

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, 16-113, 16-127, 16-133.2, 16-136.4,
6 16-149.2, 16-150, 16-151, 16-172, 16-182, 16-184, 16-185, and
7 16-186.3 as follows:

8 (40 ILCS 5/16-106) (from Ch. 108 1/2, par. 16-106)

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

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

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

30 (3) Any regional superintendent of schools,
31 assistant regional superintendent of schools, State

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

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

11 (5) Any person employed by the retirement system as
12 an executive, and any person employed by the retirement
13 system who is certificated under the law governing the
14 certification of teachers;

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

23 (7) Any educational, administrative, professional
24 or other staff employed in an educational program
25 serving 2 or more school districts in accordance with a
26 joint agreement authorized by the School Code or by
27 federal legislation and in a position requiring
28 certification under the laws governing the certification
29 of teachers;

30 (8) Any officer or employee of a statewide teacher
31 organization or officer of a national teacher
32 organization who is certified under the law governing
33 certification of teachers, provided: (i) the individual
34 had previously established creditable service under this

1 Article, (ii) the individual files with the system an
 2 irrevocable election to become a member, and (iii) the
 3 individual does not receive credit for such service under
 4 any other Article of this Code;

5 (9) Any educational, administrative, professional,
 6 or other staff employed in a charter school operating in
 7 compliance with the Charter Schools Law who is
 8 certificated under the law governing the certification of
 9 teachers.

10 An annuitant receiving a retirement annuity under this
 11 Article ~~or--under-Article-17-of-this-Code~~ who is temporarily
 12 employed by a board of education or other employer not
 13 exceeding that permitted under Section 16-118 is not a
 14 "teacher" for purposes of this Article. A person who has
 15 received a single-sum retirement benefit under Section
 16 16-136.4 of this Article is not a "teacher" for purposes of
 17 this Article.

18 (Source: P.A. 89-450, eff. 4-10-96; 89-507, eff. 7-1-97;
 19 90-14, eff. 7-1-97; 90-448, eff. 8-16-97.)

20 (40 ILCS 5/16-113) (from Ch. 108 1/2, par. 16-113)
 21 Sec. 16-113. Accumulated contributions. "Accumulated
 22 contributions": The sum of all contributions to this System
 23 made by or on behalf of a member in respect to membership
 24 service and credited to his or her account in the Benefit
 25 Trust Reserve ~~Members'-Contribution--Reserve~~, together with
 26 regular interest thereon.

27 (Source: P.A. 83-1440.)

28 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)
 29 Sec. 16-127. Computation of creditable service.

30 (a) Each member shall receive regular credit for all
 31 service as a teacher from the date membership begins, for
 32 which satisfactory evidence is supplied and all contributions

1 have been paid.

2 (b) The following periods of service shall earn optional
3 credit and each member shall receive credit for all such
4 service for which satisfactory evidence is supplied and all
5 contributions have been paid as of the date specified:

6 (1) Prior service as a teacher.

7 (2) Service in a capacity essentially similar or
8 equivalent to that of a teacher, in the public common
9 schools in school districts in this State not included
10 within the provisions of this System, or of any other
11 State, territory, dependency or possession of the United
12 States, or in schools operated by or under the auspices
13 of the United States, or under the auspices of any agency
14 or department of any other State, and service during any
15 period of professional speech correction or special
16 education experience for a public agency within this
17 State or any other State, territory, dependency or
18 possession of the United States, and service prior to
19 February 1, 1951 as a recreation worker for the Illinois
20 Department of Public Safety, for a period not exceeding
21 the lesser of 2/5 of the total creditable service of the
22 member or 10 years. The maximum service of 10 years
23 which is allowable under this paragraph shall be reduced
24 by the service credit which is validated by other
25 retirement systems under paragraph (i) of Section 15-113
26 and paragraph 1 of Section 17-133. Credit granted under
27 this paragraph may not be used in determination of a
28 retirement annuity or disability benefits unless the
29 member has at least 5 years of creditable service earned
30 subsequent to this employment with one or more of the
31 following systems: Teachers' Retirement System of the
32 State of Illinois, State Universities Retirement System,
33 and the Public School Teachers' Pension and Retirement
34 Fund of Chicago. Whenever such service credit exceeds

1 the maximum allowed for all purposes of this Article, the
2 first service rendered in point of time shall be
3 considered. The changes to this subdivision (b)(2) made
4 by Public Act 86-272 shall apply not only to persons who
5 on or after its effective date (August 23, 1989) are in
6 service as a teacher under the System, but also to
7 persons whose status as such a teacher terminated prior
8 to such effective date, whether or not such person is an
9 annuitant on that date.

10 (3) Any periods immediately following teaching
11 service, under this System or under Article 17, (or
12 immediately following service prior to February 1, 1951
13 as a recreation worker for the Illinois Department of
14 Public Safety) spent in active service with the military
15 forces of the United States; periods spent in educational
16 programs that prepare for return to teaching sponsored by
17 the federal government following such active military
18 service; if a teacher returns to teaching service within
19 one calendar year after discharge or after the completion
20 of the educational program, a further period, not
21 exceeding one calendar year, between time spent in
22 military service or in such educational programs and the
23 return to employment as a teacher under this System; and
24 a period of up to 2 years of active military service not
25 immediately following employment as a teacher.

26 The changes to this Section and Section 16-128
27 relating to military service made by P.A. 87-794 shall
28 apply not only to persons who on or after its effective
29 date are in service as a teacher under the System, but
30 also to persons whose status as a teacher terminated
31 prior to that date, whether or not the person is an
32 annuitant on that date. In the case of an annuitant who
33 applies for credit allowable under this Section for a
34 period of military service that did not immediately

1 follow employment, and who has made the required
2 contributions for such credit, the annuity shall be
3 recalculated to include the additional service credit,
4 with the increase taking effect on the date the System
5 received written notification of the annuitant's intent
6 to purchase the credit, if payment of all the required
7 contributions is made within 60 days of such notice, or
8 else on the first annuity payment date following the date
9 of payment of the required contributions. In calculating
10 the automatic annual increase for an annuity that has
11 been recalculated under this Section, the increase
12 attributable to the additional service allowable under
13 P.A. 87-794 shall be included in the calculation of
14 automatic annual increases accruing after the effective
15 date of the recalculation.

16 Credit for military service shall be determined as
17 follows: if entry occurs during the months of July,
18 August, or September and the member was a teacher at the
19 end of the immediately preceding school term, credit
20 shall be granted from July 1 of the year in which he or
21 she entered service; if entry occurs during the school
22 term and the teacher was in teaching service at the
23 beginning of the school term, credit shall be granted
24 from July 1 of such year. In all other cases where credit
25 for military service is allowed, credit shall be granted
26 from the date of entry into the service.

27 The total period of military service for which
28 credit is granted shall not exceed 5 years for any member
29 unless the service: (A) is validated before July 1,
30 1964, and (B) does not extend beyond July 1, 1963.
31 Credit for military service shall be granted under this
32 Section only if not more than 5 years of the military
33 service for which credit is granted under this Section is
34 used by the member to qualify for a military retirement

1 allotment from any branch of the armed forces of the
2 United States. The changes to this subdivision (b)(3)
3 made by Public Act 86-272 shall apply not only to persons
4 who on or after its effective date (August 23, 1989) are
5 in service as a teacher under the System, but also to
6 persons whose status as such a teacher terminated prior
7 to such effective date, whether or not such person is an
8 annuitant on that date.

9 (4) Any periods served as a member of the General
10 Assembly.

11 (5)(i) Any periods for which a teacher, as defined
12 in Section 16-106, is granted a leave of absence,
13 provided he or she returns to teaching service creditable
14 under this System or the State Universities Retirement
15 System following the leave; (ii) periods during which a
16 teacher is involuntarily laid off from teaching, provided
17 he or she returns to teaching following the lay-off;
18 (iii) periods prior to July 1, 1983 during which a
19 teacher ceased covered employment under this Article or
20 Article 17 due to pregnancy, provided that the teacher
21 returned to teaching service creditable under this System
22 or the State Universities Retirement System following the
23 pregnancy and submits evidence satisfactory to the Board
24 documenting that the employment ceased due to pregnancy;
25 and (iv) periods prior to July 1, 1983 during which a
26 teacher ceased covered employment for the purpose of
27 adopting an infant under 3 years of age or caring for a
28 newly adopted infant under 3 years of age, provided that
29 the teacher returned to teaching service creditable under
30 this System or the State Universities Retirement System
31 following the adoption and submits evidence satisfactory
32 to the Board documenting that the employment ceased for
33 the purpose of adopting an infant under 3 years of age or
34 caring for a newly adopted infant under 3 years of age.

1 However, total credit under this paragraph (5) may not
2 exceed 3 years.

3 Any qualified member or annuitant may apply for
4 credit under item (iii) or (iv) of this paragraph (5)
5 without regard to whether service was terminated before
6 the effective date of this amendatory Act of 1997. In
7 the case of an annuitant who establishes credit under
8 item (iii) or (iv), the annuity shall be recalculated to
9 include the additional service credit. The increase in
10 annuity shall take effect on the date the System receives
11 written notification of the annuitant's intent to
12 purchase the credit, if the required evidence is
13 submitted and the required contribution paid within 60
14 days of that notification, otherwise on the first annuity
15 payment date following the System's receipt of the
16 required evidence and contribution. The increase in an
17 annuity recalculated under this provision shall be
18 included in the calculation of automatic annual increases
19 in the annuity accruing after the effective date of the
20 recalculation.

21 Optional credit may be purchased under this
22 subsection (b)(5) for periods during which a teacher has
23 been granted a leave of absence pursuant to Section 24-13
24 of the School Code. A teacher whose service under this
25 Article terminated prior to the effective date of P.A.
26 86-1488 shall be eligible to purchase such optional
27 credit. If a teacher who purchases this optional credit
28 is already receiving a retirement annuity under this
29 Article, the annuity shall be recalculated as if the
30 annuitant had applied for the leave of absence credit at
31 the time of retirement. The difference between the
32 entitled annuity and the actual annuity shall be credited
33 to the purchase of the optional credit. The remainder of
34 the purchase cost of the optional credit shall be paid on

1 or before April 1, 1992.

2 The change in this paragraph made by Public Act
3 86-273 shall be applicable to teachers who retire after
4 June 1, 1989, as well as to teachers who are in service
5 on that date.

6 (6) Any days of unused and uncompensated
7 accumulated sick leave earned by a teacher. The service
8 credit granted under this paragraph shall be the ratio of
9 the number of unused and uncompensated accumulated sick
10 leave days to 170 days, subject to a maximum of one year
11 of service credit. Prior to the member's retirement,
12 each former employer shall certify to the System the
13 number of unused and uncompensated accumulated sick leave
14 days credited to the member at the time of termination of
15 service. The period of unused sick leave shall not be
16 considered in determining the effective date of
17 retirement. A member is not required to make
18 contributions in order to obtain service credit for
19 unused sick leave.

20 Credit for sick leave shall, at retirement, be
21 granted by the System for any retiring regional or
22 assistant regional superintendent of schools at the rate
23 of 6 days per year of creditable service or portion
24 thereof established while serving as such superintendent
25 or assistant superintendent.

26 (7) Periods prior to February 1, 1987 served as an
27 employee of the Illinois Mathematics and Science Academy
28 for which credit has not been terminated under Section
29 15-113.9 of this Code.

30 (8) Service as a substitute teacher for work
31 performed prior to July 1, 1990.

32 (9) Service as a part-time teacher for work
33 performed prior to July 1, 1990.

34 (10) Up to 2 years of employment with Southern

1 Illinois University - Carbondale from September 1, 1959
2 to August 31, 1961, or with Governors State University
3 from September 1, 1972 to August 31, 1974, for which the
4 teacher has no credit under Article 15. To receive
5 credit under this item (10), a teacher must apply in
6 writing to the Board and pay the required contributions
7 before May 1, 1993 and have at least 12 years of service
8 credit under this Article.

9 (c) The service credits specified in this Section shall
10 be granted only if: (1) such service credits are not used
11 for credit in any other statutory tax-supported public
12 employee retirement system other than the federal Social
13 Security program; and (2) the member makes the required
14 contributions as specified in Section 16-128. The service
15 credit shall be effective as of the date the required
16 contributions are completed.

17 Any service credits granted under this Section shall
18 terminate upon cessation of membership for any cause.

19 Credit may not be granted under this Section covering any
20 period for which an age retirement or disability retirement
21 allowance has been paid.

22 (Source: P.A. 89-430, eff. 12-15-95; 90-32, eff. 6-27-97.)

23 (40 ILCS 5/16-133.2) (from Ch. 108 1/2, par. 16-133.2)

24 Sec. 16-133.2. Early retirement without discount. A
25 member retiring after June 1, 1980 and on or before June 30,
26 2005, and applying for a retirement annuity within 6 months
27 of the last day of teaching for which retirement
28 contributions were required, may elect at the time of
29 application for a retirement annuity, to make a one time
30 member contribution to the System and thereby avoid the
31 reduction in the retirement annuity for retirement before age
32 60 specified in paragraph (B) of Section 16-133. The
33 exercise of the election shall also obligate the last

1 employer to make a one time non-refundable contribution to
2 the System. Substitute teachers wishing to exercise this
3 election must teach 85 or more days in one school term with
4 one employer, who shall be deemed the last employer for
5 purposes of this Section. The last day of teaching with that
6 employer must be within 6 months of the date of application
7 for retirement. All substitute teaching credit applied
8 toward the required 85 days must be earned after June 30,
9 1990.

10 The one time member and employer contributions shall be a
11 percentage of the retiring member's highest annual salary
12 rate used in the determination of the average salary for
13 retirement annuity purposes. However, when determining the
14 one-time member and employer contributions, that part of a
15 member's salary with the same employer which exceeds the
16 annual salary rate for the preceding year by more than 20%
17 shall be excluded. The member contribution shall be at the
18 rate of 7% for the lesser of the following 2 periods: (1)
19 for each year that the member is less than age 60; or (2) for
20 each year that the member's creditable service is less than
21 35 years. If a member is at least age 55 and has at least 34
22 years of creditable service, no member or employer
23 contribution for the early retirement option shall be
24 required. The employer contribution shall be at the rate of
25 20% for each year the member is under age 60.

26 Upon receipt of the application and election, the System
27 shall determine the one time employee and employer
28 contributions required. The member contribution shall be
29 credited to the individual account of the member and the
30 employer contribution shall be credited to the Benefit Trust
31 Reserve ~~Employer's--Contribution-Reserve~~. The provisions of
32 this Section shall not be applicable until the member's
33 contribution, if any, has been received by the System;
34 however, the date such contributions are received shall not

1 be considered in determining the effective date of
2 retirement.

3 The number of members working for a single employer who
4 may retire under this Section in any year may be limited at
5 the option of the employer to a specified percentage of those
6 eligible, not less than 30%, with the right to participate to
7 be allocated among those applying on the basis of seniority
8 in the service of the employer.

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

10 (40 ILCS 5/16-136.4) (from Ch. 108 1/2, par. 16-136.4)

11 Sec. 16-136.4. Single-sum retirement benefit.

12 (a) A member who has less than 5 years of creditable
13 service shall be entitled, upon written application to the
14 board, to receive a retirement benefit payable in a single
15 sum upon or after the member's attainment of age 65.
16 However, the benefit shall not be paid while the member is
17 employed as a teacher in the schools included under this
18 Article or Article 17, unless the System is required by
19 federal law to make payment due to the member's age.

20 (b) The retirement benefit shall consist of a single sum
21 that is the actuarial equivalent of a life annuity consisting
22 of 1.67% of the member's final average salary for each year
23 of creditable service earned before July 1, 1998 and 2.2% of
24 the member's final average salary for each year of creditable
25 service earned after June 30, 1998. In determining the
26 amount of the benefit, a fractional year shall be granted
27 proportional credit.

28 For the purposes of this Section, final average salary
29 shall be the average salary of the member's highest 4
30 consecutive years of service as determined under rules of the
31 board. For a member with less than 4 consecutive years of
32 service, final average salary shall be the average salary
33 during the member's entire period of service. In the

1 determination of final average salary for members other than
2 elected officials and their appointees when such appointees
3 are allowed by statute, that part of a member's salary which
4 exceeds the member's annual full-time salary rate with the
5 same employer for the preceding year by more than 20% shall
6 be excluded. The exclusion shall not apply in any year in
7 which the member's creditable earnings are less than 50% of
8 the preceding year's mean salary for downstate teachers as
9 determined by the survey of school district salaries provided
10 in Section 2-3.103 of the School Code.

11 (c) The retirement benefit determined under this Section
12 shall be available to all members who render teaching service
13 after July 1, 1947 for which member contributions are
14 required.

15 (d) Upon acceptance of the retirement benefit, all of
16 the member's accrued rights and credits in the System are
17 forfeited. Receipt of a single-sum retirement benefit under
18 this Section does not make a person an "annuitant" for the
19 purposes of this Article, nor a "benefit recipient" for the
20 purposes of Sections 16-153.1 through 16-153.4.

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

22 (40 ILCS 5/16-149.2) (from Ch. 108 1/2, par. 16-149.2)
23 Sec. 16-149.2. Disability retirement annuity.

24 (a) A member whose disability benefit has been
25 terminated under the provisions of Section 16-149 may be
26 retired on a disability retirement annuity payable effective
27 the day following such termination provided the member
28 remains disabled under the standard of disability provided in
29 Section 16-149.

30 The disability retirement annuity shall be payable upon
31 receipt of written certificates from at least 2 licensed
32 physicians designated by the System verifying the
33 continuation of the disability condition. A disability

1 retirement annuity shall not be paid during any period for
2 which the member receives benefits under Section 16-133,
3 Section 16-149, or Section 16-149.1 or has a right to receive
4 a salary as a teacher, or is employed in any capacity as a
5 teacher by the employers included under this System or in an
6 equivalent capacity in any other public or private school,
7 college or university.

8 (b) The disability retirement annuity shall be equal to
9 the larger of: (1) 35% of the most recent annual contract
10 salary rate or for part-time and substitute members after
11 June 30, 1990, the most recent annualized salary rate; or (2)
12 if disability commences prior to the member's attainment of
13 age 55, the amount computed in accordance with Section
14 16-133, provided the amount computed under paragraph (B) of
15 Section 16-133 shall be reduced by 1/2 of 1% for each month
16 that the member is less than age 55; or (3) if disability
17 commences after the member's attainment of age 55, and the
18 member is not receiving a retirement annuity under Section
19 16-133, the amount computed in accordance with Section
20 16-133.

21 Prior to July 1, 1990, if the most recent period of
22 service of any member eligible to receive a disability
23 retirement annuity was rendered on a less than full-time but
24 not less than half-time basis, the amount of the disability
25 retirement annuity payable shall be computed on the basis of
26 the salary received by such member for the member's last year
27 of service on a full-time basis if such salary was greater
28 than the member's most recent salary.

29 (c) If an annuitant receiving a disability retirement
30 annuity under this Section is engaged in or able to engage in
31 gainful employment paying more than the difference between
32 the disability retirement annuity and the salary rate upon
33 which the disability benefit is based, with no salary to be
34 considered less than the minimum prescribed in Section 24-8

1 of the School Code, the disability retirement annuity shall
 2 be reduced to an amount which together with the amount earned
 3 by the annuitant, equals the salary rate upon which the
 4 disability benefit is based. However, for the purposes of
 5 this subsection (c) only, the salary rate upon which the
 6 benefit is based shall be deemed to increase by 15% on the
 7 tenth anniversary of the commencement of the annuity.

8 Once each year during the first 5 years following
 9 retirement on a disability retirement annuity, and once in
 10 every 3-year period thereafter, the System may require an
 11 annuitant to undergo a medical examination, by a physician or
 12 physicians designated by the System. If the annuitant
 13 refuses to submit to such medical examination, the annuity
 14 shall be discontinued until such time as the annuitant
 15 consents to the examination, and if refusal continues for one
 16 year, all the rights to the annuity shall be revoked.

17 (d) If an annuitant in receipt of a disability
 18 retirement annuity returns to active service as a teacher or
 19 is no longer disabled, such annuity shall cease and the
 20 annuitant shall again become a member of the Retirement
 21 System and, if in active service as a teacher, shall make
 22 regular contributions. ~~The---remaining---accumulated~~
 23 ~~contributions---shall---be---transferred---to---the---Members'~~
 24 ~~Contribution--Reserve--from---the---Employer's---Contribution~~
 25 ~~Reserve.~~ All service for which the annuitant had credit on
 26 the date of disability shall be properly reestablished.

27 An annuitant in receipt of a disability retirement
 28 annuity who returns to active service as a teacher and who
 29 again becomes disabled shall not be entitled to a
 30 recomputation of the disability retirement annuity based on
 31 amendments enacted while the annuitant was in receipt of the
 32 annuity unless at least one year of creditable service is
 33 rendered after the latest re-entry into service.

34 (e) An annuitant in receipt of a disability retirement

1 annuity may, upon reaching retirement age as specified in
 2 Section 16-132, apply for a retirement annuity which is to be
 3 calculated as specified in Section 16-133. The disability
 4 retirement annuity shall be discontinued upon commencement of
 5 the retirement annuity.

6 (f) The board shall prescribe rules governing the
 7 filing, investigation, control, and supervision of disability
 8 retirement claims. The rules shall include specific
 9 standards to be used when requesting additional medical
 10 examinations, hospital records or other data necessary for
 11 determining the employment capacity and condition of the
 12 annuitant. Costs incurred by a claimant in connection with
 13 completing a claim for disability benefits shall be paid by
 14 the claimant.

15 The changes to this Section made by this amendatory Act
 16 of 1991 shall apply not only to persons who on or after its
 17 effective date are in service as a teacher under the System,
 18 but also to persons whose status as a teacher terminated
 19 prior to that date, whether or not the person is an annuitant
 20 on that date.

21 (Source: P.A. 86-273; 86-1488; 87-794.)

22 (40 ILCS 5/16-150) (from Ch. 108 1/2, par. 16-150)

23 Sec. 16-150. Re-entry. If an annuitant under this
 24 System is again employed as a teacher for an aggregate period
 25 exceeding that permitted by Section 16-118, his or her
 26 retirement annuity shall be terminated and the annuitant
 27 shall thereupon be regarded as an active member. The
 28 ~~annuitant's--remaining--accumulated--contributions--shall--be~~
 29 ~~transferred-to-the-Members'-Contribution-Reserve--from--the~~
 30 ~~Employer's-Contribution-Reserve.~~

31 Such annuitant is not entitled to a recomputation of his
 32 or her retirement annuity unless at least one full year of
 33 creditable service is rendered after the latest re-entry into

1 service and the annuitant must have rendered at least 3 years
 2 of creditable service after last re-entry into service to
 3 qualify for a recomputation of the retirement annuity based
 4 on amendments enacted while in receipt of a retirement
 5 annuity, except when retirement was due to disability.

6 However, regardless of age, an annuitant in receipt of a
 7 retirement annuity may be given temporary employment by a
 8 school board not exceeding that permitted under Section
 9 16-118 and continue to receive the retirement annuity.

10 Unless retirement was necessitated by disability, a
 11 retirement shall be considered cancelled and the retirement
 12 allowance must be repaid in full if the annuitant is employed
 13 as a teacher within the school year during which service was
 14 terminated.

15 An annuitant's retirement which does not include a period
 16 of at least one full and complete school year shall be
 17 considered cancelled and the retirement annuity must be
 18 repaid in full unless such retirement was necessitated by
 19 disability.

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

21 (40 ILCS 5/16-151) (from Ch. 108 1/2, par. 16-151)

22 Sec. 16-151. Refund. Upon termination of employment as a
 23 teacher for any cause other than death or retirement, a
 24 member shall be paid the following amount upon demand made at
 25 least 4 months after ceasing to teach:

26 (1) from the Benefit Trust Reserve Members'
 27 Contribution-Reserve, the actual total contributions paid
 28 by or on behalf of the member for membership service
 29 which have not been previously refunded and which are
 30 then credited to the member's individual account in the
 31 Benefit Trust Reserve Members'--Contribution--Reserve,
 32 without interest thereon, and

33 (2) from the Benefit Trust Reserve Employer's

1 Contribution--Reserve, the actual contributions not
 2 previously refunded, paid by or on behalf of the member
 3 for prior service and towards the cost of the automatic
 4 annual increase in retirement annuity as provided under
 5 Section 16-152, without interest thereon.

6 Any such amounts may be paid to the member either in one
 7 sum or, at the election of the board, in 4 quarterly
 8 payments.

9 Contributions credited to a member for periods of
 10 disability as provided in Sections 16-149 and 16-149.1 are
 11 not refundable.

12 Upon acceptance of a refund, all accrued rights and
 13 credits in the System are forfeited and may be reinstated
 14 only if the refund is repaid together with interest from the
 15 date of the refund to the date of repayment at the following
 16 rates compounded annually: for periods prior to July 1,
 17 1965, regular interest; for periods from July 1, 1965 to June
 18 30, 1977, 4% per year; for periods on and after July 1, 1977,
 19 regular interest. Repayment shall be permitted upon return to
 20 membership; however, service credit previously forfeited by a
 21 refund and subsequently reinstated may not be used as a basis
 22 for the payment of benefits, other than a refund of
 23 contributions, prior to the completion of one year of
 24 creditable service following the refund, except when
 25 repayment is permitted under the provisions of the
 26 "Retirement Systems Reciprocal Act" contained in Article 20.
 27 (Source: P.A. 90-448, eff. 8-16-97.)

28 (40 ILCS 5/16-172) (from Ch. 108 1/2, par. 16-172)
 29 Sec. 16-172. To pay obligations and collect funds due.
 30 To pay promptly expenses and other obligations that accrue
 31 under this Article and to see that all revenue, including
 32 contributions, due the system is collected without
 33 unreasonable delay. Except in cases of hardship, the System

1 may require benefit recipients to receive recurring payments
2 electronically.

3 (Source: P.A. 83-1440.)

4 (40 ILCS 5/16-182) (from Ch. 108 1/2, par. 16-182)
5 Sec. 16-182. Members' Contribution Reserve.

6 (a) On July 1, 2001, the Members' Contribution Reserve
7 is abolished and the remaining balance shall be transferred
8 from that Reserve to the Benefit Trust Reserve. A--Members'
9 Contribution--Reserve--shall--be--established--for--the--purpose--of
10 accumulating--with--regular--interest--the--contributions--of
11 members--made--prior--to--retirement.

12 This-Reserve--shall--be--credited--with:

13 (1)--The---total---accumulated---contributions---for
14 membership--service,--as--of--the--date--this--reserve--is
15 established,---exclusive---of--contributions--for--annual
16 increases--in--retirement--annuity--and--survivor--benefits.

17 (2)--The--member--contributions--received--under--Section
18 16-133.2.

19 (3)--The--normal--contributions--under--Section--16-128
20 and--Section--16-131.2--together--with--regular--interest.

21 (4)--The--total--of--all--normal--contributions--for--each
22 fiscal--year--as--of--the--end--of--the--fiscal--year.

23 (5)--The--excess--of--the--accumulated--contributions--of
24 an--annuitant--at--retirement--over--the--retirement--annuity
25 payments--received,--to--be--computed--upon--re--entry--into
26 service--after--termination--of--a--retirement--annuity--as
27 provided--in--Section--16-150,--or--after--termination--of--a
28 disability--retirement--annuity--as--provided--in--Section
29 16-149.2.

30 (6)--Regular---interest---on---the---accumulated
31 contributions--in--the--members'--contribution--reserve--as--of
32 the--end--of--the--previous--fiscal--year,--credited--to--the--date
33 of--retirement--or--death--for--those--retiring--or--dying--during

1 the--fiscal--year,--and-to-the-end-of-the-fiscal-year-for
2 all-other-members.

3 (b)--This-Reserve-shall-be-charged-with:

4 (1)--The--accumulated---contributions---of---members
5 retired-under-the-provisions-of-Sections-16-133,16-136.4
6 and-16-149.2.

7 (2)--The---accumulated---contributions---of--members
8 granted-a-refund-under-the-provisions-of-Section-16-151.

9 (3)--The--accumulated--contributions---of---deceased
10 members--upon--payment-of-a-refund-as-provided-in-Section
11 16-138.

12 (4)--The--accumulated--contributions--together--with
13 regular-interest-as-provided-in-Section-16-131.1.

14 (c)--Upon-the-granting-of-a--retirement--annuity--or--the
15 payment--of--a--single-sum--retirement--benefit-or-a-death-or
16 refund-benefit,all-individual--accumulated--credits--of--the
17 member-concerned-shall-be-terminated.

18 (d)--Amounts--credited--to--the-account-of-a-member-under
19 this-Reserve-shall--not--be--used--until--such--member--dies,
20 retires,---accepts--a--refund,--or--requests--a--transfer--of
21 contributions.

22 (Source: P.A. 87-11.)

23 (40 ILCS 5/16-184) (from Ch. 108 1/2, par. 16-184)
24 Sec. 16-184. Supplementary Annuity Reserve.

25 (a)--Except-as-provided-in-subsection-(b),a--Reserve--to
26 be--known-as-the-Supplementary-Annuity-Reserve-is-established
27 for-the-purpose-of--crediting--funds--received--and--charging
28 disbursements--made-for-supplementary-annuities-under-Section
29 16-135-and-Section-16-149.4.

30 This-Reserve-shall-be-credited-with:

31 (1)--The--total--of--all---contributions---made---by
32 annuitants-to-qualify-for-supplementary-annuities.

33 (2)--Amounts--contributed-to-the-System-by-the-State

1 of-Illinois-that-are-sufficient-to-assure-payment-of--the
2 supplementary-annuities.

3 (3)--Regular---interest--computed--annually--on--the
4 average-balance-in-this-reserve.

5 This-Reserve--shall--be--charged--with--all--supplemental
6 annuity-payments-under-Section-16-135-and-Section-16-149.4.

7 (b) On the July 1, 2001 next--occurring--after--the
8 effective--date--of--this--amendatory-Act-of-the-91st-General
9 Assembly, the Supplemental Annuity Reserve is abolished and
10 any remaining balance shall be transferred from that Reserve
11 to the Benefit Trust Reserve Employer's-Contribution-Reserve.

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

13 (40 ILCS 5/16-185) (from Ch. 108 1/2, par. 16-185)

14 Sec. 16-185. Benefit Trust Employer's---Contribution
15 Reserve.

16 (a) On July 1, 2001, the Employer's Contribution Reserve
17 shall be renamed the Benefit Trust Reserve. The Benefit
18 Trust Reserve shall serve as a clearing account for income
19 and expenses of the System as well as transfers to and from
20 the other reserve accounts established under this Article and
21 adjustments thereto.

22 (b) This Reserve shall be credited with all
23 contributions, investment income, and other income received
24 by the System, except as otherwise required by this Article.‡

25 (1)--All-amounts-contributed-by--the--State,--except
26 those--credited--to-other-reserve-accounts-as-provided-in
27 this-Article.

28 (2)--The-total--member--and--employer--contributions
29 except-those-required-by-other-reserve-accounts.

30 (3)--The--total--income--from--invested-assets-of-the
31 System,--and--other-miscellaneous-income.

32 (4)--The--interest--portion---of---the---accumulated
33 contributions-of-members-granted-refunds.

1 (5)--Contributions-made-by-annuitants-to-qualify-for
 2 automatic--annual--increases--in--annuity,--except--those
 3 required-by-other-reserve-accounts.

4 (c) This Reserve shall be charged with all benefits and
 5 refunds paid and all other expenses of the System, except as
 6 otherwise required under this Article.†

7 (1)--All--amounts-necessary-to-be-transferred-to-the
 8 Members'-Contribution-Reserve.

9 (2)--All-retirement-annuity,--single-sum--retirement
 10 benefit---and--disability--retirement--annuity--payments,
 11 including-automatic-annual-increases-in-annuities,--except
 12 as-provided-by-other-reserve-accounts.

13 (3)--All--amounts--necessary--to--be---refunded---to
 14 withdrawing--members--except--as-provided-by-the-Members'-
 15 Contribution-Reserve.

16 (4)--All---benefits---paid---to---temporarily---or
 17 accidentally--disabled--members--of--this-System,--and--all
 18 amounts-credited-to-the-accounts-of-such-disabled-members
 19 in-lieu-of-contributions.

20 (5)--All-amounts-payable-as-death-benefits-except-as
 21 provided-by-the-Members'-Contribution-Reserve.

22 (6)--All-amounts-necessary-for-the-payment-of--costs
 23 for--the--health-insurance-program-as-provided-under-this
 24 Article.

25 (7)--All-survivor-benefit-contributions-refunded--to
 26 an-annuitant-as-provided-under-Section-16-143.2.

27 (8)--All--amounts--paid--in--accordance-with-Section
 28 16-131.1-except-as-provided-by-the-Members'-Contribution
 29 Reserve.

30 (9)--Interest---to--be--credited--to--other--reserve
 31 accounts-as-specified-in-this-Article.

32 (10)--Recognition-of-unrealized-gains-or--losses--in
 33 market---value,---upon--adoption--of--generally--accepted
 34 accounting-principles-that-allow-for-such-recognition.

1 (Source: P.A. 89-235, eff. 8-4-95; 90-448, eff. 8-16-97.)

2 (40 ILCS 5/16-186.3) (from Ch. 108 1/2, par. 16-186.3)

3 Sec. 16-186.3. Reserve for minimum retirement annuity.

4 (a) A Minimum Retirement Annuity Reserve is established
5 for the purpose of crediting funds received and charging
6 disbursements for minimum retirement annuity payments under
7 Section 16-136.2 and Section 16-136.3.

8 This Reserve shall be credited with:

9 (1) The total of all contributions made by
10 annuitants to qualify for the minimum retirement annuity.

11 (2) Amounts contributed to the System by the State
12 of Illinois that are sufficient to assure payment of the
13 minimum retirement annuity payments under Section
14 16-136.2 and Section 16-136.3.

15 (3) Regular interest computed annually on the
16 average balance in this Reserve.

17 This Reserve shall be charged with all minimum retirement
18 annuity payments under Section 16-136.2 and Section 16-136.3.

19 (b) After all minimum retirement annuity payments have
20 been completed, any remaining funds shall be transferred from
21 this Reserve to the Benefit Trust Reserve Employer's
22 Contribution-Reserve.

23 (Source: P.A. 88-593, eff. 8-22-94.)

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