

1 AN ACT in relation to public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by
5 changing Sections 16-106, 16-118, 16-129.1, 17-106, 17-116.3,
6 17-116.4, 17-119.1, 17-121, and 17-149 as follows:

7 (40 ILCS 5/16-106) (from Ch. 108 1/2, par. 16-106)

8 Sec. 16-106. Teacher. "Teacher": The following
9 individuals, provided that, for employment prior to July 1,
10 1990, they are employed on a full-time basis, or if not
11 full-time, on a permanent and continuous basis in a position
12 in which services are expected to be rendered for at least
13 one school term:

14 (1) Any educational, administrative, professional
15 or other staff employed in the public common schools
16 included within this system in a position requiring
17 certification under the law governing the certification
18 of teachers;

19 (2) Any educational, administrative, professional
20 or other staff employed in any facility of the Department
21 of Children and Family Services or the Department of
22 Human Services, in a position requiring certification
23 under the law governing the certification of teachers,
24 and any person who (i) works in such a position for the
25 Department of Corrections, (ii) was a member of this
26 System on May 31, 1987, and (iii) did not elect to become
27 a member of the State Employees' Retirement System
28 pursuant to Section 14-108.2 of this Code;

29 (3) Any regional superintendent of schools,
30 assistant regional superintendent of schools, State
31 Superintendent of Education; any person employed by the

1 State Board of Education as an executive; any executive
 2 of the boards engaged in the service of public common
 3 school education in school districts covered under this
 4 system of which the State Superintendent of Education is
 5 an ex-officio member;

6 (4) Any employee of a school board association
 7 operating in compliance with Article 23 of the School
 8 Code who is certificated under the law governing the
 9 certification of teachers;

10 (5) Any person employed by the retirement system
 11 who:

12 (i) was an employee of and a participant in
 13 the system on the effective date of this amendatory
 14 Act of the 92nd General Assembly, or

15 (ii) becomes an employee of the system on or
 16 after the effective date of this amendatory Act of
 17 the 92nd General Assembly; as-an-executive,-and-any
 18 person-employed-by--the--retirement--system--who--is
 19 certificated----under----the---law---governing---the
 20 certification-of-teachers;

21 (6) Any educational, administrative, professional
 22 or other staff employed by and under the supervision and
 23 control of a regional superintendent of schools, provided
 24 such employment position requires the person to be
 25 certificated under the law governing the certification of
 26 teachers and is in an educational program serving 2 or
 27 more districts in accordance with a joint agreement
 28 authorized by the School Code or by federal legislation;

29 (7) Any educational, administrative, professional
 30 or other staff employed in an educational program
 31 serving 2 or more school districts in accordance with a
 32 joint agreement authorized by the School Code or by
 33 federal legislation and in a position requiring
 34 certification under the laws governing the certification

1 of teachers;

2 (8) Any officer or employee of a statewide teacher
3 organization or officer of a national teacher
4 organization who is certified under the law governing
5 certification of teachers, provided: (i) the individual
6 had previously established creditable service under this
7 Article, (ii) the individual files with the system an
8 irrevocable election to become a member, and (iii) the
9 individual does not receive credit for such service under
10 any other Article of this Code;

11 (9) Any educational, administrative, professional,
12 or other staff employed in a charter school operating in
13 compliance with the Charter Schools Law who is
14 certificated under the law governing the certification of
15 teachers.

16 An annuitant receiving a retirement annuity under this
17 Article or under Article 17 of this Code who is temporarily
18 employed by a board of education or other employer not
19 exceeding that permitted under Section 16-118 is not a
20 "teacher" for purposes of this Article. A person who has
21 received a single-sum retirement benefit under Section
22 16-136.4 of this Article is not a "teacher" for purposes of
23 this Article.

24 (Source: P.A. 89-450, eff. 4-10-96; 89-507, eff. 7-1-97;
25 90-14, eff. 7-1-97; 90-448, eff. 8-16-97.)

26 (40 ILCS 5/16-118) (from Ch. 108 1/2, par. 16-118)

27 Sec. 16-118. Retirement. "Retirement": Entry upon a
28 retirement annuity or receipt of a single-sum retirement
29 benefit granted under this Article after termination of
30 active service as a teacher.

31 An annuitant receiving a retirement annuity other than a
32 disability retirement annuity may accept employment as a
33 teacher from a school board or other employer specified in

1 Section 16-106 without impairing retirement status if that
2 employment: (1) is not within the school year during which
3 service was terminated; and (2) does not exceed 100 paid days
4 or 500 paid hours in any school year (during the period
5 beginning July 1, 2001 through June 30, 2006, 120 paid days
6 or 600 paid hours in each school year). Where such permitted
7 employment is partly on a daily and partly on an hourly
8 basis, a day shall be considered as 5 hours.
9 (Source: P.A. 86-273; 87-11; 87-794; 87-895.)

10 (40 ILCS 5/16-129.1)

11 Sec. 16-129.1. Optional increase in retirement annuity.

12 (a) A member of the System may qualify for the augmented
13 rate under subdivision (a)(B)(1) of Section 16-133 for all
14 years of creditable service earned before July 1, 1998 by
15 making the optional contribution specified in subsection (b).
16 A member may not elect to qualify for the augmented rate for
17 only a portion of his or her creditable service earned before
18 July 1, 1998.

19 (b) The contribution shall be an amount equal to 1.0% of
20 the member's highest salary rate in the 4 consecutive school
21 years immediately prior to but not including the school year
22 in which the application occurs, multiplied by the number of
23 years of creditable service earned by the member before July
24 1, 1998 or 20, whichever is less. This contribution shall be
25 reduced by 1.0% of that salary rate for every 3 full years of
26 creditable service earned by the member after June 30, 1998.
27 The contribution shall be further reduced at the rate of 25%
28 of the contribution (as reduced for service after June 30,
29 1998) for each year of the member's total creditable service
30 in excess of 34 years. The contribution shall not in any
31 event exceed 20% of that salary rate.

32 The member shall pay to the System the amount of the
33 contribution as calculated at the time of application under

1 this Section. The amount of the contribution determined
2 under this subsection shall be recalculated at the time of
3 retirement, and if the System determines that the amount paid
4 by the member exceeds the recalculated amount, the System
5 shall refund the difference to the member with regular
6 interest from the date of payment to the date of refund.

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

10 (i) in a lump sum on or before the date of
11 retirement;

12 (ii) in substantially equal installments over a
13 period of time not to exceed 5 years, as a deduction from
14 salary in accordance with subsection (b) of Section
15 16-154;

16 (iii) if the member becomes an annuitant before
17 June 30, 2003, in substantially equal monthly
18 installments over a 24-month period, by reducing the
19 annuitant's monthly benefit over a 24-month period by the
20 amount of the otherwise applicable contribution. For
21 federal and Illinois tax purposes, the monthly amount by
22 which the annuitant's benefit is reduced shall not be
23 treated as a contribution by the annuitant, but rather as
24 a reduction of the annuitant's monthly benefit.

25 (c) If the member fails to make the full contribution
26 under this Section in a timely fashion, the payments made
27 under this Section shall be refunded to the member, without
28 interest. If the member dies before making the full
29 contribution, the payments made under this Section, together
30 with regular interest thereon, shall be refunded to the
31 member's designated beneficiary for benefits under Section
32 16-138.

33 (d) For purposes of this Section and subdivision
34 (a)(B)(1) of Section 16-133, optional creditable service

1 established by a member shall be deemed to have been earned
2 at the time of the employment or other qualifying event upon
3 which the service is based, rather than at the time the
4 credit was established in this System.

5 (e) The contributions required under this Section are
6 the responsibility of the teacher and not the teacher's
7 employer. However, an employer of teachers may, after the
8 effective date of this amendatory Act of 1998, specifically
9 agree, through collective bargaining or otherwise, to make
10 the contributions required by this Section on behalf of those
11 teachers.

12 (f) A person who, on or after July 1, 1998 and before
13 June 4, 1999, began receiving a retirement annuity calculated
14 at the augmented rate may apply in writing to have the
15 annuity recalculated to reflect the changes to this Section
16 and Section 16-133 that were enacted in Public Act 91-17.
17 The amount of any resulting decrease in the optional
18 contribution shall be refunded to the annuitant, without
19 interest. Any resulting increase in retirement annuity shall
20 take effect on the next annuity payment date following the
21 date of application under this subsection.

22 (Source: P.A. 90-582, eff. 5-27-98; 91-17, eff. 6-4-99.)

23 (40 ILCS 5/17-106) (from Ch. 108 1/2, par. 17-106)

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

1 employed in a charter school operating in compliance with the
2 Charter Schools Law who is certified under the law governing
3 the certification of teachers, and employees of the Board,
4 but excluding persons contributing concurrently to any other
5 public employee pension system in Illinois for the same
6 employment or receiving retirement pensions under another
7 Article of this Code for that same employment, persons
8 employed on an hourly basis, and persons receiving pensions
9 from the Fund who are employed temporarily by an Employer for
10 150 ~~100~~ days or less in any school year and not on an annual
11 basis.

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

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

25 (Source: P.A. 90-32, eff. 6-27-97; 90-566, eff. 1-2-98;
26 91-887, eff. 7-6-00.)

27 (40 ILCS 5/17-116.3)

28 Sec. 17-116.3. Early retirement incentives.

29 (a) A teacher who is covered by a collective bargaining
30 agreement shall not be eligible for the early retirement
31 incentives provided under this Section unless the collective
32 bargaining agent and the Board of Education have entered into
33 an agreement under which the agent agrees that any payment

1 for accumulated unused sick days to which the employee is
2 entitled upon withdrawal from service may be paid by the
3 Board of Education in installments over a period of up to 5
4 years, and a copy of this agreement has been filed with the
5 Board of the Fund.

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

8 (1) be a member of this Fund who, on or after May
9 1, 1993, is (i) in active payroll status as a teacher, or
10 (ii) on layoff status from such a position with a right
11 of re-employment or recall to service, or (iii) on leave
12 of absence from such a position, but only if the member
13 on leave has not been receiving a disability benefit
14 under this Article for a continuous period of 2 years or
15 more as of the date of application;

16 (2) have not previously received a retirement
17 pension under this Article;

18 (3) file with the Board and the Board of Education,
19 before August 15, 1993, a written application requesting
20 the benefits provided in this Section and a notice of
21 resignation from employment, which resignation must take
22 effect before September 1, 1993 unless the applicant's
23 retirement is delayed under subsection (e), (f), or (f-5)
24 of this Section;

25 (4) be eligible to receive a retirement pension
26 under this Article (for which purpose any age enhancement
27 or creditable service received under this Section may be
28 used) and elect to receive the retirement pension
29 beginning no earlier than June 1, 1993 and no later than
30 September 1, 1993 or the date established under
31 subsection (e), (f), or (f-5) of this Section, if
32 applicable;

33 (5) have attained age 50 (without the use of any
34 age enhancement or creditable service received under this

1 Section) by the effective date of the retirement pension;
2 (6) have at least 5 years of creditable service
3 under this Fund or any of the participating systems under
4 the Retirement Systems Reciprocal Act (without the use of
5 any creditable service received under this Section) by
6 the effective date of the retirement pension.

7 (b) An eligible person may establish up to 5 years of
8 creditable service under this Section. In addition, for each
9 period of creditable service established under this Section,
10 a person's age at retirement shall be deemed to be increased
11 by an equal period.

12 The creditable service established under this Section may
13 be used for all purposes under this Article and the
14 Retirement Systems Reciprocal Act, except for the purposes of
15 Section 17-116.1, and the determination of average salary or
16 compensation under this or any other Article of this Code.

17 The age enhancement established under this Section may be
18 used for all purposes under this Article (including
19 calculation of a proportionate pension payable by this Fund
20 under the Retirement Systems Reciprocal Act), except for
21 purposes of the reversionary pension under Section 17-120,
22 and distributions required by federal law on account of age.
23 However, age enhancement established under this Section shall
24 not be used in determining benefits payable under other
25 Articles of this Code under the Retirement Systems Reciprocal
26 Act.

27 (c) For all creditable service established under this
28 Section, the employer must pay to the Fund an employer
29 contribution consisting of 12% of the member's highest annual
30 full-time rate of compensation for each year of creditable
31 service granted under this Section.

32 The employer contribution shall be paid to the Fund in
33 one of the following ways: (i) in a single sum at the time
34 of the member's retirement, (ii) in equal quarterly

1 installments over a period of 5 years from the date of
2 retirement, or (iii) subject to the approval of the Board of
3 the Fund, in unequal installments over a period of no more
4 than 5 years from the date of retirement, as provided in a
5 payment plan designed by the Fund to accommodate the needs of
6 the employer. The employer's failure to make the required
7 contributions in a timely manner shall not affect the payment
8 of the retirement pension.

9 For all creditable service established under this
10 Section, the employee must pay to the Fund an employee
11 contribution consisting of 4% of the member's highest annual
12 salary rate used in the determination of the retirement
13 pension for each year of creditable service granted under
14 this Section. The employee contribution shall be deducted
15 from the retirement annuity in 24 monthly installments.

16 (d) An annuitant who has received any age enhancement or
17 creditable service under this Section and whose pension is
18 suspended or cancelled under Section 17-149 or 17-150 shall
19 thereby forfeit the age enhancement and creditable service.
20 The forfeiture of creditable service under this subsection
21 shall not entitle the employer to a refund of the employer
22 contribution paid under this Section, nor to forgiveness of
23 any part of that contribution that remains unpaid. The
24 forfeiture of creditable service under this subsection shall
25 not entitle the employee to a refund of the employee
26 contribution paid under this Section.

27 (e) If the number of employees of an employer that apply
28 for early retirement under this Section exceeds 30% of those
29 eligible, the employer may require that, for any or all of
30 the number of applicants in excess of that 30%, the starting
31 date of the retirement pension enhanced under this Section be
32 no earlier than June 1, 1994 and no later than September 1,
33 1994. The right to have the retirement pension begin before
34 June 1, 1994 shall be allocated among the applicants on the

1 basis of seniority in the service of that employer.

2 This delay applies only to persons who are applying for
3 early retirement incentives under this Section, and does not
4 prevent a person whose application for early retirement
5 incentives has been withdrawn from beginning to receive a
6 retirement pension on the earliest date upon which the person
7 is otherwise eligible under this Article.

8 (f) For a member who is notified after July 30, 1993,
9 but before November 29, 1993, that he or she will become a
10 supernumerary or reserve teacher in the 1993-1994 school
11 year: (1) the August 15, 1993 application deadline in
12 subdivision (a)(3) of this Section is extended to December
13 14, 1993, (2) the September 1, 1993 deadline in subdivision
14 (a)(4) of this Section is extended to December 14, 1993, and
15 (3) the member shall not be included in the calculation of
16 the 30% under subsection (e) and is not subject to delay in
17 retirement under that subsection.

18 (f-5) For a member who is notified after January 1,
19 1994, but before March 1, 1994, that he or she will become a
20 reserve teacher in the 1993-1994 school year: (1) the August
21 15, 1993 application deadline in subdivision (a)(3) of this
22 Section is extended to April 1, 1994; (2) the September 1,
23 1993 deadline in subdivision (a)(4) of this Section is
24 extended to April 1, 1994; and (3) the member shall not be
25 included in the calculation of the 30% under subsection (e)
26 and is not subject to delay in retirement under that
27 subsection.

28 (g) A member who receives any early retirement incentive
29 under Section 17-116.4, 17-116.5 or 17-116.6 may not receive
30 any early retirement incentive under this Section.

31 (h) The version of this Section included in Public Act
32 88-85 is intended to and shall control over the version of
33 this Section included in Public Act 88-89, notwithstanding
34 Section 6 of the Statute on Statutes. All persons qualifying

1 for early retirement incentives under this Section shall be
2 subject to the limitations and restrictions provided in the
3 version of this Section included in Public Act 88-85, as
4 amended by Public Act 88-511.

5 (i) In addition to the benefits provided under the other
6 provisions of this Section, every person who receives early
7 retirement benefits under this Section is entitled to one
8 additional year of creditable service and a corresponding
9 year of additional age enhancement, for which no additional
10 contribution is required. Every person who receives early
11 retirement benefits under this Section whose retirement
12 annuity has been calculated on the basis of a 4-year average
13 salary is also entitled to have the annuity recalculated on
14 the basis of the average salary for the 3 highest consecutive
15 years within the last 10 years of service.

16 The additional benefits provided by this subsection (i)
17 shall begin to accrue on the date the retirement annuity
18 began, notwithstanding Section 17-157. The Fund shall
19 recalculate all annuities originally calculated under this
20 Section to reflect the additional benefits provided under
21 this subsection and shall pay to the annuitant in a lump sum
22 the difference between the annuity payments paid before the
23 date of the recalculation and the recalculated amount of
24 those payments.

25 (Source: P.A. 88-85; 88-89; 88-511; 88-670, eff. 12-2-94.)

26 (40 ILCS 5/17-116.4)

27 Sec. 17-116.4. Early retirement incentives.

28 (a) A teacher who is covered by a collective bargaining
29 agreement shall not be eligible for the early retirement
30 incentives provided under this Section unless the collective
31 bargaining agent and the Board of Education have entered into
32 an agreement under which the agent agrees that any payment
33 for accumulated unused sick days to which the employee is

1 entitled upon withdrawal from service may be paid by the
2 Board of Education in installments over a period of up to 5
3 years, and a copy of this agreement has been filed with the
4 Board of the Fund.

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

7 (1) be a member of this Fund who, on or after May
8 1, 1994, is (i) in active payroll status as a teacher, or
9 (ii) on layoff status from such a position with a right
10 of re-employment or recall to service, or (iii) on leave
11 of absence from such a position, but only if the member
12 on leave has not been receiving a disability benefit
13 under this Article for a continuous period of 2 years or
14 more as of the date of application;

15 (2) have not previously received a retirement
16 pension under this Article;

17 (3) file with the Board and the Board of Education,
18 before March 1, 1994, a written application requesting
19 the benefits provided in this Section and a notice of
20 resignation from employment, which resignation must take
21 effect no earlier than June 1, 1994 and no later than
22 September 1, 1994 unless the applicant's retirement is
23 delayed under subsection (e) of this Section;

24 (4) be eligible to receive a retirement pension
25 under this Article (for which purpose any age enhancement
26 or creditable service received under this Section may be
27 used) and elect to receive the retirement pension
28 beginning no earlier than June 1, 1994 and no later than
29 September 1, 1994 or the date established under
30 subsection (e) of this Section, if applicable;

31 (5) have attained age 50 (without the use of any
32 age enhancement or creditable service received under this
33 Section) after September 1, 1993 and no later than
34 September 1, 1994;

1 (6) have at least 5 years of creditable service
2 under this Fund or any of the participating systems under
3 the Retirement Systems Reciprocal Act (without the use of
4 any creditable service received under this Section) by
5 the effective date of the retirement pension.

6 (b) An eligible person may establish up to 5 years of
7 creditable service under this Section. In addition, for each
8 period of creditable service established under this Section,
9 a person's age at retirement shall be deemed to be increased
10 by an equal period.

11 The creditable service established under this Section may
12 be used for all purposes under this Article and the
13 Retirement Systems Reciprocal Act, except for the purposes of
14 Section 17-116.1, and the determination of average salary or
15 compensation under this or any other Article of this Code.

16 The age enhancement established under this Section may be
17 used for all purposes under this Article (including
18 calculation of a proportionate pension payable by this Fund
19 under the Retirement Systems Reciprocal Act), except for
20 purposes of the reversionary pension under Section 17-120,
21 and distributions required by federal law on account of age.
22 However, age enhancement established under this Section shall
23 not be used in determining benefits payable under other
24 Articles of this Code under the Retirement Systems Reciprocal
25 Act.

26 (c) For all creditable service established under this
27 Section, the employer must pay to the Fund an employer
28 contribution consisting of 12% of the member's highest annual
29 full-time rate of compensation for each year of creditable
30 service granted under this Section.

31 The employer contribution shall be paid to the Fund in
32 one of the following ways: (i) in a single sum at the time
33 of the member's retirement, (ii) in equal quarterly
34 installments over a period of 5 years from the date of

1 retirement, or (iii) subject to the approval of the Board of
2 the Fund, in unequal installments over a period of no more
3 than 5 years from the date of retirement, as provided in a
4 payment plan designed by the Fund to accommodate the needs of
5 the employer. The employer's failure to make the required
6 contributions in a timely manner shall not affect the payment
7 of the retirement pension.

8 For all creditable service established under this
9 Section, the employee must pay to the Fund an employee
10 contribution consisting of 4% of the member's highest annual
11 salary rate used in the determination of the retirement
12 pension for each year of creditable service granted under
13 this Section. The employee contribution shall be deducted
14 from the retirement annuity in 24 monthly installments.

15 (d) An annuitant who has received any age enhancement or
16 creditable service under this Section and whose pension is
17 suspended or cancelled under Section 17-149 or 17-150 shall
18 thereby forfeit the age enhancement and creditable service.
19 The forfeiture of creditable service under this subsection
20 shall not entitle the employer to a refund of the employer
21 contribution paid under this Section, nor to forgiveness of
22 any part of that contribution that remains unpaid. The
23 forfeiture of creditable service under this subsection shall
24 not entitle the employee to a refund of the employee
25 contribution paid under this Section.

26 (e) If the number of employees of an employer that apply
27 for early retirement under this Section exceeds 30% of those
28 eligible, the employer may require that, for any or all of
29 the number of applicants in excess of that 30%, the starting
30 date of the retirement pension enhanced under this Section be
31 no earlier than June 1, 1995 and no later than September 1,
32 1995. The right to have the retirement pension begin before
33 June 1, 1995 shall be allocated among the applicants on the
34 basis of seniority in the service of that employer.

1 This delay applies only to persons who are applying for
2 early retirement incentives under this Section, and does not
3 prevent a person whose application for early retirement
4 incentives has been withdrawn from beginning to receive a
5 retirement pension on the earliest date upon which the person
6 is otherwise eligible under this Article.

7 (f) A member who receives any early retirement incentive
8 under Section 17-116.3 may not receive any early retirement
9 incentive under this Section.

10 (g) Notwithstanding Section 17-157, a person who is
11 receiving early retirement benefits under this Section may
12 establish service credit for a period of up to 3 weeks during
13 the month of January, 1968, during which the person was
14 prevented from working due to civil unrest or a wildcat
15 strike. A person wishing to establish this credit must apply
16 in writing to the Board within 30 days after the effective
17 date of this amendatory Act of the 92nd General Assembly and
18 pay to the Fund an employee contribution calculated at the
19 rate and salary applicable to the employee at the time for
20 which credit is being established, without interest. When a
21 person establishes additional service credit under this
22 subsection, the Fund shall recalculate the annuity originally
23 granted under this Section to reflect the additional credit
24 and shall pay to the annuitant in a lump sum the difference
25 between the annuity payments paid before the date of the
26 recalculation and the recalculated amount of those payments.

27 (Source: P.A. 88-85.)

28 (40 ILCS 5/17-119.1)

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

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

1 that a member who retires on or after July 1, 1998 with at
2 least 30 years of creditable service at retirement qualifies
3 for the augmented rate without making any contribution under
4 subsection (b). Any member who retires on or after July 1,
5 1998 and before the effective date of this amendatory Act of
6 the 92nd General Assembly with at least 30 years of
7 creditable service shall be paid a lump sum equal to the
8 amount he or she would have received under the augmented rate
9 minus the amount he or she actually received. A member may
10 not elect to qualify for the augmented rate for only a
11 portion of his or her creditable service earned before July
12 1, 1998.

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

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

34 The contribution required by this subsection shall be

1 paid in one of the following ways or in a combination of the
2 following ways that does not extend over more than 5 years:

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

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

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

12 (c) If the member fails to make the full contribution
13 under this Section in a timely fashion, the payments made
14 under this Section shall be refunded to the member, without
15 interest. If the member dies before making the full
16 contribution, the payments made under this Section shall be
17 refunded to the member's designated beneficiary.

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

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

31 (Source: P.A. 90-582, eff. 5-27-98; 91-17, eff. 6-4-99.)

32 (40 ILCS 5/17-121) (from Ch. 108 1/2, par. 17-121)

33 Sec. 17-121. Survivor's and Children's pensions -

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

6 If the surviving spouse is under age 50 and there are no
7 eligible minor children born to or legally adopted by the
8 contributor and his surviving spouse, payment of the
9 survivor's pension shall begin when the surviving spouse
10 attains age 50.

11 Remarriage of the surviving spouse prior to September 1,
12 1983 while in receipt of a survivor's pension shall
13 permanently terminate payment thereof, regardless of any
14 subsequent change in marital status; however, beginning
15 September 1, 1983, remarriage of a surviving spouse after
16 attainment of age 55 shall not terminate the survivor's
17 pension.

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

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

30 (Source: P.A. 86-273.)

31 (40 ILCS 5/17-149) (from Ch. 108 1/2, par. 17-149)

32 Sec. 17-149. Cancellation of pensions. If any person
33 receiving a service or disability retirement pension from the

1 Fund is re-employed as a teacher by an Employer, the pension
2 shall be cancelled on the date the re-employment begins, or
3 on the first day of a payroll period for which service credit
4 was validated, whichever is earlier. However, beginning
5 August--23,--1989, the pension shall not be cancelled in case
6 of a service retirement pensioner who is temporarily
7 re-employed for not more than 150 100 days during any school
8 year or on an hourly basis, provided the pensioner does not
9 receive salary in any school year of an amount more than that
10 payable to a substitute teacher for 150 100 days' employment.
11 A service retirement pensioner who is temporarily re-employed
12 for not more than 150 100 days during any school year or on
13 an hourly basis shall be entitled, at the end of the school
14 year, to a refund of any contributions made to the Fund
15 during that school year.

16 If the pensioner does receive salary from an Employer in
17 any school year for more than 150 100 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 If the date of re-employment occurs within 5 school
25 months after the date of previous retirement, exclusive of
26 any vacation period, the member shall be deemed to have been
27 out of service only temporarily and not permanently retired.
28 Such person shall be entitled to pension payments for the
29 time he could have been employed as a teacher and received
30 salary, but shall not be entitled to pension for or during
31 the summer vacation prior to his return to service.

32 When the member again retires on pension, the time of
33 service and the money contributed by him during re-employment
34 shall be added to the time and money previously credited.

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

5 Notwithstanding Sections 1-103.1 and 17-157, the changes
6 to this Section made by this amendatory Act of 1997 shall
7 apply without regard to whether termination of service
8 occurred before the effective date of this amendatory Act and
9 shall apply retroactively to August 23, 1989.

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

11 Section 90. The State Mandates Act is amended by adding
12 Section 8.25 as follows:

13 (30 ILCS 805/8.25 new)

14 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6
15 and 8 of this Act, no reimbursement by the State is required
16 for the implementation of any mandate created by this
17 amendatory Act of the 92nd General Assembly.

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.