

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 Section 17-116 as follows:

6 (40 ILCS 5/17-116) (from Ch. 108 1/2, par. 17-116)

7 Sec. 17-116. Service retirement pension.

8 (a) Each teacher having 20 years of service upon
9 attainment of age 55, or who thereafter attains age 55 shall
10 be entitled to a service retirement pension upon or after
11 attainment of age 55; and each teacher in service on or after
12 July 1, 1971, with 5 or more but less than 20 years of
13 service shall be entitled to receive a service retirement
14 pension upon or after attainment of age 62. Each teacher in
15 service on or after July 1, 2003 with 10 or more but less
16 than 20 years of service shall be entitled to receive a
17 service retirement pension upon or after attainment of age
18 60.

19 (b) The service retirement pension for a teacher who
20 retires on or after June 25, 1971, at age 60 or over, shall
21 be calculated as follows:

22 (1) For creditable service earned before July 1,
23 1998 that has not been augmented under Section 17-119.1:
24 1.67% for each of the first 10 years of service; 1.90%
25 for each of the next 10 years of service; 2.10% for each
26 year of service in excess of 20 but not exceeding 30; and
27 2.30% for each year of service in excess of 30, based
28 upon average salary as herein defined.

29 (2) For creditable service earned on or after July
30 1, 1998 by a member who has at least 30 years of
31 creditable service on July 1, 1998 and who does not elect

1 to augment service under Section 17-119.1: 2.3% of
2 average salary for each year of creditable service earned
3 on or after July 1, 1998.

4 (3) For all other creditable service: 2.2% of
5 average salary for each year of creditable service.

6 (c) When computing such service retirement pensions, the
7 following conditions shall apply:

8 1. Average salary shall consist of the average
9 annual rate of salary for the 4 consecutive years of
10 validated service within the last 10 years of service
11 when such average annual rate was highest. In the
12 determination of average salary for retirement allowance
13 purposes, for members who commenced employment after
14 August 31, 1979, that part of the salary for any year
15 shall be excluded which exceeds the annual full-time
16 salary rate for the preceding year by more than 20%. In
17 the case of a member who commenced employment before
18 August 31, 1979 and who receives salary during any year
19 after September 1, 1983 which exceeds the annual full
20 time salary rate for the preceding year by more than 20%,
21 an Employer and other employers of eligible contributors
22 as defined in Section 17-106 shall pay to the Fund an
23 amount equal to the present value of the additional
24 service retirement pension resulting from such excess
25 salary. The present value of the additional service
26 retirement pension shall be computed by the Board on the
27 basis of actuarial tables adopted by the Board. If a
28 member elects to receive a pension from this Fund
29 provided by Section 20-121, his salary under the State
30 Universities Retirement System and the Teachers'
31 Retirement System of the State of Illinois shall be
32 considered in determining such average salary. Amounts
33 paid after the effective date of this amendatory Act of
34 1991 for unused vacation time earned after that effective

1 date shall not under any circumstances be included in the
2 calculation of average salary or the annual rate of
3 salary for the purposes of this Article.

4 2. Proportionate credit shall be given for
5 validated service of less than one year.

6 3. For retirement at age 60 or over the pension
7 shall be payable at the full rate.

8 4. For separation from service below age 60 to a
9 minimum age of 55, the pension shall be discounted at the
10 rate of 1/2 of one per cent for each month that the age
11 of the contributor is less than 60, but a teacher may
12 elect to defer the effective date of pension in order to
13 eliminate or reduce this discount. This discount shall
14 not be applicable to any participant who has at least 34
15 years of service or a retirement pension of at least
16 74.6% of average salary on the date the retirement
17 annuity begins.

18 5. No additional pension shall be granted for
19 service exceeding 45 years. Beginning June 26, 1971 no
20 pension shall exceed the greater of \$1,500 per month or
21 75% of average salary as herein defined.

22 6. Service retirement pensions shall begin on the
23 effective date of resignation, retirement, the day
24 following the close of the payroll period for which
25 service credit was validated, or the time the person
26 resigning or retiring attains age 55, or on a date
27 elected by the teacher, whichever shall be latest.

28 7. A member who is eligible to receive a retirement
29 pension of at least 74.6% of average salary and will
30 attain age 55 on or before December 31 during the year
31 which commences on July 1 shall be deemed to attain age
32 55 on the preceding June 1.

33 8. A member retiring after the effective date of
34 this amendatory Act of 1998 shall receive a pension equal

1 to 75% of average salary if the member is qualified to
2 receive a retirement pension equal to at least 74.6% of
3 average salary under this Article or as proportional
4 annuities under Article 20 of this Code.

5 (Source: P.A. 90-566, eff. 1-2-98; 90-582, eff. 5-27-98.)

6 Section 90. The State Mandates Act is amended by adding
7 Section 8.26 as follows:

8 (30 ILCS 805/8.26 new)

9 Sec. 8.26. Exempt mandate. Notwithstanding Sections 6
10 and 8 of this Act, no reimbursement by the State is required
11 for the implementation of any mandate created by this
12 amendatory Act of the 92nd General Assembly.

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.