32 association, the membership of which consists of other
33 participants in the Fund police-officers, provided that

1 the employee contributes to the Fund (1) the amount that
2 he would have contributed had he remained an active
3 ~~employee member-of-the-county-police--department~~ in the
4 position he occupied at the time the leave of absence was
5 granted, (2) an amount calculated by the Board
6 representing employer contributions, and (3) regular
7 interest thereon from the date of service to the date of
8 payment. However, if the employee's application to
9 establish credit under this subsection is received by the
10 Fund on or after July 1, 2002 and before July 1, 2003,
11 the amount representing employer contributions specified
12 in item (2) shall be waived.

13 For a former member of a county police department
14 who has received a refund under Section 9-164, periods
15 during which the employee serves as head of an employee
16 association, the membership of which consists of other
17 police officers, provided that the employee contributes
18 to the Fund (1) the amount that he would have contributed
19 had he remained an active member of the county police
20 department in the position he occupied at the time he
21 left service, (2) an amount calculated by the Board
22 representing employer contributions, and (3) regular
23 interest thereon from the date of service to the date of
24 payment. However, if the former member of the county
25 police department retires on or after January 1, 1993 but
26 no later than March 1, 1993, the amount representing
27 employer contributions specified in item (2) shall be
28 waived.

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

31 (e) Accumulated vacation or other time for which an
32 employee who retires on or after November 1, 1990
33 receives a lump sum payment at the time of retirement,
34 provided that contributions were made to the fund at the

1 time such lump sum payment was received. The service
2 granted for the lump sum payment shall not change the
3 employee's date of withdrawal for computing the effective
4 date of the annuity.

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

21 (3) In computing the term of service of an employee on
22 or after the effective date for ordinary disability benefit
23 purposes, the following periods of time shall be counted as
24 periods of service:

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

28 (b) Paid vacations and leaves of absence with whole
29 or part pay.

30 (c) Any period for which he received duty
31 disability benefit.

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

34 (4) For an employee who on January 1, 1958, was

1 transferred by Act of the 70th General Assembly from his
2 position in a department of welfare of any city located in
3 the county in which this Article is in force and effect to a
4 similar position in a department of such county, service
5 shall also be credited for ordinary disability benefit and
6 child's annuity for such period of department of welfare
7 service during which period he was a contributor to a
8 statutory annuity and benefit fund in such city and for which
9 purposes service credit would otherwise not be credited by
10 virtue of such involuntary transfer.

11 (5) An employee described in subsection (e) of Section
12 9-108 shall receive credit for child's annuity and ordinary
13 disability benefit for the period of time for which he was
14 credited with service in the fund from which he was
15 involuntarily separated through class or group transfer;
16 provided, that no such credit shall be allowed to the extent
17 that it results in a duplication of credits or benefits, and
18 neither shall such credit be allowed to the extent that it
19 was or may be forfeited by the application for and acceptance
20 of a refund from the fund from which the employee was
21 transferred.

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

25 (Source: P.A. 86-1488; 87-794; 87-1265.)

26 (40 ILCS 5/11-125.8)

27 Sec. 11-125.8. Service as police officer, firefighter, or
28 teacher.

29 (a) Service rendered by an employee as a police officer
30 and member of the regularly constituted police department of
31 the city, or as a firefighter and regular member of the paid
32 fire department of the city, or as a teacher in the public
33 school system in the city shall be counted, for the purposes

1 of this Article, as service rendered as an employee of the
2 city. Salary received for any such service shall be treated,
3 for the purposes of this Article, as salary received for the
4 performance of duty as an employee.

5 (b) Credit shall be granted under subsection (a) only if
6 (1) the employee pays to the Fund prior to his or her
7 separation from service an amount equal to the employee
8 contributions that would have been payable for that service,
9 based on the salary actually received, plus interest at the
10 effective rate, and (2) the employee has terminated any
11 credit for that service earned in any other annuity and
12 benefit fund or pension fund in operation in the city for the
13 benefit of police officers, firefighters, or teachers. The
14 amount transferred to the Fund under item (1) of Section
15 5-233.1, if any, shall be credited against the contributions
16 required under this subsection.

17 (Source: P.A. 90-31, eff. 6-27-97.)

18 (40 ILCS 5/11-134) (from Ch. 108 1/2, par. 11-134)
19 Sec. 11-134. Minimum annuities.

20 (a) An employee whose withdrawal occurs after July 1,
21 1957 at age 60 or over, with 20 or more years of service, (as
22 service is defined or computed in Section 11-216), for whom
23 the age and service and prior service annuity combined is
24 less than the amount stated in this Section, shall, from and
25 after the date of withdrawal, in lieu of all annuities
26 otherwise provided in this Article, be entitled to receive an
27 annuity for life of an amount equal to $1\frac{2}{3}\%$ for each year
28 of service, of the highest average annual salary for any 5
29 consecutive years within the last 10 years of service
30 immediately preceding the date of withdrawal; provided, that
31 in the case of any employee who withdraws on or after July 1,
32 1971, such employee age 60 or over with 20 or more years of
33 service, shall be entitled to instead receive an annuity for

1 life equal to 1.67% for each of the first 10 years of
2 service; 1.90% for each of the next 10 years of service;
3 2.10% for each year of service in excess of 20 but not
4 exceeding 30; and 2.30% for each year of service in excess of
5 30, based on the highest average annual salary for any 4
6 consecutive years within the last 10 years of service
7 immediately preceding the date of withdrawal.

8 An employee who withdraws after July 1, 1957 and before
9 January 1, 1988, with 20 or more years of service, before age
10 60, shall be entitled to an annuity, to begin not earlier
11 than age 55, if under such age at withdrawal, as computed in
12 the last preceding paragraph, reduced 0.25% if the employee
13 was born before January 1, 1936, or 0.5% if the employee was
14 born on or after January 1, 1936, for each full month or
15 fractional part thereof that his attained age when such
16 annuity is to begin is less than 60.

17 Any employee born before January 1, 1936 who withdraws
18 with 20 or more years of service, and any employee with 20 or
19 more years of service who withdraws on or after January 1,
20 1988, may elect to receive, in lieu of any other employee
21 annuity provided in this Section, an annuity for life equal
22 to 1.80% for each of the first 10 years of service, 2.00% for
23 each of the next 10 years of service, 2.20% for each year of
24 service in excess of 20, but not exceeding 30, and 2.40% for
25 each year of service in excess of 30, of the highest average
26 annual salary for any 4 consecutive years within the last 10
27 years of service immediately preceding the date of
28 withdrawal, to begin not earlier than upon attained age of 55
29 years, if under such age at withdrawal, reduced 0.25% for
30 each full month or fractional part thereof that his attained
31 age when annuity is to begin is less than 60; except that an
32 employee retiring on or after January 1, 1988, at age 55 or
33 over but less than age 60, having at least 35 years of
34 service, or an employee retiring on or after July 1, 1990, at

1 age 55 or over but less than age 60, having at least 30 years
2 of service, or an employee retiring on or after the effective
3 date of this amendatory Act of 1997, at age 55 or over but
4 less than age 60, having at least 25 years of service, shall
5 not be subject to the reduction in retirement annuity because
6 of retirement below age 60.

7 However, in the case of an employee who retired on or
8 after January 1, 1985 but before January 1, 1988, at age 55
9 or older and with at least 35 years of service, and who was
10 subject under this subsection (a) to the reduction in
11 retirement annuity because of retirement below age 60, that
12 reduction shall cease to be effective January 1, 1991, and
13 the retirement annuity shall be recalculated accordingly.

14 Any employee who withdraws on or after July 1, 1990, with
15 20 or more years of service, may elect to receive, in lieu of
16 any other employee annuity provided in this Section, an
17 annuity for life equal to 2.20% for each year of service if
18 withdrawal is before 60 days after the effective date of this
19 amendatory Act of the 92nd General Assembly, or 2.40% for
20 each year of service if withdrawal is 60 days after the
21 effective date of this amendatory Act of the 92nd General
22 Assembly or later, of the highest average annual salary for
23 any 4 consecutive years within the last 10 years of service
24 immediately preceding the date of withdrawal, to begin not
25 earlier than upon attained age of 55 years, if under such age
26 at withdrawal, reduced 0.25% for each full month or
27 fractional part thereof that his attained age when annuity is
28 to begin is less than 60; except that an employee retiring at
29 age 55 or over but less than age 60, having at least 30 years
30 of service, shall not be subject to the reduction in
31 retirement annuity because of retirement below age 60.

32 Any employee who withdraws on or after the effective date
33 of this amendatory Act of 1997 with 20 or more years of
34 service may elect to receive, in lieu of any other employee

1 annuity provided in this Section, an annuity for life equal
2 to 2.20%, for each year of service if withdrawal is before 60
3 days after the effective date of this amendatory Act of the
4 92nd General Assembly, or 2.40% for each year of service if
5 withdrawal is 60 days after the effective date of this
6 amendatory Act of the 92nd General Assembly or later, of the
7 highest average annual salary for any 4 consecutive years
8 within the last 10 years of service immediately preceding the
9 date of withdrawal, to begin not earlier than upon attainment
10 of age 55 (age 50 if the employee has at least 30 years of
11 service), reduced 0.25% for each full month or remaining
12 fractional part thereof that the employee's attained age when
13 annuity is to begin is less than 60; except that an employee
14 retiring at age 50 or over with at least 30 years of service
15 or at age 55 or over with at least 25 years of service shall
16 not be subject to the reduction in retirement annuity because
17 of retirement below age 60.

18 The maximum annuity payable under this paragraph (a) of
19 this Section shall not exceed 70% of highest average annual
20 salary in the case of an employee who withdraws prior to July
21 1, 1971, 75% if withdrawal takes place on or after July 1,
22 1971, and prior to 60 days after the effective date of this
23 amendatory Act of the 92nd General Assembly, or 80% if
24 withdrawal is 60 days after the effective date of this
25 amendatory Act of the 92nd General Assembly or later. For the
26 purpose of the minimum annuity provided in said paragraphs
27 \$1,500 shall be considered the minimum annual salary for any
28 year; and the maximum annual salary to be considered for the
29 computation of such annuity shall be \$4,800 for any year
30 prior to 1953, \$6,000 for the years 1953 to 1956, inclusive,
31 and the actual annual salary, as salary is defined in this
32 Article, for any year thereafter.

33 (b) For an employee receiving disability benefit, his
34 salary for annuity purposes under this Section shall, for all

1 periods of disability benefit subsequent to the year 1956, be
2 the amount on which his disability benefit was based.

3 (c) An employee with 20 or more years of service, whose
4 entire disability benefit credit period expires prior to
5 attainment of age 55 while still disabled for service, shall
6 be entitled upon withdrawal to the larger of (1) the minimum
7 annuity provided above assuming that he is then age 55, and
8 reducing such annuity to its actuarial equivalent at his
9 attained age on such date, or (2) the annuity provided from
10 his age and service and prior service annuity credits.

11 (d) The minimum annuity provisions as aforesaid shall
12 not apply to any former employee receiving an annuity from
13 the fund, and who re-enters service as an employee, unless he
14 renders at least 3 years of additional service after the date
15 of re-entry.

16 (e) An employee in service on July 1, 1947, or who
17 became a contributor after July 1, 1947 and prior to July 1,
18 1950, or who shall become a contributor to the fund after
19 July 1, 1950 prior to attainment of age 70, who withdraws
20 after age 65 with less than 20 years of service, for whom the
21 annuity has been fixed under the foregoing Sections of this
22 Article shall, in lieu of the annuity so fixed, receive an
23 annuity as follows:

24 Such amount as he could have received had the accumulated
25 amounts for annuity been improved with interest at the
26 effective rate to the date of his withdrawal, or to
27 attainment of age 70, whichever is earlier, and had the city
28 contributed to such earlier date for age and service annuity
29 the amount that would have been contributed had he been under
30 age 65, after the date his annuity was fixed in accordance
31 with this Article, and assuming his annuity were computed
32 from such accumulations as of his age on such earlier date.
33 The annuity so computed shall not exceed the annuity which
34 would be payable under the other provisions of this Section

1 if the employee was credited with 20 years of service and
2 would qualify for annuity thereunder.

3 (f) In lieu of the annuity provided in this or in any
4 other Section of this Article, an employee having attained
5 age 65 with at least 15 years of service who withdraws from
6 service on or after July 1, 1971 and whose annuity computed
7 under other provisions of this Article is less than the
8 amount provided under this paragraph shall be entitled to
9 receive a minimum annual annuity for life equal to 1% of the
10 highest average annual salary for any 4 consecutive years
11 within the last 10 years of service immediately preceding
12 retirement for each year of his service plus the sum of \$25
13 for each year of service. Such annual annuity shall not
14 exceed the maximum percentages stated under paragraph (a) of
15 this Section of such highest average annual salary.

16 (f-1) Instead of any other retirement annuity provided
17 in this Article, an employee who has at least 10 years of
18 service and withdraws from service on or after January 1,
19 1999 may elect to receive a retirement annuity for life,
20 beginning no earlier than upon attainment of age 60, equal to
21 2.2% if withdrawal is before 60 days after the effective date
22 of this amendatory Act of the 92nd General Assembly or 2.4%
23 for each year of service if withdrawal is 60 days after the
24 effective date of this amendatory Act of the 92nd General
25 Assembly or later, of final average salary for each year of
26 service, subject to a maximum of 75% of final average salary
27 if withdrawal is before 60 days after the effective date of
28 this amendatory Act of the 92nd General Assembly, or 80% if
29 withdrawal is 60 days after the effective date of this
30 amendatory Act of the 92nd General Assembly or later. For the
31 purpose of calculating this annuity, "final average salary"
32 means the highest average annual salary for any 4 consecutive
33 years in the last 10 years of service.

34 (g) Any annuity payable under the preceding subsections

1 of this Section 11-134 shall be paid in equal monthly
2 installments.

3 (h) The amendatory provisions of part (a) and (f) of
4 this Section shall be effective July 1, 1971 and apply in the
5 case of every qualifying employee withdrawing on or after
6 July 1, 1971.

7 (i) The amendatory provisions of this amendatory Act of
8 1985 relating to the discount of annuity because of
9 retirement prior to attainment of age 60 and increasing the
10 retirement formula for those born before January 1, 1936,
11 shall apply only to qualifying employees withdrawing on or
12 after August 16, 1985.

13 (j) Beginning on January 1, 1999, the minimum amount of
14 employee's annuity shall be \$850 per month for life for the
15 following classes of employees, without regard to the fact
16 that withdrawal occurred prior to the effective date of this
17 amendatory Act of 1998:

18 (1) any employee annuitant alive and receiving a
19 life annuity on the effective date of this amendatory Act
20 of 1998, except a reciprocal annuity;

21 (2) any employee annuitant alive and receiving a
22 term annuity on the effective date of this amendatory Act
23 of 1998, except a reciprocal annuity;

24 (3) any employee annuitant alive and receiving a
25 reciprocal annuity on the effective date of this
26 amendatory Act of 1998, whose service in this fund is at
27 least 5 years;

28 (4) any employee annuitant withdrawing after age 60
29 on or after the effective date of this amendatory Act of
30 1998, with at least 10 years of service in this fund.

31 The increases granted under items (1), (2) and (3) of
32 this subsection (j) shall not be limited by any other Section
33 of this Act.

34 (Source: P.A. 90-32, eff. 6-27-97; 90-511, eff. 8-22-97;

1 90-766, eff. 8-14-98.)

2 (40 ILCS 5/11-134.1) (from Ch. 108 1/2, par. 11-134.1)

3 Sec. 11-134.1. Automatic increase in annuity.

4 (a) An employee who retired or retires from service
5 after December 31, 1963, and before January 1, 1987, having
6 attained age 60 or more, shall, in the month of January of
7 the year following the year in which the first anniversary of
8 retirement occurs, have the amount of his then fixed and
9 payable monthly annuity increased by 1 1/2%, and such first
10 fixed annuity as granted at retirement increased by a further
11 1 1/2% in January of each year thereafter. Beginning with
12 January of the year 1972, such increases shall be at the rate
13 of 2% in lieu of the aforesaid specified 1 1/2%. Beginning
14 January, 1984, such increases shall be at the rate of 3%.
15 Beginning in January of 1999, such increases shall be at the
16 rate of 3% of the currently payable monthly annuity,
17 including any increases previously granted under this
18 Article. An employee who retires on annuity after December
19 31, 1963 and before January 1, 1987, but prior to age 60,
20 shall receive such increases beginning with January of the
21 year immediately following the year in which he attains the
22 age of 60 years.

23 An employee who retires from service on or after January
24 1, 1987 shall, upon the first annuity payment date following
25 the first anniversary of the date of retirement, or upon the
26 first annuity payment date following attainment of age 60,
27 whichever occurs later, have his then fixed and payable
28 monthly annuity increased by 3%, and such annuity shall be
29 increased by an additional 3% of the original fixed annuity
30 on the same date each year thereafter. Beginning in January
31 of 1999, such increases shall be at the rate of 3% of the
32 currently payable monthly annuity, including any increases
33 previously granted under this Article.

1 (a-5) Notwithstanding the provisions of subsection (a),
 2 upon the first annuity payment date following (1) the third
 3 anniversary of retirement, (2) the attainment of age 53, or
 4 (3) the date 60 days after the effective date of this
 5 amendatory Act of the 92nd General Assembly, whichever occurs
 6 latest, the monthly pension of an employee who retires on
 7 annuity prior to the attainment of age 60 who has not
 8 received an increase under subsection (a) shall be increased
 9 by 3%, and such annuity shall be increased by an additional
 10 3% of the current payable monthly annuity, including such
 11 increases previously granted under this Article, on the same
 12 date each year thereafter. The increases provided under this
 13 subsection are in lieu of the increases provided in
 14 subsection (a).

15 (b) The foregoing provision is not applicable to an
 16 employee retiring and receiving a term annuity, as defined in
 17 this Article, nor to any otherwise qualified employee who
 18 retires before he shall have made employee contributions (at
 19 the 1/2 of 1% rate as hereinafter provided) for the purposes
 20 of this additional annuity for not less than the equivalent
 21 of one full year. Such employee, however, shall make
 22 arrangement to pay to the fund a balance of such 1/2 of 1%
 23 contributions, based on his final salary, as will bring such
 24 1/2 of 1% contributions, computed without interest, to the
 25 equivalent of or completion of one year's contributions.

26 Beginning with the month of January, 1964, each employee
 27 shall contribute by means of salary deductions 1/2 of 1% of
 28 each salary payment, concurrently with and in addition to the
 29 employee contributions otherwise made for annuity purposes.

30 Each such additional employee contribution shall be
 31 credited to an account in the prior service annuity reserve,
 32 to be used, together with city contributions, to defray the
 33 cost of the specified annuity increments. Any balance as of
 34 the beginning of each calendar year existing in such account

1 shall be credited with interest at the rate of 3% per annum.

2 Such employee contributions shall not be subject to
3 refund, except to an employee who resigns or is discharged
4 and applies for refund under this Article, and also in cases
5 where a term annuity becomes payable.

6 In such cases the employee contributions shall be
7 refunded him, without interest, and charged to the
8 aforementioned account in the prior service annuity reserve.

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

10 (40 ILCS 5/11-145.1) (from Ch. 108 1/2, par. 11-145.1)

11 Sec. 11-145.1. Minimum annuities for widows.

12 The widow otherwise eligible for widow's annuity under
13 other Sections of this Article 11, of an employee hereinafter
14 described, who retires from service or dies while in the
15 service subsequent to the effective date of this amendatory
16 provision, and for which widow the amount of widow's annuity
17 and widow's prior service annuity combined, fixed or provided
18 for such widow under other provisions of said Article 11 is
19 less than the amount hereinafter provided in this section,
20 shall, from and after the date her otherwise provided annuity
21 would begin, in lieu of such otherwise provided widow's and
22 widow's prior service annuity, be entitled to the following
23 indicated amount of annuity:

24 (a) The widow of any employee who dies while in service
25 on or after the date on which he attains age 60 if the death
26 occurs before July 1, 1990, or on or after the date on which
27 he attains age 55 if the death occurs on or after July 1,
28 1990, with at least 20 years of service, or on or after the
29 date on which he attains age 50 if the death occurs on or
30 after the effective date of this amendatory Act of 1997 with
31 at least 30 years of service, shall be entitled to an annuity
32 equal to one-half of the amount of annuity which her deceased
33 husband would have been entitled to receive had he withdrawn

1 from the service on the day immediately preceding the date of
2 his death, conditional upon such widow having attained age 60
3 on or before such date if the death occurs before July 1,
4 1990, or age 55 if the death occurs on or after July 1, 1990,
5 or age 50 if the death occurs on or after January 1, 1998 and
6 the employee is age 50 or over with at least 30 years of
7 service or age 55 or over with at least 25 years of service.
8 Except as provided in subsection (j), the widow's annuity
9 shall not, however, exceed the sum of \$500 a month if the
10 employee's death in service occurs before January 23, 1987.
11 The widow's annuity shall not be limited to a maximum dollar
12 amount if the employee's death in service occurs on or after
13 January 23, 1987.

14 If the employee dies in service before July 1, 1990, and
15 if such widow of such described employee shall not be 60 or
16 more years of age on such date of death, the amount provided
17 in the immediately preceding paragraph for a widow 60 or more
18 years of age, shall, in the case of such younger widow, be
19 reduced by 0.25% for each month that her then attained age is
20 less than 60 years if the employee was born before January 1,
21 1936, or dies in service on or after January 1, 1988, or 0.5%
22 for each month that her then attained age is less than 60
23 years if the employee was born on or after January 1, 1936
24 and dies in service before January 1, 1988.

25 If the employee dies in service on or after July 1, 1990,
26 and if the widow of the employee has not attained age 55 on
27 or before the employee's date of death, the amount otherwise
28 provided in this subsection (a) shall be reduced by 0.25% for
29 each month that her then attained age is less than 55 years;
30 except that if the employee dies in service on or after
31 January 1, 1998 at age 50 or over with at least 30 years of
32 service or at age 55 or over with at least 25 years of
33 service, there shall be no reduction due to the widow's age
34 if she has attained age 50 on or before the employee's date

1 of death, and if the widow has not attained age 50 on or
2 before the employee's date of death the amount otherwise
3 provided in this subsection (a) shall be reduced by 0.25% for
4 each month that her then attained age is less than 50 years.

5 (b) The widow of any employee who dies subsequent to the
6 date of his retirement on annuity, and who so retired on or
7 after the date on which he attained age 60 if retirement
8 occurs before July 1, 1990, or on or after the date on which
9 he attained age 55 if retirement occurs on or after July 1,
10 1990, with at least 20 years of service, or on or after the
11 date on which he attained age 50 if the retirement occurs on
12 or after the effective date of this amendatory Act of 1997
13 with at least 30 years of service, shall be entitled to an
14 annuity equal to one-half of the amount of annuity which her
15 deceased husband received as of the date of his retirement on
16 annuity, conditional upon such widow having attained age 60
17 on or before the date of her husband's retirement on annuity
18 if retirement occurs before July 1, 1990, or age 55 if
19 retirement occurs on or after July 1, 1990, or age 50 if the
20 retirement on annuity occurs on or after January 1, 1998 and
21 the employee is age 50 or over with at least 30 years of
22 service or age 55 or over with at least 25 years of service.
23 Except as provided in subsection (j), this widow's annuity
24 shall not, however, exceed the sum of \$500 a month if the
25 employee's death occurs before January 23, 1987. The widow's
26 annuity shall not be limited to a maximum dollar amount if
27 the employee's death occurs on or after January 23, 1987,
28 regardless of the date of retirement; provided that, if
29 retirement was before January 23, 1987, the employee or
30 eligible spouse repays the excess spouse refund with interest
31 at the effective rate from the date of refund to the date of
32 repayment.

33 If the date of the employee's retirement on annuity is
34 before July 1, 1990, and if such widow of such described

1 employee shall not have attained such age of 60 or more years
2 on such date of her husband's retirement on annuity, the
3 amount provided in the immediately preceding paragraph for a
4 widow 60 or more years of age on the date of her husband's
5 retirement on annuity, shall, in the case of such then
6 younger widow, be reduced by 0.25% for each month that her
7 then attained age was less than 60 years if the employee was
8 born before January 1, 1936, or withdraws from service on or
9 after January 1, 1988, or 0.5% for each month that her then
10 attained age was less than 60 years if the employee was born
11 on or after January 1, 1936 and withdraws from service before
12 January 1, 1988.

13 If the date of the employee's retirement on annuity is on
14 or after July 1, 1990, and if the widow of the employee has
15 not attained age 55 by the date of the employee's retirement
16 on annuity, the amount otherwise provided in this subsection
17 (b) shall be reduced by 0.25% for each month that her then
18 attained age is less than 55 years; except that if the
19 employee retires on annuity on or after January 1, 1998 at
20 age 50 or over with at least 30 years of service or at age 55
21 or over with at least 25 years of service, there shall be no
22 reduction due to the widow's age if she has attained age 50
23 on or before the employee's date of death, and if the widow
24 has not attained age 50 on or before the employee's date of
25 death the amount otherwise provided in this subsection (b)
26 shall be reduced by 0.25% for each month that her then
27 attained age is less than 50 years.

28 (c) The foregoing provisions relating to minimum
29 annuities for widows shall not apply to the widow of any
30 former employee receiving an annuity from the fund on August
31 2, 1965 or on the effective date of this amendatory
32 provision, who re-enters service as a former employee, unless
33 such employee renders at least 3 years of additional service
34 after the date of re-entry.

1 (d) (Blank).

2 (e) (Blank).

3 (f) The amendments to this Section by this amendatory
4 Act of 1985, relating to changing the discount because of age
5 from 1/2 of 1% to 0.25% per month for widows of employees
6 born before January 1, 1936, shall apply only to qualifying
7 widows whose husbands die while in the service on or after
8 August 16, 1985 or withdraw and enter on annuity on or after
9 August 16, 1985.

10 (g) Beginning on January 1, 1999, the minimum amount of
11 widow's annuity shall be \$800 per month for life for the
12 following classes of widows, without regard to the fact that
13 the death of the employee occurred prior to the effective
14 date of this amendatory Act of 1998:

15 (1) any widow annuitant alive and receiving a term
16 annuity on the effective date of this amendatory Act of
17 1998, except a reciprocal annuity;

18 (2) any widow annuitant alive and receiving a life
19 annuity on the effective date of this amendatory Act of
20 1998, except a reciprocal annuity;

21 (3) any widow annuitant alive and receiving a
22 reciprocal annuity on the effective date of this
23 amendatory Act of 1998, whose employee spouse's service
24 in this fund was at least 5 years;

25 (4) the widow of an employee with at least 10 years
26 of service in this fund who dies after retirement, if the
27 retirement occurred prior to the effective date of this
28 amendatory Act of 1998;

29 (5) the widow of an employee with at least 10 years
30 of service in this fund who dies after retirement, if
31 withdrawal occurs on or after the effective date of this
32 amendatory Act of 1998;

33 (6) the widow of an employee who dies in service
34 with at least 5 years of service in this fund, if the

1 death in service occurs on or after the effective date of
2 this amendatory Act of 1998.

3 The increases granted under items (1), (2), (3) and (4)
4 of this subsection (g) shall not be limited by any other
5 Section of this Act.

6 (h) The widow of an employee who retired or died in
7 service on or after January 1, 1985 and before July 1, 1990,
8 at age 55 or older, and with at least 35 years of service
9 credit, shall be entitled to have her widow's annuity
10 increased, effective January 1, 1991, to an amount equal to
11 50% of the retirement annuity that the deceased employee
12 received on the date of retirement, or would have been
13 eligible to receive if he had retired on the day preceding
14 the date of his death in service, provided that if the widow
15 had not attained age 60 by the date of the employee's
16 retirement or death in service, the amount of the annuity
17 shall be reduced by 0.25% for each month that her then
18 attained age was less than age 60 if the employee's
19 retirement or death in service occurred on or after January
20 1, 1988, or by 0.5% for each month that her attained age is
21 less than age 60 if the employee's retirement or death in
22 service occurred prior to January 1, 1988. However, in cases
23 where a refund of excess contributions for widow's annuity
24 has been paid by the Fund, the increase in benefit provided
25 by this subsection (h) shall be contingent upon repayment of
26 the refund to the Fund with interest at the effective rate
27 from the date of refund to the date of payment.

28 (i) If a deceased employee is receiving a retirement
29 annuity at the time of death and that death occurs on or
30 after June 27, 1997, the widow may elect to receive, in lieu
31 of any other annuity provided under this Article, 50% of the
32 deceased employee's retirement annuity at the time of death
33 reduced by 0.25% for each month that the widow's age on the
34 date of death is less than 55; except that if the employee

1 dies on or after January 1, 1998 and withdrew from service on
2 or after June 27, 1997 at age 50 or over with at least 30
3 years of service or at age 55 or over with at least 25 years
4 of service, there shall be no reduction due to the widow's
5 age if she has attained age 50 on or before the employee's
6 date of death, and if the widow has not attained age 50 on or
7 before the employee's date of death the amount otherwise
8 provided in this subsection (i) shall be reduced by 0.25% for
9 each month that her age on the date of death is less than 50
10 years. However, in cases where a refund of excess
11 contributions for widow's annuity has been paid by the Fund,
12 the benefit provided by this subsection (i) is contingent
13 upon repayment of the refund to the Fund with interest at the
14 effective rate from the date of refund to the date of
15 payment.

16 (j) For widows of employees who died before January 23,
17 1987 after retirement on annuity or in service, the maximum
18 dollar amount limitation on widow's annuity shall cease to
19 apply, beginning with the first annuity payment after the
20 effective date of this amendatory Act of 1997; except that if
21 a refund of excess contributions for widow's annuity has been
22 paid by the Fund, the increase resulting from this subsection
23 (j) shall not begin before the refund has been repaid to the
24 Fund, together with interest at the effective rate from the
25 date of the refund to the date of repayment.

26 (k) In lieu of any other annuity provided in this
27 Article, an eligible spouse of an employee who dies in
28 service at least 60 days after the effective date of this
29 amendatory Act of the 92nd General Assembly with at least 10
30 years of service shall be entitled to an annuity of 50% of
31 the minimum formula annuity earned and accrued to the credit
32 of the employee at the date of death. For the purposes of
33 this subsection, the minimum formula annuity earned and
34 accrued to the credit of the employee is equal to 2.40% for

1 each year of service of the highest average annual salary for
 2 any 4 consecutive years within the last 10 years of service
 3 immediately preceding the date of death, up to a maximum of
 4 80% of the highest average annual salary. This annuity shall
 5 not be reduced due to the age of the employee or spouse. In
 6 addition to any other eligibility requirements under this
 7 Article, the spouse is eligible for this annuity only if the
 8 marriage was in effect for 10 full years or more.

9 (Source: P.A. 90-32, eff. 6-27-97; 90-511, eff. 8-22-97;
 10 90-766, eff. 8-14-98.)

11 (40 ILCS 5/11-153) (from Ch. 108 1/2, par. 11-153)
 12 Sec. 11-153. Child's annuity.

13 (a) A "Child's Annuity" shall be payable monthly after
 14 the death of an employee parent to an unmarried child until
 15 the child's attainment of age 18 or marriage, whichever event
 16 shall first occur, under the following conditions, if the
 17 child was born or in esse before the employee attained age
 18 65, and before he withdrew from service:

19 (1) ~~upon death resulting from injury incurred in~~
 20 ~~the performance of an act of duty;~~

21 (2) upon death in service from any cause other than
 22 ~~injury incurred in the performance of duty, if the~~
 23 ~~employee has at least 4 years of service after the date~~
 24 ~~of his original entry into service, and at least 2 years~~
 25 ~~after the date of his latest re-entry;~~

26 (3) upon death of an employee who withdraws from
 27 service after age 55 (or after age 50 with at least 30
 28 years of service if withdrawal is on or after June 27,
 29 1997) and who has entered upon or is eligible for
 30 annuity.

31 Payment shall be made as provided in Section 11-124.

32 (b) After July 24, 1967, an adopted child shall be
 33 entitled to the same child's annuity benefits provided for

1 natural children in this Article, if:

2 (1) the child was legally adopted by the employee
3 at least one year prior to the death of the employee; and

4 (2) the child was adopted before the employee
5 withdrew from service attained-age-55.

6 (Source: P.A. 90-31, eff. 6-27-97; 90-766, eff. 8-14-98.)

7 (40 ILCS 5/11-156) (from Ch. 108 1/2, par. 11-156)

8 Sec. 11-156. Ordinary disability benefit. An employee,
9 while under age 65 and prior to January 1, 1979, or while
10 under age 70 and after January 1, 1979, who becomes disabled
11 after the effective date as the result of any cause other
12 than injury incurred in the performance of any act or acts of
13 duty, shall be entitled to ordinary disability benefit during
14 such disability, after the first 30 days thereof.

15 The disability benefit prescribed herein shall cease when
16 the first of the following dates shall occur and the
17 employee, if still disabled, shall thereafter be entitled to
18 such annuity as is otherwise provided in this Article:

19 (a) the date disability ceases.

20 (b) the date the disabled employee attains age 65 for
21 disability commencing prior to January 1, 1979.

22 (c) the date the disabled employee attains 65 for
23 disability commencing prior to attainment of age 60 in the
24 service and after January 1, 1979.

25 (d) the date the disabled employee attains the age of 70
26 for disability commencing after attainment of age 60 in the
27 service and after January 1, 1979.

28 (e) the date the payments of the benefit shall exceed in
29 the aggregate, throughout the employee's service, a period
30 equal to 1/4 of the total service rendered prior to the date
31 of disability but in no event more than 5 years. In computing
32 such total the following periods shall be excluded:

33 (i) Any period during which the employee received

1 ordinary disability benefit;

2 (ii) Any period of absence from duty, whether caused by
3 layoff, leave of absence or suspension of employment, or any
4 other reason, unless the board, upon satisfactory evidence,
5 finds that the disability resulted from a cause which existed
6 or occurred prior to such period of absence. No employee who
7 becomes disabled and whose disability begins during absence
8 from duty (other than while on vacation with pay) shall have
9 any right to ordinary disability benefit, except as herein
10 provided, until he recovers from such disability and performs
11 the duties of his position in the service for at least 15
12 consecutive days, Sundays and holidays excepted, after such
13 recovery.

14 The first payment shall be made not later than one month
15 after the benefit is granted and each subsequent payment
16 shall be made not later than one month after the last
17 preceding payment.

18 Ordinary disability benefit shall be 50% of the
19 employee's salary at the date of disability.

20 For ordinary disability benefits paid before January 1,
21 2001, before any payment, an amount equal to~~7~~--less the sum
22 ordinarily deducted from salary for all annuity purposes for
23 such period for which the ordinary disability benefit is made
24 shall be deducted from such payment and credited to the
25 employee as a deduction from salary for that period. The
26 sums so deducted ~~shall be credited to the employee and~~ shall
27 be regarded, for annuity and refund purposes, as an amount
28 contributed by him.

29 For ordinary disability benefits paid on or after January
30 1, 2001, the fund shall credit sums equal to the amounts
31 ordinarily contributed by an employee for annuity purposes
32 for any period during which the employee receives ordinary
33 disability, and those sums shall be deemed for annuity
34 purposes and purposes of Section 11-169 as amounts

1 contributed by the employee. These amounts credited for
2 annuity purposes shall not be credited for refund purposes.

3 Any employee whose ordinary disability benefit was
4 terminated after January 1, 1979 by reason of his attainment
5 of age 65 and who continues disabled after age 65 may elect
6 before July 1, 1986 to have such benefits resumed beginning
7 at the time of such termination and continuing until
8 termination is required under this Section as amended by this
9 amendatory Act of 1985. The amount payable to any employee
10 for such resumed benefit for any period shall be reduced by
11 the amount of any retirement annuity paid to such employee
12 under this Article for the same period of time or by refund
13 paid in lieu of annuity.

14 (Source: P.A. 85-964.)

15 (40 ILCS 5/11-160.1) (from Ch. 108 1/2, par. 11-160.1)

16 Sec. 11-160.1. Group health benefit.

17 (a) For the purposes of this Section: (1) "annuitant"
18 means a person receiving an age and service annuity, a prior
19 service annuity, a widow's annuity, a widow's prior service
20 annuity, or a minimum annuity, under Article 5, 6, 8 or 11,
21 by reason of previous employment by the City of Chicago
22 (hereinafter, in this Section, "the city"); (2) "Medicare
23 Plan annuitant" means an annuitant described in item (1) who
24 is eligible for Medicare benefits; and (3) "non-Medicare Plan
25 annuitant" means an annuitant described in item (1) who is
26 not eligible for Medicare benefits.

27 (b) The city shall offer group health benefits to
28 annuitants and their eligible dependents through June 30,
29 2003 2002. The basic city health care plan available as of
30 June 30, 1988 (hereinafter called the basic city plan) shall
31 cease to be a plan offered by the city, except as specified
32 in subparagraphs (4) and (5) below, and shall be closed to
33 new enrollment or transfer of coverage for any non-Medicare

1 Plan annuitant as of June 27, ~~the effective date of this~~
2 ~~amendatory Act of~~ 1997. The city shall offer non-Medicare
3 Plan annuitants and their eligible dependents the option of
4 enrolling in its Annuitant Preferred Provider Plan and may
5 offer additional plans for any annuitant. The city may
6 amend, modify, or terminate any of its additional plans at
7 its sole discretion. If the city offers more than one
8 annuitant plan, the city shall allow annuitants to convert
9 coverage from one city annuitant plan to another, except the
10 basic city plan, during times designated by the city, which
11 periods of time shall occur at least annually. For the
12 period dating from June 27, ~~the effective date of this~~
13 ~~amendatory Act of~~ 1997 through June 30, 2003 2002, monthly
14 premium rates may be increased for annuitants during the time
15 of their participation in non-Medicare plans, except as
16 provided in subparagraphs (1) through (4) of this subsection.

17 (1) For non-Medicare Plan annuitants who retired
18 prior to January 1, 1988, the annuitant's share of
19 monthly premium for non-Medicare Plan coverage only shall
20 not exceed the highest premium rate chargeable under any
21 city non-Medicare Plan annuitant coverage as of December
22 1, 1996.

23 (2) For non-Medicare Plan annuitants who retire on
24 or after January 1, 1988, the annuitant's share of
25 monthly premium for non-Medicare Plan coverage only shall
26 be the rate in effect on December 1, 1996, with monthly
27 premium increases to take effect no sooner than April 1,
28 1998 at the lower of (i) the premium rate determined
29 pursuant to subsection (g) or (ii) 10% of the immediately
30 previous month's rate for similar coverage.

31 (3) In no event shall any non-Medicare Plan
32 annuitant's share of monthly premium for non-Medicare
33 Plan coverage exceed 10% of the annuitant's monthly
34 annuity.

1 (4) Non-Medicare Plan annuitants who are enrolled
2 in the basic city plan as of July 1, 1998 may remain in
3 the basic city plan, if they so choose, on the condition
4 that they are not entitled to the caps on rates set forth
5 in subparagraphs (1) through (3), and their premium rate
6 shall be the rate determined in accordance with
7 subsections (c) and (g).

8 (5) Medicare Plan annuitants who are currently
9 enrolled in the basic city plan for Medicare eligible
10 annuitants may remain in that plan, if they so choose,
11 through June 30, 2003 2002. Annuitants shall not be
12 allowed to enroll in or transfer into the basic city plan
13 for Medicare eligible annuitants on or after July 1,
14 1999. The city shall continue to offer annuitants a
15 supplemental Medicare Plan for Medicare eligible
16 annuitants through June 30, 2003 2002, and the city may
17 offer additional plans to Medicare eligible annuitants in
18 its sole discretion. All Medicare Plan annuitant monthly
19 rates shall be determined in accordance with subsections
20 (c) and (g).

21 (c) The city shall pay 50% of the aggregated costs of
22 the claims or premiums, whichever is applicable, as
23 determined in accordance with subsection (g), of annuitants
24 and their dependents under all health care plans offered by
25 the city. The city may reduce its obligation by application
26 of price reductions obtained as a result of financial
27 arrangements with providers or plan administrators.

28 (d) From January 1, 1993 until June 30, 2003 2002, the
29 board shall pay to the city on behalf of each of the board's
30 annuitants who chooses to participate in any of the city's
31 plans the following amounts: up to a maximum of \$75 per month
32 for each such annuitant who is not qualified to receive
33 medicare benefits, and up to a maximum of \$45 per month for
34 each such annuitant who is qualified to receive medicare

1 benefits.

2 The payments described in this subsection shall be paid
3 from the tax levy authorized under Section 11-178; such
4 amounts shall be credited to the reserve for group hospital
5 care and group medical and surgical plan benefits, and all
6 payments to the city required under this subsection shall be
7 charged against it.

8 (e) The city's obligations under subsections (b) and (c)
9 shall terminate on June 30, 2003 2002, except with regard to
10 covered expenses incurred but not paid as of that date. This
11 subsection shall not affect other obligations that may be
12 imposed by law.

13 (f) The group coverage plans described in this Section
14 are not and shall not be construed to be pension or
15 retirement benefits for purposes of Section 5 of Article XIII
16 of the Illinois Constitution of 1970.

17 (g) For each annuitant plan offered by the city, the
18 aggregate cost of claims, as reflected in the claim records
19 of the plan administrator, shall be estimated by the city,
20 based upon a written determination by a qualified independent
21 actuary to be appointed and paid by the city and the board.
22 If the estimated annual cost for each annuitant plan offered
23 by the city is more than the estimated amount to be
24 contributed by the city for that plan pursuant to subsections
25 (b) and (c) during that year plus the estimated amounts to be
26 paid pursuant to subsection (d) and by the other pension
27 boards on behalf of other participating annuitants, the
28 difference shall be paid by all annuitants participating in
29 the plan, except as provided in subsection (b). The city,
30 based upon the determination of the independent actuary,
31 shall set the monthly amounts to be paid by the participating
32 annuitants. The board may deduct the amounts to be paid by
33 its annuitants from the participating annuitants' monthly
34 annuities.

1 If it is determined from the city's annual audit, or from
2 audited experience data, that the total amount paid by all
3 participating annuitants was more or less than the difference
4 between (1) the cost of providing the group health care
5 plans, and (2) the sum of the amount to be paid by the city
6 as determined under subsection (c) and the amounts paid by
7 all the pension boards, then the independent actuary and the
8 city shall account for the excess or shortfall in the next
9 year's payments by annuitants, except as provided in
10 subsection (b).

11 (h) An annuitant may elect to terminate coverage in a
12 plan at the end of any month, which election shall terminate
13 the annuitant's obligation to contribute toward payment of
14 the excess described in subsection (g).

15 (i) The city shall advise the board of all proposed
16 premium increases for health care at least 75 days prior to
17 the effective date of the change, and any increase shall be
18 prospective only.

19 (Source: P.A. 90-32, eff. 6-27-97.)

20 (40 ILCS 5/11-164) (from Ch. 108 1/2, par. 11-164)

21 Sec. 11-164. Refunds - Withdrawal before age 55 or with
22 less than 10 years of service.

23 (1) An employee, without regard to length of service,
24 who withdraws before age 55, and any employee with less than
25 10 years of service who withdraws before age 60, shall be
26 entitled to a refund of the total sum accumulated to his
27 credit as of date of withdrawal for age and service annuity
28 and widow's annuity from amounts contributed by him or by the
29 City in lieu of employee contributions during duty
30 disability; provided that such amounts contributed by the
31 city after December 31, 1983 while the employee is receiving
32 duty disability benefits and amounts credited to the employee
33 for annuity purposes by the fund after December 31, 2000

1 while the employee is receiving ordinary disability benefits
2 shall not be credited for refund purposes.

3 The board may in its discretion withhold payment of
4 refund for a period not to exceed 6 months from the date of
5 withdrawal. Interest at the effective rate shall be paid on
6 any such refund withheld during such withheld period not to
7 exceed 6 months.

8 (2) Upon receipt of the refund, the employee surrenders
9 and forfeits all rights to any annuity or other benefits, for
10 himself and for any other persons who might have benefited
11 through him; provided that he may have such period of service
12 counted in computing the term of his service for age and
13 service annuity purposes only if he becomes an employee
14 before age 65.

15 (3) An employee who does not receive a refund shall have
16 all amounts to his credit for annuity purposes on the date of
17 his withdrawal improved by interest only until he becomes age
18 65, while out of service, at the effective rate, for his
19 benefit and the benefit of any person who may have any right
20 to annuity through him if he re-enters the service and
21 attains a right to annuity.

22 (4) Any such employee shall retain such right to refund
23 of such amounts when he shall apply for same, until he
24 re-enters the service or until the amount of annuity to which
25 he shall have a right shall have been fixed as provided in
26 this Article. Thereafter, no such right shall exist in the
27 case of any such employee.

28 (Source: P.A. 83-499.)

29 (40 ILCS 5/11-167) (from Ch. 108 1/2, par. 11-167)

30 Sec. 11-167. Refunds in lieu of annuity. In lieu of an
31 annuity, an employee who withdraws, and whose annuity would
32 amount to less than \$800 a month for life may elect to
33 receive a refund of the total sum accumulated to his credit

1 from employee contributions for annuity purposes.

2 The widow of any employee, eligible for annuity upon the
3 death of her husband, whose annuity would amount to less than
4 \$800 a month for life, may, in lieu of a widow's annuity,
5 elect to receive a refund of the accumulated contributions
6 for annuity purposes, based on the amounts contributed by her
7 deceased employee husband, but reduced by any amounts
8 theretofore paid to him in the form of an annuity or refund
9 out of such accumulated contributions.

10 Accumulated contributions shall mean the amounts
11 including interest credited thereon contributed by the
12 employee for age and service and widow's annuity to the date
13 of his withdrawal or death, whichever first occurs, and
14 including the accumulations from any amounts contributed for
15 him as salary deductions while receiving duty disability
16 benefits; provided that such amounts contributed by the city
17 after December 31, 1983 while the employee is receiving duty
18 disability benefits and amounts credited to the employee for
19 annuity purposes by the fund after December 31, 2000 while
20 the employee is receiving ordinary disability benefits.

21 The acceptance of such refund in lieu of widow's annuity,
22 on the part of a widow, shall not deprive a child or children
23 of the right to receive a child's annuity as provided for in
24 Sections 11-153 and 11-154 of this Article, and neither shall
25 the payment of a child's annuity in the case of such refund
26 to a widow reduce the amount herein set forth as refundable
27 to such widow electing a refund in lieu of widow's annuity.

28 (Source: P.A. 90-655, eff. 7-30-98; 91-887, eff. 7-6-00.)

29 (40 ILCS 5/13-301) (from Ch. 108 1/2, par. 13-301)

30 Sec. 13-301. Retirement annuity; eligibility. Any
31 employee who withdraws from service and meets the age and
32 service requirements and other conditions set forth in
33 subsections (a), (b), (c) or (d) hereof is entitled to

1 receive a retirement annuity.

2 (a) Withdrawal on or after age 60. Any employee, upon
3 withdrawal from service on or after attainment of age 60 and
4 having at least 5 years of service, is entitled to a
5 retirement annuity.

6 (b) Withdrawal on or after attainment of minimum
7 retirement age qualifications and prior to age 60.

8 (1) Any employee, upon withdrawal from service on
9 or after attainment of age 55 (age 50 if the employee
10 first entered service before June 13, the ~~effective--date~~
11 ~~of--this--amendatory-Act-of~~ 1997) but prior to age 60 and
12 having at least 10 years of service, is entitled to a
13 retirement annuity as of the date of withdrawal or, at
14 the option of the employee, at any time thereafter.

15 (2) Any employee who withdraws on or after
16 attainment of age 55 (age 50 if the employee first
17 entered service before June 13, the ~~effective--date--of~~
18 ~~this--amendatory--Act-of~~ 1997) and prior to age 60 having
19 at least 5 years but less than 10 years of service is
20 entitled to a retirement annuity upon attainment of age
21 62, subject to the other requirements of this Article.

22 (3) Any employee who withdraws from service on or
23 after attainment of age 50 but prior to age 60 and is
24 eligible for early retirement without discount under the
25 Rule of 80 as provided in subsection (c) of Section
26 13-302 is entitled to a retirement annuity at the time of
27 withdrawal.

28 (c) Withdrawal prior to minimum retirement age. Any
29 employee, upon withdrawal from service prior to age 55 (age
30 50 if the employee first entered service before June 13, the
31 ~~effective--date-of-this-amendatory-Act-of~~ 1997) and having at
32 least 10 years of service, shall become entitled to a
33 retirement annuity upon attainment of age 55 (age 50 if the
34 employee first entered service before June 13, the ~~effective~~

1 ~~date-of-this-amendatory-Act-of~~ 1997) or, at the option of the
2 employee, at any time thereafter, subject to the other
3 requirements of this Article.

4 (d) Withdrawal while disabled. Any employee having at
5 least 5 years of service who has received ordinary disability
6 benefits on or after January 1, 1986 for the maximum period
7 of time hereinafter prescribed, and who continues to be
8 disabled and withdraws from service, shall be entitled to a
9 retirement annuity. The age and service conditions as to
10 eligibility for such annuity shall be waived as to the
11 employee, but the early retirement discount under Section
12 13-302(b) shall apply. If the employee is under age 55 on
13 the date of withdrawal, the retirement annuity shall be
14 computed by assuming that the employee is then age 55 and
15 then reduced to its actuarial equivalent at his attained age
16 on that date according to applicable mortality tables and
17 interest rates. The retirement annuity shall not be payable
18 for any period prior to the employee's attainment of age 55
19 during which the employee is able to return to gainful
20 employment. Upon the employee's death while in receipt of a
21 retirement annuity, a surviving spouse or minor children
22 shall be entitled to receive a surviving spouse's annuity or
23 child's annuity subject to the conditions hereinafter
24 prescribed in Sections 13-305 through 13-308.

25 (Source: P.A. 90-12, eff. 6-13-97.)

26 (40 ILCS 5/13-302) (from Ch. 108 1/2, par. 13-302)

27 Sec. 13-302. Computation of retirement annuity.

28 (a) Computation of annuity. An employee who withdraws
29 from service on or after July 1, 1989 and who has met the age
30 and service requirements and other conditions for eligibility
31 set forth in Section 13-301 of this Article is entitled to
32 receive a retirement annuity for life equal to 2.2% of
33 average final salary for each of the first 20 years of

1 service, and 2.4% of average final salary for each year of
2 service in excess of 20. The retirement annuity shall not
3 exceed 80% of average final salary.

4 (b) Early retirement discount. If an employee retires
5 prior to attainment of age 60 with less than 30 years of
6 service, the annuity computed above shall be reduced by 1/2
7 of 1% for each full month between the date the annuity begins
8 and attainment of age 60, or each full month by which the
9 employee's service is less than 30 years, whichever is less.
10 However, where the employee first enters service after June
11 13, 1997 and does not have at least 10 years of service
12 exclusive of credit under Article 20, the annuity computed
13 above shall be reduced by 1/2 of 1% for each full month
14 between the date the annuity begins and attainment of age 60.

15 (c) Rule of 80 - Early retirement without discount. For
16 an employee who retires on or after January 1, 2003 but on or
17 before December 31, 2007, if the employee is eligible for a
18 retirement annuity under Section 13-301 and has at least 10
19 years of service exclusive of credit under Article 20 and if
20 at the date of withdrawal the employee's age when added to
21 the number of years of his or her creditable service equals
22 at least 80, the early retirement discount in subsection (b)
23 of this Section does not apply. For purposes of this Rule of
24 80, portions of years shall be considered in whole months.

25 An employee who has terminated employment with the
26 employer under this Article prior to the effective date of
27 this amendatory Act of the 92nd General Assembly and
28 subsequently re-enters service must remain in service with
29 the employer under this Article for at least 2 years after
30 re-entry during the period beginning on January 1, 2003 and
31 ending on December 31, 2007 to be entitled to early
32 retirement without discount under this subsection (c).

33 In the case of an employee who retires under the terms of
34 Article 20, eligibility for early retirement without discount

1 under this subsection (c) shall be based upon the employee's
2 age and service credit at the time of withdrawal from the
3 final fund. {Blank}-

4 (c-1) Early retirement without discount; retirement
5 after June 29, 1997 and before January 1, 2003. An employee
6 who (i) has attained age 55 (age 50 if the employee first
7 entered service before June 13, 1997), (ii) has at least 10
8 years of service exclusive of credit under Article 20, (iii)
9 retires after June 29, 1997 and before January 1, 2003, and
10 (iv) retires within 6 months of the last day for which
11 retirement contributions were required, may elect at the time
12 of application to make a one-time employee contribution to
13 the Fund and thereby avoid the early retirement reduction
14 specified in subsection (b). The exercise of the election
15 shall also obligate the employer to make a one-time
16 nonrefundable contribution to the Fund.

17 The one-time employee and employer contributions shall be
18 a percentage of the retiring employee's highest full-time
19 annual salary, calculated as the total amount of salary
20 included in the highest 26 consecutive pay periods as used in
21 the average final salary calculation, and based on the
22 employee's age and service at retirement. The employee rate
23 shall be 7% multiplied by the lesser of the following 2
24 numbers: (1) the number of years, or portion thereof, that
25 the employee is less than age 60; or (2) the number of years,
26 or portion thereof, that the employee's service is less than
27 30 years. The employer contribution shall be at the rate of
28 20% for each year, or portion thereof, that the participant
29 is less than age 60.

30 Upon receipt of the application, the Board shall
31 determine the corresponding employee and employer
32 contributions. The annuity shall not be payable under this
33 subsection until both the required contributions have been
34 received by the Fund. However, the date the contributions

1 are received shall not be considered in determining the
2 effective date of retirement.

3 The number of employees who may retire under this Section
4 in any year may be limited at the option of the District to a
5 specified percentage of those eligible, not lower than 30%,
6 with the right to participate to be allocated among those
7 applying on the basis of seniority in the service of the
8 employer.

9 An employee who has terminated employment and
10 subsequently re-enters service shall not be entitled to early
11 retirement without discount under this subsection unless the
12 employee continues in service for at least 4 years after
13 re-entry.

14 (d) Annual increase. Except for employees retiring and
15 receiving a term annuity, an employee who retires on or after
16 July 1, 1985 but before July 12, 2001, ~~the-effective-date-of~~
17 ~~this-amendatory-Act-of-the-92nd-General-Assembly~~ shall, upon
18 the first payment date following the first anniversary of the
19 date of retirement, have the monthly annuity increased by 3%
20 of the amount of the monthly annuity fixed at the date of
21 retirement. Except for employees retiring and receiving a
22 term annuity, an employee who retires on or after July 12,
23 2001 ~~the--effective--date-of-this-amendatory-Act-of-the-92nd~~
24 ~~General-Assembly~~ shall, on the first day of the month in
25 which the first anniversary of the date of retirement occurs,
26 have the monthly annuity increased by 3% of the amount of the
27 monthly annuity fixed at the date of retirement. The monthly
28 annuity shall be increased by an additional 3% on the same
29 date each year thereafter. Beginning January 1, 1993, all
30 annual increases payable under this subsection (or any
31 predecessor provision, regardless of the date of retirement)
32 shall be calculated at the rate of 3% of the monthly annuity
33 payable at the time of the increase, including any increases
34 previously granted under this Article.

1 Any employee who (i) retired before July 1, 1985 with at
2 least 10 years of creditable service, (ii) is receiving a
3 retirement annuity under this Article, other than a term
4 annuity, and (iii) has not received any annual increase under
5 this subsection, shall begin receiving the annual increases
6 provided under this subsection (d) beginning on the next
7 annuity payment date following June 13, effective-date-of
8 ~~this-amendatory-Act-of~~ 1997.

9 (e) Minimum retirement annuity. Beginning January 1,
10 1993, the minimum monthly retirement annuity shall be \$500
11 for any annuitant having at least 10 years of service under
12 this Article, other than a term annuitant or an annuitant who
13 began receiving the annuity before attaining age 60. Any
14 such annuitant who is receiving a monthly annuity of less
15 than \$500 shall have the annuity increased to \$500 on that
16 date.

17 Beginning January 1, 1993, the minimum monthly retirement
18 annuity shall be \$250 for any annuitant (other than a term or
19 reciprocal annuitant or an annuitant under subsection (d) of
20 Section 13-301) having less than 10 years of service under
21 this Article, and for any annuitant (other than a term
22 annuitant) having at least 10 years of service under this
23 Article who began receiving the annuity before attaining age
24 60. Any such annuitant who is receiving a monthly annuity of
25 less than \$250 shall have the annuity increased to \$250 on
26 that date.

27 Beginning on the first day of the month following the
28 month in which this amendatory Act of the 92nd General
29 Assembly takes effect (and without regard to whether the
30 annuitant was in service on or after that effective date),
31 the minimum monthly retirement annuity for any annuitant
32 having at least 10 years of service, other than an annuitant
33 whose annuity is subject to an early retirement discount,
34 shall be \$500 plus \$25 for each year of service in excess of

1 10, not to exceed \$750 for an annuitant with 20 or more years
2 of service. In the case of a reciprocal annuity, this
3 minimum shall apply only if the annuitant has at least 10
4 years of service under this Article, and the amount of the
5 minimum annuity shall be reduced by the sum of all the
6 reciprocal annuities payable to the annuitant by other
7 participating systems under Article 20 of this Code.

8 Notwithstanding any other provision of this subsection,
9 beginning on the first annuity payment date following July
10 12, 2001 ~~the effective date of this amendatory Act of the~~
11 ~~92nd General Assembly~~, an employee who retired before August
12 23, 1989 with at least 10 years of service under this Article
13 but before attaining age 60 (regardless of whether the
14 retirement annuity was subject to an early retirement
15 discount) shall be entitled to the same minimum monthly
16 retirement annuity under this subsection as an employee who
17 retired with at least 10 years of service under this Article
18 and after attaining age 60.

19 (Source: P.A. 92-53, eff. 7-12-01.)

20 (40 ILCS 5/13-304) (from Ch. 108 1/2, par. 13-304)

21 Sec. 13-304. Optional plan of additional benefits and
22 contributions made through December 31, 2002.

23 (a) While this plan is in effect, an eligible employee
24 may establish additional optional credit for additional
25 benefits by electing in writing at any time to make
26 additional optional contributions. The employee may
27 discontinue making the additional optional contributions at
28 any time by notifying the Fund in writing.

29 Employees first entering service after June 30, 1997 are
30 not eligible to participate in the plan established under
31 this Section.

32 (b) Additional optional contributions for the additional
33 optional benefits shall be as follows:

1 (1) For service after the option is elected, an
2 additional contribution of 3% of salary shall be
3 contributed to the Fund on the same basis and under the
4 same conditions as contributions required under Section
5 13-502.

6 (2) For service before the option is elected, an
7 additional contribution of 3% of the salary for the
8 applicable period of service, plus interest at the annual
9 rate as shall from time to time be determined by the
10 Board, compounded annually from the date of service to
11 the date of payment. All payments for past service must
12 be paid in full before credit is given. A person who has
13 withdrawn from service may pay the additional
14 contribution for past service at any time within 30 days
15 after withdrawal from service, so long as payment is made
16 in full before the retirement annuity commences. No
17 additional optional contributions may be made for any
18 period of service for which credit has been previously
19 forfeited by acceptance of a refund, unless the refund is
20 repaid in full with interest at the rate specified in
21 Section 13-603, from the date of refund to the date of
22 repayment. Nothing herein may be construed to allow an
23 additional optional contribution to be made on the
24 account of a deceased employee.

25 (c) Additional optional benefit shall accrue for all
26 periods of eligible service for which additional
27 contributions are paid in full. The additional benefit shall
28 consist of an additional 1% of average final salary for each
29 year of service for which optional contributions have been
30 paid, to be added to the employee's retirement annuity as
31 otherwise computed under this Article. The calculation of
32 these additional benefits shall be subject to the same terms
33 and conditions as are used in the calculation of the
34 retirement annuity under this Article. The additional

1 benefit shall be included in the calculation of the automatic
2 annual increase in annuity under Section 13-302(d), and in
3 the calculation of surviving spouse's annuity where
4 applicable. However, no additional benefits will be granted
5 which produce a total annuity greater than the applicable
6 maximum established for that type of annuity in this Article.
7 The total additional optional benefit that may be received
8 under this Section is 15% of average final salary.

9 (d) Refunds of additional optional contributions shall
10 be made on the same basis and under the same conditions as
11 provided under Section 13-601.

12 (e) Optional contributions shall be accounted for in a
13 separate Optional Contribution Reserve.

14 (f) The tax levy computed under Section 13-503 shall be
15 based on employee contributions including the amount of
16 optional additional employee contributions.

17 (g) Service eligible under this Section may include only
18 service as an employee as defined in Section 13-204, and
19 subject to Section 13-401 and 13-402. No service granted
20 under Section 13-801 or 13-802 shall be eligible for optional
21 service credit. No optional service credit may be
22 established for any military service, or for any service
23 under any other Article of this Code. Optional service
24 credit may be established for any period of disability paid
25 from this Fund, if the employee makes additional optional
26 contributions for such period of disability.

27 (h) This plan of optional benefits and contributions
28 shall not apply to service prior to withdrawal rendered by
29 any former employee who re-enters service unless such
30 employee renders not less than 36 consecutive months of
31 additional service after the date of re-entry.

32 (i) The effective date of this optional plan of
33 additional benefits and contributions shall be the date upon
34 which approval was received from the Internal Revenue

1 Service, July 31, 1987.

2 (j) This plan of additional benefits and contributions
3 shall expire December 31, 2002. No additional contributions
4 may be made after that date, and no additional benefits will
5 accrue after that date.

6 (k) The maximum optional benefits for current and prior
7 service for which an employee can make contributions in a
8 single year shall be limited to 15 years of service in 1997
9 and before; 9 years of service in 1998; 6 years of service in
10 1999; and 3 years of service in 2000, 2001, and 2002. No
11 person may establish additional optional benefits under this
12 Section for more than 15 years of service.

13 (Source: P.A. 90-12, eff. 6-13-97.)

14 (40 ILCS 5/13-304.1 new)

15 Sec. 13-304.1. Optional plan of additional benefits and
16 contributions made January 1, 2003 through December 31, 2007.

17 (a) While this plan is in effect, an employee may
18 establish optional additional credit toward additional
19 benefits for eligible service by making an irrevocable
20 written election to make additional contributions as
21 authorized in this Section. An employee may begin to make
22 additional contributions under this Section, via payroll
23 deduction, no earlier than the first pay period of the
24 calendar year in which the employee fulfills the 10-year
25 service requirement described in subsection (g). The
26 additional contributions of 4% of salary shall be paid to the
27 Fund on the same basis and under the same conditions as
28 contributions required under Section 13-502.

29 (b) For service before an irrevocable option is elected,
30 but within the same calendar year, an additional contribution
31 may be made of 4% of the salary for the applicable period of
32 service, plus interest from the date of service to the date
33 of contribution at a rate equal to the higher of 8% per annum

1 or the actuarial investment return assumption used in the
2 Fund's most recent annual actuarial statement. All payments
3 for past service must be paid within the calendar year in
4 which the service was earned; except that a person who has
5 withdrawn from service and is eligible for a retirement
6 annuity under Section 13-301 may pay the additional
7 contribution for past service within the calendar year of
8 withdrawal within the 30 days after withdrawal from service,
9 as long as payment is made in full before the retirement
10 annuity commences and before December 31, 2007. Nothing in
11 this Section may be construed to allow an additional optional
12 contribution to be made on the account of a deceased
13 employee.

14 (c) The maximum additional benefit for current service
15 for which an employee may make contributions under this
16 Section in a single year is limited to one year of service in
17 each of 2003, 2004, 2005, 2006, and 2007. The total
18 additional benefit that may be accumulated under this
19 Section, including any additional benefit accumulated under a
20 prior optional benefit plan, is 12% of average final salary
21 at retirement.

22 The additional benefit shall accrue for all periods of
23 eligible service for which additional contributions have been
24 paid in full in accordance with this Section, subject to the
25 applicable limitations on maximum annuity.

26 The additional benefit shall consist of an additional 1%
27 of average final salary for each year of service for which
28 optional contributions have been paid, to be added to the
29 employee's retirement annuity as otherwise computed under
30 this Article. The calculation of these additional benefits
31 shall be subject to the same terms and conditions as are used
32 in the calculation of the retirement annuity under this
33 Article. The additional benefit shall be included in the
34 calculation of the automatic annual increase in annuity under

1 Section 13-302(d) and in the calculation of surviving
2 spouse's annuity, where applicable. However, no additional
3 benefit may be granted which produces a total annuity greater
4 than the applicable maximum established for that type of
5 annuity in this Article.

6 (d) Refunds of additional optional contributions made in
7 accordance with the provisions and limitations of this
8 Section shall be made on the same basis and under the same
9 conditions as are provided under Section 13-601. Any refund
10 of contributions that exceed the limits specified in this
11 Section shall be made in accordance with established Fund
12 policy.

13 (e) The additional contributions shall be accounted for
14 in a separate Optional Contribution Reserve.

15 (f) The tax levy computed under Section 13-503 shall be
16 based on employee contributions and the amount of optional
17 additional employee contributions, as provided in that
18 Section.

19 (g) The service eligible for optional additional
20 contributions under this Section is limited to service as an
21 employee as defined in Section 13-204, and subject to
22 Sections 13-401 and 13-402, but excluding service credited
23 under subsections 13-401(a)4 and 13-401(d). Service granted
24 under Section 13-801 or 13-802 is not eligible for optional
25 additional contributions. Eligible service is further
26 limited to service rendered during or after the calendar year
27 in which the employee reaches 10 years of service as defined
28 under Section 13-402, exclusive of any credit under Article
29 20.

30 Service eligible for optional additional contributions
31 under this Section includes any period of disability paid
32 from this Fund that would have been eligible service if the
33 employee were in active service rather than disabled. The
34 additional contributions for a period of disability shall be

1 calculated as 4% of the salary that the employee would have
 2 received if he or she had been in active service during the
 3 applicable period of disability, plus interest at a rate
 4 equal to the higher of 8% per annum or the actuarial
 5 investment return assumption used in the Fund's most recent
 6 annual actuarial statement, compounded annually, from the
 7 date of the service to the date of payment. The contribution
 8 must be paid to the Fund no later than 3 months after the
 9 employee returns to service from disability, and in any event
 10 prior to December 31, 2007.

11 (h) The minimum period for which an employee may make an
 12 irrevocable election to make additional contributions shall
 13 be 26 consecutive pay periods, unless the employee first
 14 accumulates the maximum optional credit as described in
 15 subsection (c) of this Section. The maximum period for which
 16 an employee may make irrevocable elections for additional
 17 contributions shall be from the date of election through the
 18 last pay period eligible for contributions under this
 19 Section.

20 (i) This plan of additional benefits and contributions
 21 expires on December 31, 2007. No additional contributions
 22 may be made after that date, and no additional benefits will
 23 accrue after that date.

24 (40 ILCS 5/13-502) (from Ch. 108 1/2, par. 13-502)
 25 Sec. 13-502. Employee contributions; deductions from
 26 salary.

27 (a) Retirement annuity and child's annuity. There shall
 28 be deducted from each payment of salary an amount equal to
 29 7 1/2% of salary as the employee's contribution for the
 30 retirement annuity, including annual increases therefore and
 31 child's annuity.

32 (b) Surviving spouse's annuity. There shall be deducted
 33 from each payment of salary an amount equal to 1 1/2% of

1 salary as the employee's contribution for the surviving
2 spouse's annuity and annual increases therefor.

3 (c) Pickup of employee contributions. The Employer may
4 pick up employee contributions required under subsections (a)
5 and (b) of this Section. If contributions are picked up they
6 shall be treated as Employer contributions in determining tax
7 treatment under the United States Internal Revenue Code, and
8 shall not be included as gross income of the employee until
9 such time as they are distributed. The Employer shall pay
10 these employee contributions from the same source of funds
11 used in paying salary to the employee. The Employer may pick
12 up these contributions by a reduction in the cash salary of
13 the employee or by an offset against a future salary increase
14 or by a combination of a reduction in salary and offset
15 against a future salary increase. If employee contributions
16 are picked up they shall be treated for all purposes of this
17 Article 13, including Sections 13-503 and 13-601, in the same
18 manner and to the same extent as employee contributions made
19 prior to the date picked up.

20 (d) Subject to the requirements of federal law, the
21 Employer shall pick up optional contributions that the
22 employee has elected to pay to the Fund under Section
23 13-304.1, and the contributions so picked up shall be treated
24 as employer contributions for the purposes of determining
25 federal tax treatment. The Employer shall pick up the
26 contributions by a reduction in the cash salary of the
27 employee and shall pay the contributions from the same fund
28 that is used to pay earnings to the employee. The Employer
29 shall, however, continue to withhold federal and State income
30 taxes based upon contributions made under Section 13-304.1
31 until the Internal Revenue Service or the federal courts rule
32 that pursuant to Section 414(h) of the U.S. Internal Revenue
33 Code of 1986, as amended, these contributions shall not be
34 included as gross income of the employee until such time as

1 they are distributed or made available.

2 (e) Each employee is deemed to consent and agree to the
3 deductions from compensation provided for in this Article.

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

5 (40 ILCS 5/13-503) (from Ch. 108 1/2, par. 13-503)

6 Sec. 13-503. Tax levy. The Water Reclamation District
7 shall annually levy a tax upon all the taxable real property
8 within the District at a rate which, when extended, will
9 produce a sum that (i) when added to the amounts deducted
10 from the salaries of employees, interest income on
11 investments, and other income, will be sufficient to meet the
12 requirements of the Fund on an actuarially funded basis, but
13 (ii) shall not exceed an amount equal to the total amount of
14 contributions by the employees to the Fund made in the
15 calendar year 2 years prior to the year for which the tax is
16 levied, multiplied by 2.19, except that the amount of
17 employee contributions made on or after January 1, 2003
18 towards the purchase of additional optional benefits under
19 Section 13-304.1 shall only be multiplied by 1.00. The tax
20 shall be levied and collected in the same manner as the
21 general taxes of the District.

22 The tax shall be exclusive of and in addition to the
23 amount of tax the District is now or may hereafter be
24 authorized to levy for general purposes under the
25 Metropolitan Water Reclamation District Act or under any
26 other laws which may limit the amount of tax for general
27 purposes. The county clerk of any county, in reducing tax
28 levies as may be authorized by law, shall not consider any
29 such tax as a part of the general tax levy for District
30 purposes, and shall not include the same in any limitation of
31 the percent of the assessed valuation upon which taxes are
32 required to be extended.

33 Revenues derived from the tax shall be paid to the Fund

1 for the benefit of the Fund.

2 If the funds available for the purposes of this Article
3 are insufficient during any year to meet the requirements of
4 this Article, the District may issue tax anticipation
5 warrants or notes, as provided by law, against the current
6 tax levy.

7 The Board shall submit annually to the Board of
8 Commissioners of the District an estimate of the amount
9 required to be raised by taxation for the purposes of the
10 Fund. The Board of Commissioners shall review the estimate
11 and determine the tax to be levied for such purposes.

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

13 (40 ILCS 5/14-105.7)

14 Sec. 14-105.7. Transfer to Article 9 fund.

15 (a) Until July 1, 2003 ~~1998~~, any active or inactive
16 member of the System who has established creditable service
17 under paragraph (i) of Section 14-104 (relating to
18 contractual service to the General Assembly) and is an active
19 or former contributor to the pension fund established under
20 Article 9 of this Code may apply to the Board for transfer of
21 all of his or her creditable service accumulated under this
22 System to the Article 9 fund. The creditable service shall
23 be transferred forthwith. Payment by this System to the
24 Article 9 fund shall be made at the same time and shall
25 consist of:

26 (1) the amounts accumulated to the credit of the
27 applicant for that service, including regular interest,
28 on the books of the System on the date of transfer; plus

29 (2) employer contributions in an amount equal to
30 the amount determined under item (1).

31 Participation in this System as to the credits transferred
32 under this Section terminates on the date of transfer.

33 (b) Any person transferring credit under this Section

1 may reinstate credits and creditable service terminated upon
2 receipt of a refund, by paying to the System, before July 1,
3 2003 ~~1998~~, the amount of the refund plus regular interest
4 from the date of refund to the date of payment.

5 (c) The changes to this Section and Section 9-121.15
6 made by this amendatory Act of the 92nd General Assembly
7 apply without regard to whether the person is in active
8 service, under this System or the Article 9 Fund, on or after
9 the effective date of this amendatory Act.

10 (Source: P.A. 90-511, eff. 8-22-97.)

11 (40 ILCS 5/15-112) (from Ch. 108 1/2, par. 15-112)
12 Sec. 15-112. Final rate of earnings. "Final rate of
13 earnings": For an employee who is paid on an hourly basis or
14 who receives an annual salary in installments during 12
15 months of each academic year, the average annual earnings
16 during the 48 consecutive calendar month period ending with
17 the last day of final termination of employment or the 4
18 consecutive academic years of service in which the employee's
19 earnings were the highest, whichever is greater. For any
20 other employee, the average annual earnings during the 4
21 consecutive academic years of service in which his or her
22 earnings were the highest. For an employee with less than 48
23 months or 4 consecutive academic years of service, the
24 average earnings during his or her entire period of service.
25 The earnings of an employee with more than 36 months of
26 service prior to the date of becoming a participant are, for
27 such period, considered equal to the average earnings during
28 the last 36 months of such service. For an employee on leave
29 of absence with pay, or on leave of absence without pay who
30 makes contributions during such leave, earnings are assumed
31 to be equal to the basic compensation on the date the leave
32 began. For an employee on disability leave, earnings are
33 assumed to be equal to the basic compensation on the date

1 disability occurs or the average earnings during the 24
2 months immediately preceding the month in which disability
3 occurs, whichever is greater.

4 For a participant who retires on or after the effective
5 date of this amendatory Act of 1997 with at least 20 years of
6 service as a firefighter or police officer under this
7 Article, the final rate of earnings shall be the annual rate
8 of earnings received by the participant on his or her last
9 day as a firefighter or police officer under this Article, if
10 that is greater than the final rate of earnings as calculated
11 under the other provisions of this Section.

12 If a participant is an employee for at least 6 months
13 during the academic year in which his or her employment is
14 terminated, the annual final rate of earnings shall be 25% of
15 the sum of (1) the annual basic compensation for that year,
16 and (2) the amount earned during the 36 months immediately
17 preceding that year, if this is greater than the final rate
18 of earnings as calculated under the other provisions of this
19 Section.

20 In the determination of the final rate of earnings for an
21 employee, that part of an employee's earnings for any
22 academic year beginning after June 30, 1997, which exceeds
23 the employee's earnings with that employer for the preceding
24 year by more than 20 percent shall be excluded; in the event
25 that an employee has more than one employer this limitation
26 shall be calculated separately for the earnings with each
27 employer. In making such calculation, only the basic
28 compensation of employees shall be considered, without regard
29 to vacation or overtime or to contracts for summer
30 employment.

31 The following are not considered as earnings in
32 determining final rate of earnings: severance or separation
33 pay, retirement pay, payment for ~~in-lieu-of~~ unused sick leave
34 and payments from an employer for the period used in

1 determining final rate of earnings for any purpose other than
2 services rendered, leave of absence or vacation granted
3 during that period, and vacation of up to 56 work days
4 allowed upon termination of employment; except that, if the
5 benefit has been collectively bargained between the employer
6 and the recognized collective bargaining agent pursuant to
7 the Illinois Educational Labor Relations Act, payment
8 received during a period of up to 2 academic years for unused
9 sick leave may be considered as earnings in accordance with
10 the applicable collective bargaining agreement, subject to
11 the 20% increase limitation of this Section. Any unused sick
12 leave considered as earnings under this Section shall not be
13 taken into account in calculating service credit under
14 Section 15-113.4.

15 Intermittent periods of service shall be considered as
16 consecutive in determining final rate of earnings.

17 (Source: P.A. 90-65, eff. 7-7-97; 90-511, eff. 8-22-97;
18 91-887, eff. 7-6-00.)

19 (40 ILCS 5/17-106) (from Ch. 108 1/2, par. 17-106)

20 Sec. 17-106. Contributor, member or teacher.
21 "Contributor", "member" or "teacher": All members of the
22 teaching force of the city, including principals, assistant
23 principals, the general superintendent of schools, deputy
24 superintendents of schools, associate superintendents of
25 schools, assistant and district superintendents of schools,
26 members of the Board of Examiners, all other persons whose
27 employment requires a teaching certificate issued under the
28 laws governing the certification of teachers, any
29 educational, administrative, professional, or other staff
30 employed in a charter school operating in compliance with the
31 Charter Schools Law who is certified under the law governing
32 the certification of teachers, and employees of the Board,
33 but excluding persons contributing concurrently to any other

1 public employee pension system in Illinois for the same
2 employment or receiving retirement pensions under another
3 Article of this Code for that same employment, persons
4 employed on an hourly basis, and persons receiving pensions
5 from the Fund who are employed temporarily by an Employer for
6 ~~150--days--or--less--in--any--school--year~~ and not on an annual
7 basis.

8 In the case of a person who has been making contributions
9 and otherwise participating in this Fund prior to the
10 effective date of this amendatory Act of the 91st General
11 Assembly, and whose right to participate in the Fund is
12 established or confirmed by this amendatory Act, such prior
13 participation in the Fund, including all contributions
14 previously made and service credits previously earned by the
15 person, are hereby validated.

16 The changes made to this Section and Section 17-149 by
17 this amendatory Act of the 92nd General Assembly apply
18 without regard to whether the person was in service on or
19 after the effective date of this amendatory Act,
20 notwithstanding Sections 1-103.1 and 17-157.

21 (Source: P.A. 91-887, eff. 7-6-00; 92-416, eff. 8-17-01.)

22 (40 ILCS 5/17-119.1)

23 Sec. 17-119.1. Optional increase in retirement annuity.

24 (a) A member of the Fund may qualify for the augmented
25 rate under subdivision (b)(3) of Section 17-116 for all years
26 of creditable service earned before July 1, 1998 by making
27 the optional contribution specified in subsection (b); except
28 that a member who retires on or after July 1, 1998 with at
29 least 30 years of creditable service at retirement qualifies
30 for the augmented rate without making any contribution under
31 subsection (b). Any member who retires on or after July 1,
32 1998 and before the effective date of this amendatory Act of
33 the 92nd General Assembly with at least 30 years of

1 creditable service shall be paid a lump sum equal to the
2 amount he or she would have received under the augmented rate
3 minus the amount he or she actually received. A member may
4 not elect to qualify for the augmented rate for only a
5 portion of his or her creditable service earned before July
6 1, 1998.

7 (b) The contribution shall be an amount equal to 1.0% of
8 the member's highest salary rate in the 4 consecutive school
9 years immediately prior to but not including the school year
10 in which the application occurs, multiplied by the number of
11 years of creditable service earned by the member before July
12 1, 1998 or 20, whichever is less. This contribution shall be
13 reduced by 1.0% of that salary rate for every 3 full years of
14 creditable service earned by the member after June 30, 1998.
15 The contribution shall be further reduced at the rate of 25%
16 of the contribution (as reduced for service after June 30,
17 1998) for each year of the member's total creditable service
18 in excess of 34 years. The contribution shall not in any
19 event exceed 20% of that salary rate.

20 The member shall pay to the Fund the amount of the
21 contribution as calculated at the time of application under
22 this Section. The amount of the contribution determined
23 under this subsection shall be recalculated at the time of
24 retirement, and if the Fund determines that the amount paid
25 by the member exceeds the recalculated amount, the Fund shall
26 refund the difference to the member with regular interest
27 from the date of payment to the date of refund.

28 The contribution required by this subsection shall be
29 paid in one of the following ways or in a combination of the
30 following ways that does not extend over more than 5 years:

31 (i) in a lump sum on or before the date of
32 retirement;

33 (ii) in substantially equal installments over a
34 period of time not to exceed 5 years, as a deduction from

1 salary in accordance with Section 17-130.2;

2 (iii) ~~if--the--member--becomes--an--annuitant--before~~
3 ~~June---30,---2003,~~ in substantially equal monthly
4 installments over a 24-month period, by a deduction from
5 the annuitant's monthly benefit.

6 (c) If the member fails to make the full contribution
7 under this Section in a timely fashion, the payments made
8 under this Section shall be refunded to the member, without
9 interest. If the member (including a member who has become
10 an annuitant) dies before making the full contribution, the
11 payments made under this Section shall be refunded to the
12 member's designated beneficiary if there is no survivor's or
13 children's pension benefit payable. If there is a survivor's
14 or children's benefit payable, then all payments made under
15 this Section shall be retained by the Fund and all such
16 survivor's or children's benefits payable shall be calculated
17 as if all contributions required under this Section have been
18 paid in full.

19 (d) For purposes of this Section and subsection (b) of
20 Section 17-116, optional creditable service established by a
21 member shall be deemed to have been earned at the time of the
22 employment or other qualifying event upon which the service
23 is based, rather than at the time the credit was established
24 in this Fund.

25 (e) The contributions required under this Section are
26 the responsibility of the teacher and not the teacher's
27 employer. However, an employer of teachers may say, after
28 the effective date of this amendatory Act of 1998,
29 specifically agree, through collective bargaining or
30 otherwise, to make the contributions required by this Section
31 on behalf of those teachers.

32 (Source: P.A. 91-17, eff. 6-4-99; 92-416, eff. 8-17-01;
33 revised 10-4-01.)

1 (40 ILCS 5/17-121) (from Ch. 108 1/2, par. 17-121)
2 Sec. 17-121. Survivor's and--Children's pensions -
3 Eligibility.

4 (a) A surviving spouse of a teacher shall be entitled to
5 a survivor's pension only if the surviving spouse he was
6 married to the teacher contributor for at least one year
7 1-1/2--years immediately prior to the teacher's his death or
8 retirement, ~~whichever first occurs, and also on the date of~~
9 ~~the last termination of his service.~~

10 The changes made to this subsection (a) by this
11 amendatory Act of the 92nd General Assembly apply (i) only to
12 the surviving spouse of a person who dies on or after the
13 effective date of this amendatory Act, and only if the amount
14 of any refund of contributions for survivor's pension is
15 repaid with interest in accordance with subsection (f), and
16 (ii) notwithstanding Section 17-157 and without regard to
17 whether the deceased person was in service on or after the
18 effective date of this amendatory Act.

19 (b) If the surviving spouse is under age 50 and there
20 are no eligible minor children born to or legally adopted by
21 the contributor and his or her surviving spouse, payment of
22 the survivor's pension shall begin when the surviving spouse
23 attains age 50.

24 (c) Beginning January 1, 2003, the remarriage of a
25 surviving spouse at any age does not terminate his or her
26 survivor's pension.

27 A surviving spouse whose survivor's pension (or
28 expectation of a survivor's pension upon attainment of age
29 50) was terminated before January 1, 2003 due to remarriage
30 and who applies for reinstatement of that pension and repays
31 the amount of any refund of contributions for survivor's
32 pension with interest in accordance with subsection (f) shall
33 be entitled to have the survivor's pension (or expectation of
34 a survivor's pension upon attainment of age 50) reinstated.

1 The reinstated pension shall begin to accrue on the first day
2 of the month following the month in which the application and
3 repayment, if any, are received by the Fund, but in no event
4 sooner than January 1, 2003 and, if subsection (b) applies,
5 no sooner than upon attainment of age 50. The reinstated
6 pension shall include any one-time or annual increases in the
7 survivor's pension received prior to the date of termination,
8 but not any increases that would otherwise have accrued from
9 the date of termination to the date of reinstatement.

10 This subsection (c) applies notwithstanding Section
11 17-157 and without regard to whether the deceased teacher was
12 in service on or after the effective date of this amendatory
13 Act of the 92nd General Assembly.

14 (d) Except as provided in subsection (c), remarriage of
15 the surviving spouse prior to September 1, 1983 while in
16 receipt of a survivor's pension shall permanently terminate
17 payment thereof, regardless of any subsequent change in
18 marital status; however, beginning September 1, 1983,
19 remarriage of a surviving spouse after attainment of age 55
20 shall not terminate the survivor's pension.

21 A surviving spouse whose pension was terminated on or
22 after September 1, 1983 due to remarriage after attainment of
23 age 55, and who applies for reinstatement of that pension
24 before January 1, 1990, shall be entitled to have the pension
25 reinstated effective January 1, 1990.

26 (e) A surviving spouse of a member or annuitant under
27 this Fund who is also a dependent beneficiary under the
28 provisions of Section 16-140 is eligible for a reciprocal
29 survivor's pension, provided that any refund of survivor's
30 pension contributions is repaid to the Fund and application
31 is made within 30 days after the effective date of this
32 amendatory Act of the 92nd General Assembly.

33 (f) If a refund of contributions for survivor's pension
34 has been paid, a person choosing to establish or reestablish

1 the right to receive a survivor's pension pursuant to the
2 changes made to this Section by this amendatory Act of the
3 92nd General Assembly must first repay to the Fund the amount
4 of the refund of contributions for survivor's pension,
5 together with interest thereon at the rate of 5% per year,
6 compounded annually, from the date of the refund to the date
7 of repayment.

8 (Source: P.A. 92-416, eff. 8-17-01.)

9 (40 ILCS 5/17-134) (from Ch. 108 1/2, par. 17-134)

10 Sec. 17-134. Contributions for leaves of absence;
11 military service; computing service. In computing service
12 for pension purposes the following periods of service shall
13 stand in lieu of a like number of years of teaching service
14 upon payment therefor in the manner hereinafter provided: (a)
15 time spent on a leave sabbatical-leaves of absence granted by
16 the employer,--~~sick-leaves-or-maternity-or-paternity-leaves~~;
17 (b) service with teacher or labor organizations based upon
18 special leaves of absence therefor granted by an Employer;
19 (c) a maximum of 5 years spent in the military service of the
20 United States, of which up to 2 years may have been served
21 outside the pension period; (d) unused sick days at
22 termination of service to a maximum of 244 days; (e) time
23 lost due to layoff and curtailment of the school term from
24 June 6 through June 21, 1976; and (f) time spent after June
25 30, 1982 as a member of the Board of Education, if required
26 to resign from an administrative or teaching position in
27 order to qualify as a member of the Board of Education.

28 (1) For time spent on or after September 6, 1948 on
29 sabbatical leaves of absence or sick leaves, for which
30 salaries are paid, an Employer shall make payroll
31 deductions at the applicable rates in effect during such
32 periods.

33 (2) For time spent on a leave of absence granted by

1 ~~the employer sabbatical-or-sick-leaves-commencing--on--or~~
2 ~~after--September-1,-1961,-and-for-time-spent-on-maternity~~
3 ~~or-paternity-leaves,~~ for which no salaries are paid,
4 teachers desiring credit therefor shall pay the required
5 contributions at the rates in effect during such periods
6 as though they were in teaching service. If an Employer
7 pays salary for vacations which occur during a teacher's
8 sick leave or maternity or paternity leave without
9 salary, vacation pay for which the teacher would have
10 qualified while in active service shall be considered
11 part of the teacher's total salary for pension purposes.
12 No more than 36 ~~12~~ months of ~~sick-leave-or--maternity--or~~
13 ~~paternity~~ leave credit may be allowed any person during
14 the entire term of service. Sabbatical leave credit
15 shall be limited to the time the person on leave without
16 salary under an Employer's rules is allowed to engage in
17 an activity for which he receives salary or compensation.

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

23 (4) For service with teacher or labor organizations
24 authorized by special leaves of absence, for which no
25 payroll deductions are made by an Employer, teachers
26 desiring service credit therefor shall contribute to the
27 Fund upon the basis of the actual salary received from
28 such organizations at the percentage rates in effect
29 during such periods for certified positions with such
30 Employer. To the extent the actual salary exceeds the
31 regular salary, which shall be defined as the salary
32 rate, as calculated by the Board, in effect for the
33 teacher's regular position in teaching service on
34 September 1, 1983 or on the effective date of the leave

1 with the organization, whichever is later, the
2 organization shall pay to the Fund the employer's normal
3 cost as set by the Board on the increment.

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

21 The changes to this Section made by Public Act
22 87-795 shall apply not only to persons who on or after
23 its effective date are in service under the Fund, but
24 also to persons whose status as a teacher terminated
25 prior to that date, whether or not the person is an
26 annuitant on that date. In the case of an annuitant who
27 applies for credit allowable under this Section for a
28 period of military service that did not immediately
29 follow employment, and who has made the required
30 contributions for such credit, the annuity shall be
31 recalculated to include the additional service credit,
32 with the increase taking effect on the date the Fund
33 received written notification of the annuitant's intent
34 to purchase the credit, if payment of all the required

1 contributions is made within 60 days of such notice, or
2 else on the first annuity payment date following the date
3 of payment of the required contributions. In calculating
4 the automatic annual increase for an annuity that has
5 been recalculated under this Section, the increase
6 attributable to the additional service allowable under
7 this amendatory Act of 1991 shall be included in the
8 calculation of automatic annual increases accruing after
9 the effective date of the recalculation.

10 The total credit for military service shall not
11 exceed 5 years, except that any teacher who on July 1,
12 1963, had validated credit for more than 5 years of
13 military service shall be entitled to the total amount of
14 such credit.

15 (6) A maximum of 244 unused sick days credited to
16 his account by an Employer on the date of termination of
17 employment. Members, upon verification of unused sick
18 days, may add this service time to total creditable
19 service.

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

24 (8) For time lost without pay due to layoff and
25 curtailment of the school term from June 6 through June
26 21, 1976, as provided in item (e) of the first paragraph
27 of this Section, persons who were contributors on the
28 days immediately preceding such layoff shall receive
29 credit upon paying to the Fund a contribution based on
30 the rates of compensation and employee contributions in
31 effect at the time of such layoff, together with an
32 additional amount equal to 12.2% of the compensation
33 computed for such period of layoff, plus interest on the
34 entire amount at 5% per annum from January 1, 1978 to the

1 date of payment. If such contribution is paid, salary
2 for pension purposes for any year in which such a layoff
3 occurred shall include the compensation recognized for
4 purposes of computing that contribution.

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

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

18 (Source: P.A. 90-32, eff. 6-27-97; 90-566, eff. 1-2-98.)

19 (40 ILCS 5/17-149) (from Ch. 108 1/2, par. 17-149)

20 Sec. 17-149. Cancellation of pensions.

21 (a) If any person receiving a ~~service--er~~ disability
22 retirement pension from the Fund is re-employed as a teacher
23 by an Employer, the pension shall be cancelled on the date
24 the re-employment begins, or on the first day of a payroll
25 period for which service credit was validated, whichever is
26 earlier.

27 (b) If any person receiving a service retirement pension
28 from the Fund is re-employed as a teacher on a permanent or
29 annual basis by an Employer, the pension shall be cancelled
30 on the date the re-employment begins, or on the first day of
31 a payroll period for which service credit was validated,
32 whichever is earlier. However, the pension shall not be
33 cancelled in the case of a service retirement pensioner who

1 is temporarily re-employed on a temporary and non-annual
2 basis for not more than 150 days during any school year or on
3 an hourly basis, provided the pensioner does not receive
4 salary in any school year of an amount more than that payable
5 to a substitute teacher for 150 days' employment. A service
6 retirement pensioner who is temporarily re-employed for not
7 more than 150 days during any school year or on an hourly
8 basis shall be entitled, at the end of the school year, to a
9 refund of any contributions made to the Fund during that
10 school year.

11 If the pensioner does receive salary from an Employer in
12 any school year for more than 150 days' employment, the
13 pensioner shall be deemed to have returned to service on the
14 first day of employment as a pensioner substitute. The
15 pensioner shall reimburse the Fund for pension payments
16 received after the return to service and shall pay to the
17 Fund the participant's contributions prescribed in Section
18 17-130 of this Article.

19 (c) If the date of re-employment on a permanent or
20 annual basis occurs within 5 school months after the date of
21 previous retirement, exclusive of any vacation period, the
22 member shall be deemed to have been out of service only
23 temporarily and not permanently retired. Such person shall
24 be entitled to pension payments for the time he could have
25 been employed as a teacher and received salary, but shall not
26 be entitled to pension for or during the summer vacation
27 prior to his return to service.

28 When the member again retires on pension, the time of
29 service and the money contributed by him during re-employment
30 shall be added to the time and money previously credited.
31 Such person must acquire 3 consecutive years of additional
32 contributing service before he may retire again on a pension
33 at a rate and under conditions other than those in force or
34 attained at the time of his previous retirement.

1 (d) Notwithstanding Sections 1-103.1 and 17-157, the
2 changes to this Section made by Public ~~this--amendatory~~ Act
3 90-32 ~~ef---1997--shall~~ apply without regard to whether
4 termination of service occurred before the effective date of
5 that ~~this--amendatory~~ Act and shall apply retroactively to
6 August 23, 1989.

7 Notwithstanding Sections 1-103.1 and 17-157, the changes
8 to this Section and Section 17-106 made by this amendatory
9 Act of the 92nd General Assembly apply without regard to
10 whether termination of service occurred before the effective
11 date of this amendatory Act.

12 (Source: P.A. 92-416, eff. 8-17-01.)

13 Section 90. The State Mandates Act is amended by adding
14 Section 8.26 as follows:

15 (30 ILCS 805/8.26 new)

16 Sec. 8.26. Exempt mandate. Notwithstanding Sections 6
17 and 8 of this Act, no reimbursement by the State is required
18 for the implementation of any mandate created by this
19 amendatory Act of the 92nd General Assembly.

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.