

1 AMENDMENT TO HOUSE BILL 5168

2 AMENDMENT NO. _____. Amend House Bill 5168 by replacing
3 everything after the enacting clause with the following:

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

1 salary for each completed year of service or fraction thereof
2 in excess of 10, but not to exceed a maximum of 48% of
3 average salary.

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

9 (c) For the purpose of qualifying for the annual
10 increases provided in Section 5-167.1, a policeman whose
11 retirement annuity is calculated under this Section shall be
12 deemed to qualify for a minimum annuity.

13 (40 ILCS 5/5-144) (from Ch. 108 1/2, par. 5-144)
14 Sec. 5-144. Death from injury in the performance of acts
15 of duty; compensation annuity and supplemental annuity.

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

32 The provisions of this Section, as amended by Public Act
33 84-1104, including the reference to the date upon which the

1 deceased policeman would have attained age 63, shall apply to
2 all widows of policemen whose death occurs on or after
3 January 1, 1940 due to injury incurred in the performance of
4 an act of duty, regardless of whether such death occurred
5 prior to September 17, 1969. For those widows of policemen
6 that died prior to September 17, 1969, who became eligible
7 for compensation annuity by the action of Public Act 84-1104,
8 such compensation annuity shall begin and be calculated from
9 January 1, 1986. The provisions of this amendatory Act of
10 1987 are intended to restate and clarify the intent of Public
11 Act 84-1104, and do not make any substantive change.

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

27 (c) Neither compensation nor supplemental annuity shall
28 be paid unless the death of the policeman was a direct result
29 of the injury, or the injury was of such character as to
30 prevent him from subsequently resuming service as a
31 policeman; nor shall compensation or supplemental annuity be
32 paid unless the widow was the wife of the policeman when the
33 injury occurred.

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

1 (40 ILCS 5/5-167.5) (from Ch. 108 1/2, par. 5-167.5)
2 Sec. 5-167.5. Group health benefit.

3 (a) For the purposes of this Section: (1) "annuitant"
4 means a person receiving an age and service annuity, a prior
5 service annuity, a widow's annuity, a widow's prior service
6 annuity, or a minimum annuity, under Article 5, 6, 8 or 11,
7 by reason of previous employment by the City of Chicago
8 (hereinafter, in this Section, "the city"); (2) "Medicare
9 Plan annuitant" means an annuitant described in item (1) who
10 is eligible for Medicare benefits; and (3) "non-Medicare Plan
11 annuitant" means an annuitant described in item (1) who is
12 not eligible for Medicare benefits.

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

1 provided in subparagraphs (1) through (4) of this subsection.

2 (1) For non-Medicare Plan annuitants who retired
3 prior to January 1, 1988, the annuitant's share of
4 monthly premium for non-Medicare Plan coverage only shall
5 not exceed the highest premium rate chargeable under any
6 city non-Medicare Plan annuitant coverage as of December
7 1, 1996.

8 (2) For non-Medicare Plan annuitants who retire on
9 or after January 1, 1988, the annuitant's share of
10 monthly premium for non-Medicare Plan coverage only shall
11 be the rate in effect on December 1, 1996, with monthly
12 premium increases to take effect no sooner than April 1,
13 1998 at the lower of (i) the premium rate determined
14 pursuant to subsection (g) or (ii) 10% of the immediately
15 previous month's rate for similar coverage.

16 (3) In no event shall any non-Medicare Plan
17 annuitant's share of monthly premium for non-Medicare
18 Plan coverage exceed 10% of the annuitant's monthly
19 annuity.

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

27 (5) Medicare Plan annuitants who are currently
28 enrolled in the basic city plan for Medicare eligible
29 annuitants may remain in that plan, if they so choose,
30 through June 30, 2003 2002. Annuitants shall not be
31 allowed to enroll in or transfer into the basic city plan
32 for Medicare eligible annuitants on or after July 1,
33 1999. The city shall continue to offer annuitants a
34 supplemental Medicare Plan for Medicare eligible

1 annuitants through June 30, 2003 2002, and the city may
2 offer additional plans to Medicare eligible annuitants in
3 its sole discretion. All Medicare Plan annuitant monthly
4 rates shall be determined in accordance with subsections
5 (c) and (g).

6 (c) The city shall pay 50% of the aggregated costs of
7 the claims or premiums, whichever is applicable, as
8 determined in accordance with subsection (g), of annuitants
9 and their dependents under all health care plans offered by
10 the city. The city may reduce its obligation by application
11 of price reductions obtained as a result of financial
12 arrangements with providers or plan administrators.

13 (d) From January 1, 1993 until June 30, 2003 2002, the
14 board shall pay to the city on behalf of each of the board's
15 annuitants who chooses to participate in any of the city's
16 plans the following amounts: up to a maximum of \$75 per month
17 for each such annuitant who is not qualified to receive
18 medicare benefits, and up to a maximum of \$45 per month for
19 each such annuitant who is qualified to receive medicare
20 benefits.

21 The payments described in this subsection shall be paid
22 from the tax levy authorized under Section 5-168; such
23 amounts shall be credited to the reserve for group hospital
24 care and group medical and surgical plan benefits, and all
25 payments to the city required under this subsection shall be
26 charged against it.

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

32 (f) The group coverage plans described in this Section
33 are not and shall not be construed to be pension or
34 retirement benefits for purposes of Section 5 of Article XIII

1 of the Illinois Constitution of 1970.

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

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

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

34 (i) The city shall advise the board of all proposed

1 premium increases for health care at least 75 days prior to
2 the effective date of the change, and any increase shall be
3 prospective only.

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

5 (40 ILCS 5/5-233.1 new)

6 Sec. 5-233.1. Transfer of creditable service to Article
7 8 or 11 fund. A person who (i) is an active participant in a
8 fund established under Article 8 or 11 of this Code and (ii)
9 has at least 10 and no more than 22 years of creditable
10 service in this Fund may, within the 90 days following the
11 effective date of this Section, apply for transfer of his or
12 her credits and creditable service accumulated in this Fund
13 to the Article 8 or 11 fund. At the time of the transfer,
14 this Fund shall pay to the Article 8 or 11 fund an amount
15 consisting of:

16 (1) the amounts credited to the applicant through
17 employee contributions for the service to be transferred,
18 including interest; and

19 (2) the corresponding municipality credits,
20 including interest, on the books of the Fund on the date
21 of transfer.

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

24 (40 ILCS 5/6-164.2) (from Ch. 108 1/2, par. 6-164.2)

25 Sec. 6-164.2. Group health benefit.

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

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

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

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

33 (2) For non-Medicare Plan annuitants who retire on
34 or after January 1, 1988, the annuitant's share of

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

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

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

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

31 (c) The city shall pay 50% of the aggregated costs of
32 the claims or premiums, whichever is applicable, as
33 determined in accordance with subsection (g), of annuitants
34 and their dependents under all health care plans offered by

1 the city. The city may reduce its obligation by application
2 of price reductions obtained as a result of financial
3 arrangements with providers or plan administrators.

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

12 The payments described in this subsection shall be paid
13 from the tax levy authorized under Section 6-165; such
14 amounts shall be credited to the reserve for group hospital
15 care and group medical and surgical plan benefits, and all
16 payments to the city required under this subsection shall be
17 charged against it.

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

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

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

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

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

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

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

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

30 (40 ILCS 5/8-110) (from Ch. 108 1/2, par. 8-110)
 31 Sec. 8-110. Employer. "Employer":
 32 (1) a city of more than 500,000 inhabitants;
 33 (2) ~~er~~ the Board of Education of the such city, with

1 respect to any of its employees who participate in this Fund;

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

5 (4) the Public Building Commission of the city, with
6 respect to any of its employees who participate in this Fund;

7 and

8 (5) to--which--this--Article--applies,--or the Retirement
9 Board.

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

11 (40 ILCS 5/8-113) (from Ch. 108 1/2, par. 8-113)

12 Sec. 8-113. Municipal employee, employee, contributor,
13 or participant. "Municipal employee", "employee",
14 "contributor", or "participant":

15 (a) Any employee of an employer employed in the
16 classified civil service thereof other than by temporary
17 appointment or in a position excluded or exempt from the
18 classified service by the Civil Service Act, or in the case
19 of a city operating under a personnel ordinance, any employee
20 of an employer employed in the classified or career service
21 under the provisions of a personnel ordinance, other than in
22 a provisional or exempt position as specified in such
23 ordinance or in rules and regulations formulated thereunder.

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

26 (c) Any person employed by the board.

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

33 (1) has rendered service during not less than 12

1 calendar months to an employer as an employee, officer, or
2 official, 4 months of which must have been consecutive full
3 normal working months of service rendered immediately prior
4 to filing application to be included; and

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

7 (e) After December 31, 1949, any alderman or other
8 officer or official of the employer, who files, while in
9 office, written application with the board to be included
10 hereunder.

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

22 (g) After December 31, 1959, any person employed in the
23 law department of the city, or municipal court or Board of
24 Election Commissioners of the city, who was a contributor and
25 participant, on December 31, 1959, in the annuity and benefit
26 fund in operation in the city on said date, by virtue of the
27 Court and Law Department Employees' Annuity Act or the Board
28 of Election Commissioners Employees' Annuity Act.

29 After December 31, 1959, the foregoing definition
30 includes any other person employed or to be employed in the
31 law department, or municipal court (other than as a judge),
32 or Board of Election Commissioners (if his salary is provided
33 by appropriation of the city council of the city and his
34 salary paid by the city) -- subject, however, in the case of

1 such persons not participants on December 31, 1959, to
2 compliance with the same qualifications and restrictions
3 otherwise set forth in this Section and made generally
4 applicable to employees or officers of the city concerning
5 eligibility for participation or membership.

6 (h) After December 31, 1965, any person employed in the
7 public library of the city -- and any other person -- who was
8 a contributor and participant, on December 31, 1965, in the
9 pension fund in operation in the city on said date, by virtue
10 of the Public Library Employees' Pension Act.

11 (i) After December 31, 1968, any person employed in the
12 house of correction of the city, who was a contributor and
13 participant, on December 31, 1968, in the pension fund in
14 operation in the city on said date, by virtue of the House of
15 Correction Employees' Pension Act.

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

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

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

25 (40 ILCS 5/8-120) (from Ch. 108 1/2, par. 8-120)
26 Sec. 8-120. Child or children. "Child" or "children":
27 The natural child or children, or any child or children
28 legally adopted by an employee at least one year prior to the
29 date any benefit for the child or children accrues, ~~and-se~~
30 ~~adopted-prior-to-the-date-the-employee-attained-age-55.~~

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

32 (40 ILCS 5/8-137) (from Ch. 108 1/2, par. 8-137)

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

2 (a) An employee who retired or retires from service
3 after December 31, 1959 and before January 1, 1987, having
4 attained age 60 or more, shall, in January of the year after
5 the year in which the first anniversary of retirement occurs,
6 have the amount of his then fixed and payable monthly annuity
7 increased by 1 1/2%, and such first fixed annuity as granted
8 at retirement increased by a further 1 1/2% in January of
9 each year thereafter. Beginning with January of the year
10 1972, such increases shall be at the rate of 2% in lieu of
11 the aforesaid specified 1 1/2%, and beginning with January of
12 the year 1984 such increases shall be at the rate of 3%.
13 Beginning in January of 1999, such increases shall be at the
14 rate of 3% of the currently payable monthly annuity,
15 including any increases previously granted under this
16 Article. An employee who retires on annuity after December
17 31, 1959 and before January 1, 1987, but before age 60, shall
18 receive such increases beginning in January of the year after
19 the year in which he attains age 60.

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

31 (a-5) Notwithstanding the provisions of subsection (a),
32 upon the first annuity payment date following (1) the third
33 anniversary of retirement, (2) the attainment of age 53, or
34 (3) the date 60 days after the effective date of this

1 amendatory Act of the 92nd General Assembly, whichever occurs
2 latest, the monthly pension of an employee who retires on
3 annuity prior to the attainment of age 60 who has not
4 received an increase under subsection (a) shall be increased
5 by 3%, and such annuity shall be increased by an additional
6 3% of the current payable monthly annuity, including such
7 increases previously granted under this Article, on the same
8 date each year thereafter. The increases provided under this
9 subsection are in lieu of the increases provided in
10 subsection (a).

11 (b) Subsections (a) and (a-5) are The---foregoing
12 ~~provisien--is~~ not applicable to an employee retiring and
13 receiving a term annuity, as herein defined, nor to any
14 otherwise qualified employee who retires before he makes
15 employee contributions (at the 1/2 of 1% rate as provided in
16 this Act) for this additional annuity for not less than the
17 equivalent of one full year. Such employee, however, shall
18 make arrangement to pay to the fund a balance of such 1/2 of
19 1% contributions, based on his final salary, as will bring
20 such 1/2 of 1% contributions, computed without interest, to
21 the equivalent of or completion of one year's contributions.

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

26 Each such additional contribution shall be credited to an
27 account in the prior service annuity reserve, to be used,
28 together with city contributions, to defray the cost of the
29 specified annuity increments. Any balance in such account at
30 the beginning of each calendar year shall be credited with
31 interest at the rate of 3% per annum.

32 Such additional employee contributions are not
33 refundable, except to an employee who withdraws and applies
34 for refund under this Article, and in cases where a term

1 annuity becomes payable. In such cases his contributions
2 shall be refunded, without interest, and charged to such
3 account in the prior service annuity reserve.

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

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

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

7 (a) An employee who withdraws after age 65 or more with
8 at least 20 years of service, for whom the amount of age and
9 service and prior service annuity combined is less than the
10 amount stated in this Section, shall from the date of
11 withdrawal, instead of all annuities otherwise provided, be
12 entitled to receive an annuity for life of \$150 a year, plus
13 1 1/2% for each year of service, to and including 20 years,
14 and 1 2/3% for each year of service over 20 years, of his
15 highest average annual salary for any 4 consecutive years
16 within the last 10 years of service immediately preceding the
17 date of withdrawal.

18 An employee who withdraws after 20 or more years of
19 service, before age 65, shall be entitled to such annuity, to
20 begin not earlier than upon attained age of 55 years if under
21 such age at withdrawal, reduced by 2% for each full year or
22 fractional part thereof that his attained age is less than
23 65, plus an additional 2% reduction for each full year or
24 fractional part thereof that his attained age when annuity is
25 to begin is less than 60 so that the total reduction at age
26 55 shall be 30%.

27 (b) An employee who withdraws after July 1, 1957, at age
28 60 or over, with 20 or more years of service, for whom the
29 age and service and prior service annuity combined, is less
30 than the amount stated in this paragraph, shall, from the
31 date of withdrawal, instead of such annuities, be entitled to
32 receive an annuity for life equal to 1 2/3% for each year of
33 service, of the highest average annual salary for any 5

1 consecutive years within the last 10 years of service
2 immediately preceding the date of withdrawal; provided, that
3 in the case of any employee who withdraws on or after July 1,
4 1971, such employee age 60 or over with 20 or more years of
5 service, shall receive an annuity for life equal to 1.67% for
6 each of the first 10 years of service; 1.90% for each of the
7 next 10 years of service; 2.10% for each year of service in
8 excess of 20 but not exceeding 30; and 2.30% for each year of
9 service in excess of 30, based on the highest average annual
10 salary for any 4 consecutive years within the last 10 years
11 of service immediately preceding the date of withdrawal.

12 An employee who withdraws after July 1, 1957 and before
13 January 1, 1988, with 20 or more years of service, before age
14 60 years is entitled to annuity, to begin not earlier than
15 upon attained age of 55 years, if under such age at
16 withdrawal, as computed in the last preceding paragraph,
17 reduced 0.25% for each full month or fractional part thereof
18 that his attained age when annuity is to begin is less than
19 60 if the employee was born before January 1, 1936, or 0.5%
20 for each such month if the employee was born on or after
21 January 1, 1936.

22 Any employee born before January 1, 1936, who withdraws
23 with 20 or more years of service, and any employee with 20 or
24 more years of service who withdraws on or after January 1,
25 1988, may elect to receive, in lieu of any other employee
26 annuity provided in this Section, an annuity for life equal
27 to 1.80% for each of the first 10 years of service, 2.00% for
28 each of the next 10 years of service, 2.20% for each year of
29 service in excess of 20 but not exceeding 30, and 2.40% for
30 each year of service in excess of 30, of the highest average
31 annual salary for any 4 consecutive years within the last 10
32 years of service immediately preceding the date of
33 withdrawal, to begin not earlier than upon attained age of 55
34 years, if under such age at withdrawal, reduced 0.25% for

1 each full month or fractional part thereof that his attained
2 age when annuity is to begin is less than 60; except that an
3 employee retiring on or after January 1, 1988, at age 55 or
4 over but less than age 60, having at least 35 years of
5 service, or an employee retiring on or after July 1, 1990, at
6 age 55 or over but less than age 60, having at least 30 years
7 of service, or an employee retiring on or after the effective
8 date of this amendatory Act of 1997, at age 55 or over but
9 less than age 60, having at least 25 years of service, shall
10 not be subject to the reduction in retirement annuity because
11 of retirement below age 60.

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

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

1 of service, shall not be subject to the reduction in
2 retirement annuity because of retirement below age 60.

3 Any employee who withdraws on or after the effective date
4 of this amendatory Act of 1997 with 20 or more years of
5 service may elect to receive, in lieu of any other employee
6 annuity provided in this Section, an annuity for life equal
7 to 2.20%⁷ for each year of service, if withdrawal is before
8 60 days after the effective date of this amendatory Act of
9 the 92nd General Assembly, or 2.40% for each year of service
10 if withdrawal is 60 days after the effective date of this
11 amendatory Act of the 92nd General Assembly or later, of the
12 highest average annual salary for any 4 consecutive years
13 within the last 10 years of service immediately preceding the
14 date of withdrawal, to begin not earlier than upon attainment
15 of age 55 (age 50 if the employee has at least 30 years of
16 service), reduced 0.25% for each full month or remaining
17 fractional part thereof that the employee's attained age when
18 annuity is to begin is less than 60; except that an employee
19 retiring at age 50 or over with at least 30 years of service
20 or at age 55 or over with at least 25 years of service shall
21 not be subject to the reduction in retirement annuity because
22 of retirement below age 60.

23 The maximum annuity payable under part (a) and (b) of
24 this Section shall not exceed 70% of highest average annual
25 salary in the case of an employee who withdraws prior to July
26 1, 1971, and 75% if withdrawal takes place on or after July
27 1, 1971 and prior to 60 days after the effective date of this
28 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 the minimum annuity provided in this Section
32 \$1,500 is considered the minimum annual salary for any year;
33 and the maximum annual salary for the computation of such
34 annuity is \$4,800 for any year before 1953, \$6000 for the

1 years 1953 to 1956, inclusive, and the actual annual salary,
2 as salary is defined in this Article, for any year
3 thereafter.

4 To preserve rights existing on December 31, 1959, for
5 participants and contributors on that date to the fund
6 created by the Court and Law Department Employees' Annuity
7 Act, who became participants in the fund provided for on
8 January 1, 1960, the maximum annual salary to be considered
9 for such persons for the years 1955 and 1956 is \$7,500.

10 (c) For an employee receiving disability benefit, his
11 salary for annuity purposes under paragraphs (a) and (b) of
12 this Section, for all periods of disability benefit
13 subsequent to the year 1956, is the amount on which his
14 disability benefit was based.

15 (d) An employee with 20 or more years of service, whose
16 entire disability benefit credit period expires before
17 attainment of age 55 while still disabled for service, is
18 entitled upon withdrawal to the larger of (1) the minimum
19 annuity provided above, assuming he is then age 55, and
20 reducing such annuity to its actuarial equivalent as of his
21 attained age on such date or (2) the annuity provided from
22 his age and service and prior service annuity credits.

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

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

34 Such amount as he could have received had the accumulated

1 amounts for annuity been improved with interest at the
2 effective rate to the date of his withdrawal, or to
3 attainment of age 70, whichever is earlier, and had the city
4 contributed to such earlier date for age and service annuity
5 the amount that it would have contributed had he been under
6 age 65, after the date his annuity was fixed in accordance
7 with this Article, and assuming his annuity were computed
8 from such accumulations as of his age on such earlier date.
9 The annuity so computed shall not exceed the annuity which
10 would be payable under the other provisions of this Section
11 if the employee was credited with 20 years of service and
12 would qualify for annuity thereunder.

13 (g) Instead of the annuity provided in this Article, an
14 employee having attained age 65 with at least 15 years of
15 service who withdraws from service on or after July 1, 1971
16 and whose annuity computed under other provisions of this
17 Article is less than the amount provided under this
18 paragraph, is entitled to a minimum annuity for life equal to
19 1% of the highest average annual salary, as salary is defined
20 and limited in this Section for any 4 consecutive years
21 within the last 10 years of service for each year of service,
22 plus the sum of \$25 for each year of service. The annuity
23 shall not exceed 60% of such highest average annual salary.

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

1 before 60 days after the effective date of this amendatory
2 Act of the 92nd General Assembly, or 80% if withdrawal is 60
3 days after the effective date of this amendatory Act of the
4 92nd General Assembly or later. For the purpose of
5 calculating this annuity, "final average salary" means the
6 highest average annual salary for any 4 consecutive years in
7 the last 10 years of service.

8 (h) The minimum annuities provided under this Section
9 shall be paid in equal monthly installments.

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

14 (j) The amendatory provisions of this amendatory Act of
15 1985 (P.A. 84-23) relating to the discount of annuity because
16 of retirement prior to attainment of age 60, and to the
17 retirement formula, for those born before January 1, 1936,
18 shall apply only to qualifying employees withdrawing on or
19 after July 18, 1985.

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

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

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

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

1 (4) any employee annuitant withdrawing after age 60
 2 on or after the effective date of this amendatory Act of
 3 1998, with at least 10 years of service in this fund.

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

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 5/8-150.1) (from Ch. 108 1/2, par. 8-150.1)

10 Sec. 8-150.1. Minimum annuities for widows. The widow
 11 (otherwise eligible for widow's annuity under other Sections
 12 of this Article 8) of an employee hereinafter described, who
 13 retires from service or dies while in the service subsequent
 14 to the effective date of this amendatory provision, and for
 15 which widow the amount of widow's annuity and widow's prior
 16 service annuity combined, fixed or provided for such widow
 17 under other provisions of this Article is less than the
 18 amount provided in this Section, shall, from and after the
 19 date her otherwise provided annuity would begin, in lieu of
 20 such otherwise provided widow's and widow's prior service
 21 annuity, be entitled to the following indicated amount of
 22 annuity:

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

1 his death, conditional upon such widow having attained the
2 age of 60 or more years on such date if the death occurs
3 before July 1, 1990, or age 55 or more if the death occurs on
4 or after July 1, 1990, or age 50 or more if the death occurs
5 on or after January 1, 1998 and the employee is age 50 or
6 over with at least 30 years of service or age 55 or over with
7 at least 25 years of service. Except as provided in
8 subsection (k), this widow's annuity shall not, however,
9 exceed the sum of \$500 a month if the employee's death in
10 service occurs before January 23, 1987. The widow's annuity
11 shall not be limited to a maximum dollar amount if the
12 employee's death in service occurs on or after January 23,
13 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 by
22 0.5% for each month that her then attained age is less than
23 60 years if the employee was born on or after July 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 the age of 60 or more
8 years if retirement occurs before July 1, 1990, or on or
9 after the date on which he attained age 55 if retirement
10 occurs on or after July 1, 1990, with at least 20 years of
11 service, or on or after the date on which he attained age 50
12 if the retirement occurs on or after the effective date of
13 this amendatory Act of 1997 with at least 30 years of
14 service, shall be entitled to an annuity equal to one-half of
15 the amount of annuity which her deceased husband received as
16 of the date of his retirement on annuity, conditional upon
17 such widow having attained the age of 60 or more years on the
18 date of her husband's retirement on annuity if retirement
19 occurs before July 1, 1990, or age 55 or more if retirement
20 occurs on or after July 1, 1990, or age 50 or more if the
21 retirement on annuity occurs on or after January 1, 1998 and
22 the employee is age 50 or over with at least 30 years of
23 service or age 55 or over with at least 25 years of service.
24 Except as provided in subsection (k), this widow's annuity
25 shall not, however, exceed the sum of \$500 a month if the
26 employee's death occurs before January 23, 1987. The widow's
27 annuity shall not be limited to a maximum dollar amount if
28 the employee's death occurs on or after January 23, 1987,
29 regardless of the date of retirement; provided that, if
30 retirement was before January 23, 1987, the employee or
31 eligible spouse repays the excess spouse refund with interest
32 at the effective rate from the date of refund to the date of
33 repayment.

34 If the date of the employee's retirement on annuity is

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

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

29 (c) The foregoing provisions relating to minimum
30 annuities for widows shall not apply to the widow of any
31 former municipal employee receiving an annuity from the fund
32 on August 9, 1965 or on the effective date of this amendatory
33 provision, who re-enters service as a municipal employee,
34 unless such employee renders at least 3 years of additional

1 service after the date of re-entry.

2 (d) In computing the amount of annuity which the husband
3 specified in the foregoing paragraphs (a) and (b) of this
4 Section would have been entitled to receive, or received,
5 such amount shall be the annuity to which such husband would
6 have been, or was entitled, before reduction in the amount of
7 his annuity for the purposes of the voluntary optional
8 reversionary annuity provided for in Section See: 8-139 of
9 this Article, if such option was elected.

10 (e) (Blank).

11 (f) (Blank).

12 (g) The amendatory provisions of this amendatory Act of
13 1985 relating to annuity discount because of age for widows
14 of employees born before January 1, 1936, shall apply only to
15 qualifying widows of employees withdrawing or dying in
16 service on or after July 18, 1985.

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

22 (1) any widow annuitant alive and receiving a life
23 annuity on the effective date of this amendatory Act of
24 1998, except a reciprocal annuity;

25 (2) any widow annuitant alive and receiving a term
26 annuity on the effective date of this amendatory Act of
27 1998, except a reciprocal annuity;

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

32 (4) the widow of an employee with at least 10 years
33 of service in this fund who dies after retirement, if the
34 retirement occurred prior to the effective date of this

1 amendatory Act of 1998;

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

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

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

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

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

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

33 (l) In lieu of any other annuity provided in this
34 Article, an eligible spouse of an employee who dies in

1 service at least 60 days after the effective date of this
2 amendatory Act of the 92nd General Assembly with at least 10
3 years of service shall be entitled to an annuity of 50% of
4 the minimum formula annuity earned and accrued to the credit
5 of the employee at the date of death. For the purposes of
6 this subsection, the minimum formula annuity earned and
7 accrued to the credit of the employee is equal to 2.40% for
8 each year of service of the highest average annual salary for
9 any 4 consecutive years within the last 10 years of service
10 immediately preceding the date of death, up to a maximum of
11 80% of the highest average annual salary. This annuity shall
12 not be reduced due to the age of the employee or spouse. In
13 addition to any other eligibility requirements under this
14 Article, the spouse is eligible for this annuity only if the
15 marriage was in effect for 10 full years or more.

16 (Source: P.A. 90-32, eff. 6-27-97; 90-511, eff. 8-22-97;
17 90-766, eff. 8-14-98.)

18 (40 ILCS 5/8-158) (from Ch. 108 1/2, par. 8-158)

19 Sec. 8-158. Child's annuity. A child's annuity is
20 payable monthly after the death of an employee parent to the
21 child until the child's attainment of age 18, under the
22 following conditions, if the child was born before the
23 employee attained age 65, and before he withdrew from
24 service:

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

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

32 (b) (e) upon death of an employee who withdraws
33 from service after age 55 (or after age 50 with at least

1 30 years of service if withdrawal is on or after June 27,
2 1997) and who has entered upon or is eligible for
3 annuity.

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

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

6 (40 ILCS 5/8-161) (from Ch. 108 1/2, par. 8-161)

7 Sec. 8-161. Ordinary disability benefit. An employee
8 while under age 65 and prior to January 1, 1979, or while
9 under age 70 and after January 1, 1979, who becomes disabled
10 after the effective date as the result of any cause other
11 than injury incurred in the performance of duty, shall be
12 entitled to ordinary disability benefit during such
13 disability, after the first 30 days thereof.

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

22 (a) the date disability ceases.

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

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

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

31 (e) the date the payments of the benefit shall exceed in
32 the aggregate, throughout the employee's service, a period
33 equal to 1/4 of the total service rendered prior to the date

1 of disability but in no event more than 5 years. In
2 computing such total service any period during which the
3 employee received ordinary disability benefit shall be
4 excluded.

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

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

18 For ordinary disability benefits paid before January 1,
19 2001, before any payment, an amount equal to less the sum
20 ordinarily deducted from salary for all annuity purposes for
21 such period for which the ordinary disability benefit is made
22 shall be deducted from such payment and credited to the
23 employee as a deduction from salary for that period. The
24 sums so deducted shall ~~be credited to the employee and~~ shall
25 be regarded, for annuity and refund purposes, as an amount
26 contributed by him.

27 For ordinary disability benefits paid on or after January
28 1, 2001, the fund shall credit sums equal to the amounts
29 ordinarily contributed by an employee for annuity purposes
30 for any period during which the employee receives ordinary
31 disability, and those sums shall be deemed for annuity
32 purposes and purposes of Section 8-173 as amounts contributed
33 by the employee. These amounts credited for annuity purposes
34 shall not be credited for refund purposes.

1 If a participating employee is eligible for a disability
2 benefit under the federal Social Security Act, the amount of
3 ordinary disability benefit under this Section attributable
4 to employment with the Chicago Housing Authority or the
5 Public Building Commission of the city shall be reduced, but
6 not to less than \$10 per month, by the amount that the
7 employee would be eligible to receive as a disability benefit
8 under the federal Social Security Act, whether or not that
9 federal benefit is based on service as a covered employee
10 under this Article. The reduction shall be effective as of
11 the month the employee is eligible for the social security
12 disability benefit. The Board may make this reduction
13 pending determination of eligibility for the social security
14 disability benefit, if it appears to the Board that the
15 employee may be eligible, and make an appropriate adjustment
16 if necessary after eligibility for the social security
17 disability benefit is determined. If the employee's social
18 security disability benefit is reduced or terminated because
19 of a refusal to accept rehabilitation services under the
20 federal Rehabilitation Act of 1973 or the federal Social
21 Security Act or because the employee is receiving a workers'
22 compensation benefit, the ordinary disability benefit under
23 this Section shall be reduced as if the employee were
24 receiving the full social security disability benefit.

25 The amount of ordinary disability benefit shall not be
26 reduced by reason of any increase in the amount of social
27 security disability benefit that takes effect after the month
28 of the initial reduction under this Section, other than an
29 increase resulting from a correction in the employee's wage
30 records.

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

32 (40 ILCS 5/8-164.1) (from Ch. 108 1/2, par. 8-164.1)
33 Sec. 8-164.1. Group health benefit.

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

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

34 (1) For non-Medicare Plan annuitants who retired

1 prior to January 1, 1988, the annuitant's share of
2 monthly premium for non-Medicare Plan coverage only shall
3 not exceed the highest premium rate chargeable under any
4 city non-Medicare Plan annuitant coverage as of December
5 1, 1996.

6 (2) For non-Medicare Plan annuitants who retire on
7 or after January 1, 1988, the annuitant's share of
8 monthly premium for non-Medicare Plan coverage only shall
9 be the rate in effect on December 1, 1996, with monthly
10 premium increases to take effect no sooner than April 1,
11 1998 at the lower of (i) the premium rate determined
12 pursuant to subsection (g) or (ii) 10% of the immediately
13 previous month's rate for similar coverage.

14 (3) In no event shall any non-Medicare Plan
15 annuitant's share of monthly premium for non-Medicare
16 Plan coverage exceed 10% of the annuitant's monthly
17 annuity.

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

25 (5) Medicare Plan annuitants who are currently
26 enrolled in the basic city plan for Medicare eligible
27 annuitants may remain in that plan, if they so choose,
28 through June 30, 2003 2002. Annuitants shall not be
29 allowed to enroll in or transfer into the basic city plan
30 for Medicare eligible annuitants on or after July 1,
31 1999. The city shall continue to offer annuitants a
32 supplemental Medicare Plan for Medicare eligible
33 annuitants through June 30, 2003 2002, and the city may
34 offer additional plans to Medicare eligible annuitants in

1 its sole discretion. All Medicare Plan annuitant monthly
2 rates shall be determined in accordance with subsections
3 (c) and (g).

4 (c) The city shall pay 50% of the aggregated costs of
5 the claims or premiums, whichever is applicable, as
6 determined in accordance with subsection (g), of annuitants
7 and their dependents under all health care plans offered by
8 the city. The city may reduce its obligation by application
9 of price reductions obtained as a result of financial
10 arrangements with providers or plan administrators.

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

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

32 The payments described in this subsection shall be paid
33 from the tax levy authorized under Section 8-189; such
34 amounts shall be credited to the reserve for group hospital

1 care and group medical and surgical plan benefits, and all
2 payments to the city required under this subsection shall be
3 charged against it.

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

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

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

31 If it is determined from the city's annual audit, or from
32 audited experience data, that the total amount paid by all
33 participating annuitants was more or less than the difference
34 between (1) the cost of providing the group health care

1 plans, and (2) the sum of the amount to be paid by the city
2 as determined under subsection (c) and the amounts paid by
3 all the pension boards, then the independent actuary and the
4 city shall account for the excess or shortfall in the next
5 year's payments by annuitants, except as provided in
6 subsection (b).

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

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

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

16 (40 ILCS 5/8-168) (from Ch. 108 1/2, par. 8-168)

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

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

1 entitled to a refund of the accumulations from any sums
2 contributed by him, and applied to any municipal pension fund
3 superseded by this fund.

4 2. Upon receipt of the refund, the employee surrenders
5 and forfeits all rights to any annuity or other benefits, for
6 himself and for any other persons who might have benefited
7 through him; provided that he may have such period of service
8 counted in computing the term of his service if he becomes an
9 employee before age 65, excepting as limited by the
10 provisions of paragraph (a) (3) of Section 8-232 of this
11 Article relating to the basis of computing the term of
12 service.

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

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

22 5. Any such municipal employee who shall have served
23 less than 10 years and who shall not withdraw the amounts to
24 which he shall have a right to refund shall have a right to
25 have all such amounts and all other amounts to his credit for
26 annuity purposes on date of his withdrawal from service
27 retained to his credit and improved by interest while he
28 shall be out of the service at the rate of 3 1/2% or 3% per
29 annum (whichever rate shall apply under the provisions of
30 Section 8-155 of this Article) and used for annuity purposes
31 for his benefit and the benefit of any person who may have
32 any right to annuity through him because of his service,
33 according to the provisions of this Article in the event that
34 he shall subsequently re-enter the service and complete the

1 number of years of service necessary to attain a right to
2 annuity; but such sum shall be improved by interest to his
3 credit while he shall be out of the service only until he
4 shall have become 65 years of age.

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

6 (40 ILCS 5/8-171) (from Ch. 108 1/2, par. 8-171)

7 Sec. 8-171. Refund in lieu of annuity. In lieu of an
8 annuity, an employee who withdraws and whose annuity would
9 amount to less than \$800 a month for life, may elect to
10 receive a refund of his accumulated contributions for annuity
11 purposes, based on the amounts contributed by him.

12 The widow of any employee, eligible for annuity upon the
13 death of her husband, whose widow's annuity would amount to
14 less than \$800 a month for life, may, in lieu of widow's
15 annuity, elect to receive a refund of the accumulated
16 contributions for annuity purposes, based on the amounts
17 contributed by her deceased employee husband, but reduced by
18 any amounts theretofore paid to him in the form of an annuity
19 or refund out of such accumulated contributions.

20 Accumulated contributions shall mean the amounts -
21 including the interest credited thereon - contributed by the
22 employee for age and service and widow's annuity to the date
23 of his withdrawal or death, whichever first occurs, including
24 any amounts contributed for him as salary deductions while
25 receiving duty disability benefits, and, if not otherwise
26 included, any accumulations from sums contributed by him and
27 applied to any pension fund superseded by this fund; provided
28 that such amounts contributed by the city after December 31,
29 1981 while the employee is receiving duty disability benefits
30 and amounts credited to the employee for annuity purposes by
31 the fund after December 31, 2000 while the employee is
32 receiving ordinary disability shall not be included.

33 The acceptance of such refund in lieu of widow's annuity,

1 on the part of a widow, shall not deprive a child or children
 2 of the right to receive a child's annuity as provided for in
 3 Sections 8-158 and 8-159 of this Article, and neither shall
 4 the payment of a child's annuity in the case of such refund
 5 to a widow reduce the amount herein set forth as refundable
 6 to such widow electing a refund in lieu of widow's annuity.

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

8 (40 ILCS 5/8-227) (from Ch. 108 1/2, par. 8-227)
 9 Sec. 8-227. Service as police officer, firefighter or
 10 teacher.

11 (a) Service rendered by an employee as a police officer
 12 and member of the regularly constituted police department of
 13 the city, or as a firefighter and regular member of the paid
 14 fire department of the city, or as a teacher in the public
 15 school system in the city shall be counted, for the purposes
 16 of this Article, as service rendered as an employee of the
 17 city. Salary received for any such service shall be treated,
 18 for the purposes of this Article, as salary received for the
 19 performance of duty as an employee.

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

1 to the Fund under item (1) of Section 5-233.1, if any, shall
2 be credited against the contributions required under this
3 subsection.

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

5 (40 ILCS 5/8-230.7)

6 Sec. 8-230.7. Service rendered to Public Building
7 Commission.

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

28 (b) A person establishing service credit under
29 subsection (a) or electing to participate in the Fund under
30 subsection (d) may, at the same time, reinstate service
31 credit that was terminated through receipt of a refund by
32 repaying to the Fund the amount of the refund plus interest
33 at the effective rate from the date of the refund to the date

1 of repayment.

2 (c) An eligible person may establish service credit
3 under subsection (a) and reinstate service credit under
4 subsection (b) without returning to active service as an
5 employee under this Article, but the required contributions
6 and repayment must be received by the Fund before the person
7 begins to receive a retirement annuity under this Article.

8 (d) Within 60 days after beginning full-time employment
9 with the Public Building Commission of the city (or within 60
10 days after the effective date of this amendatory Act of the
11 92nd General Assembly, whichever is later), a person having
12 service credits in this Fund or reinstating service credits
13 under subsection (b) may elect to participate in this Fund
14 with respect to that Public Building Commission employment.
15 An employee who participates in this Fund with respect to
16 Public Building Commission employment shall not, with respect
17 to the same period of employment, participate in any other
18 pension plan for employees of the Commission for which
19 contributions are made by the Commission, except that this
20 provision shall not prevent an employee from making elective
21 contributions to a plan of deferred compensation during that
22 period. An election under this subsection (d), once made, is
23 irrevocable.

24 Participation under this subsection shall be on the same
25 basis and under the same conditions as are applicable in the
26 case of participating employees of the city. Employee
27 contributions shall be based on the salary actually received
28 by the employee for that employment. Employer contributions
29 shall be paid by the Public Building Commission rather than
30 the city, at a rate to be determined by the Retirement Board.

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

32 (40 ILCS 5/8-230.9 new)

33 Sec. 8-230.9. Service rendered to Chicago Housing

1 Authority.

2 (a) Within 60 days after beginning full-time employment
3 with the Chicago Housing Authority (or within 60 days after
4 the effective date of this amendatory Act of the 92nd General
5 Assembly, whichever is later), a person having service
6 credits in this Fund or reinstating service credits under
7 subsection (c) may elect to participate in this Fund with
8 respect to that Chicago Housing Authority employment. An
9 employee who participates in this Fund with respect to
10 Chicago Housing Authority employment shall not, with respect
11 to the same period of employment, participate in any other
12 pension plan for employees of the Authority for which
13 contributions are made by the Authority, except that this
14 provision shall not prevent an employee from making elective
15 contributions to a plan of deferred compensation during that
16 period. An election under this subsection (a), once made, is
17 irrevocable.

18 Participation under this subsection shall be on the same
19 basis and under the same conditions as are applicable in the
20 case of participating employees of the city. Employee
21 contributions shall be based on the salary actually received
22 by the employee for that employment. Employer contributions
23 shall be paid by the Chicago Housing Authority rather than
24 the city, at a rate to be determined by the Retirement Board.

25 (b) An employee or former employee of the Chicago
26 Housing Authority who has established credit under the Fund
27 with regard to service to an employer other than the Chicago
28 Housing Authority may contribute to the Fund and receive
29 credit for all periods of full-time employment with the
30 Chicago Housing Authority occurring prior to 60 days after
31 the effective date of this amendatory Act, except for those
32 periods for which the employee retains a right to credit in
33 another public pension fund or retirement system established
34 under this Code. Such service credit shall be paid for and

1 granted on the same basis and under the same conditions as
2 are applicable in the case of employees who make payment for
3 past service under Section 8-230, provided that the person
4 must also pay the corresponding employer contributions, and
5 further provided that the contributions and service credit
6 are permitted under Section 415 of the Internal Revenue Code
7 of 1986. The contributions shall be based on the salary
8 actually received by the person from the Authority for that
9 employment.

10 (c) A person establishing service credit under
11 subsection (b) or electing to participate in the Fund under
12 subsection (a) may, at the same time, reinstate service
13 credit that was terminated through receipt of a refund by
14 repaying to the Fund the amount of the refund plus interest
15 at the effective rate from the date of the refund to the date
16 of repayment.

17 (d) An eligible person may establish service credit
18 under subsection (b) and reinstate service credit under
19 subsection (c) without returning to active service as an
20 employee under this Article, but the required contributions
21 and repayment must be received by the Fund before the person
22 begins to receive a retirement annuity under this Article.

23 (40 ILCS 5/8-230.10 new)

24 Sec. 8-230.10. Service rendered to IHDA. An employee
25 with at least 10 years of creditable service in the Fund may
26 establish service credit for up to 7 years of full-time
27 employment by the Illinois Housing Development Authority for
28 which the employee does not have credit in another public
29 pension fund or retirement system.

30 To establish service credit under this Section, the
31 employee must apply to the Fund in writing by January 1, 2003
32 and pay to the Fund, at any time before beginning to receive
33 a retirement annuity under this Article, an amount to be

1 determined by the Fund, consisting of (i) employee
 2 contributions based on the salary actually received by the
 3 person from the Illinois Housing Development Authority for
 4 that employment and the contribution rates then in effect for
 5 employees of the Fund, (ii) the corresponding employer
 6 contributions, and (iii) regular interest on the amounts in
 7 items (i) and (ii) from the date of the service to the date
 8 of payment.

9 (40 ILCS 5/8-243.2) (from Ch. 108 1/2, par. 8-243.2)
 10 Sec. 8-243.2. Alternative annuity for city officers.

11 (a) For the purposes of this Section and Sections
 12 8-243.1 and 8-243.3, "city officer" means the city clerk, the
 13 city treasurer, or an alderman of the city elected by vote of
 14 the people, while serving in that capacity or as provided in
 15 subsection (f), who has elected to participate in the Fund.

16 (b) Any elected city officer, while serving in that
 17 capacity or as provided in subsection (f), may elect to
 18 establish alternative credits for an alternative annuity by
 19 electing in writing to make additional optional
 20 contributions in accordance with this Section and the
 21 procedures established by the board. Such elected city
 22 officer may discontinue making the additional optional
 23 contributions by notifying the Fund in writing in accordance
 24 with this Section and procedures established by the board.

25 Additional optional contributions for the alternative
 26 annuity shall be as follows:

27 (1) For service after the option is elected, an
 28 additional contribution of 3% of salary shall be
 29 contributed to the Fund on the same basis and under the
 30 same conditions as contributions required under Sections
 31 8-174 and 8-182.

32 (2) For service before the option is elected, an
 33 additional contribution of 3% of the salary for the

1 applicable period of service, plus interest at the
2 effective rate from the date of service to the date of
3 payment. All payments for past service must be paid in
4 full before credit is given. No additional optional
5 contributions may be made for any period of service for
6 which credit has been previously forfeited by acceptance
7 of a refund, unless the refund is repaid in full with
8 interest at the effective rate from the date of refund to
9 the date of repayment.

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

32 (d) In lieu of the disability benefits otherwise payable
33 under this Article, any city officer elected by vote of the
34 people who (1) has elected to participate in the Fund, and

1 (2) has become permanently disabled and as a consequence is
2 unable to perform the duties of his office, and (3) was
3 making optional contributions in accordance with this Section
4 at the time the disability was incurred, may elect to receive
5 a disability annuity calculated in accordance with the
6 formula in subsection (c). For the purposes of this
7 subsection, such elected city officer shall be considered
8 permanently disabled only if: (i) disability occurs while in
9 service as an elected city officer and is of such a nature as
10 to prevent him from reasonably performing the duties of his
11 office at the time; and (ii) the board has received a written
12 certification by at least 2 licensed physicians appointed by
13 it stating that such officer is disabled and that the
14 disability is likely to be permanent.

15 (e) Refunds of additional optional contributions shall
16 be made on the same basis and under the same conditions as
17 provided under Sections 8-168, 8-170 and 8-171. Interest
18 shall be credited at the effective rate on the same basis and
19 under the same conditions as for other contributions.
20 Optional contributions shall be accounted for in a separate
21 Elected City Officer Optional Contribution Reserve. Optional
22 contributions under this Section shall be included in the
23 amount of employee contributions used to compute the tax levy
24 under Section 8-173.

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

29 The plan of optional alternative benefits and
30 contributions shall not be available to any former city
31 officer or employee receiving an annuity from the Fund on the
32 effective date of the plan, unless he re-enters service as an
33 elected city officer and renders at least 3 years of
34 additional service after the date of re-entry. However, a

1 person who holds office as a city officer on June 1, 1995
 2 ~~April--30,--1991~~ may elect to participate in the plan, to
 3 transfer credits into the Fund from other Articles of this
 4 Code, and to make the contributions required for prior
 5 service, until 30 days after the effective date of this
 6 amendatory Act of the 92nd General Assembly ~~the plan takes~~
 7 ~~effect~~, notwithstanding the ending of his term of office
 8 prior to that effective date; in the event that the person is
 9 already receiving an annuity from this Fund or any other
 10 Article of this Code at the time of making this election, the
 11 annuity shall be recalculated to include any increase
 12 resulting from participation in the plan, with such increase
 13 taking effect on the effective date of the election plan.

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

15 (40 ILCS 5/9-121.15)

16 Sec. 9-121.15. Transfer of credit from Article 14 system.
 17 A current or former An employee shall be entitled to service
 18 credit in the Fund for any creditable service transferred to
 19 this Fund from the State Employees' Retirement System under
 20 Section 14-105.7 of this Code. Credit under this Fund shall
 21 be granted upon receipt by the Fund of the amounts required
 22 to be transferred under Section 14-105.7; no additional
 23 contribution is necessary.

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

25 (40 ILCS 5/9-121.16 new)

26 Sec. 9-121.16. Contractual service to the Retirement
 27 Board. A person who has rendered continuous contractual
 28 services (other than legal or actuarial services) to the
 29 Retirement Board for a period of at least 5 years may
 30 establish creditable service in the Fund for up to 10 years
 31 of those services by making written application to the Board
 32 before July 1, 2003 and paying to the Fund an amount to be

1 determined by the Board, equal to the employee contributions
2 that would have been required if those services had been
3 performed as an employee.

4 For the purposes of calculating the required payment, the
5 Board may determine the applicable salary equivalent based on
6 the compensation received by the person for performing those
7 contractual services. The salary equivalent calculated under
8 this Section shall not be used for determining final average
9 salary under Section 9-134 or any other provisions of this
10 Code.

11 A person may not make optional contributions under
12 Section 9-121.6 or 9-179.3 for periods of credit established
13 under this Section.

14 (40 ILCS 5/9-134) (from Ch. 108 1/2, par. 9-134)
15 Sec. 9-134. Minimum annuity - Additional provisions.

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

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

4 An employee who withdraws after July 1, 1957, but prior
5 to January 1, 1988, with 20 or more years of service, before
6 age 60 is entitled to annuity, to begin not earlier than age
7 55, if under such age at withdrawal, as computed in the last
8 preceding paragraph, reduced 1/2 of 1% for each full month or
9 fractional part thereof that his attained age when annuity is
10 to begin is less than 60 to the end that the total reduction
11 at age 55 shall be 30%, except that an employee retiring at
12 age 55 or over but less than age 60, having at least 35 years
13 of service, shall not be subject to the reduction in his
14 retirement annuity because of retirement below age 60.

15 An employee who withdraws on or after January 1, 1988,
16 with 20 or more years of service and before age 60, is
17 entitled to annuity as computed above, to begin not earlier
18 than age 50 if under such age at withdrawal, reduced 1/2 of
19 1% for each full month or fractional part thereof that his
20 attained age when annuity is to begin is less than 60, to the
21 end that the total reduction at age 50 shall be 60%, except
22 that an employee retiring at age 50 or over but less than age
23 60, having at least 30 years of service, shall not be subject
24 to the reduction in retirement annuity because of retirement
25 below age 60.

26 An employee who withdraws on or after January 1, 1992 but
27 before January 1, 1993, at age 60 or over with 5 or more
28 years of service, may elect, in lieu of any other employee
29 annuity provided in this Section, to receive an annuity for
30 life equal to 2.20% for each of the first 20 years of
31 service, and 2.40% for each year of service in excess of 20,
32 based on the highest average annual salary for any 4
33 consecutive years within the last 10 years of service
34 immediately preceding the date of withdrawal. An employee

1 who withdraws on or after January 1, 1992, but before January
2 1, 1993, on or after attainment of age 55 but before
3 attainment of age 60 with 5 or more years of service, is
4 entitled to elect such annuity, but the annuity shall be
5 reduced 0.25% for each full month or fractional part thereof
6 that his attained age when the annuity is to begin is less
7 than age 60, to the end that the total reduction at age 55
8 shall be 15%, except that an employee retiring at age 55 or
9 over but less than age 60, having at least 30 years of
10 service, shall not be subject to the reduction in retirement
11 annuity because of retirement below age 60. This annuity
12 benefit formula shall only apply to those employees who are
13 age 55 or over prior to January 1, 1993, and who elect to
14 withdraw at age 55 or over on or after January 1, 1992 but
15 before January 1, 1993.

16 An employee who withdraws on or after July 1, 1996 but
17 before August 1, 1996, at age 55 or over with 8 or more years
18 of service, may elect, in lieu of any other employee annuity
19 provided in this Section, to receive an annuity for life
20 equal to 2.20% for each of the first 20 years of service, and
21 2.40% for each year of service in excess of 20, based on the
22 highest average annual salary for any 4 consecutive years
23 within the last 10 years of service immediately preceding the
24 date of withdrawal, but the annuity shall be reduced by 0.25%
25 for each full month or fractional part thereof that the
26 annuitant's attained age when the annuity is to begin is less
27 than age 60, unless the annuitant has at least 30 years of
28 service.

29 The maximum annuity under this paragraph (a) shall not
30 exceed 70% of highest average annual salary for any 5
31 consecutive years within the last 10 years of service in the
32 case of an employee who withdraws prior to July 1, 1971, and
33 75% of the highest average annual salary for any 4
34 consecutive years within the last 10 years of service

1 immediately preceding the date of withdrawal if withdrawal
2 takes place on or after July 1, 1971 and prior to January 1,
3 1988, and 80% of the highest average annual salary for any 4
4 consecutive years within the last 10 years of service
5 immediately preceding the date of withdrawal if withdrawal
6 takes place on or after January 1, 1988. Fifteen hundred
7 dollars shall be considered the minimum amount of annual
8 salary for any year, and the maximum shall be his salary as
9 defined in this Article, except that for the years before
10 1957 and subsequent to 1952 the maximum annual salary to be
11 considered shall be \$6,000, and for any year before the year
12 1953, \$4,800.

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

31 An employee who withdraws on or after January 1, 1988, at
32 age 60 or over with 10 or more years of service, may elect,
33 in lieu of the benefit in paragraph (a), to receive an
34 annuity for life equal to 2.20% for each of the first 20

1 years of service, and 2.4% for each year of service in excess
2 of 20, based on the highest average annual salary for any 4
3 consecutive years within the last 10 years of service
4 immediately preceding the date of withdrawal. An employee who
5 withdraws on or after January 1, 1988, with 10 or more years
6 of service, but before age 60, is entitled to elect such
7 annuity, to begin not earlier than age 50, but the annuity
8 shall be reduced 0.5% for each full month or fractional part
9 thereof that his attained age when the annuity is to begin is
10 less than 60, to the end that the total reduction at age 50
11 shall be 60%, except that an employee retiring at age 50 or
12 over but less than age 60, having at least 30 years of
13 service, shall not be subject to the reduction in retirement
14 annuity because of retirement below age 60.

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

26 The maximum annuity under this paragraph (b) shall not
27 exceed 75% of 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 if withdrawal
30 occurs prior to January 1, 1988, or 80% of the highest
31 average annual salary for any 4 consecutive years within the
32 last 10 years of service immediately preceding the date of
33 withdrawal if withdrawal takes place on or after January 1,
34 1988.

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

6 (c) For an employee receiving disability benefit, the
7 salary for annuity purposes under paragraph (a) or (b) of
8 this Section shall, for all periods of disability benefit
9 subsequent to the year 1956, be the amount on which his
10 disability benefit was based.

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

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

20 (2) the annuity provided from his age and service
21 and prior service annuity credits.

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

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

33 Such amount as he could have received had the accumulated
34 amounts for annuity been improved with interest at the

1 effective rate to the date of withdrawal, or to attainment of
2 age 70, whichever is earlier, and had the county contributed
3 to such earlier date for age and service annuity the amount
4 that it would have contributed had he been under age 65,
5 after the date his annuity was fixed in accordance with this
6 Article, and assuming his annuity were computed from such
7 accumulations as of his age on such earlier date. However
8 those employees who before July 1, 1953, made additional
9 contributions in accordance with this Article, the annuity so
10 computed under this paragraph shall not exceed the annuity
11 which would be payable under the other provisions of this
12 Section if the employee concerned was credited with 20 years
13 of service and would qualify for annuity thereunder.

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

23 (h) The annuity is payable in equal monthly
24 installments.

25 (i) If, by operation of law, a function of a
26 governmental unit, as defined by Section 20-107 of this Code,
27 is transferred in whole or in part to the county in which
28 this Article 9 is created as set forth in Section 9-101, and
29 employees of the governmental unit are transferred as a class
30 to such county, the earnings credits in the retirement system
31 covering the governmental unit which have been validated
32 under Section 20-109 of this Code shall be considered in
33 determining the highest average annual salary for purposes of
34 this Section 9-134.

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

4 (k) Notwithstanding anything to the contrary in this
5 Article 9, Section 20-131 shall not apply to an employee who
6 withdraws on or after January 1, 1988, but prior to attaining
7 age 55. Therefore, no employee shall be entitled to elect to
8 have the alternative formula previously set forth in Section
9 20-122 prior to the amendatory Act of 1975 apply to any
10 annuity, the payment of which commenced after January 1,
11 1988, but prior to such employee's attainment of age 55.

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

13 (40 ILCS 5/9-134.3)

14 Sec. 9-134.3. Early retirement incentives.

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

17 (1) be a current contributing member of the Fund
18 established under this Article who, on May 1, 1997 and
19 within 30 days prior to the date of retirement, is (i) in
20 active payroll status in a position of employment under
21 this Article or (ii) receiving disability benefits under
22 Section 9-156 or 9-157; or else be eligible under
23 subsection (g);

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

26 (3) file with the Board before October 1, 1997 (or
27 the date specified in subsection (g), if applicable); a
28 written application requesting the benefits provided in
29 this Section;

30 (4) elect to retire under this Section on or after
31 September 1, 1997 and on or before February 28, 1998 (or
32 the date established under subsection (d) or (g), if
33 applicable);

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

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

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

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

21 (2) If the employee's retirement annuity is
22 calculated under Section 9-134, the employee shall not be
23 subject to the reduction in retirement annuity because of
24 retirement below age 60 that is otherwise required under
25 that Section.

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

31 (d) In the case of an employee whose immediate
32 retirement could jeopardize public safety or create hardship
33 for the employer, the deadline for retirement provided in
34 subdivision (a)(4) of this Section may be extended to a

1 specified date, no later than August 31, 1998, by the
2 employee's department head, with the approval of the
3 President of the County Board. In the case of an employee
4 who is not employed by a department of the County, the
5 employee's "department head", for the purposes of this
6 Section, shall be a person designated by the President of the
7 County Board.

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

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

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

28 In the case of a person eligible under this subsection
29 (g) who began to receive a retirement annuity before the
30 effective date of this amendatory Act, the annuity shall be
31 recalculated to include the increase under this Section, and
32 that increase shall take effect on the first annuity payment
33 date following the date of application.

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

1 (40 ILCS 5/9-134.4 new)

2 Sec. 9-134.4. Early retirement incentives.

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

5 (1) be a current contributing member of the Fund
6 established under this Article who, on January 1, 2001
7 and within 30 days prior to the date of retirement, is
8 (i) in active payroll status in a position of employment
9 under this Article or (ii) receiving disability benefits
10 under Section 9-156 or 9-157;

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

12 (3) file with the Board before March 1, 2003 a
13 written application requesting the benefits provided in
14 this Section;

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

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

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

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

27 (1) The employee's retirement annuity, as
28 calculated under the other provisions of this Article,
29 shall be increased at the time of retirement by an amount
30 equal to 1% of the employee's average annual salary for
31 the highest 4 consecutive years within the last 10 years
32 of service, multiplied by the employee's number of years
33 of service credit in this Fund up to a maximum of 10
34 years; except that the total retirement annuity,

1 including any additional benefits elected under Section
2 9-121.6 or 9-179.3, shall not exceed 80% of that highest
3 average annual salary.

4 (2) If the employee's retirement annuity is
5 calculated under Section 9-134, the employee shall not be
6 subject to the reduction in retirement annuity because of
7 retirement below age 60 that is otherwise required under
8 that Section.

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

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

25 (e) Notwithstanding Section 9-161, an annuitant who
26 reenters service under this Article after receiving a
27 retirement annuity based on benefits provided under this
28 Section thereby forfeits the right to continue to receive
29 those benefits and shall have his or her retirement annuity
30 recalculated without the benefits provided in this Section.

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

33 (40 ILCS 5/9-146.1) (from Ch. 108 1/2, par. 9-146.1)

1 Sec. 9-146.1. Minimum annuities for widows. The widow of
2 an employee who retires from service or dies while in the
3 service subsequent to June 11, 1965, who is otherwise
4 eligible for widow's annuity under this Article and for whom
5 the amount of widow's annuity and widow's prior service
6 annuity combined, fixed or provided for such widow under
7 other provisions of this Article 9 is less than the amount
8 hereinafter provided in this Section, shall, from and after
9 the date her otherwise provided annuity would begin, in lieu
10 of such otherwise provided widow's and widow's prior service
11 annuity, be entitled to the following indicated amount of
12 annuity:

13 (a) The widow⁷ of any employee who dies while in the
14 service on or after the date on which he attains the age of
15 60 or more years with at least 20 years of service, or 10 or
16 more years of service if death occurs on or after attainment
17 of age 65 and on or after January 1, 1982, shall be entitled
18 to an annuity equal to one-half of the amount of annuity
19 which her deceased husband would have been entitled to
20 receive had he withdrawn from the service on the day
21 immediately preceding the date of his death, conditional upon
22 such widow having attained the age of 60 or more years on
23 such date. Such amount of widow's annuity shall not, however,
24 exceed the sum of \$500 a month if death in service occurs
25 before July 1, 1985.

26 If such widow of such described employee shall not be 60
27 or more years of age on such date of death, the amount
28 provided in the immediately preceding paragraph for a widow
29 60 or more years of age, shall, in the case of such younger
30 widow, be reduced by 1/2 of 1 per cent for each month that
31 her then attained age is less than 60 years; except that such
32 younger widow of an employee who dies while in service on or
33 after July 1, 1985 with at least 30 years of service, shall
34 not be subject to the reduction in widow's annuity because of

1 her age less than 60 on the date of the employee's death.

2 (b) The widow, of any employee who dies subsequent to
3 the date of his retirement on annuity, and who so retired on
4 or after the date on which he attained the age of 60 or more
5 years with at least 20 years of service, or 10 or more years
6 of service if retirement occurs on or after attainment of age
7 65 and on or after January 1, 1982, shall be entitled to an
8 annuity equal to one-half of the amount of annuity which her
9 deceased husband received as of the date of his retirement on
10 annuity, conditional upon such widow having attained the age
11 of 60 or more years on the date of her husband's retirement
12 on annuity. Such amount of widow's annuity shall not,
13 however, exceed the sum of \$500 a month if the death occurs
14 before the effective date of this amendatory Act of 1991.

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

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

33 (d) An annuity being paid to a surviving spouse on
34 January 1, 1984 shall be increased by 10% and shall

1 thereafter be paid at the increased rate until the
2 termination of the annuity by death or other cause. The
3 annuity for a qualifying widow shall not exceed \$500 per
4 month.

5 (e) The widow of any employee who dies while in service
6 on or after July 1, 1985 but prior to January 1, 1988, and
7 the widow of an employee who retires on or after July 1, 1985
8 but prior to January 1, 1988 with at least 10 years of
9 service, and the widow of an employee who retires on or after
10 January 1, 1984 but prior to July 1, 1985 with at least 30
11 years of service, shall be entitled to an annuity equal to
12 one-half of the amount of annuity which her deceased husband
13 would have received had he retired immediately prior to his
14 death or one-half the amount of the originally granted
15 retirement annuity, whichever is applicable. Such widow's
16 annuity will be reduced 0.5% for each month that the widow's
17 attained age is less than age 60 on the date of the
18 employee's death in service or retirement if the employee's
19 death in service or retirement is before January 1, 1988;
20 except that such younger widow of an employee with at least
21 30 years of service shall not be subject to the reduction in
22 widow's annuity because of her age less than 60 on the date
23 of the employee's death in service or retirement.

24 The widow of an employee who dies in service on or after
25 January 1, 1988, or retires on or after January 1, 1988 with
26 at least 10 years of service, shall be entitled to an annuity
27 equal to 1/2 of the amount of annuity which her deceased
28 husband would have received had he retired immediately prior
29 to his death or 1/2 of the amount of the annuity which her
30 deceased husband received as of the date of his death,
31 whichever is applicable. Such widow's annuity shall be
32 reduced 0.5% for each month that the widow's attained age is
33 less than age 60 on the date of the employee's death if
34 employee's death in service or retirement is after January 1,

1 1988; except that such younger widow of an employee with at
2 least 30 years of service shall not be subject to the
3 reduction in widow's annuity because of her age on the date
4 of the employee's death.

5 In lieu of any other annuity provided by this Article,
6 the widow of an employee who dies in service on or after
7 January 1, 1992, or retires on or after January 1, 1992 with
8 at least 10 years of service, shall be entitled to an annuity
9 equal to 1/2 of the amount of annuity which her deceased
10 husband would have received had he retired immediately prior
11 to his death or 1/2 of the amount of the annuity which her
12 deceased husband received as of the date of his death,
13 whichever is applicable. Such widow's annuity shall be
14 reduced 0.5% for each month that the widow's attained age is
15 less than age 55 on the date of the employee's death; except
16 that such younger widow of an employee with at least 30 years
17 of service shall not be subject to the reduction in widow's
18 annuity because of her age on the date of the employee's
19 death.

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

32 However, in the case of an employee dying in service, the
33 amount of widow's annuity shall not be less than 10% of the
34 highest average annual salary for any 4 consecutive years

1 within the last 10 years of service immediately preceding the
2 date of withdrawal. The maximum amount of annuity under this
3 paragraph shall not be limited to a dollar maximum. The
4 provisions of this paragraph shall not apply to the widow of
5 any former County employee receiving an annuity from the fund
6 who re-enters service as a County employee, unless such
7 employee renders at least 3 years of additional service after
8 the date of re-entry.

9 (f) An annuity being paid to a surviving spouse on July
10 1, 1988, shall be increased on that date by 1% for each full
11 year that has elapsed from the date the annuity began.

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

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

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

1 (40 ILCS 5/9-148) (from Ch. 108 1/2, par. 9-148)
 2 Sec. 9-148. Widows or wives not entitled to annuity.
 3 Except as provided in Section 9-148.1, the following widows
 4 or wives of employees have no right to annuity from the fund:

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

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

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

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

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

21 (40 ILCS 5/9-148.1 new)
 22 Sec. 9-148.1. Widow's annuity for widow married to member
 23 for at least one year. Notwithstanding Section 9-148, if a
 24 member was not married at the time of retirement but married
 25 after retirement, that member's widow shall be entitled to a
 26 widow's annuity if (1) the widow was married to the member
 27 for at least the last year prior to the member's death; (2)
 28 the widow is otherwise eligible for a widow's annuity; and
 29 (3) the widow repays to the Fund (i) an amount equal to the
 30 amount of any refund paid to the member at the time of
 31 retirement pursuant to Section 9-165 plus (ii) interest
 32 thereon from the date of the refund until the time of
 33 repayment at the rate of 6% per year.

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

2 Sec. 9-163. Restoration of rights. An employee who has
3 withdrawn as a refund the amounts credited for annuity
4 purposes, and who re-enters service and serves for periods
5 comprising at least 2 years after the date of the last refund
6 paid to him, may have his annuity rights restored by making
7 application to the board in writing for the privilege of
8 reinstating such rights and by compliance with the following
9 provisions:

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

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

19 (c) If the employee withdraws from service or dies
20 in service before full repayment is made, or during the
21 required return to service, the amounts repaid, including
22 interest repaid but without further interest, shall be
23 refunded in accordance with the refund provisions of this
24 Article.

25 For an employee who applies to the Fund to reinstate
26 credit and repay a refund between January 1, 1993 and March
27 1, 1993, the 2 year minimum period of subsequent service
28 required under item (a) shall be instead a period of 6
29 months.

30 A person who establishes service credit under Section
31 9-121.16 may, at the same time, reinstate credit in this Fund
32 and repay a refund without a return to service,
33 notwithstanding the other provisions of this Section.

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

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

4 (a) While this plan is in effect, an employee may
5 establish additional optional credit for additional optional
6 benefits by electing in writing at any time to make
7 additional optional contributions. The employee may
8 discontinue making the additional optional contributions at
9 any time by notifying the fund in writing.

10 (b) Additional optional contributions for the additional
11 optional benefits shall be as follows:

12 (1) For service after the option is elected, an
13 additional contribution of 3% of salary shall be
14 contributed to the fund on the same basis and under the
15 same conditions as contributions required under Sections
16 9-170 and 9-176.

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

28 (c) Additional optional benefits shall accrue for all
29 periods of eligible service for which additional
30 contributions are paid in full. The additional benefit shall
31 consist of an additional 1% for each year of service for
32 which optional contributions have been paid, based on the
33 highest average annual salary for any 4 consecutive years
34 within the last 10 years of service immediately preceding the

1 date of withdrawal, to be added to the employee retirement
2 annuity benefits as otherwise computed under this Article.
3 The calculation of these additional benefits shall be subject
4 to the same terms and conditions as are used in the
5 calculation of retirement annuity under Section 9-134. The
6 additional benefit shall be included in the calculation of
7 the automatic annual increase in annuity, and in the
8 calculation of widow's annuity, where applicable. However no
9 additional benefits will be granted which produce a total
10 annuity greater than the applicable maximum established for
11 that type of annuity in this Article, and additional benefits
12 shall not apply to any benefit computed under Section
13 9-128.1.

14 (d) Refunds of additional optional contributions shall
15 be made on the same basis and under the same conditions as
16 provided under Sections 9-164, 9-166 and 9-167. Interest
17 shall be credited at the effective rate on the same basis and
18 under the same conditions as for other contributions.

19 (e) Optional contributions shall be accounted for in a
20 separate Optional Contribution Reserve.

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

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

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

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

10 (j) This plan of additional benefits and contributions
 11 shall expire July 1, 2005 ~~2002~~. No additional contributions
 12 may be made after that date, and no additional benefits will
 13 accrue after that date.

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

15 (40 ILCS 5/9-219) (from Ch. 108 1/2, par. 9-219)
 16 Sec. 9-219. Computation of service.

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

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

27 (a) The time during which he performed the duties
 28 of his position.

29 (b) Vacations, leaves of absence with whole or part
 30 pay, and leaves of absence without pay not longer than 90
 31 days.

32 (c) For an employee who is a member of a county
 33 police department or a correctional officer with the

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

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

34 (d) Any period of disability for which he received

1 disability benefit or whole or part pay.

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

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

26 (3) In computing the term of service of an employee on
27 or after the effective date for ordinary disability benefit
28 purposes, the following periods of time shall be counted as
29 periods of service:

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

33 (b) Paid vacations and leaves of absence with whole
34 or part pay.

1 (c) Any period for which he received duty
2 disability benefit.

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

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

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

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

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

31 (40 ILCS 5/11-125.8)

32 Sec. 11-125.8. Service as police officer, firefighter, or
33 teacher.

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

10 (b) Credit shall be granted under subsection (a) only if
11 (1) the employee pays to the Fund prior to his or her
12 separation from service an amount equal to the employee
13 contributions that would have been payable for that service,
14 based on the salary actually received, plus interest at the
15 effective rate, and (2) the employee has terminated any
16 credit for that service earned in any other annuity and
17 benefit fund or pension fund in operation in the city for the
18 benefit of police officers, firefighters, or teachers. The
19 amount transferred to the Fund under item (1) of Section
20 5-233.1, if any, shall be credited against the contributions
21 required under this subsection.

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

23 (40 ILCS 5/11-134) (from Ch. 108 1/2, par. 11-134)
24 Sec. 11-134. Minimum annuities.

25 (a) An employee whose withdrawal occurs after July 1,
26 1957 at age 60 or over, with 20 or more years of service, (as
27 service is defined or computed in Section 11-216), for whom
28 the age and service and prior service annuity combined is
29 less than the amount stated in this Section, shall, from and
30 after the date of withdrawal, in lieu of all annuities
31 otherwise provided in this Article, be entitled to receive an
32 annuity for life of an amount equal to 1 2/3% for each year
33 of service, of the highest average annual salary for any 5

1 consecutive years within the last 10 years of service
2 immediately preceding the date of withdrawal; provided, that
3 in the case of any employee who withdraws on or after July 1,
4 1971, such employee age 60 or over with 20 or more years of
5 service, shall be entitled to instead receive an annuity for
6 life equal to 1.67% for each of the first 10 years of
7 service; 1.90% for each of the next 10 years of service;
8 2.10% for each year of service in excess of 20 but not
9 exceeding 30; and 2.30% for each year of service in excess of
10 30, based on the highest average annual salary for any 4
11 consecutive years within the last 10 years of service
12 immediately preceding the date of withdrawal.

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

22 Any employee born before January 1, 1936 who withdraws
23 with 20 or more years of service, and any employee with 20 or
24 more years of service who withdraws on or after January 1,
25 1988, may elect to receive, in lieu of any other employee
26 annuity provided in this Section, an annuity for life equal
27 to 1.80% for each of the first 10 years of service, 2.00% for
28 each of the next 10 years of service, 2.20% for each year of
29 service in excess of 20, but not exceeding 30, and 2.40% for
30 each year of service in excess of 30, of the highest average
31 annual salary for any 4 consecutive years within the last 10
32 years of service immediately preceding the date of
33 withdrawal, to begin not earlier than upon attained age of 55
34 years, if under such age at withdrawal, reduced 0.25% for

1 each full month or fractional part thereof that his attained
2 age when annuity is to begin is less than 60; except that an
3 employee retiring on or after January 1, 1988, at age 55 or
4 over but less than age 60, having at least 35 years of
5 service, or an employee retiring on or after July 1, 1990, at
6 age 55 or over but less than age 60, having at least 30 years
7 of service, or an employee retiring on or after the effective
8 date of this amendatory Act of 1997, at age 55 or over but
9 less than age 60, having at least 25 years of service, shall
10 not be subject to the reduction in retirement annuity because
11 of retirement below age 60.

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

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

1 of service, shall not be subject to the reduction in
2 retirement annuity because of retirement below age 60.

3 Any employee who withdraws on or after the effective date
4 of this amendatory Act of 1997 with 20 or more years of
5 service may elect to receive, in lieu of any other employee
6 annuity provided in this Section, an annuity for life equal
7 to 2.20%, for each year of service if withdrawal is before 60
8 days after the effective date of this amendatory Act of the
9 92nd General Assembly, or 2.40% for each year of service if
10 withdrawal is 60 days after the effective date of this
11 amendatory Act of the 92nd General Assembly or later, of the
12 highest average annual salary for any 4 consecutive years
13 within the last 10 years of service immediately preceding the
14 date of withdrawal, to begin not earlier than upon attainment
15 of age 55 (age 50 if the employee has at least 30 years of
16 service), reduced 0.25% for each full month or remaining
17 fractional part thereof that the employee's attained age when
18 annuity is to begin is less than 60; except that an employee
19 retiring at age 50 or over with at least 30 years of service
20 or at age 55 or over with at least 25 years of service shall
21 not be subject to the reduction in retirement annuity because
22 of retirement below age 60.

23 The maximum annuity payable under this paragraph (a) of
24 this Section shall not exceed 70% of highest average annual
25 salary in the case of an employee who withdraws prior to July
26 1, 1971, 75% if withdrawal takes place on or after July 1,
27 1971, and prior to 60 days after the effective date of this
28 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 the minimum annuity provided in said paragraphs
32 \$1,500 shall be considered the minimum annual salary for any
33 year; and the maximum annual salary to be considered for the
34 computation of such annuity shall be \$4,800 for any year

1 prior to 1953, \$6,000 for the years 1953 to 1956, inclusive,
2 and the actual annual salary, as salary is defined in this
3 Article, for any year thereafter.

4 (b) For an employee receiving disability benefit, his
5 salary for annuity purposes under this Section shall, for all
6 periods of disability benefit subsequent to the year 1956, be
7 the amount on which his disability benefit was based.

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

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

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

29 Such amount as he could have received had the accumulated
30 amounts for annuity been improved with interest at the
31 effective rate to the date of his withdrawal, or to
32 attainment of age 70, whichever is earlier, and had the city
33 contributed to such earlier date for age and service annuity
34 the amount that would have been contributed had he been under

1 age 65, after the date his annuity was fixed in accordance
2 with this Article, and assuming his annuity were computed
3 from such accumulations as of his age on such earlier date.
4 The annuity so computed shall not exceed the annuity which
5 would be payable under the other provisions of this Section
6 if the employee was credited with 20 years of service and
7 would qualify for annuity thereunder.

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

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

1 amendatory Act of the 92nd General Assembly or later. For the
2 purpose of calculating this annuity, "final average salary"
3 means the highest average annual salary for any 4 consecutive
4 years in the last 10 years of service.

5 (g) Any annuity payable under the preceding subsections
6 of this Section 11-134 shall be paid in equal monthly
7 installments.

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

12 (i) The amendatory provisions of this amendatory Act of
13 1985 relating to the discount of annuity because of
14 retirement prior to attainment of age 60 and increasing the
15 retirement formula for those born before January 1, 1936,
16 shall apply only to qualifying employees withdrawing on or
17 after August 16, 1985.

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

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

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

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

33 (4) any employee annuitant withdrawing after age 60
34 on or after the effective date of this amendatory Act of

1 1998, with at least 10 years of service in this fund.

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

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

7 (40 ILCS 5/11-134.1) (from Ch. 108 1/2, par. 11-134.1)

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

9 (a) An employee who retired or retires from service
10 after December 31, 1963, and before January 1, 1987, having
11 attained age 60 or more, shall, in the month of January of
12 the year following the year in which the first anniversary of
13 retirement occurs, have the amount of his then fixed and
14 payable monthly annuity increased by 1 1/2%, and such first
15 fixed annuity as granted at retirement increased by a further
16 1 1/2% in January of each year thereafter. Beginning with
17 January of the year 1972, such increases shall be at the rate
18 of 2% in lieu of the aforesaid specified 1 1/2%. Beginning
19 January, 1984, such increases shall be at the rate of 3%.
20 Beginning in January of 1999, such increases shall be at the
21 rate of 3% of the currently payable monthly annuity,
22 including any increases previously granted under this
23 Article. An employee who retires on annuity after December
24 31, 1963 and before January 1, 1987, but prior to age 60,
25 shall receive such increases beginning with January of the
26 year immediately following the year in which he attains the
27 age of 60 years.

28 An employee who retires from service on or after January
29 1, 1987 shall, upon the first annuity payment date following
30 the first anniversary of the date of retirement, or upon the
31 first annuity payment date following attainment of age 60,
32 whichever occurs later, have his then fixed and payable
33 monthly annuity increased by 3%, and such annuity shall be

1 increased by an additional 3% of the original fixed annuity
2 on the same date each year thereafter. Beginning in January
3 of 1999, such increases shall be at the rate of 3% of the
4 currently payable monthly annuity, including any increases
5 previously granted under this Article.

6 (a-5) Notwithstanding the provisions of subsection (a),
7 upon the first annuity payment date following (1) the third
8 anniversary of retirement, (2) the attainment of age 53, or
9 (3) the date 60 days after the effective date of this
10 amendatory Act of the 92nd General Assembly, whichever occurs
11 latest, the monthly pension of an employee who retires on
12 annuity prior to the attainment of age 60 who has not
13 received an increase under subsection (a) shall be increased
14 by 3%, and such annuity shall be increased by an additional
15 3% of the current payable monthly annuity, including such
16 increases previously granted under this Article, on the same
17 date each year thereafter. The increases provided under this
18 subsection are in lieu of the increases provided in
19 subsection (a).

20 (b) The foregoing provision is not applicable to an
21 employee retiring and receiving a term annuity, as defined in
22 this Article, nor to any otherwise qualified employee who
23 retires before he shall have made employee contributions (at
24 the 1/2 of 1% rate as hereinafter provided) for the purposes
25 of this additional annuity for not less than the equivalent
26 of one full year. Such employee, however, shall make
27 arrangement to pay to the fund a balance of such 1/2 of 1%
28 contributions, based on his final salary, as will bring such
29 1/2 of 1% contributions, computed without interest, to the
30 equivalent of or completion of one year's contributions.

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

1 Each such additional employee contribution shall be
 2 credited to an account in the prior service annuity reserve,
 3 to be used, together with city contributions, to defray the
 4 cost of the specified annuity increments. Any balance as of
 5 the beginning of each calendar year existing in such account
 6 shall be credited with interest at the rate of 3% per annum.

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

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

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

15 (40 ILCS 5/11-145.1) (from Ch. 108 1/2, par. 11-145.1)

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

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

29 (a) The widow of any employee who dies while in service
 30 on or after the date on which he attains age 60 if the death
 31 occurs before July 1, 1990, or on or after the date on which
 32 he attains age 55 if the death occurs on or after July 1,
 33 1990, with at least 20 years of service, or on or after the

1 date on which he attains age 50 if the death occurs on or
2 after the effective date of this amendatory Act of 1997 with
3 at least 30 years of service, shall be entitled to an annuity
4 equal to one-half of the amount of annuity which her deceased
5 husband would have been entitled to receive had he withdrawn
6 from the service on the day immediately preceding the date of
7 his death, conditional upon such widow having attained age 60
8 on or before such date if the death occurs before July 1,
9 1990, or age 55 if the death occurs on or after July 1, 1990,
10 or age 50 if the death occurs on or after January 1, 1998 and
11 the employee is age 50 or over with at least 30 years of
12 service or age 55 or over with at least 25 years of service.
13 Except as provided in subsection (j), the widow's annuity
14 shall not, however, exceed the sum of \$500 a month if the
15 employee's death in service occurs before January 23, 1987.
16 The widow's annuity shall not be limited to a maximum dollar
17 amount if the employee's death in service occurs on or after
18 January 23, 1987.

19 If the employee dies in service before July 1, 1990, and
20 if such widow of such described employee shall not be 60 or
21 more years of age on such date of death, the amount provided
22 in the immediately preceding paragraph for a widow 60 or more
23 years of age, shall, in the case of such younger widow, be
24 reduced by 0.25% for each month that her then attained age is
25 less than 60 years if the employee was born before January 1,
26 1936, or dies in service on or after January 1, 1988, or 0.5%
27 for each month that her then attained age is less than 60
28 years if the employee was born on or after January 1, 1936
29 and dies in service before January 1, 1988.

30 If the employee dies in service on or after July 1, 1990,
31 and if the widow of the employee has not attained age 55 on
32 or before the employee's date of death, the amount otherwise
33 provided in this subsection (a) shall be reduced by 0.25% for
34 each month that her then attained age is less than 55 years;

1 except that if the employee dies in service on or after
2 January 1, 1998 at age 50 or over with at least 30 years of
3 service or at age 55 or over with at least 25 years of
4 service, there shall be no reduction due to the widow's age
5 if she has attained age 50 on or before the employee's date
6 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 (a) shall be reduced by 0.25% for
9 each month that her then attained age is less than 50 years.

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

1 eligible spouse repays the excess spouse refund with interest
2 at the effective rate from the date of refund to the date of
3 repayment.

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

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

33 (c) The foregoing provisions relating to minimum
34 annuities for widows shall not apply to the widow of any

1 former employee receiving an annuity from the fund on August
2 2, 1965 or on the effective date of this amendatory
3 provision, who re-enters service as a former employee, unless
4 such employee renders at least 3 years of additional service
5 after the date of re-entry.

6 (d) (Blank).

7 (e) (Blank).

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

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

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

23 (2) any widow annuitant alive and receiving a life
24 annuity on the effective date of this amendatory Act of
25 1998, except a reciprocal annuity;

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

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

34 (5) the widow of an employee with at least 10 years

1 of service in this fund who dies after retirement, if
2 withdrawal occurs on or after the effective date of this
3 amendatory Act of 1998;

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

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

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

33 (i) If a deceased employee is receiving a retirement
34 annuity at the time of death and that death occurs on or

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

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

31 (k) In lieu of any other annuity provided in this
32 Article, an eligible spouse of an employee who dies in
33 service at least 60 days after the effective date of this
34 amendatory Act of the 92nd General Assembly with at least 10

1 years of service shall be entitled to an annuity of 50% of
 2 the minimum formula annuity earned and accrued to the credit
 3 of the employee at the date of death. For the purposes of
 4 this subsection, the minimum formula annuity earned and
 5 accrued to the credit of the employee is equal to 2.40% for
 6 each year of service of the highest average annual salary for
 7 any 4 consecutive years within the last 10 years of service
 8 immediately preceding the date of death, up to a maximum of
 9 80% of the highest average annual salary. This annuity shall
 10 not be reduced due to the age of the employee or spouse. In
 11 addition to any other eligibility requirements under this
 12 Article, the spouse is eligible for this annuity only if the
 13 marriage was in effect for 10 full years or more.

14 (Source: P.A. 90-32, eff. 6-27-97; 90-511, eff. 8-22-97;
 15 90-766, eff. 8-14-98.)

16 (40 ILCS 5/11-153) (from Ch. 108 1/2, par. 11-153)
 17 Sec. 11-153. Child's annuity.

18 (a) A "Child's Annuity" shall be payable monthly after
 19 the death of an employee parent to an unmarried child until
 20 the child's attainment of age 18 or marriage, whichever event
 21 shall first occur, under the following conditions, if the
 22 child was born or in esse before the employee attained age
 23 65, and before he withdrew from service:

24 (1) ~~upon--death--resulting--from--injury--incurred--in~~
 25 ~~the--performance--of--an--act--of--duty;~~

26 {2} upon death in service from any cause other than
 27 ~~injury--incurred--in--the--performance--of--duty,~~ if the
 28 ~~employee--has--at--least--4--years--of--service--after--the--date~~
 29 ~~of--his--original--entry--into--service,~~ and at least 2 years
 30 ~~after--the--date--of--his--latest--re--entry;~~

31 {2}{3} upon death of an employee who withdraws from
 32 service after age 55 (or after age 50 with at least 30
 33 years of service if withdrawal is on or after June 27,

1 1997) and who has entered upon or is eligible for
2 annuity.

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

4 (b) After July 24, 1967, an adopted child shall be
5 entitled to the same child's annuity benefits provided for
6 natural children in this Article, if:

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

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

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

12 (40 ILCS 5/11-156) (from Ch. 108 1/2, par. 11-156)

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

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

24 (a) the date disability ceases.

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

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

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

33 (e) the date the payments of the benefit shall exceed in

1 the aggregate, throughout the employee's service, a period
2 equal to 1/4 of the total service rendered prior to the date
3 of disability but in no event more than 5 years. In computing
4 such total the following periods shall be excluded:

5 (i) Any period during which the employee received
6 ordinary disability benefit;

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

19 The first payment shall be made not later than one month
20 after the benefit is granted and each subsequent payment
21 shall be made not later than one month after the last
22 preceding payment.

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

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

34 For ordinary disability benefits paid on or after January

1 1, 2001, the fund shall credit sums equal to the amounts
 2 ordinarily contributed by an employee for annuity purposes
 3 for any period during which the employee receives ordinary
 4 disability, and those sums shall be deemed for annuity
 5 purposes and purposes of Section 11-169 as amounts
 6 contributed by the employee. These amounts credited for
 7 annuity purposes shall not be credited for refund purposes.

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

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

20 (40 ILCS 5/11-160.1) (from Ch. 108 1/2, par. 11-160.1)
 21 Sec. 11-160.1. Group health benefit.

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

32 (b) The city shall offer group health benefits to
 33 annuitants and their eligible dependents through June 30,

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

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

28 (2) For non-Medicare Plan annuitants who retire on
 29 or after January 1, 1988, the annuitant's share of
 30 monthly premium for non-Medicare Plan coverage only shall
 31 be the rate in effect on December 1, 1996, with monthly
 32 premium increases to take effect no sooner than April 1,
 33 1998 at the lower of (i) the premium rate determined
 34 pursuant to subsection (g) or (ii) 10% of the immediately

1 previous month's rate for similar coverage.

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

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

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

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

33 (d) From January 1, 1993 until June 30, 2003 2002, the
34 board shall pay to the city on behalf of each of the board's

1 annuitants who chooses to participate in any of the city's
2 plans the following amounts: up to a maximum of \$75 per month
3 for each such annuitant who is not qualified to receive
4 medicare benefits, and up to a maximum of \$45 per month for
5 each such annuitant who is qualified to receive medicare
6 benefits.

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

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

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

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

1 based upon the determination of the independent actuary,
2 shall set the monthly amounts to be paid by the participating
3 annuitants. The board may deduct the amounts to be paid by
4 its annuitants from the participating annuitants' monthly
5 annuities.

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

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

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

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

25 (40 ILCS 5/11-164) (from Ch. 108 1/2, par. 11-164)

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

28 (1) An employee, without regard to length of service,
29 who withdraws before age 55, and any employee with less than
30 10 years of service who withdraws before age 60, shall be
31 entitled to a refund of the total sum accumulated to his
32 credit as of date of withdrawal for age and service annuity
33 and widow's annuity from amounts contributed by him or by the

1 City in lieu of employee contributions during duty
2 disability; provided that such amounts contributed by the
3 city after December 31, 1983 while the employee is receiving
4 duty disability benefits and amounts credited to the employee
5 for annuity purposes by the fund after December 31, 2000
6 while the employee is receiving ordinary disability benefits
7 shall not be credited for refund purposes.

8 The board may in its discretion withhold payment of
9 refund for a period not to exceed 6 months from the date of
10 withdrawal. Interest at the effective rate shall be paid on
11 any such refund withheld during such withheld period not to
12 exceed 6 months.

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

20 (3) An employee who does not receive a refund shall have
21 all amounts to his credit for annuity purposes on the date of
22 his withdrawal improved by interest only until he becomes age
23 65, while out of service, at the effective rate, for his
24 benefit and the benefit of any person who may have any right
25 to annuity through him if he re-enters the service and
26 attains a right to annuity.

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

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

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

2 Sec. 11-167. Refunds in lieu of annuity. In lieu of an
3 annuity, an employee who withdraws, and whose annuity would
4 amount to less than \$800 a month for life may elect to
5 receive a refund of the total sum accumulated to his credit
6 from employee contributions for annuity purposes.

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

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

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

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

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

2 Sec. 13-301. Retirement annuity; eligibility. Any
3 employee who withdraws from service and meets the age and
4 service requirements and other conditions set forth in
5 subsections (a), (b), (c) or (d) hereof is entitled to
6 receive a retirement annuity.

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

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

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

20 (2) Any employee who withdraws on or after
21 attainment of age 55 (age 50 if the employee first
22 entered service before June 13, the-effective-date-of
23 ~~this-amendatory-Act-of~~ 1997) and prior to age 60 having
24 at least 5 years but less than 10 years of service is
25 entitled to a retirement annuity upon attainment of age
26 62, subject to the other requirements of this Article.

27 (3) Any employee who withdraws from service on or
28 after attainment of age 50 but prior to age 60 and is
29 eligible for early retirement without discount under the
30 Rule of 80 as provided in subsection (c) of Section
31 13-302 is entitled to a retirement annuity at the time of
32 withdrawal.

33 (c) Withdrawal prior to minimum retirement age. Any
34 employee, upon withdrawal from service prior to age 55 (age

1 50 if the employee first entered service before June 13, the
2 ~~effective-date-of-this-amendatory-Act-of~~ 1997) and having at
3 least 10 years of service, shall become entitled to a
4 retirement annuity upon attainment of age 55 (age 50 if the
5 employee first entered service before June 13, the ~~effective~~
6 ~~date-of-this-amendatory-Act-of~~ 1997) or, at the option of the
7 employee, at any time thereafter, subject to the other
8 requirements of this Article.

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

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

31 (40 ILCS 5/13-302) (from Ch. 108 1/2, par. 13-302)
32 Sec. 13-302. Computation of retirement annuity.

33 (a) Computation of annuity. An employee who withdraws

1 from service on or after July 1, 1989 and who has met the age
2 and service requirements and other conditions for eligibility
3 set forth in Section 13-301 of this Article is entitled to
4 receive a retirement annuity for life equal to 2.2% of
5 average final salary for each of the first 20 years of
6 service, and 2.4% of average final salary for each year of
7 service in excess of 20. The retirement annuity shall not
8 exceed 80% of average final salary.

9 (b) Early retirement discount. If an employee retires
10 prior to attainment of age 60 with less than 30 years of
11 service, the annuity computed above shall be reduced by 1/2
12 of 1% for each full month between the date the annuity begins
13 and attainment of age 60, or each full month by which the
14 employee's service is less than 30 years, whichever is less.
15 However, where the employee first enters service after June
16 13, 1997 and does not have at least 10 years of service
17 exclusive of credit under Article 20, the annuity computed
18 above shall be reduced by 1/2 of 1% for each full month
19 between the date the annuity begins and attainment of age 60.

20 (c) Rule of 80 - Early retirement without discount. For
21 an employee who retires on or after January 1, 2003 but on or
22 before December 31, 2007, if the employee is eligible for a
23 retirement annuity under Section 13-301 and has at least 10
24 years of service exclusive of credit under Article 20 and if
25 at the date of withdrawal the employee's age when added to
26 the number of years of his or her creditable service equals
27 at least 80, the early retirement discount in subsection (b)
28 of this Section does not apply. For purposes of this Rule of
29 80, portions of years shall be considered in whole months.

30 An employee who has terminated employment with the
31 employer under this Article prior to the effective date of
32 this amendatory Act of the 92nd General Assembly and
33 subsequently re-enters service must remain in service with
34 the employer under this Article for at least 2 years after

1 re-entry during the period beginning on January 1, 2003 and
2 ending on December 31, 2007 to be entitled to early
3 retirement without discount under this subsection (c).

4 In the case of an employee who retires under the terms of
5 Article 20, eligibility for early retirement without discount
6 under this subsection (c) shall be based upon the employee's
7 age and service credit at the time of withdrawal from the
8 final fund. {Blank}-

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

22 The one-time employee and employer contributions shall be
23 a percentage of the retiring employee's highest full-time
24 annual salary, calculated as the total amount of salary
25 included in the highest 26 consecutive pay periods as used in
26 the average final salary calculation, and based on the
27 employee's age and service at retirement. The employee rate
28 shall be 7% multiplied by the lesser of the following 2
29 numbers: (1) the number of years, or portion thereof, that
30 the employee is less than age 60; or (2) the number of years,
31 or portion thereof, that the employee's service is less than
32 30 years. The employer contribution shall be at the rate of
33 20% for each year, or portion thereof, that the participant
34 is less than age 60.

1 Upon receipt of the application, the Board shall
2 determine the corresponding employee and employer
3 contributions. The annuity shall not be payable under this
4 subsection until both the required contributions have been
5 received by the Fund. However, the date the contributions
6 are received shall not be considered in determining the
7 effective date of retirement.

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

14 An employee who has terminated employment and
15 subsequently re-enters service shall not be entitled to early
16 retirement without discount under this subsection unless the
17 employee continues in service for at least 4 years after
18 re-entry.

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

1 annual increases payable under this subsection (or any
2 predecessor provision, regardless of the date of retirement)
3 shall be calculated at the rate of 3% of the monthly annuity
4 payable at the time of the increase, including any increases
5 previously granted under this Article.

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

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

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

32 Beginning on the first day of the month following the
33 month in which this amendatory Act of the 92nd General
34 Assembly takes effect (and without regard to whether the

1 annuitant was in service on or after that effective date),
 2 the minimum monthly retirement annuity for any annuitant
 3 having at least 10 years of service, other than an annuitant
 4 whose annuity is subject to an early retirement discount,
 5 shall be \$500 plus \$25 for each year of service in excess of
 6 10, not to exceed \$750 for an annuitant with 20 or more years
 7 of service. In the case of a reciprocal annuity, this
 8 minimum shall apply only if the annuitant has at least 10
 9 years of service under this Article, and the amount of the
 10 minimum annuity shall be reduced by the sum of all the
 11 reciprocal annuities payable to the annuitant by other
 12 participating systems under Article 20 of this Code.

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

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

25 (40 ILCS 5/13-304) (from Ch. 108 1/2, par. 13-304)
 26 Sec. 13-304. Optional plan of additional benefits and
 27 contributions made through December 31, 2002.

28 (a) While this plan is in effect, an eligible employee
 29 may establish additional optional credit for additional
 30 benefits by electing in writing at any time to make
 31 additional optional contributions. The employee may
 32 discontinue making the additional optional contributions at
 33 any time by notifying the Fund in writing.

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

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

6 (1) For service after the option is elected, an
7 additional contribution of 3% of salary shall be
8 contributed to the Fund on the same basis and under the
9 same conditions as contributions required under Section
10 13-502.

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

30 (c) Additional optional benefit shall accrue for all
31 periods of eligible service for which additional
32 contributions are paid in full. The additional benefit shall
33 consist of an additional 1% of average final salary for each
34 year of service for which optional contributions have been

1 paid, to be added to the employee's retirement annuity as
2 otherwise computed under this Article. The calculation of
3 these additional benefits shall be subject to the same terms
4 and conditions as are used in the calculation of the
5 retirement annuity under this Article. The additional
6 benefit shall be included in the calculation of the automatic
7 annual increase in annuity under Section 13-302(d), and in
8 the calculation of surviving spouse's annuity where
9 applicable. However, no additional benefits will be granted
10 which produce a total annuity greater than the applicable
11 maximum established for that type of annuity in this Article.
12 The total additional optional benefit that may be received
13 under this Section is 15% of average final salary.

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

17 (e) Optional contributions shall be accounted for in a
18 separate Optional Contribution Reserve.

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

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

32 (h) This plan of optional benefits and contributions
33 shall not apply to service prior to withdrawal rendered by
34 any former employee who re-enters service unless such

1 employee renders not less than 36 consecutive months of
2 additional service after the date of re-entry.

3 (i) The effective date of this optional plan of
4 additional benefits and contributions shall be the date upon
5 which approval was received from the Internal Revenue
6 Service, July 31, 1987.

7 (j) This plan of additional benefits and contributions
8 shall expire December 31, 2002. No additional contributions
9 may be made after that date, and no additional benefits will
10 accrue after that date.

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

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

19 (40 ILCS 5/13-304.1 new)

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

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

1 (b) For service before an irrevocable option is elected,
2 but within the same calendar year, an additional contribution
3 may be made of 4% of the salary for the applicable period of
4 service, plus interest from the date of service to the date
5 of contribution at a rate equal to the higher of 8% per annum
6 or the actuarial investment return assumption used in the
7 Fund's most recent annual actuarial statement. All payments
8 for past service must be paid within the calendar year in
9 which the service was earned; except that a person who has
10 withdrawn from service and is eligible for a retirement
11 annuity under Section 13-301 may pay the additional
12 contribution for past service within the calendar year of
13 withdrawal within the 30 days after withdrawal from service,
14 as long as payment is made in full before the retirement
15 annuity commences and before December 31, 2007. Nothing in
16 this Section may be construed to allow an additional optional
17 contribution to be made on the account of a deceased
18 employee.

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

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

31 The additional benefit shall consist of an additional 1%
32 of average final salary for each year of service for which
33 optional contributions have been paid, to be added to the
34 employee's retirement annuity as otherwise computed under

1 this Article. The calculation of these additional benefits
2 shall be subject to the same terms and conditions as are used
3 in the calculation of the retirement annuity under this
4 Article. The additional benefit shall be included in the
5 calculation of the automatic annual increase in annuity under
6 Section 13-302(d) and in the calculation of surviving
7 spouse's annuity, where applicable. However, no additional
8 benefit may be granted which produces a total annuity greater
9 than the applicable maximum established for that type of
10 annuity in this Article.

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

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

20 (f) The tax levy computed under Section 13-503 shall be
21 based on employee contributions and the amount of optional
22 additional employee contributions, as provided in that
23 Section.

24 (g) The service eligible for optional additional
25 contributions under this Section is limited to service as an
26 employee as defined in Section 13-204, and subject to
27 Sections 13-401 and 13-402, but excluding service credited
28 under subsections 13-401(a)4 and 13-401(d). Service granted
29 under Section 13-801 or 13-802 is not eligible for optional
30 additional contributions. Eligible service is further
31 limited to service rendered during or after the calendar year
32 in which the employee reaches 10 years of service as defined
33 under Section 13-402, exclusive of any credit under Article
34 20.

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

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

25 (i) This plan of additional benefits and contributions
26 expires on December 31, 2007. No additional contributions
27 may be made after that date, and no additional benefits will
28 accrue after that date.

29 (40 ILCS 5/13-502) (from Ch. 108 1/2, par. 13-502)
30 Sec. 13-502. Employee contributions; deductions from
31 salary.

32 (a) Retirement annuity and child's annuity. There shall
33 be deducted from each payment of salary an amount equal to

1 7 1/2% of salary as the employee's contribution for the
2 retirement annuity, including annual increases therefore and
3 child's annuity.

4 (b) Surviving spouse's annuity. There shall be deducted
5 from each payment of salary an amount equal to 1 1/2% of
6 salary as the employee's contribution for the surviving
7 spouse's annuity and annual increases therefor.

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

25 (d) Subject to the requirements of federal law, the
26 Employer shall pick up optional contributions that the
27 employee has elected to pay to the Fund under Section
28 13-304.1, and the contributions so picked up shall be treated
29 as employer contributions for the purposes of determining
30 federal tax treatment. The Employer shall pick up the
31 contributions by a reduction in the cash salary of the
32 employee and shall pay the contributions from the same fund
33 that is used to pay earnings to the employee. The Employer
34 shall, however, continue to withhold federal and State income

1 taxes based upon contributions made under Section 13-304.1
2 until the Internal Revenue Service or the federal courts rule
3 that pursuant to Section 414(h) of the U.S. Internal Revenue
4 Code of 1986, as amended, these contributions shall not be
5 included as gross income of the employee until such time as
6 they are distributed or made available.

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

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

10 (40 ILCS 5/13-503) (from Ch. 108 1/2, par. 13-503)

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

27 The tax shall be exclusive of and in addition to the
28 amount of tax the District is now or may hereafter be
29 authorized to levy for general purposes under the
30 Metropolitan Water Reclamation District Act or under any
31 other laws which may limit the amount of tax for general
32 purposes. The county clerk of any county, in reducing tax
33 levies as may be authorized by law, shall not consider any

1 such tax as a part of the general tax levy for District
2 purposes, and shall not include the same in any limitation of
3 the percent of the assessed valuation upon which taxes are
4 required to be extended.

5 Revenues derived from the tax shall be paid to the Fund
6 for the benefit of the Fund.

7 If the funds available for the purposes of this Article
8 are insufficient during any year to meet the requirements of
9 this Article, the District may issue tax anticipation
10 warrants or notes, as provided by law, against the current
11 tax levy.

12 The Board shall submit annually to the Board of
13 Commissioners of the District an estimate of the amount
14 required to be raised by taxation for the purposes of the
15 Fund. The Board of Commissioners shall review the estimate
16 and determine the tax to be levied for such purposes.

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

18 (40 ILCS 5/14-105.7)

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

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

- 31 (1) the amounts accumulated to the credit of the
32 applicant for that service, including regular interest,
33 on the books of the System on the date of transfer; plus

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

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

5 (b) Any person transferring credit under this Section
6 may reinstate credits and creditable service terminated upon
7 receipt of a refund, by paying to the System, before July 1,
8 2003 ~~1998~~, the amount of the refund plus regular interest
9 from the date of refund to the date of payment.

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

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

16 (40 ILCS 5/15-112) (from Ch. 108 1/2, par. 15-112)
17 Sec. 15-112. Final rate of earnings. "Final rate of
18 earnings": For an employee who is paid on an hourly basis or
19 who receives an annual salary in installments during 12
20 months of each academic year, the average annual earnings
21 during the 48 consecutive calendar month period ending with
22 the last day of final termination of employment or the 4
23 consecutive academic years of service in which the employee's
24 earnings were the highest, whichever is greater. For any
25 other employee, the average annual earnings during the 4
26 consecutive academic years of service in which his or her
27 earnings were the highest. For an employee with less than 48
28 months or 4 consecutive academic years of service, the
29 average earnings during his or her entire period of service.
30 The earnings of an employee with more than 36 months of
31 service prior to the date of becoming a participant are, for
32 such period, considered equal to the average earnings during
33 the last 36 months of such service. For an employee on leave

1 of absence with pay, or on leave of absence without pay who
2 makes contributions during such leave, earnings are assumed
3 to be equal to the basic compensation on the date the leave
4 began. For an employee on disability leave, earnings are
5 assumed to be equal to the basic compensation on the date
6 disability occurs or the average earnings during the 24
7 months immediately preceding the month in which disability
8 occurs, whichever is greater.

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

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

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

1 employment.

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

20 Intermittent periods of service shall be considered as
 21 consecutive in determining final rate of earnings.

22 (Source: P.A. 90-65, eff. 7-7-97; 90-511, eff. 8-22-97;
 23 91-887, eff. 7-6-00.)

24 (40 ILCS 5/17-106) (from Ch. 108 1/2, par. 17-106)

25 Sec. 17-106. Contributor, member or teacher.
 26 "Contributor", "member" or "teacher": All members of the
 27 teaching force of the city, including principals, assistant
 28 principals, the general superintendent of schools, deputy
 29 superintendents of schools, associate superintendents of
 30 schools, assistant and district superintendents of schools,
 31 members of the Board of Examiners, all other persons whose
 32 employment requires a teaching certificate issued under the
 33 laws governing the certification of teachers, any

1 educational, administrative, professional, or other staff
 2 employed in a charter school operating in compliance with the
 3 Charter Schools Law who is certified under the law governing
 4 the certification of teachers, and employees of the Board,
 5 but excluding persons contributing concurrently to any other
 6 public employee pension system in Illinois for the same
 7 employment or receiving retirement pensions under another
 8 Article of this Code for that same employment, persons
 9 employed on an hourly basis, and persons receiving pensions
 10 from the Fund who are employed temporarily by an Employer for
 11 ~~150-days-or-less-in-any-school-year~~ and not on an annual
 12 basis.

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

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

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

27 (40 ILCS 5/17-119.1)

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

29 (a) A member of the Fund may qualify for the augmented
 30 rate under subdivision (b)(3) of Section 17-116 for all years
 31 of creditable service earned before July 1, 1998 by making
 32 the optional contribution specified in subsection (b); except
 33 that a member who retires on or after July 1, 1998 with at

1 least 30 years of creditable service at retirement qualifies
2 for the augmented rate without making any contribution under
3 subsection (b). Any member who retires on or after July 1,
4 1998 and before the effective date of this amendatory Act of
5 the 92nd General Assembly with at least 30 years of
6 creditable service shall be paid a lump sum equal to the
7 amount he or she would have received under the augmented rate
8 minus the amount he or she actually received. A member may
9 not elect to qualify for the augmented rate for only a
10 portion of his or her creditable service earned before July
11 1, 1998.

12 (b) The contribution shall be an amount equal to 1.0% of
13 the member's highest salary rate in the 4 consecutive school
14 years immediately prior to but not including the school year
15 in which the application occurs, multiplied by the number of
16 years of creditable service earned by the member before July
17 1, 1998 or 20, whichever is less. This contribution shall be
18 reduced by 1.0% of that salary rate for every 3 full years of
19 creditable service earned by the member after June 30, 1998.
20 The contribution shall be further reduced at the rate of 25%
21 of the contribution (as reduced for service after June 30,
22 1998) for each year of the member's total creditable service
23 in excess of 34 years. The contribution shall not in any
24 event exceed 20% of that salary rate.

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

33 The contribution required by this subsection shall be
34 paid in one of the following ways or in a combination of the

1 following ways that does not extend over more than 5 years:

2 (i) in a lump sum on or before the date of
3 retirement;

4 (ii) in substantially equal installments over a
5 period of time not to exceed 5 years, as a deduction from
6 salary in accordance with Section 17-130.2;

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

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

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

30 (e) The contributions required under this Section are
31 the responsibility of the teacher and not the teacher's
32 employer. However, an employer of teachers may say, after
33 the effective date of this amendatory Act of 1998,
34 specifically agree, through collective bargaining or

1 otherwise, to make the contributions required by this Section
2 on behalf of those teachers.

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

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

8 (a) A surviving spouse of a teacher shall be entitled to
9 a survivor's pension only if the surviving spouse he was
10 married to the teacher contributor for at least one year
11 1-1/2-years immediately prior to the teacher's his death or
12 retirement,--whichever--first--occurs,--and--also--on--the--date--of
13 the--last--termination--of--his--service.

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

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

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

31 A surviving spouse whose survivor's pension (or
32 expectation of a survivor's pension upon attainment of age
33 50) was terminated before January 1, 2003 due to remarriage

1 and who applies for reinstatement of that pension and repays
2 the amount of any refund of contributions for survivor's
3 pension with interest in accordance with subsection (f) shall
4 be entitled to have the survivor's pension (or expectation of
5 a survivor's pension upon attainment of age 50) reinstated.
6 The reinstated pension shall begin to accrue on the first day
7 of the month following the month in which the application and
8 repayment, if any, are received by the Fund, but in no event
9 sooner than January 1, 2003 and, if subsection (b) applies,
10 no sooner than upon attainment of age 50. The reinstated
11 pension shall include any one-time or annual increases in the
12 survivor's pension received prior to the date of termination,
13 but not any increases that would otherwise have accrued from
14 the date of termination to the date of reinstatement.

15 This subsection (c) applies notwithstanding Section
16 17-157 and without regard to whether the deceased teacher was
17 in service on or after the effective date of this amendatory
18 Act of the 92nd General Assembly.

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

26 A surviving spouse whose pension was terminated on or
27 after September 1, 1983 due to remarriage after attainment of
28 age 55, and who applies for reinstatement of that pension
29 before January 1, 1990, shall be entitled to have the pension
30 reinstated effective January 1, 1990.

31 (e) A surviving spouse of a member or annuitant under
32 this Fund who is also a dependent beneficiary under the
33 provisions of Section 16-140 is eligible for a reciprocal
34 survivor's pension, provided that any refund of survivor's

1 pension contributions is repaid to the Fund and application
2 is made within 30 days after the effective date of this
3 amendatory Act of the 92nd General Assembly.

4 (f) If a refund of contributions for survivor's pension
5 has been paid, a person choosing to establish or reestablish
6 the right to receive a survivor's pension pursuant to the
7 changes made to this Section by this amendatory Act of the
8 92nd General Assembly must first repay to the Fund the amount
9 of the refund of contributions for survivor's pension,
10 together with interest thereon at the rate of 5% per year,
11 compounded annually, from the date of the refund to the date
12 of repayment.

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

14 (40 ILCS 5/17-134) (from Ch. 108 1/2, par. 17-134)

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

33 (1) For time spent on or after September 6, 1948 on

1 sabbatical leaves of absence or sick leaves, for which
 2 salaries are paid, an Employer shall make payroll
 3 deductions at the applicable rates in effect during such
 4 periods.

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

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

28 (4) For service with teacher or labor organizations
 29 authorized by special leaves of absence, for which no
 30 payroll deductions are made by an Employer, teachers
 31 desiring service credit therefor shall contribute to the
 32 Fund upon the basis of the actual salary received from
 33 such organizations at the percentage rates in effect
 34 during such periods for certified positions with such

1 Employer. To the extent the actual salary exceeds the
2 regular salary, which shall be defined as the salary
3 rate, as calculated by the Board, in effect for the
4 teacher's regular position in teaching service on
5 September 1, 1983 or on the effective date of the leave
6 with the organization, whichever is later, the
7 organization shall pay to the Fund the employer's normal
8 cost as set by the Board on the increment.

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

26 The changes to this Section made by Public Act
27 87-795 shall apply not only to persons who on or after
28 its effective date are in service under the Fund, but
29 also to persons whose status as a teacher terminated
30 prior to that date, whether or not the person is an
31 annuitant on that date. In the case of an annuitant who
32 applies for credit allowable under this Section for a
33 period of military service that did not immediately
34 follow employment, and who has made the required

1 contributions for such credit, the annuity shall be
2 recalculated to include the additional service credit,
3 with the increase taking effect on the date the Fund
4 received written notification of the annuitant's intent
5 to purchase the credit, if payment of all the required
6 contributions is made within 60 days of such notice, or
7 else on the first annuity payment date following the date
8 of payment of the required contributions. In calculating
9 the automatic annual increase for an annuity that has
10 been recalculated under this Section, the increase
11 attributable to the additional service allowable under
12 this amendatory Act of 1991 shall be included in the
13 calculation of automatic annual increases accruing after
14 the effective date of the recalculation.

15 The total credit for military service shall not
16 exceed 5 years, except that any teacher who on July 1,
17 1963, had validated credit for more than 5 years of
18 military service shall be entitled to the total amount of
19 such credit.

20 (6) A maximum of 244 unused sick days credited to
21 his account by an Employer on the date of termination of
22 employment. Members, upon verification of unused sick
23 days, may add this service time to total creditable
24 service.

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

29 (8) For time lost without pay due to layoff and
30 curtailment of the school term from June 6 through June
31 21, 1976, as provided in item (e) of the first paragraph
32 of this Section, persons who were contributors on the
33 days immediately preceding such layoff shall receive
34 credit upon paying to the Fund a contribution based on

1 the rates of compensation and employee contributions in
 2 effect at the time of such layoff, together with an
 3 additional amount equal to 12.2% of the compensation
 4 computed for such period of layoff, plus interest on the
 5 entire amount at 5% per annum from January 1, 1978 to the
 6 date of payment. If such contribution is paid, salary
 7 for pension purposes for any year in which such a layoff
 8 occurred shall include the compensation recognized for
 9 purposes of computing that contribution.

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

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

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

24 (40 ILCS 5/17-149) (from Ch. 108 1/2, par. 17-149)

25 Sec. 17-149. Cancellation of pensions.

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

32 (b) If any person receiving a service retirement pension
 33 from the Fund is re-employed as a teacher on a permanent or

1 annual basis by an Employer, the pension shall be cancelled
 2 on the date the re-employment begins, or on the first day of
 3 a payroll period for which service credit was validated,
 4 whichever is earlier. However, the pension shall not be
 5 cancelled in the case of a service retirement pensioner who
 6 is temporarily re-employed on a temporary and non-annual
 7 basis for not more than 150 days during any school year or on
 8 an hourly basis, ~~7--provided--the pensioner does not receive~~
 9 ~~salary in any school year of an amount more than that payable~~
 10 ~~to a substitute teacher for 150 days' employment.--A--service~~
 11 ~~retirement--pensioner--who is temporarily re-employed for not~~
 12 ~~more than 150 days during any school year--or--on--an--hourly~~
 13 ~~basis--shall be entitled, at the end of the school year, to a~~
 14 ~~refund of any contributions made to the Fund during that~~
 15 ~~school year.~~

16 ~~If--the pensioner does receive salary from an Employer in~~
 17 ~~any school year for more than 150 days' employment, the~~
 18 ~~pensioner--shall be deemed to have returned to service on the~~
 19 ~~first day of employment--as--a--pensioner substitute.----The~~
 20 ~~pensioner--shall--reimburse--the--Fund--for--pension payments~~
 21 ~~received after the return to service and--shall--pay--to--the~~
 22 ~~Fund--the--participant's--contributions prescribed in Section~~
 23 ~~17-130 of this Article.~~

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

33 When the member again retires on pension, the time of
 34 service and the money contributed by him during re-employment

1 shall be added to the time and money previously credited.
 2 Such person must acquire 3 consecutive years of additional
 3 contributing service before he may retire again on a pension
 4 at a rate and under conditions other than those in force or
 5 attained at the time of his previous retirement.

6 (d) Notwithstanding Sections 1-103.1 and 17-157, the
 7 changes to this Section made by Public this-amendatory Act
 8 90-32 ~~ef--1997--shall~~ apply without regard to whether
 9 termination of service occurred before the effective date of
 10 ~~that this-amendatory Act~~ and shall apply retroactively to
 11 August 23, 1989.

12 Notwithstanding Sections 1-103.1 and 17-157, the changes
 13 to this Section and Section 17-106 made by this amendatory
 14 Act of the 92nd General Assembly apply without regard to
 15 whether termination of service occurred before the effective
 16 date of this amendatory Act.

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

18 Section 90. The State Mandates Act is amended by adding
 19 Section 8.26 as follows:

20 (30 ILCS 805/8.26 new)

21 Sec. 8.26. Exempt mandate. Notwithstanding Sections 6
 22 and 8 of this Act, no reimbursement by the State is required
 23 for the implementation of any mandate created by this
 24 amendatory Act of the 92nd General Assembly.

25 Section 99. Effective date. This Act takes effect upon
 26 becoming law."