

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 17-121, 17-122, 17-124, and 17-125 as
6 follows:

7 (40 ILCS 5/17-121) (from Ch. 108 1/2, par. 17-121)

8 Sec. 17-121. Survivor's and Children's pensions -
9 Eligibility. A surviving spouse of a teacher shall be
10 entitled to a survivor's pension only if he was married to
11 the contributor for at least 1 1/2 years immediately prior to
12 his death or retirement, whichever first occurs, and also on
13 the date of the last termination of his service.

14 If the surviving spouse is under age 50 and there are no
15 eligible ~~minor~~ children born to or legally adopted by the
16 contributor and his surviving spouse, payment of the
17 survivor's pension shall begin when the surviving spouse
18 attains age 50.

19 Remarriage of the surviving spouse prior to September 1,
20 1983 while in receipt of a survivor's pension shall
21 permanently terminate payment thereof, regardless of any
22 subsequent change in marital status; however, beginning
23 September 1, 1983, remarriage of a surviving spouse after
24 attainment of age 55 shall not terminate the survivor's
25 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 (Source: P.A. 86-273.)

1 (40 ILCS 5/17-122) (from Ch. 108 1/2, par. 17-122)

2 Sec. 17-122. Survivor's and children's pensions - Amount.

3 Upon the death of a teacher who has completed at least 1 1/2
4 years of contributing service with either this Fund or the
5 State Universities Retirement System or the Teachers'
6 Retirement System of the State of Illinois, provided his
7 death occurred while (a) in active service covered by the
8 Fund or during his first 18 months of continuous employment
9 without a break in service under any other participating
10 system as defined in the Illinois Retirement Systems
11 Reciprocal Act except the State Universities Retirement
12 System and the Teachers' Retirement System of the State of
13 Illinois, (b) on a creditable leave of absence, (c) on a
14 noncreditable leave of absence of no more than one year, or
15 (d) a pension was deferred or pending provided the teacher
16 had at least 10 years of validated service credit, or upon
17 the death of a pensioner otherwise qualified for such
18 benefit, the surviving spouse, eligible and--unmarried--minor
19 children of the deceased teacher under age 18, and dependent
20 parents of the deceased teacher shall be entitled to
21 pensions, under the conditions stated hereinafter. Such
22 ~~survivor's and children's~~ pensions shall be based on the
23 average of the 4 highest consecutive years of salary in the
24 last 10 years of service or on the average salary for total
25 service, if total service has been less than 4 years,
26 according to the following percentages:

27 30% of average salary or 50% of the retirement pension
28 earned by the teacher, whichever is larger, subject to the
29 prescribed maximum monthly payment, for a surviving spouse
30 alone on attainment of age 50;

31 60% of average salary for a surviving spouse and
32 eligible ~~minor~~ children of the deceased teacher.

33 If no eligible spouse survives, or the surviving spouse
34 remarries, or the parent of the children of the deceased

1 member is otherwise ineligible for a survivor's pension, a
2 children's pension for eligible ~~minor~~ children under-age-18
3 shall be paid to their parent or legal guardian for their
4 benefit according to the following percentages:

5 30% of average salary for one child;

6 60% of average salary for 2 or more children.

7 A disabled child who was dependent upon a deceased
8 teacher at the time of his or her death whose children's
9 pension was terminated due to attainment of age 18 may apply
10 to the Fund for reinstatement of that pension. An
11 application for reinstatement shall be accompanied by the
12 payment of an amount equal to (1) the amount of any refund
13 received by the deceased teacher under Section 17-125 and (2)
14 interest thereon from the date of the payment of the refund
15 to the date of application for reinstatement at the rate of
16 6% per year. The reinstated pension shall begin to accrue on
17 the first day of the month following the month the
18 application is received by the Fund, but in no event sooner
19 than January 1, 2002. However, if the pension is payable to
20 anyone else, the pension shall not be reinstated until the
21 pension is no longer payable to any eligible surviving spouse
22 or other eligible children. A reinstated annuity shall
23 include any one-time or annual increases received prior to
24 the date of termination, as well as any increases that would
25 otherwise have accrued from the date of termination to the
26 date of reinstatement.

27 The changes made to this Section by this amendatory Act
28 of the 92nd General Assembly pertaining to reinstatement of a
29 children's pension apply notwithstanding Section 17-157 and
30 without regard to whether the deceased teacher was in service
31 on or after the effective date of this amendatory Act.

32 If there is no eligible spouse and no eligible child,
33 then a pension shall be paid to the eligible parents of the
34 deceased teacher, if any, according to the following

1 percentages:

2 30% of average salary for one eligible parent;

3 60% of average salary for 2 eligible parents.

4 On January 1, 1981, any survivor or child who was
5 receiving a survivor's or children's pension on or before
6 January 1, 1971, shall have his survivor's or children's
7 pension then being paid increased by 1% for each full year
8 which has elapsed from the date the pension began. On January
9 1, 1982, any survivor or child whose pension began after
10 January 1, 1971, but before January 1, 1981, shall have his
11 survivor's or children's pension then being paid increased 1%
12 for each full year which has elapsed from the date the
13 pension began. On January 1, 1987, any survivor or child
14 whose pension began on or before January 1, 1977, shall have
15 the monthly survivor's or children's pension increased by \$1
16 for each full year which has elapsed since the pension began.

17 Beginning January 1, 1990, every survivor's and
18 children's pension shall be increased (1) on each January 1
19 occurring on or after the commencement of the pension if the
20 deceased teacher died while receiving a retirement pension,
21 or (2) in other cases, on each January 1 occurring on or
22 after the first anniversary of the commencement of the
23 pension, by an amount equal to 3% of the current amount of
24 the pension, including all increases previously granted under
25 this Article, notwithstanding Section 17-157. Such increases
26 shall apply without regard to whether the deceased teacher
27 was in service on or after the effective date of this
28 amendatory Act of 1991, but shall not accrue for any period
29 prior to January 1, 1990.

30 Subject to the minimum established below, the maximum
31 amount of pension for a surviving spouse alone or one minor
32 child shall be \$400 per month, and the maximum combined
33 pensions for a surviving spouse and children of the deceased
34 teacher shall be \$600 per month, with individual pensions

1 adjusted for all beneficiaries pro rata to conform with this
2 limitation. If proration is unnecessary the minimum
3 survivor's and children's pensions shall be \$40 per month.
4 The minimum total survivor's and children's pension payable
5 upon the death of a contributor or annuitant which occurs
6 after December 31, 1986, shall be 50% of the earned
7 retirement pension of such contributor or annuitant,
8 calculated without early retirement discount in the case of
9 death in service.

10 On death after retirement, the total survivor's and
11 children's pensions shall not exceed the monthly retirement
12 or disability pension paid to the deceased retirant.
13 Survivor's and children's benefits described in this Section
14 shall apply to all service and disability pensioners eligible
15 for a pension as of July 1, 1981.

16 For the purposes of this Section, the term "eligible
17 child" means an unmarried minor child of a deceased teacher
18 who is under 18 years of age or a child of a deceased teacher
19 who is disabled and was dependent upon the deceased teacher
20 at the time of his or her death.

21 For the purposes of this Section, the term "eligible
22 parent" means a parent of a deceased teacher who was
23 dependent upon the teacher at the time of his or her death.

24 In this Article, the term "survivor's and children's
25 benefits" includes benefits paid to an eligible parent and
26 the term "survivor's and children's pension" includes a
27 pension paid to an eligible parent, unless the context
28 requires otherwise.

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

30 (40 ILCS 5/17-124) (from Ch. 108 1/2, par. 17-124)

31 Sec. 17-124. Death Benefits - Death on pension. On
32 written application to the Board, there shall be paid to the
33 estate of a deceased teacher-pensioner pension payments,

1 accrued, temporarily withheld or represented by checks
2 uncashed at the date of his death and the excess, if any, of
3 an amount equal to his refundable contributions for service
4 or disability retirement pension over pension to the date of
5 death; provided, that if there be filed with the Board prior
6 to the death of the pensioner his written direction, signed
7 and acknowledged before an officer authorized to take
8 acknowledgments, that such payments be paid to designated
9 beneficiaries, they shall be so paid on written application
10 therefor to the Board. If none of several named beneficiaries
11 survives the pensioner and no directive was furnished by the
12 member to cover this contingency, the deceased beneficiary's
13 share shall be paid to the estate of the pensioner.

14 If a reversionary pension is payable upon death of a
15 pensioner, the determination and payment of any refund of
16 contributions payable under this Section shall be made upon
17 death of the reversionary pensioner. At such time a refund of
18 contributions less (1) the amount contributed for annual
19 increases in pension and (2) total pension payments to the
20 teacher-pensioner and survivor shall be paid in the manner
21 provided in this Section to the designated beneficiaries, or
22 estate of the deceased survivor.

23 If a pension is payable to a surviving spouse, eligible
24 child, or an eligible parent and/or-minor-children upon death
25 of a pensioner, the determination of any refund of
26 contributions payable under this Section shall be made when
27 the last of those pensions is no longer payable upon-death-of
28 the--survivor--and--marriage-or-attainment-of-age-18-of-minor
29 children. At that time a refund of contributions for
30 retirement and survivors' and children's pensions less total
31 pension payments to the teacher-pensioner, surviving spouse,
32 eligible survivor and--minor children, and eligible parents
33 shall be paid in the manner provided in this Section to the
34 designated beneficiaries, or estate of the deceased survivor.

1 If eligible beneficiaries for survivors' or children's
2 benefits existed at the time of a pensioner's retirement but
3 not on the date of his death thereafter, the excess of total
4 contributions for retirement and survivors' and children's
5 pensions over pensions paid shall be determined upon death of
6 the pensioner and paid in the manner provided in this Section
7 to the designated beneficiaries, or estate of the deceased
8 teacher-pensioner.

9 Reversionary or survivor's pension payments accrued,
10 temporarily withheld, or represented by uncashed checks to
11 the date of death shall be paid to the reversionary
12 pensioner's or survivor's designated beneficiaries, or estate
13 in the manner provided in this Section.

14 On death of a retired teacher whose death occurs on or
15 after the effective date of this amendatory Act of 1991,
16 there shall be payable a lump sum death benefit equal to 6
17 times the teacher's salary rate for his last month of service
18 or \$10,000, whichever is less, upon death during the first
19 year on pension minus 1/5 of the death benefit, as defined
20 herein, for each year or fraction thereof on pension after
21 the first full year, to a minimum of \$5,000.

22 Notwithstanding Section 17-157, the changes made in this
23 Section and Section 17-123 by this amendatory Act of 1991
24 shall apply to teachers dying on or after the effective date
25 of this amendatory Act of 1991 without regard to whether
26 service terminated prior to that date.

27 (Source: P.A. 90-566, eff. 1-2-98.)

28 (40 ILCS 5/17-125) (from Ch. 108 1/2, par. 17-125)

29 Sec. 17-125. Refund of contributions. Upon certification
30 by the Employer of his resignation or cancellation of his
31 teaching certificate prior to completion of the minimum term
32 of service required to establish eligibility for a pension
33 and on written application therefor, a teacher shall be paid

1 a refund of all the amounts he has contributed to the Fund,
2 less any former refund that has not been repaid.

3 Upon certification by the Employer of his resignation or
4 cancellation of his teaching certificate after completion of
5 the minimum term of service required to establish eligibility
6 for a pension and on written application therefor, a teacher
7 shall be paid a refund of all the amounts he has contributed,
8 less (1) any former refund that has not been repaid, and (2)
9 pension payments received, provided he has executed and
10 delivered to the Board his written receipt and release in
11 that behalf. Thereupon, he shall have no further interest in
12 or claim against the Fund.

13 A request for refund under either of the preceding
14 paragraphs shall be considered valid if withdrawal from
15 service occurred at least 2 months prior to the filing of
16 such request.

17 Upon retirement of a teacher either on immediate or
18 deferred pension, if the teacher is not then married, or if
19 his spouse, ~~or~~ children, or parents do not meet the
20 qualifying conditions for survivor's or children's pensions,
21 the total amount contributed by him or otherwise paid by
22 deductions from salary for survivor's pension, shall be
23 refunded to him, without interest. No survivor's or
24 children's pension rights shall be effective thereafter in
25 such a case.

26 During a teacher's term of service, no refund is payable
27 except contributions made in error.

28 (Source: P.A. 90-566, eff. 1-2-98.)

29 Section 90. The State Mandates Act is amended by adding
30 Section 8.25 as follows:

31 (30 ILCS 805/8.25 new)

32 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6

1 and 8 of this Act, no reimbursement by the State is required
2 for the implementation of any mandate created by this
3 amendatory Act of the 92nd General Assembly.

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.