

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 16-129.1 and 17-119.1 as follows:

6 (40 ILCS 5/16-129.1)

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

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

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

28 The member shall pay to the System the amount of the
29 contribution as calculated at the time of application under
30 this Section. The amount of the contribution determined
31 under this subsection shall be recalculated at the time of

1 retirement, and if the System determines that the amount paid
2 by the member exceeds the recalculated amount, the System
3 shall refund the difference to the member with regular
4 interest from the date of payment to the date of refund.

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

8 (i) in a lump sum on or before the date of
9 retirement;

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

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

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

31 (d) For purposes of this Section and subdivision
32 (a)(B)(1) of Section 16-133, optional creditable service
33 established by a member shall be deemed to have been earned
34 at the time of the employment or other qualifying event upon

1 which the service is based, rather than at the time the
2 credit was established in this System.

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

10 (f) A person who, on or after May 27, 1998 and before
11 June 4, 1999, began receiving a retirement annuity calculated
12 at the augmented rate may apply in writing to have the
13 optional contribution under this Section recalculated to
14 reflect the changes to this Section that were enacted in
15 Public Act 91-17. The amount of any resulting decrease in
16 the optional contribution shall be refunded to the annuitant,
17 without interest. If the annuitant died before the effective
18 date of this amendatory Act of the 92nd General Assembly,
19 application under this subsection (f) may be made, and, if
20 made, the refund provided under this subsection shall be
21 paid, to a person who is entitled to receive a survivor's
22 annuity under this Article. If the person entitled to the
23 survivor's annuity is an eligible child, as defined in
24 Section 16-140, a refund under this subsection shall be paid
25 to the eligible child's parent or legal guardian for that
26 eligible child's benefit.

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

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). A

1 member may not elect to qualify for the augmented rate for
2 only a portion of his or her creditable service earned before
3 July 1, 1998.

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

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

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

28 (i) in a lump sum on or before the date of
29 retirement;

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

33 (iii) if the member becomes an annuitant before
34 June 30, 2003, in substantially equal monthly

1 installments over a 24-month period, by a deduction from
2 the annuitant's monthly benefit.

3 (c) If the member fails to make the full contribution
4 under this Section in a timely fashion, the payments made
5 under this Section shall be refunded to the member, without
6 interest. If the member dies before making the full
7 contribution, the payments made under this Section shall be
8 refunded to the member's designated beneficiary.

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

15 (e) The contributions required under this Section are
16 the responsibility of the teacher and not the teacher's
17 employer. However, an employer of teachers may, after the
18 effective date of this amendatory Act of 1998, specifically
19 agree, through collective bargaining or otherwise, to make
20 the contributions required by this Section on behalf of those
21 teachers.

22 (f) A person who, on or after May 27, 1998 and before
23 June 4, 1999, began receiving a retirement annuity calculated
24 at the augmented rate may apply in writing to have the
25 optional contribution under this Section recalculated to
26 reflect the changes to this Section that were enacted in
27 Public Act 91-17. The amount of any resulting decrease in
28 the optional contribution shall be refunded to the annuitant,
29 without interest. If the annuitant died before the effective
30 date of this amendatory Act of the 92nd General Assembly,
31 application under this subsection (f) may be made, and, if
32 made, the refund provided under this subsection shall be
33 paid, to a person who is entitled to receive a survivor's
34 pension under this Article and to the parent or legal

1 guardian of a person who is entitled to receive a children's
2 annuity under this Article for that child's benefit.

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

4 Section 90. The State Mandates Act is amended by adding
5 Section 8.25 as follows:

6 (30 ILCS 805/8.25 new)

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

11 Section 99. Effective date. This Act takes effect upon
12 becoming law.