

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 2-108, 2-108.1, 2-110, 2-117, 2-119.1,  
6 2-121, 2-123, 3-110.6, 5-154, 5-154.1, 5-157, 5-167.1, 5-212,  
7 5-236, 6-140, 7-132, 7-139, 7-139.7, 7-139.8, 8-110, 8-113,  
8 8-120, 8-150.1, 8-158, 8-161, 8-167, 8-168, 8-171, 8-174.1,  
9 8-227, 8-230.7, 8-243.2, 9-121.6, 9-121.10, 9-121.15, 9-134,  
10 9-146.1, 9-163, 9-179.1, 9-185, 9-186, 9-187, 9-219,  
11 11-125.8, 11-134, 11-145.1, 11-153, 11-156, 11-163, 11-164,  
12 11-167, 11-170.1, 14-103.05, 14-103.12, 14-104, 14-104.6,  
13 14-105.7, 14-106, 14-107, 14-108, 14-110, 14-114, 14-119,  
14 14-120, 14-121, 14-128, 14-131, 14-133, 15-113.1, 15-136,  
15 15-136.3, 15-145, 15-148, 15-155, 15-165, 16-106, 16-129.1,  
16 16-131.6, 16-132, 16-133, 16-133.1, 16-143, 16-143.1, 16-158,  
17 17-116.3, 17-119, 17-122, and 18-128 and adding Sections  
18 5-233.1, 8-226.7, 8-230.8, 8-230.9, 8-230.10, 9-121.14,  
19 9-121.16, 12-127.6, 12-127.7, 14-104.12, 14-104.13, 14-105.8,  
20 14-108.2c, 14-114.1, 15-134.6, 15-137.1, 16-134.1, 17-114.4,  
21 and 17-119.2 as follows:

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

23 Sec. 2-108. Salary. "Salary":

24 (1) For members of the General Assembly, the total  
25 compensation paid to the member by the State for one year  
26 of service, including the additional amounts, if any,  
27 paid to the member as an officer pursuant to Section 1 of  
28 "An Act in relation to the compensation and emoluments of  
29 the members of the General Assembly", approved December  
30 6, 1907, as now or hereafter amended.

31 (2) For the State executive officers specified in

1 Section 2-105, the total compensation paid to the member  
2 for one year of service.

3 (3) For members of the System who are participants  
4 under Section 2-117.1, ~~or who are serving as Clerk or~~  
5 ~~Assistant Clerk of the House of Representatives or~~  
6 ~~Secretary or Assistant Secretary of the Senate,~~ the total  
7 compensation paid to the member for one year of service,  
8 but not to exceed the salary of the highest salaried  
9 officer of the General Assembly.

10 (4) For members of the System who are serving as  
11 Clerk or Assistant Clerk of the House of Representatives  
12 or Secretary or Assistant Secretary of the Senate, the  
13 total compensation paid to the member for one year of  
14 service.

15 However, in the event that federal law results in any  
16 participant receiving imputed income based on the value of  
17 group term life insurance provided by the State, such imputed  
18 income shall not be included in salary for the purposes of  
19 this Article.

20 (Source: P.A. 86-27; 86-273; 86-1028; 86-1488.)

21 (40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)  
22 Sec. 2-108.1. Highest salary for annuity purposes.

23 (a) "Highest salary for annuity purposes" means  
24 whichever of the following is applicable to the participant:

25 (1) For a participant who is a member of the  
26 General Assembly on his or her last day of service: the  
27 highest salary that is prescribed by law, on the  
28 participant's last day of service, for a member of the  
29 General Assembly who is not an officer; plus, if the  
30 participant was elected or appointed to serve as an  
31 officer of the General Assembly for 2 or more years and  
32 has made contributions as required under subsection (d)  
33 of Section 2-126, the highest additional amount of

1 compensation prescribed by law, at the time of the  
2 participant's service as an officer, for members of the  
3 General Assembly who serve in that office.

4 (2) For a participant who holds one of the State  
5 executive offices specified in Section 2-105 on his or  
6 her last day of service: the highest salary prescribed by  
7 law for service in that office on the participant's last  
8 day of service.

9 (3) For a participant who is Clerk or Assistant  
10 Clerk of the House of Representatives or Secretary or  
11 Assistant Secretary of the Senate on his or her last day  
12 of service: the salary received for service in that  
13 capacity on the last day of service, ~~but not to exceed~~  
14 ~~the highest salary (including additional compensation for~~  
15 ~~service as an officer) that is prescribed by law on the~~  
16 ~~participant's last day of service for the highest paid~~  
17 ~~officer of the General Assembly.~~

18 (4) For a participant who is a continuing  
19 participant under Section 2-117.1 on his or her last day  
20 of service: the salary received for service in that  
21 capacity on the last day of service, but not to exceed  
22 the highest salary (including additional compensation for  
23 service as an officer) that is prescribed by law on the  
24 participant's last day of service for the highest paid  
25 officer of the General Assembly.

26 (b) The earnings limitations of subsection (a) apply to  
27 earnings under any other participating system under the  
28 Retirement Systems Reciprocal Act that are considered in  
29 calculating a proportional annuity under this Article, except  
30 in the case of a person who first became a member of this  
31 System before August 22, 1994.

32 (c) In calculating the subsection (a) earnings  
33 limitation to be applied to earnings under any other  
34 participating system under the Retirement Systems Reciprocal

1 Act for the purpose of calculating a proportional annuity  
2 under this Article, the participant's last day of service  
3 shall be deemed to mean the last day of service in any  
4 participating system from which the person has applied for a  
5 proportional annuity under the Retirement Systems Reciprocal  
6 Act.

7 (Source: P.A. 90-655, eff. 7-30-98.)

8 (40 ILCS 5/2-110) (from Ch. 108 1/2, par. 2-110)  
9 Sec. 2-110. Service.

10 (A) "Service" means the period beginning on the day when  
11 a person first became a member, and ending on the date under  
12 consideration, excluding all intervening periods of  
13 nonmembership following resignation or expiration of any term  
14 of office.

15 (B) "Service" includes:

16 (a) Military service during war by a person who  
17 entered such service while a member, whether rendered  
18 before or after the expiration of any term of office;  
19 plus up to 2 years of military service that need not have  
20 immediately followed service as a member, and need not  
21 have been served during wartime, provided that the member  
22 makes contributions to the System for such service (1) at  
23 the rates provided in Section 2-126 based upon the  
24 member's rate of compensation on the last date as a  
25 participant prior to such military service, or on the  
26 first date as a participant after such military service,  
27 whichever is greater, plus (2) if payment is made on or  
28 after May 1, 1993, an amount determined by the Board to  
29 be equal to the employer's normal cost of the benefits  
30 accrued for such military service, plus (3) interest at  
31 the effective rate from the date of first membership in  
32 the System to the date of payment.

33 The amendment to this subdivision (B)(a) made by

1 this amendatory Act of 1993 shall apply to persons who  
2 are active contributors to the System on or after  
3 November 30, 1992. A person who was an active  
4 contributor to the System on November 30, 1992 but is no  
5 longer an active contributor may apply to purchase  
6 military credit under this subdivision (B)(a) within 60  
7 days after the effective date of this amendatory Act of  
8 1993; if the person is an annuitant, the resulting  
9 increase in annuity shall begin to accrue on the first  
10 day of the month following the month in which the  
11 required payment is received by the System. The change  
12 in the required contribution for purchased military  
13 credit made by this amendatory Act of 1993 shall not  
14 entitle any person to a refund of contributions already  
15 paid.

16 (b) Service as a judge of a court of this State,  
17 but credit for such service is subject to the following  
18 conditions: (1) such person shall have been a member for  
19 at least 4 years and contributed to the System for  
20 service as a judge subsequent to July 8, 1947, at the  
21 rates herein provided, including interest at 2% per annum  
22 to the date of payment based on the salary in effect  
23 during such service; (2) the member was not an eligible  
24 member of nor entitled to credit for such service in any  
25 other retirement system in the State maintained in whole  
26 or in part by public contributions; and (3) the last 4  
27 years of service prior to retirement on annuity was  
28 rendered while a member.

29 (c) Service as a participating employee under  
30 Articles 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16,  
31 17 or 18 of the Illinois Pension Code. Credit for such  
32 service may be established by a member and, if permitted  
33 by the credit transfer Section of the appropriate  
34 Article, by a former member who is not yet an annuitant,

1 and is subject to the following conditions: (1) that the  
 2 credits accrued under the above mentioned Articles have  
 3 been transferred to this System; and (2) that the member  
 4 has contributed to this System an amount equal to (A) the  
 5 amount by which the credits transferred to this System  
 6 under item (1) are less than the sum of (i) the  
 7 contribution rate in effect for participants at the date  
 8 of membership in this System multiplied by the salary  
 9 then in effect for members of the General Assembly for  
 10 each year of service for which credit is being  
 11 transferred, plus (ii) the State's share of the normal  
 12 cost of benefits under this System expressed as a percent  
 13 of payroll, as determined by the System's actuary as of  
 14 the date of the participant's membership in this System,  
 15 multiplied by the salary then in effect for members of  
 16 the General Assembly, for each year of service for which  
 17 credit is being transferred, plus (B) (iii) interest on  
 18 the amount determined under item (A) items-(i)-and-(ii)  
 19 above at the rate of 6% per annum, compounded annually,  
 20 from the date of membership to the date of payment by the  
 21 participant, less-(iv)-the-amount-transferred-to-this  
 22 System-on-behalf-of-the-participant-on-account-of-service  
 23 rendered-while-a-participant-under-the-above-mentioned  
 24 Articles.

25 (d) Service, before October 1, 1975, as an officer  
 26 elected by the people of Illinois, for which creditable  
 27 service is required to be transferred from the State  
 28 Employees' Retirement System to this System by this  
 29 amendatory Act of 1975.

30 (e) Service rendered prior to January 1, 1964, as a  
 31 justice of the peace or police magistrate or as a civil  
 32 referee in the Municipal Court of Chicago, but credit for  
 33 such service may not be granted until the member has paid  
 34 to the System an amount equal to (1) the contribution

1 rate for participants at the date of membership in this  
2 System multiplied by the salary then in effect for  
3 members of the General Assembly for each year of service  
4 for which credit is being transferred, plus (2) the  
5 State's share of the normal cost of benefits under this  
6 System expressed as a percent of payroll, as determined  
7 by the System's actuary as of the date of the  
8 participant's membership in this System, multiplied by  
9 the salary then in effect for members of the General  
10 Assembly, for each year of service for which credit is  
11 allowed, plus, (3) interest on (1) and (2) above at 6%  
12 per annum compounded annually from the date of membership  
13 to the date of payment by the member. However, a  
14 participant may not receive more than 6 years of credit  
15 for such service nor may any member receive credit under  
16 this paragraph for service for which credit has been  
17 granted in any other public pension fund or retirement  
18 system in the State.

19 (f) Service before January 16, 1981, as an officer  
20 elected by the people of Illinois, for which creditable  
21 service is transferred from the State Employees'  
22 Retirement System to this System.

23 (C) Service during any fraction of a month shall be  
24 considered as a month of service.

25 Service includes the total period of time for which a  
26 participant is elected as a member or officer, even though he  
27 or she does not complete the term because of death,  
28 resignation, judicial decision, or operation of law, provided  
29 that the contributions required under this Article for such  
30 entire period of office have been made by or on behalf of the  
31 participant. In the case of a participant appointed or  
32 elected to fill a vacancy, service includes the total period  
33 from January 1 of the year in which his or her service  
34 commences to the end of the term in which the vacancy occurs,

1 provided the participant contributes in the year of  
2 appointment an amount equal to the contributions that would  
3 have been required had the participant received salary for  
4 the entire year. The foregoing provisions relating to a  
5 participant appointed or elected to fill a vacancy shall not  
6 apply if the participant was a member of the other  
7 legislative chamber at the time of appointment or election.

8 (D) Notwithstanding the other provisions of this  
9 Section, if application to transfer or establish service  
10 credit under paragraph (c) or (e) of subsection (B) of this  
11 Section is made between January 1, 1992 and February 1, 1993,  
12 the contribution required for such credit shall be an amount  
13 equal to (1) the contribution rate in effect for participants  
14 at the date of membership in this System multiplied by the  
15 salary then in effect for members of the General Assembly for  
16 each year of service for which credit is being granted, plus  
17 (2) interest thereon at 6% per annum compounded annually,  
18 from the date of membership to the date of payment by the  
19 member, less (3) any amount transferred to this System on  
20 behalf of the member on account of such service credit.

21 (Source: P.A. 86-27; 86-1028; 87-794; 87-1265.)

22 (40 ILCS 5/2-117) (from Ch. 108 1/2, par. 2-117)

23 Sec. 2-117. Participants - Election not to participate.

24 (a) Every person who was a member on November 1, 1947,  
25 or in military service on such date, is subject to the  
26 provisions of this system beginning upon such date, unless  
27 prior to such date he or she filed with the board a written  
28 notice of election not to participate.

29 Every person who becomes a member after November 1, 1947,  
30 and who is then not a participant becomes a participant  
31 beginning upon the date of becoming a member unless, within  
32 24 months from that date, he or she has filed with the board  
33 a written notice of election not to participate.

1 (b) A member who has filed notice of an election not to  
2 participate (and a former member who has not yet begun to  
3 receive a retirement annuity under this Article) may become a  
4 participant with respect to the period for which the member  
5 elected not to participate upon filing with the board, before  
6 July 1, 2002 ~~April 1, 1993~~, a written rescission of the  
7 election not to participate. Upon contributing an amount  
8 equal to the contributions he or she would have made as a  
9 participant from November 1, 1947, or the date of becoming a  
10 member, whichever is later, to the date of becoming a  
11 participant, with interest at the rate of 4% per annum until  
12 the contributions are paid, the participant shall receive  
13 credit for service as a member prior to the date of the  
14 rescission, both before and after November 1, 1947. The  
15 required contributions shall be made before commencement of  
16 the retirement annuity; otherwise no credit for service prior  
17 to the date of participation shall be granted.

18 (Source: P.A. 86-273; 87-1265.)

19 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

20 Sec. 2-119.1. Automatic increase in retirement annuity.

21 (a) A participant who retires after June 30, 1967, and  
22 who has not received an initial increase under this Section  
23 before the effective date of this amendatory Act of 1991,  
24 shall, in January or July next following the first  
25 anniversary of retirement, whichever occurs first, and in the  
26 same month of each year thereafter, but in no event prior to  
27 age 60, have the amount of the originally granted retirement  
28 annuity increased as follows: for each year through 1971, 1  
29 1/2%; for each year from 1972 through 1979, 2%; and for 1980  
30 and each year thereafter, 3%. Annuitants who have received  
31 an initial increase under this subsection prior to the  
32 effective date of this amendatory Act of 1991 shall continue  
33 to receive their annual increases in the same month as the

1 initial increase.

2 (b) This subsection (b) does not apply to persons who  
3 qualify for and elect to receive the increase provided in  
4 subsection (b-1).

5 Beginning January 1, 1990, for participants who remain in  
6 service after attaining 20 years of creditable service, the  
7 3% increases provided under subsection (a) shall begin to  
8 accrue on the January 1 next following the date upon which  
9 the participant (1) attains age 55, or (2) attains 20 years  
10 of creditable service, whichever occurs later, and shall  
11 continue to accrue while the participant remains in service;  
12 such increases shall become payable on January 1 or July 1,  
13 whichever occurs first, next following the first anniversary  
14 of retirement. For any person who has service credit in the  
15 System for the entire period from January 15, 1969 through  
16 December 31, 1992, regardless of the date of termination of  
17 service, the reference to age 55 in clause (1) of this  
18 subsection (b) shall be deemed to mean age 50. For persons  
19 who begin receiving a retirement annuity under this Article  
20 on or after January 1, 2000, any increases provided under  
21 this subsection (b) for years during which the participant  
22 remains in active service shall accrue at the rate of 5%  
23 rather than 3%.

24 (b-1) A person who is an active participant in the  
25 System on or after July 1, 1999 may elect to receive a  
26 one-time increase in retirement annuity, equal to 3% of the  
27 originally granted retirement annuity for each full year of  
28 the annuitant's service credit in excess of 20 years. This  
29 increase is payable at the same time as the annuitant's  
30 initial increase under subsection (a) of this Section and is  
31 in addition to that increase.

32 (c) The foregoing provisions relating to automatic  
33 increases are not applicable to a participant who retires  
34 before having made contributions (at the rate prescribed in

1 Section 2-126) for automatic increases for less than the  
2 equivalent of one full year. However, in order to be  
3 eligible for the automatic increases, such a participant may  
4 make arrangements to pay to the System the amount required to  
5 bring the total contributions for the automatic increase to  
6 the equivalent of one year's contributions based upon his or  
7 her last salary.

8 (d) A participant who terminated service prior to July  
9 1, 1967, with at least 14 years of service is entitled to an  
10 increase in retirement annuity beginning January, 1976, and  
11 to additional increases in January of each year thereafter.

12 The initial increase shall be 1 1/2% of the originally  
13 granted retirement annuity multiplied by the number of full  
14 years that the annuitant was in receipt of such annuity  
15 prior to January 1, 1972, plus 2% of the originally granted  
16 retirement annuity for each year after that date. The  
17 subsequent annual increases shall be at the rate of 2% of the  
18 originally granted retirement annuity for each year through  
19 1979 and at the rate of 3% for 1980 and thereafter.

20 (e) Beginning January 1, 1990, all automatic annual  
21 increases payable under this Section shall be calculated as a  
22 percentage of the total annuity payable at the time of the  
23 increase, including previous increases granted under this  
24 Article.

25 (Source: P.A. 86-273; 87-794; 87-1265.)

26 (40 ILCS 5/2-121) (from Ch. 108 1/2, par. 2-121)  
27 Sec. 2-121. Survivor's annuity - conditions for payment.

28 (a) A survivor's annuity shall be payable to a surviving  
29 spouse or eligible child (1) upon the death in service of a  
30 participant with at least 2 years of service credit, or (2)  
31 upon the death of an annuitant in receipt of a retirement  
32 annuity, or (3) upon the death of a participant who  
33 terminated service with at least 4 years of service credit.

1           The change in this subsection (a) made by this amendatory  
2 Act of 1995 applies to survivors of participants who die on  
3 or after December 1, 1994, without regard to whether or not  
4 the participant was in service on or after the effective date  
5 of this amendatory Act of 1995.

6           (b) To be eligible for the survivor's annuity, the  
7 spouse and the participant or annuitant must have been  
8 married for a continuous period of at least one year  
9 immediately preceding the date of death, but need not have  
10 been married on the day of the participant's last termination  
11 of service, regardless of whether such termination occurred  
12 prior to the effective date of this amendatory Act of 1985.

13           (c) The annuity shall be payable beginning on the date  
14 of a participant's death, or the first of the month following  
15 an annuitant's death, if the spouse is then age 50 or over,  
16 or beginning at age 50 if the spouse is then under age 50.  
17 If an eligible child or children of the participant or  
18 annuitant (or a child or children of the eligible spouse  
19 meeting the criteria of item (1), (2), or (3) of subsection  
20 (d) of this Section) also survive, and the child or children  
21 are under the care of the eligible spouse, the annuity shall  
22 begin as of the date of a participant's death, or the first  
23 of the month following an annuitant's death, without regard  
24 to the spouse's age.

25           The change to this subsection made by this amendatory Act  
26 of 1998 (relating to children of an eligible spouse) applies  
27 to the eligible spouse of a participant or annuitant who dies  
28 on or after the effective date of this amendatory Act,  
29 without regard to whether the participant or annuitant is in  
30 service on or after that effective date.

31           (d) For the purposes of this Section and Section  
32 2-121.1, "eligible child" means a child of the deceased  
33 participant or annuitant who is at least one of the  
34 following:

- 1 (1) unmarried and under the age of 18;
- 2 (2) unmarried, a full-time student, and under the
- 3 age of 22;
- 4 (3) dependent by reason of physical or mental
- 5 disability.

6 The inclusion of unmarried students under age 22 in the  
 7 calculation of survivor's annuities by this amendatory Act of  
 8 1991 shall apply to all eligible students beginning January  
 9 1, 1992, without regard to whether the deceased participant  
 10 or annuitant was in service on or after the effective date of  
 11 this amendatory Act of 1991.

12 Adopted children shall have the same status as children  
 13 of the participant or annuitant, but only if the proceedings  
 14 for adoption are commenced at least one year prior to the  
 15 date of the participant's or annuitant's death.

16 (e) Remarriage of a surviving spouse prior to attainment  
 17 of age 55 shall disqualify the surviving spouse from the  
 18 receipt of a survivor's annuity until July 6, 2000, ~~if the~~  
 19 ~~remarriage occurs before the effective date of this~~  
 20 ~~amendatory Act of the 91st General Assembly.~~ A surviving  
 21 spouse whose survivor's annuity has been terminated due to  
 22 remarriage may apply for reinstatement of that annuity. The  
 23 reinstated annuity shall begin to accrue on July 6, 2000,  
 24 except that if, on July 6, 2000, the annuity is payable to an  
 25 eligible surviving child, payment of the annuity to the  
 26 surviving spouse shall not be reinstated until the annuity is  
 27 no longer payable to any eligible surviving child. The  
 28 reinstated annuity shall include any one-time or annual  
 29 increases received prior to the date of termination, as well  
 30 as any increases that would otherwise have accrued from the  
 31 date of termination to the date of reinstatement. An  
 32 eligible surviving spouse whose expectation of receiving a  
 33 survivor's annuity was lost due to remarriage before  
 34 attainment of age 50 shall also be entitled to reinstatement

1 under this subsection, but the resulting survivor's annuity  
2 shall not begin to accrue sooner than upon the surviving  
3 spouse's attainment of age 50.

4 The changes made to this subsection by Public Act 91-887  
5 and this amendatory Act of the 92nd ~~91st~~ General Assembly  
6 (pertaining to remarriage ~~prier--te--age-55~~) apply without  
7 regard to whether the deceased participant or annuitant was  
8 in service on or after the effective date of either this  
9 amendatory Act.

10 (Source: P.A. 90-766, eff. 8-14-98; 91-887, eff. 7-6-00.)

11 (40 ILCS 5/2-123) (from Ch. 108 1/2, par. 2-123)  
12 Sec. 2-123. Refunds.

13 (a) A participant who ceases to be a member, other than  
14 an annuitant, shall, upon written request, receive a refund  
15 of his or her total contributions, without interest. The  
16 refund shall include the additional contributions for the  
17 automatic increase in retirement annuity. By accepting the  
18 refund, a participant forfeits all accrued rights and  
19 benefits in the System and loses credit for all service.  
20 However, if he or she again becomes a member, he or she may  
21 resume status as a participant and reestablish any forfeited  
22 service credit by paying to the System the full amount  
23 refunded, together with interest at 4% per annum from the  
24 time the refund is paid to the date the member again becomes  
25 a participant.

26 A former member of the General Assembly may reestablish  
27 any service credit forfeited by acceptance of a refund by  
28 paying to the System on or before July 1, 2002 ~~February--17,~~  
29 ~~1993,~~ the full amount refunded, together with interest at 4%  
30 per annum from the date of payment of the refund to the date  
31 of repayment.

32 When a member or former member owes money to the System,  
33 interest at the rate of 4% per annum shall accrue and be

1 payable on such amounts owed beginning on the date of  
2 termination of service as a member until the contributions  
3 due have been paid in full.

4 (b) A participant who (1) has elected to cease making  
5 contributions for survivor's annuity under subsection (b) of  
6 Section 2-126, (2) has no eligible survivor's annuity  
7 beneficiary upon becoming an annuitant, or (3) terminates  
8 service with less than 8 years of service is entitled to a  
9 refund of the contributions for a survivor's annuity, without  
10 interest. If the person later marries, a survivor's annuity  
11 shall not be payable upon his or her death, unless the amount  
12 of the refund is repaid to the System, together with interest  
13 at the rate of 4% per year from the date of refund to the  
14 date of repayment.

15 (c) If at the date of retirement or death of a  
16 participant who served as an officer of the General Assembly,  
17 the total period of such service is less than 4 years, the  
18 additional contributions made by such member on the  
19 additional salary as an officer shall be refunded unless the  
20 participant served as an officer for at least 2 years and has  
21 contributed the amount he or she would have contributed if he  
22 or she had served as an officer for 4 years as provided in  
23 Section 2-126.

24 (d) Upon the termination of the last survivor's annuity  
25 payable to a survivor of a deceased participant, the excess,  
26 if any, of the total contributions made by the participant  
27 for retirement and survivor's annuity, without interest, over  
28 the total amount of retirement and survivor's annuity  
29 payments received by the participant and the participant's  
30 survivors shall be refunded upon request:

31 (i) if there was a surviving spouse of the deceased  
32 participant who was eligible for a survivor's annuity, to  
33 the designated beneficiary of that spouse or, if the  
34 designated beneficiary is deceased or there is no

1 designated beneficiary, to that spouse's estate;

2 (ii) if there was no eligible surviving spouse of  
3 the deceased participant, to the designated beneficiary  
4 of the deceased participant or, if the designated  
5 beneficiary is deceased or there is no designated  
6 beneficiary, to the deceased participant's estate.

7 (e) Upon the death of a participant, if a survivor's  
8 annuity is not payable under this Article, a beneficiary  
9 designated by the participant shall be entitled to a refund  
10 of all contributions made by the participant. If the  
11 participant has not designated a refund beneficiary, the  
12 surviving spouse shall be entitled to the refund of  
13 contributions; if there is no surviving spouse, the  
14 contributions shall be refunded to the participant's  
15 surviving children, if any, and if no children survive, the  
16 refund payment shall be made to the participant's estate.

17 (Source: P.A. 90-448, eff. 8-16-97; 90-766, eff. 8-14-98.)

18 (40 ILCS 5/3-110.6) (from Ch. 108 1/2, par. 3-110.6)

19 Sec. 3-110.6. Transfer to Article 14 System.

20 (a) Any active member of the State Employees' Retirement  
21 System who is an investigator for the Office of the State's  
22 Attorneys Appellate Prosecutor, an investigator for the  
23 Office of the Attorney General, or a controlled substance  
24 inspector may apply for transfer of some or all of his or her  
25 creditable service accumulated in any police pension fund  
26 under this Article to the State Employees' Retirement System  
27 in accordance with Section 14-110. The creditable service  
28 shall be transferred only upon payment by the police pension  
29 fund to the State Employees' Retirement System of an amount  
30 equal to:

31 (1) the amounts accumulated to the credit of the  
32 applicant for the service to be transferred on the books  
33 of the fund on the date of transfer; and

1 (2) employer contributions in an amount equal to  
2 the amount determined under subparagraph (1); and

3 (3) any interest paid by the applicant in order to  
4 reinstate that service.

5 Participation in the police pension fund with respect to the  
6 credits transferred shall terminate on the date of transfer.

7 (b) Any such investigator or inspector may reinstate  
8 service which was terminated by receipt of a refund, by  
9 paying to the police pension fund the amount of the refund  
10 with interest thereon at the rate of 6% per year, compounded  
11 annually, from the date of refund to the date of payment.

12 (Source: P.A. 90-32, eff. 6-27-97.)

13 (40 ILCS 5/5-154) (from Ch. 108 1/2, par. 5-154)

14 Sec. 5-154. Duty disability benefit; child's disability  
15 benefit.

16 (a) An active policeman who becomes disabled on or after  
17 the effective date as the result of injury incurred on or  
18 after such date in the performance of an act of duty, has a  
19 right to receive duty disability benefit during any period of  
20 such disability for which he does not have a right to receive  
21 salary, equal to 75% of his salary, as salary is defined in  
22 this Article, at the time the disability is allowed; or in  
23 the case of a policeman on duty disability who returns to  
24 active employment at any time for a period of at least 2  
25 years and is again disabled from the same cause or causes,  
26 75% of his salary, as salary is defined in this Article, at  
27 the time disability is allowed; provided, however, that:

28 (i) If the disability resulted from any physical  
29 defect or mental disorder or any disease which existed at  
30 the time the injury was sustained, or if the disability  
31 is less than 50% of total disability for any service of a  
32 remunerative character, the duty disability benefit shall  
33 be 50% of salary as defined in this Article.

1           (ii) However, Beginning January 1, 1996, no duty  
2 disability benefit that has been payable under this  
3 Section for at least 10 years shall be less than 50% of  
4 the current salary attached from time to time to the rank  
5 held by the policeman at the time of removal from the  
6 police department payroll, regardless of whether that  
7 removal occurred before the effective date of this  
8 amendatory Act of 1995. Beginning on January 1, 2000, no  
9 duty disability benefit that has been payable under this  
10 Section for at least 7 years shall be less than 60% of  
11 the current salary attached from time to time to the rank  
12 held by the policeman at the time of removal from the  
13 police department payroll, regardless of whether that  
14 removal occurred before the effective date of this  
15 amendatory Act of the 92nd General Assembly.

16           (iii) If the Board finds that the disability of the  
17 policeman is of such a nature as to permanently render  
18 him totally disabled for any service of a remunerative  
19 character, the duty disability benefit shall be 75% of  
20 the current salary attached from time to time to the rank  
21 held by the policeman at the time of removal from the  
22 police department payroll. In the case of a policeman  
23 receiving a duty disability benefit under this Section on  
24 the effective date of this amendatory Act of the 92nd  
25 General Assembly, the increase in benefit provided by  
26 this amendatory Act, if any, shall begin to accrue as of  
27 the date that the Board makes the required finding of  
28 permanent total disability, regardless of whether removal  
29 from the payroll occurred before the effective date of  
30 this amendatory Act.

31           (b) The policeman shall also have a right to child's  
32 disability benefit of \$100 \$30 per month for each unmarried  
33 child, the issue of the policeman, less than age 18, but the  
34 total amount of child's disability benefit shall not exceed

1 25% of his salary as defined in this Article. The increase  
 2 in child's disability benefit provided by this amendatory Act  
 3 of the 92nd General Assembly applies beginning January 1,  
 4 2000 to all such benefits payable on or after that date,  
 5 regardless of whether the disabled policeman is in active  
 6 service on or after the effective date of this amendatory Act  
 7 of the 92nd General Assembly.

8 (c) Duty disability benefit shall be payable until the  
 9 policeman becomes age 63 or would have been retired by  
 10 operation of law, whichever is later, and child's disability  
 11 benefit shall be paid during any such period of disability  
 12 until the child attains age 18. Thereafter the policeman  
 13 shall receive the annuity provided in accordance with the  
 14 other provisions of this Article.

15 (d) A policeman who suffers a heart attack during the  
 16 performance and discharge of his or her duties as a policeman  
 17 shall be considered injured in the performance of an act of  
 18 duty and shall be eligible for all benefits that the City  
 19 provides for police officers injured in the performance of an  
 20 act of duty. This subsection (d) is a restatement of  
 21 existing law and applies without regard to whether the  
 22 policeman is in service on or after the effective date of  
 23 Public Act 89-12 or this amendatory Act of 1996.

24 (Source: P.A. 89-12, eff. 4-20-95; 89-643, eff. 8-9-96.)

25 (40 ILCS 5/5-154.1) (from Ch. 108 1/2, par. 5-154.1)  
 26 Sec. 5-154.1. Occupational disease disability benefit.

27 (a) The General Assembly finds that service in the  
 28 police department requires police officers in times of stress  
 29 and danger to perform unusual tasks; that police officers are  
 30 subject to exposure to extreme heat or extreme cold in  
 31 certain seasons while performing their duties; and that these  
 32 conditions exist and arise out of or in the course of  
 33 employment.

1 (b) Any police officer with at least 10 years of service  
2 who suffers a heart attack or any other disabling heart  
3 disease but is not entitled to a benefit under Section 5-154  
4 is entitled to receive an occupational disease disability  
5 benefit under this Section. The occupational disease  
6 disability benefit shall be 65% of the salary attached to the  
7 rank held by the police officer in the police service at the  
8 time of his or her removal from the police department  
9 payroll. However, no occupational disease disability benefit  
10 that has been payable under this Section for at least 10  
11 years shall be less than 50% of the current salary attached  
12 from time to time to the rank held by the police officer at  
13 the time of his or her removal from the police department  
14 payroll.

15 The police officer is also entitled to a child's  
16 disability benefit of \$100 \$50 per month for each natural or  
17 legally adopted unmarried child less than age 18 dependent  
18 upon the police officer for support. The total child's  
19 disability benefit shall not exceed 10% of the police  
20 officer's salary at the time of removal from the police  
21 department payroll. The increase in child's disability  
22 benefit provided by this amendatory Act of the 92nd General  
23 Assembly applies beginning January 1, 2000 to all such  
24 benefits payable on or after that date, regardless of whether  
25 the disabled policeman is in active service on or after the  
26 effective date of this amendatory Act of the 92nd General  
27 Assembly.

28 The occupational disease disability benefit is payable  
29 during the period of disability until the police officer  
30 attains age 63 or compulsory retirement age, whichever occurs  
31 later; thereafter the police officer shall receive the  
32 benefits provided under the other provisions of this Article.  
33 If the police officer ceases to be disabled, the occupational  
34 disease disability benefit shall cease.

1           The child's disability benefit is payable during the  
2 period of disability until the child attains age 18 or  
3 marries, whichever event occurs first, except that a benefit  
4 payable on account of a child under this Section shall not be  
5 reduced or terminated by reason of the child's attainment of  
6 age 18 if he or she is then dependent by reason of a physical  
7 or mental disability, but shall continue to be paid as long  
8 as the child's dependency and disability continue.

9           (Source: P.A. 89-12, eff. 4-20-95; 89-643, eff. 8-9-96.)

10           (40 ILCS 5/5-157) (from Ch. 108 1/2, par. 5-157)

11           Sec. 5-157. Administration of disability benefits.

12           (a) If a policeman who is granted duty or ordinary  
13 disability benefit refuses to submit to examination by a  
14 physician appointed by the board, he shall have no further  
15 right to receive the benefit.

16           (b) A policeman who has withdrawn from service while  
17 disabled and entered upon annuity prior to the effective  
18 date, and who has thereafter been reinstated as a policeman,  
19 shall have no right to ordinary disability benefit in excess  
20 of the amount previously received unless he serves at least  
21 one year after such reinstatement. This provision shall  
22 apply throughout the duration of any disability incurred by  
23 the policeman within one year after his reinstatement  
24 resulting from any cause other than injury incurred in the  
25 performance of an act of duty.

26           (c) Until the effective date of this amendatory Act of  
27 the 92nd General Assembly, a policeman who assumes regular  
28 employment for compensation, while in receipt of ordinary or  
29 duty disability benefits, shall not be entitled to receive  
30 any amount of such disability benefits which, when added to  
31 his compensation for such employment during disability, would  
32 exceed 150% of the rate of salary which would be paid to him  
33 if he were working in his regularly appointed civil service

1 position as a policeman. The changes made to this Section by  
2 Public this-amendatory Act 90-766 of-1998 are not limited to  
3 persons in service on or after the effective date of that  
4 this-amendatory Act.

5 Beginning on the effective date of this amendatory Act of  
6 the 92nd General Assembly, the reduction of disability  
7 benefits due to compensation for employment previously  
8 imposed under this subsection (c) no longer applies to any  
9 person receiving a disability benefit under this Article,  
10 without regard to whether the person is in service on or  
11 after that date. The removal of this limitation by this  
12 amendatory Act is not retroactive and does not entitle any  
13 person to the restoration of amounts previously reduced or  
14 withheld under this subsection.

15 (d) Disability benefit shall not be paid for any part of  
16 time for which a disabled policeman shall receive any part of  
17 his salary.

18 (e) Except as herein otherwise provided, disability  
19 benefit shall not be paid for any disability based upon or  
20 caused by any mental or physical defect which the policeman  
21 had at the time he entered the police service.

22 (f) Disability benefit shall not be allowed to any  
23 policeman who re-enters the public service in any capacity  
24 where his salary is payable in whole or in part by taxes  
25 levied upon taxable property in the city in which this  
26 Article is in effect, or out of special revenues of any  
27 department of the city. The disability benefit shall be  
28 suspended during the period he is in the public service for  
29 compensation, and shall be resumed when he withdraws from  
30 such service.

31 (g) Any disability benefit paid in violation of this  
32 Section or of this Article shall be construed to have been  
33 paid in error, and the amounts so paid shall be charged as a  
34 debit in the account of any person to whom the same was paid

1 and shall be deducted from any moneys thereafter payable to  
2 such person out of this fund, or to the widow, heirs or  
3 estate of such person.

4 (Source: P.A. 90-766, eff. 8-14-98.)

5 (40 ILCS 5/5-167.1) (from Ch. 108 1/2, par. 5-167.1)  
6 Sec. 5-167.1. Automatic increase in annuity; retirement  
7 from service after September 1, 1967.

8 (a) A policeman who retires from service after September  
9 1, 1967 with at least 20 years of service credit shall, upon  
10 either the first of the month following the first anniversary  
11 of his date of retirement if he is age 60 (age 55 if born  
12 before January 1, 1950 ~~1945~~) or over on that anniversary  
13 date, or upon the first of the month following his attainment  
14 of age 60 (age 55 if born before January 1, 1950 ~~1945~~) if it  
15 occurs after the first anniversary of his retirement date,  
16 have his then fixed and payable monthly annuity increased by  
17 1 1/2% and such first fixed annuity as granted at retirement  
18 increased by an additional 1 1/2% in January of each year  
19 thereafter up to a maximum increase of 30%. Beginning  
20 January 1, 1983 for policemen born before January 1, 1930,  
21 and beginning January 1, 1988 for policemen born on or after  
22 January 1, 1930 but before January 1, 1940, and beginning  
23 January 1, 1996 for policemen born on or after January 1,  
24 1940 but before January 1, 1945, and beginning January 1,  
25 2001 for policemen born on or after January 1, 1945 but  
26 before January 1, 1950, such increases shall be 3% and such  
27 policemen shall not be subject to the 30% maximum increase.

28 Any policeman born before January 1, 1945 who qualifies  
29 for a minimum annuity and retires after September 1, 1967 but  
30 has not received the initial increase under this subsection  
31 before January 1, 1996 is entitled to receive the initial  
32 increase under this subsection on (1) January 1, 1996, (2)  
33 the first anniversary of the date of retirement, or (3)

1 attainment of age 55, whichever occurs last. The changes to  
2 this Section made by Public Act 89-12 ~~this-amendatory-Act-of~~  
3 1995 apply beginning January 1, 1996 and without regard to  
4 whether the policeman or annuitant terminated service before  
5 the effective date of that ~~this-amendatory Act of-1995~~.

6 Any policeman born before January 1, 1950 who qualifies  
7 for a minimum annuity and retires after September 1, 1967 but  
8 has not received the initial increase under this subsection  
9 before January 1, 2001 is entitled to receive the initial  
10 increase under this subsection on (1) January 1, 2001, (2)  
11 the first anniversary of the date of retirement, or (3)  
12 attainment of age 55, whichever occurs last. The changes to  
13 this Section made by this amendatory Act of the 92nd General  
14 Assembly apply without regard to whether the policeman or  
15 annuitant terminated service before the effective date of  
16 this amendatory Act.

17 (b) Subsection (a) of this Section is not applicable to  
18 an employee receiving a term annuity.

19 (c) To help defray the cost of such increases in  
20 annuity, there shall be deducted, beginning September 1,  
21 1967, from each payment of salary to a policeman, 1/2 of 1%  
22 of each salary payment concurrently with and in addition to  
23 the salary deductions otherwise made for annuity purposes.

24 The city, in addition to the contributions otherwise made  
25 by it for annuity purposes under other provisions of this  
26 Article, shall make matching contributions concurrently with  
27 such salary deductions.

28 Each such 1/2 of 1% deduction from salary and each such  
29 contribution by the city of 1/2 of 1% of salary shall be  
30 credited to the Automatic Increase Reserve, to be used to  
31 defray the cost of the 1 1/2% annuity increase provided by  
32 this Section. Any balance in such reserve as of the  
33 beginning of each calendar year shall be credited with  
34 interest at the rate of 3% per annum.

1           Such deductions from salary and city contributions shall  
2 continue while the policeman is in service.

3           The salary deductions provided in this Section are not  
4 subject to refund, except to the policeman himself, in any  
5 case in which a policeman withdraws prior to qualification  
6 for minimum annuity and applies for refund or applies for  
7 annuity, and also where a term annuity becomes payable. In  
8 such cases, the total of such salary deductions shall be  
9 refunded to the policeman, without interest, and charged to  
10 the Automatic Increase Reserve.

11 (Source: P.A. 89-12, eff. 4-20-95.)

12           (40 ILCS 5/5-212) (from Ch. 108 1/2, par. 5-212)

13           Sec. 5-212. Computation of service. In computing the  
14 service rendered by a policeman prior to the effective date,  
15 the following periods shall be counted, in addition to all  
16 periods during where he performed the duties of his position,  
17 as periods of service for annuity purposes only: all periods  
18 of (a) vacation; (b) leave of absence with whole or part pay;  
19 (c) leave of absence without pay on account of disability;  
20 and (d) leave of absence during which the policeman was  
21 engaged in the military or naval service of the United States  
22 of America. Service credit shall not be allowed for a  
23 policeman in receipt of a pension on account of disability  
24 from any pension fund superseded by this fund.

25           In computing the service rendered by a policeman on or  
26 after the effective date, the following periods shall be  
27 counted, in addition to all periods during which he performed  
28 the duties of his position, as periods of service for annuity  
29 purposes only: all periods of (a) vacation; (b) leave of  
30 absence with whole or part pay; (c) leave of absence during  
31 which the policeman was engaged in the military or naval  
32 service of the United States of America; (d) time that the  
33 policeman was engaged in the military or naval service of the

1 United States of America, during which he was passed over on  
2 any eligible list posted from an entrance examination, due to  
3 the fact that he was in such military or naval service at the  
4 time he was called for appointment to the Police Department,  
5 to be computed from the date he was passed over on any  
6 eligible list and would have been first sworn in as a  
7 policeman had he not been engaged in the military or naval  
8 service of the United States of America, until the date of  
9 his discharge from such military or naval service; provided  
10 that such policeman shall pay into this Fund the same amount  
11 that would have been deducted from his salary had he been a  
12 policeman during the aforementioned portion of such military  
13 or naval service; (e) disability for which the policeman  
14 receives any disability benefit; (f) disability for which the  
15 policeman receives whole or part pay; and (g) service for  
16 which credits and creditable service have been transferred to  
17 this Fund under Section 9-121.1, 14-105.1 or 15-134.3 of this  
18 Code.

19 In computing service on or after the effective date for  
20 ordinary disability benefit, all periods described in the  
21 preceding paragraph, except any such period for which a  
22 policeman receives ordinary disability benefit, shall be  
23 counted as periods of service.

24 In computing service for any of the purposes of this  
25 Article, no credit shall be given for any period during which  
26 a policeman was not rendering active service because of his  
27 discharge from the service, unless proceedings to test the  
28 legality of the discharge are filed in a court of competent  
29 jurisdiction within one year from the date of discharge and a  
30 final judgment is entered therein declaring the discharge  
31 illegal.

32 No overtime or extra service shall be included in  
33 computing service of a policeman and not more than one year  
34 or a fractional part thereof of service shall be allowed for

1 service rendered during any calendar year.

2 In computing service for any of the purposes of this  
3 Article, credit shall be given for any periods prior to  
4 January 10, 2001 ~~9, 1997~~, during which a policeman who is a  
5 member of the General Assembly is on leave of absence or is  
6 otherwise authorized to be absent from duty to enable him or  
7 her to perform legislative duties, notwithstanding any  
8 reduction in salary for such periods and notwithstanding that  
9 the contributions paid by the policeman were based on a  
10 reduced salary rather than the full amount of salary attached  
11 to his or her career service rank.

12 (Source: P.A. 89-136, eff. 7-14-95.)

13 (40 ILCS 5/5-233.1 new)

14 Sec. 5-233.1. Transfer of creditable service to Article  
15 8 or 11 fund. A person who (i) is an active participant in a  
16 fund established under Article 8 or 11 of this Code and (ii)  
17 has at least 10 and no more than 22 years of creditable  
18 service in this Fund may, within the 90 days following the  
19 effective date of this Section, apply for transfer of of his  
20 or her credits and creditable service accumulated in this  
21 Fund to the Article 8 or 11 fund. At the time of the  
22 transfer, this Fund shall pay to the Article 8 or 11 fund an  
23 amount consisting of:

24 (1) the amounts credited to the applicant through  
25 employee contributions for the service to be transferred,  
26 including interest; and

27 (2) the corresponding municipality credits,  
28 including interest, on the books of the Fund on the date  
29 of transfer.

30 Participation in this Fund with respect to the credits  
31 transferred shall terminate on the date of transfer.

32 (40 ILCS 5/5-236) (from Ch. 108 1/2, par. 5-236)

1           Sec. 5-236. Transfer to Article 14.

2           (a) Until January 31, 1994, any active member of the  
3 State Employees' Retirement System who is a State policeman  
4 or investigator for the Secretary of State may apply for  
5 transfer of his creditable service accumulated under this  
6 Article to the State Employees' Retirement System. At the  
7 time of the transfer the Fund shall pay to the State  
8 Employees' Retirement System an amount equal to:

9                   (1) the amounts accumulated to the credit of the  
10 applicant on the books of the Fund on the date of  
11 transfer; and

12                   (2) the corresponding municipality credits,  
13 including interest, on the books of the Fund on the date  
14 of transfer; and

15                   (3) any interest paid by the applicant in order to  
16 reinstate service.

17 Participation in this Fund shall terminate on the date of  
18 transfer.

19           (b) Until January 31, 1994, any such State policeman or  
20 investigator for the Secretary of State may reinstate service  
21 that was terminated by receipt of a refund, by paying to the  
22 Fund the amount of the refund with interest thereon at the  
23 rate of 6% per year, compounded annually, from the date of  
24 refund to the date of payment.

25           (c) Within 30 days after the effective date of this  
26 amendatory Act of 1993, any active member of the State  
27 Employees' Retirement System who was earning eligible  
28 creditable service under subdivision (b)(12) of Section  
29 14-110 on January 1, 1992 and who has at least 17 years of  
30 creditable service under this Article may apply for transfer  
31 of his creditable service accumulated under this Article to  
32 the State Employees' Retirement System. At the time of the  
33 transfer the Fund shall pay to the State Employees'  
34 Retirement System an amount equal to:

1 (1) the amounts accumulated to the credit of the  
2 applicant on the books of the Fund on the date of  
3 transfer; and

4 (2) the corresponding municipality credits,  
5 including interest, on the books of the Fund on the date  
6 of transfer.

7 Participation in this Fund shall terminate on the date of  
8 transfer.

9 (d) Any active member of the State Employees' Retirement  
10 System who is an investigator for the Office of the Attorney  
11 General may apply for transfer of all or part of his or her  
12 creditable service accumulated under this Article to the  
13 State Employees' Retirement System in accordance with Section  
14 14-110. At the time of the transfer the Fund shall pay to  
15 the State Employees' Retirement System an amount equal to:

16 (1) the amounts accumulated to the credit of the  
17 applicant for the service to be transferred on the books  
18 of the Fund on the date of transfer; and

19 (2) the corresponding municipality credits,  
20 including interest, on the books of the Fund on the date  
21 of transfer; and

22 (3) any interest paid by the applicant in order to  
23 reinstate that service credit.

24 Participation in this Fund with respect to the credits  
25 transferred shall terminate on the date of transfer.

26 (e) Any such investigator for the Office of the Attorney  
27 General may reinstate service that was terminated by receipt  
28 of a refund, by paying to the Fund the amount of the refund  
29 plus interest at the rate of 6% per year, compounded  
30 annually, from the date of the refund to the date of payment.

31 (Source: P.A. 86-1488; 87-1265.)

32 (40 ILCS 5/6-140) (from Ch. 108 1/2, par. 6-140)

33 Sec. 6-140. Death in the line of duty.

1        (a) The annuity for the widow of a fireman whose death  
 2 results from the performance of an act or acts of duty shall  
 3 be an amount equal to 50% of the current annual salary  
 4 attached to the classified position to which the fireman was  
 5 certified at the time of his death and 75% thereof after  
 6 December 31, 1972, ~~and it shall be payable to the widow~~  
 7 ~~until the fireman, had he lived, would have attained the age~~  
 8 ~~prescribed for compulsory retirement.~~

9        ~~Thereafter the widow shall receive annuity of an amount~~  
 10 ~~equal to 40% of the current annual salary attached to the~~  
 11 ~~classified position to which the fireman was certified at the~~  
 12 ~~time of his death. The benefits provided in this Section~~  
 13 ~~shall be paid to all widows who qualified to receive said~~  
 14 ~~benefits before the effective date of this amendatory Act and~~  
 15 ~~to those widows who qualify after the effective date.~~

16        Unless the performance of an act or acts of duty results  
 17 directly in the death of the fireman, or prevents him from  
 18 subsequently resuming active service in the fire department,  
 19 the annuity herein provided shall not be paid; nor shall such  
 20 annuities be paid unless the widow was the wife of the  
 21 fireman at the time of the act or acts of duty which resulted  
 22 in his death.

23        (b) The changes made to this Section by this amendatory  
 24 Act of the 92nd General Assembly apply without regard to  
 25 whether the deceased fireman was in service on or after the  
 26 effective date of this amendatory Act. In the case of a  
 27 widow receiving an annuity under this Section that has been  
 28 reduced to 40% of current salary because the fireman, had he  
 29 lived, would have attained the age prescribed for compulsory  
 30 retirement, the annuity shall be restored on January 1, 2001  
 31 to the amount provided in subsection (a).

32        (Source: P.A. 77-1580.)

1           Sec. 7-132. Municipalities, instrumentalities and  
2 participating instrumentalities included and effective dates.

3           (A) Municipalities and their instrumentalities.

4           (a) The following described municipalities, but not  
5 including any with more than 1,000,000 inhabitants, and the  
6 instrumentalities thereof, shall be included within and be  
7 subject to this Article beginning upon the effective dates  
8 specified by the Board:

9           (1) Except as to the municipalities and  
10 instrumentalities thereof specifically excluded under  
11 this Article, every county shall be subject to this  
12 Article, and all cities, villages and incorporated towns  
13 having a population in excess of 5,000 inhabitants as  
14 determined by the last preceding decennial or subsequent  
15 federal census, shall be subject to this Article  
16 following publication of the census by the Bureau of the  
17 Census. Within 90 days after publication of the census,  
18 the Board shall notify any municipality that has become  
19 subject to this Article as a result of that census, and  
20 shall provide information to the corporate authorities of  
21 the municipality explaining the duties and consequences  
22 of participation. The notification shall also include a  
23 proposed date upon which participation by the  
24 municipality will commence.

25           However, for any city, village or incorporated town  
26 that attains a population over 5,000 inhabitants after  
27 having provided social security coverage for its  
28 employees under the Social Security Enabling Act,  
29 participation under this Article shall not be mandatory  
30 but may be elected in accordance with subparagraph (3) or  
31 (4) of this paragraph (a), whichever is applicable.

32           (2) School districts, other than those specifically  
33 excluded under this Article, shall be subject to this  
34 Article, without election, with respect to all employees

1           thereof.

2           (3) Towns and all other bodies politic and  
3           corporate which are formed by vote of, or are subject to  
4           control by, the electors in towns and are located in  
5           towns which are not participating municipalities on the  
6           effective date of this Act, may become subject to this  
7           Article by election pursuant to Section 7-132.1.

8           (4) Any other municipality (together with its  
9           instrumentalities), other than those specifically  
10          excluded from participation and those described in  
11          paragraph (3) above, may elect to be included either by  
12          referendum under Section 7-134 or by the adoption of a  
13          resolution or ordinance by its governing body. A copy of  
14          such resolution or ordinance duly authenticated and  
15          certified by the clerk of the municipality or other  
16          appropriate official of its governing body shall  
17          constitute the required notice to the board of such  
18          action.

19          (b) A municipality that is about to begin participation  
20          shall submit to the Board an application to participate, in a  
21          form acceptable to the Board, not later than 90 days prior to  
22          the proposed effective date of participation. The Board  
23          shall act upon the application within 90 days, and if it  
24          finds that the application is in conformity with its  
25          requirements and the requirements of this Article,  
26          participation by the applicant shall commence on a date  
27          acceptable to the municipality and specified by the Board,  
28          but in no event more than one year from the date of  
29          application.

30          (c) A participating municipality which succeeds to the  
31          functions of a participating municipality which is dissolved  
32          or terminates its existence shall assume and be transferred  
33          the net accumulation balance in the municipality reserve and  
34          the municipality account receivable balance of the terminated

1 municipality.

2 (d) In the case of a Veterans Assistance Commission  
3 whose employees were being treated by the Fund on January 1,  
4 1990 as employees of the county served by the Commission, the  
5 Fund may continue to treat the employees of the Veterans  
6 Assistance Commission as county employees for the purposes of  
7 this Article, unless the Commission becomes a participating  
8 instrumentality in accordance with subsection (B) of this  
9 Section.

10 (B) Participating instrumentalities.

11 (a) The participating instrumentalities designated in  
12 paragraph (b) of this subsection shall be included within and  
13 be subject to this Article if:

14 (1) an application to participate, in a form  
15 acceptable to the Board and adopted by a two-thirds vote  
16 of the governing body, is presented to the Board not  
17 later than 90 days prior to the proposed effective date;  
18 and

19 (2) the Board finds that the application is in  
20 conformity with its requirements, that the applicant has  
21 reasonable expectation to continue as a political entity  
22 for a period of at least 10 years and has the prospective  
23 financial capacity to meet its current and future  
24 obligations to the Fund, and that the actuarial soundness  
25 of the Fund may be reasonably expected to be unimpaired  
26 by approval of participation by the applicant.

27 The Board shall notify the applicant of its findings  
28 within 90 days after receiving the application, and if the  
29 Board approves the application, participation by the  
30 applicant shall commence on the effective date specified by  
31 the Board.

32 (b) The following participating instrumentalities, so  
33 long as they meet the requirements of Section 7-108 and the  
34 area served by them or within their jurisdiction is not

1 located entirely within a municipality having more than one  
2 million inhabitants, may be included hereunder:

3 i. Township School District Trustees.

4 ii. Multiple County and Consolidated Health  
5 Departments created under Division 5-25 of the Counties  
6 Code or its predecessor law.

7 iii. Public Building Commissions created under the  
8 Public Building Commission Act, and located in counties  
9 of less than 1,000,000 inhabitants.

10 iv. A multitype, consolidated or cooperative  
11 library system created under the Illinois Library System  
12 Act. Any library system created under the Illinois  
13 Library System Act that has one or more predecessors that  
14 participated in the Fund may participate in the Fund upon  
15 application. The Board shall establish procedures for  
16 implementing the transfer of rights and obligations from  
17 the predecessor system to the successor system.

18 v. Regional Planning Commissions created under  
19 Division 5-14 of the Counties Code or its predecessor  
20 law.

21 vi. Local Public Housing Authorities created under  
22 the Housing Authorities Act, located in counties of less  
23 than 1,000,000 inhabitants.

24 vii. Illinois Municipal League.

25 viii. Northeastern Illinois Metropolitan Area  
26 Planning Commission.

27 ix. Southwestern Illinois Metropolitan Area  
28 Planning Commission.

29 x. Illinois Association of Park Districts.

30 xi. Illinois Supervisors, County Commissioners and  
31 Superintendents of Highways Association.

32 xii. Tri-City Regional Port District.

33 xiii. An association, or not-for-profit  
34 corporation, membership in which is authorized under

1 Section 85-15 of the Township Code.

2 xiv. Drainage Districts operating under the  
3 Illinois Drainage Code.

4 xv. Local mass transit districts created under the  
5 Local Mass Transit District Act.

6 xvi. Soil and water conservation districts created  
7 under the Soil and Water Conservation Districts Law.

8 xvii. Commissions created to provide water supply  
9 or sewer services or both under Division 135 or Division  
10 136 of Article 11 of the Illinois Municipal Code.

11 xviii. Public water districts created under the  
12 Public Water District Act.

13 xix. Veterans Assistance Commissions established  
14 under Section 9 of the Military Veterans Assistance Act  
15 that serve counties with a population of less than  
16 1,000,000.

17 xx. The governing body of an entity, other than a  
18 vocational education cooperative, created under an  
19 intergovernmental cooperative agreement established  
20 between participating municipalities under the  
21 Intergovernmental Cooperation Act, which by the terms of  
22 the agreement is the employer of the persons performing  
23 services under the agreement under the usual common law  
24 rules determining the employer-employee relationship.  
25 The governing body of such an intergovernmental  
26 cooperative entity established prior to July 1, 1988 may  
27 make participation retroactive to the effective date of  
28 the agreement and, if so, the effective date of  
29 participation shall be the date the required application  
30 is filed with the fund. If any such entity is unable to  
31 pay the required employer contributions to the fund, then  
32 the participating municipalities shall make payment of  
33 the required contributions and the payments shall be  
34 allocated as provided in the agreement or, if not so

1 provided, equally among them.

2 xxi. The Illinois Municipal Electric Agency.

3 xxii. The Waukegan Port District.

4 xxiii. The Fox Waterway Agency created under the  
5 Fox Waterway Agency Act.

6 xxiv. The Kaskaskia Regional Port District.

7 xxv. The Illinois Municipal Gas Agency.

8 (c) The governing boards of special education joint  
9 agreements created under Section 10-22.31 of the School Code  
10 without designation of an administrative district shall be  
11 included within and be subject to this Article as  
12 participating instrumentalities when the joint agreement  
13 becomes effective. However, the governing board of any such  
14 special education joint agreement in effect before September  
15 5, 1975 shall not be subject to this Article unless the joint  
16 agreement is modified by the school districts to provide that  
17 the governing board is subject to this Article, except as  
18 otherwise provided by this Section.

19 The governing board of the Special Education District of  
20 Lake County shall become subject to this Article as a  
21 participating instrumentality on July 1, 1997.  
22 Notwithstanding subdivision (a)1 of Section 7-139, on the  
23 effective date of participation, employees of the governing  
24 board of the Special Education District of Lake County shall  
25 receive creditable service for their prior service with that  
26 employer, up to a maximum of 5 years, without any employee  
27 contribution. Employees may establish creditable service for  
28 the remainder of their prior service with that employer, if  
29 any, by applying in writing and paying an employee  
30 contribution in an amount determined by the Fund, based on  
31 the employee contribution rates in effect at the time of  
32 application for the creditable service and the employee's  
33 salary rate on the effective date of participation for that  
34 employer, plus interest at the effective rate from the date

1 of the prior service to the date of payment. Application for  
2 this creditable service must be made before July 1, 1998; the  
3 payment may be made at any time while the employee is still  
4 in service. The employer may elect to make the required  
5 contribution on behalf of the employee.

6 The governing board of a special education joint  
7 agreement created under Section 10-22.31 of the School Code  
8 for which an administrative district has been designated, if  
9 there are employees of the cooperative educational entity who  
10 are not employees of the administrative district, may elect  
11 to participate in the Fund and be included within this  
12 Article as a participating instrumentality, subject to such  
13 application procedures and rules as the Board may prescribe.

14 The Boards of Control of cooperative or joint educational  
15 programs or projects created and administered under Section  
16 3-15.14 of the School Code, whether or not the Boards act as  
17 their own administrative district, shall be included within  
18 and be subject to this Article as participating  
19 instrumentalities when the agreement establishing the  
20 cooperative or joint educational program or project becomes  
21 effective.

22 The governing board of a special education joint  
23 agreement entered into after June 30, 1984 and prior to  
24 September 17, 1985 which provides for representation on the  
25 governing board by less than all the participating districts  
26 shall be included within and subject to this Article as a  
27 participating instrumentality. Such participation shall be  
28 effective as of the date the joint agreement becomes  
29 effective.

30 The governing boards of educational service centers  
31 established under Section 2-3.62 of the School Code shall be  
32 included within and subject to this Article as participating  
33 instrumentalities. The governing boards of vocational  
34 education cooperative agreements created under the

1 Intergovernmental Cooperation Act and approved by the State  
2 Board of Education shall be included within and be subject to  
3 this Article as participating instrumentalities. If any such  
4 governing boards or boards of control are unable to pay the  
5 required employer contributions to the fund, then the school  
6 districts served by such boards shall make payment of  
7 required contributions as provided in Section 7-172. The  
8 payments shall be allocated among the several school  
9 districts in proportion to the number of students in average  
10 daily attendance for the last full school year for each  
11 district in relation to the total number of students in  
12 average attendance for such period for all districts served.  
13 If such educational service centers, vocational education  
14 cooperatives or cooperative or joint educational programs or  
15 projects created and administered under Section 3-15.14 of  
16 the School Code are dissolved, the assets and obligations  
17 shall be distributed among the districts in the same  
18 proportions unless otherwise provided.

19 (d) The governing boards of special recreation joint  
20 agreements created under Section 8-10b of the Park District  
21 Code, operating without designation of an administrative  
22 district or an administrative municipality appointed to  
23 administer the program operating under the authority of such  
24 joint agreement shall be included within and be subject to  
25 this Article as participating instrumentalities when the  
26 joint agreement becomes effective. However, the governing  
27 board of any such special recreation joint agreement in  
28 effect before January 1, 1980 shall not be subject to this  
29 Article unless the joint agreement is modified, by the  
30 districts and municipalities which are parties to the  
31 agreement, to provide that the governing board is subject to  
32 this Article.

33 If the Board returns any employer and employee  
34 contributions to any employer which erroneously submitted

1 such contributions on behalf of a special recreation joint  
2 agreement, the Board shall include interest computed from the  
3 end of each year to the date of payment, not compounded, at  
4 the rate of 7% per annum.

5 (e) Each multi-township assessment district, the board  
6 of trustees of which has adopted this Article by ordinance  
7 prior to April 1, 1982, shall be a participating  
8 instrumentality included within and subject to this Article  
9 effective December 1, 1981. The contributions required under  
10 Section 7-172 shall be included in the budget prepared under  
11 and allocated in accordance with Section 2-30 of the Property  
12 Tax Code.

13 (f) Beginning January 1, 1992, each prospective  
14 participating municipality or participating instrumentality  
15 shall pay to the Fund the cost, as determined by the Board,  
16 of a study prepared by the Fund or its actuary, detailing the  
17 prospective costs of participation in the Fund to be expected  
18 by the municipality or instrumentality.

19 (Source: P.A. 89-162, eff. 7-19-95; 90-511, eff. 8-22-97.)

20 (40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)  
21 Sec. 7-139. Credits and creditable service to employees.

22 (a) Each participating employee shall be granted credits  
23 and creditable service, for purposes of determining the  
24 amount of any annuity or benefit to which he or a beneficiary  
25 is entitled, as follows:

26 1. For prior service: Each participating employee  
27 who is an employee of a participating municipality or  
28 participating instrumentality on the effective date shall  
29 be granted creditable service, but no credits under  
30 paragraph 2 of this subsection (a), for periods of prior  
31 service for which credit has not been received under any  
32 other pension fund or retirement system established under  
33 this Code, as follows:

1           If the effective date of participation for the  
2 participating municipality or participating  
3 instrumentality is on or before January 1, 1998,  
4 creditable service shall be granted for the entire period  
5 of prior service with that employer without any employee  
6 contribution.

7           If the effective date of participation for the  
8 participating municipality or participating  
9 instrumentality is after January 1, 1998, creditable  
10 service shall be granted for the last 20% of the period  
11 of prior service with that employer, but no more than 5  
12 years, without any employee contribution. A  
13 participating employee may establish creditable service  
14 for the remainder of the period of prior service with  
15 that employer by making an application in writing,  
16 accompanied by payment of an employee contribution in an  
17 amount determined by the Fund, based on the employee  
18 contribution rates in effect at the time of application  
19 for the creditable service and the employee's salary rate  
20 on the effective date of participation for that employer,  
21 plus interest at the effective rate from the date of the  
22 prior service to the date of payment. Application for  
23 this creditable service may be made at any time while the  
24 employee is still in service.

25           Any person who has withdrawn from the service of a  
26 participating municipality or participating  
27 instrumentality prior to the effective date, who reenters  
28 the service of the same municipality or participating  
29 instrumentality after the effective date and becomes a  
30 participating employee is entitled to creditable service  
31 for prior service as otherwise provided in this  
32 subdivision (a)(1) only if he or she renders 2 years of  
33 service as a participating employee after the effective  
34 date. Application for such service must be made while in

1 a participating status. The salary rate to be used in  
2 the calculation of the required employee contribution, if  
3 any, shall be the employee's salary rate at the time of  
4 first reentering service with the employer after the  
5 employer's effective date of participation.

6 2. For current service, each participating employee  
7 shall be credited with:

8 a. Additional credits of amounts equal to each  
9 payment of additional contributions received from  
10 him under Section 7-173, as of the date the  
11 corresponding payment of earnings is payable to him.

12 b. Normal credits of amounts equal to each  
13 payment of normal contributions received from him,  
14 as of the date the corresponding payment of earnings  
15 is payable to him, and normal contributions made for  
16 the purpose of establishing out-of-state service  
17 credits as permitted under the conditions set forth  
18 in paragraph 6 of this subsection (a).

19 c. Municipality credits in an amount equal to  
20 1.4 times the normal credits, except those  
21 established by out-of-state service credits, as of  
22 the date of computation of any benefit if these  
23 credits would increase the benefit.

24 d. Survivor credits equal to each payment of  
25 survivor contributions received from the  
26 participating employee as of the date the  
27 corresponding payment of earnings is payable, and  
28 survivor contributions made for the purpose of  
29 establishing out-of-state service credits.

30 3. For periods of temporary and total and permanent  
31 disability benefits, each employee receiving disability  
32 benefits shall be granted creditable service for the  
33 period during which disability benefits are payable.  
34 Normal and survivor credits, based upon the rate of

1 earnings applied for disability benefits, shall also be  
2 granted if such credits would result in a higher benefit  
3 to any such employee or his beneficiary.

4 4. For authorized leave of absence without pay: A  
5 participating employee shall be granted credits and  
6 creditable service for periods of authorized leave of  
7 absence without pay under the following conditions:

8 a. An application for credits and creditable  
9 service is submitted to the board while the employee  
10 is in a status of active employment, and within 2  
11 years after termination of the leave of absence  
12 period for which credits and creditable service are  
13 sought.

14 b. Not more than 12 complete months of  
15 creditable service for authorized leave of absence  
16 without pay shall be counted for purposes of  
17 determining any benefits payable under this Article.

18 c. Credits and creditable service shall be  
19 granted for leave of absence only if such leave is  
20 approved by the governing body of the municipality,  
21 including approval of the estimated cost thereof to  
22 the municipality as determined by the fund, and  
23 employee contributions, plus interest at the  
24 effective rate applicable for each year from the end  
25 of the period of leave to date of payment, have been  
26 paid to the fund in accordance with Section 7-173.  
27 The contributions shall be computed upon the  
28 assumption earnings continued during the period of  
29 leave at the rate in effect when the leave began.

30 d. Benefits under the provisions of Sections  
31 7-141, 7-146, 7-150 and 7-163 shall become payable  
32 to employees on authorized leave of absence, or  
33 their designated beneficiary, only if such leave of  
34 absence is creditable hereunder, and if the employee

1           has at least one year of creditable service other  
2           than the service granted for leave of absence. Any  
3           employee contributions due may be deducted from any  
4           benefits payable.

5           e. No credits or creditable service shall be  
6           allowed for leave of absence without pay during any  
7           period of prior service.

8           5. For military service: The governing body of a  
9           municipality or participating instrumentality may elect  
10          to allow creditable service to participating employees  
11          who leave their employment to serve in the armed forces  
12          of the United States for all periods of such service,  
13          provided that the person returns to active employment  
14          within 90 days after completion of full time active duty,  
15          but no creditable service shall be allowed such person  
16          for any period that can be used in the computation of a  
17          pension or any other pay or benefit, other than pay for  
18          active duty, for service in any branch of the armed  
19          forces of the United States. If necessary to the  
20          computation of any benefit, the board shall establish  
21          municipality credits for participating employees under  
22          this paragraph on the assumption that the employee  
23          received earnings at the rate received at the time he  
24          left the employment to enter the armed forces. A  
25          participating employee in the armed forces shall not be  
26          considered an employee during such period of service and  
27          no additional death and no disability benefits are  
28          payable for death or disability during such period.

29          Any participating employee who left his employment  
30          with a municipality or participating instrumentality to  
31          serve in the armed forces of the United States and who  
32          again became a participating employee within 90 days  
33          after completion of full time active duty by entering the  
34          service of a different municipality or participating

1 instrumentality, which has elected to allow creditable  
2 service for periods of military service under the  
3 preceding paragraph, shall also be allowed creditable  
4 service for his period of military service on the same  
5 terms that would apply if he had been employed, before  
6 entering military service, by the municipality or  
7 instrumentality which employed him after he left the  
8 military service and the employer costs arising in  
9 relation to such grant of creditable service shall be  
10 charged to and paid by that municipality or  
11 instrumentality.

12 Notwithstanding the foregoing, any participating  
13 employee shall be entitled to creditable service as  
14 required by any federal law relating to re-employment  
15 rights of persons who served in the United States Armed  
16 Services. Such creditable service shall be granted upon  
17 payment by the member of an amount equal to the employee  
18 contributions which would have been required had the  
19 employee continued in service at the same rate of  
20 earnings during the military leave period, plus interest  
21 at the effective rate.

22 5.1. In addition to any creditable service  
23 established under paragraph 5 of this subsection (a),  
24 creditable service may be granted for up to 24 months of  
25 service in the armed forces of the United States.

26 In order to receive creditable service for military  
27 service under this paragraph 5.1, a participating  
28 employee must (1) apply to the Fund in writing and  
29 provide evidence of the military service that is  
30 satisfactory to the Board; (2) obtain the written  
31 approval of the current employer; and (3) make  
32 contributions to the Fund equal to (i) the employee  
33 contributions that would have been required had the  
34 service been rendered as a member, plus (ii) an amount

1 determined by the board to be equal to the employer's  
2 normal cost of the benefits accrued for that military  
3 service, plus (iii) interest on items (i) and (ii) from  
4 the date of first membership in the Fund to the date of  
5 payment. If payment is made during the 6-month period  
6 that begins 3 months after the effective date of this  
7 amendatory Act of 1997, the required interest shall be at  
8 the rate of 2.5% per year, compounded annually;  
9 otherwise, the required interest shall be calculated at  
10 the regular interest rate.

11 6. For out-of-state service: Creditable service  
12 shall be granted for service rendered to an out-of-state  
13 local governmental body under the following conditions:  
14 The employee had participated and has irrevocably  
15 forfeited all rights to benefits in the out-of-state  
16 public employees pension system; the governing body of  
17 his participating municipality or instrumentality  
18 authorizes the employee to establish such service; the  
19 employee has 2 years current service with this  
20 municipality or participating instrumentality; the  
21 employee makes a payment of contributions, which shall be  
22 computed at 8% (normal) plus 2% (survivor) times length  
23 of service purchased times the average rate of earnings  
24 for the first 2 years of service with the municipality or  
25 participating instrumentality whose governing body  
26 authorizes the service established plus interest at the  
27 effective rate on the date such credits are established,  
28 payable from the date the employee completes the required  
29 2 years of current service to date of payment. In no  
30 case shall more than 120 months of creditable service be  
31 granted under this provision.

32 7. For retroactive service: Any employee who could  
33 have but did not elect to become a participating  
34 employee, or who should have been a participant in the

1 Municipal Public Utilities Annuity and Benefit Fund  
 2 before that fund was superseded, may receive creditable  
 3 service for the period of service not to exceed 50  
 4 months; however, a current or former elected or appointed  
 5 official of a participating municipality ~~county--board~~  
 6 ~~member~~ may establish credit under this paragraph 7 for  
 7 more than 50 months of service as an official of that  
 8 municipality, ~~a-member-of-the-county-board~~ if the excess  
 9 over 50 months is approved by resolution of the governing  
 10 body of the affected municipality ~~county-board~~ filed with  
 11 the Fund before January 1, 2002 ~~1999~~.

12 Any employee who is a participating employee on or  
 13 after September 24, 1981 and who was excluded from  
 14 participation by the age restrictions removed by Public  
 15 Act 82-596 may receive creditable service for the period,  
 16 on or after January 1, 1979, excluded by the age  
 17 restriction and, in addition, if the governing body of  
 18 the participating municipality or participating  
 19 instrumentality elects to allow creditable service for  
 20 all employees excluded by the age restriction prior to  
 21 January 1, 1979, for service during the period prior to  
 22 that date excluded by the age restriction. Any employee  
 23 who was excluded from participation by the age  
 24 restriction removed by Public Act 82-596 and who is not a  
 25 participating employee on or after September 24, 1981 may  
 26 receive creditable service for service after January 1,  
 27 1979. Creditable service under this paragraph shall be  
 28 granted upon payment of the employee contributions which  
 29 would have been required had he participated, with  
 30 interest at the effective rate for each year from the end  
 31 of the period of service established to date of payment.

32 8. For accumulated unused sick leave: A  
 33 participating employee who is applying for a retirement  
 34 annuity shall be entitled to creditable service for that

1 portion of the employee's accumulated unused sick leave  
2 for which payment is not received, as follows:

3 a. Sick leave days shall be limited to those  
4 accumulated under a sick leave plan established by a  
5 participating municipality or participating  
6 instrumentality which is available to all employees  
7 or a class of employees.

8 b. Only sick leave days accumulated with a  
9 participating municipality or participating  
10 instrumentality with which the employee was in  
11 service within 60 days of the effective date of his  
12 retirement annuity shall be credited; If the  
13 employee was in service with more than one employer  
14 during this period only the sick leave days with the  
15 employer with which the employee has the greatest  
16 number of unpaid sick leave days shall be  
17 considered.

18 c. The creditable service granted shall be  
19 considered solely for the purpose of computing the  
20 amount of the retirement annuity and shall not be  
21 used to establish any minimum service period  
22 required by any provision of the Illinois Pension  
23 Code, the effective date of the retirement annuity,  
24 or the final rate of earnings.

25 d. The creditable service shall be at the rate  
26 of 1/20 of a month for each full sick day, provided  
27 that no more than 12 months may be credited under  
28 this subdivision 8.

29 e. Employee contributions shall not be  
30 required for creditable service under this  
31 subdivision 8.

32 f. Each participating municipality and  
33 participating instrumentality with which an employee  
34 has service within 60 days of the effective date of

1 his retirement annuity shall certify to the board  
2 the number of accumulated unpaid sick leave days  
3 credited to the employee at the time of termination  
4 of service.

5 9. For service transferred from another system:  
6 Credits and creditable service shall be granted for  
7 service under Article 3, 4, 5, 14 or 16 of this Act, to  
8 any active member of this Fund, and to any inactive  
9 member who has been a county sheriff, upon transfer of  
10 such credits pursuant to Section 3-110.3, 4-108.3, 5-235,  
11 14-105.6 or 16-131.4, and payment by the member of the  
12 amount by which (1) the employer and employee  
13 contributions that would have been required if he had  
14 participated in this Fund as a sheriff's law enforcement  
15 employee during the period for which credit is being  
16 transferred, plus interest thereon at the effective rate  
17 for each year, compounded annually, from the date of  
18 termination of the service for which credit is being  
19 transferred to the date of payment, exceeds (2) the  
20 amount actually transferred to the Fund. Such transferred  
21 service shall be deemed to be service as a sheriff's law  
22 enforcement employee for the purposes of Section 7-142.1.

23 (b) Creditable service - amount:

24 1. One month of creditable service shall be allowed  
25 for each month for which a participating employee made  
26 contributions as required under Section 7-173, or for  
27 which creditable service is otherwise granted hereunder.  
28 Not more than 1 month of service shall be credited and  
29 counted for 1 calendar month, and not more than 1 year of  
30 service shall be credited and counted for any calendar  
31 year. A calendar month means a nominal month beginning  
32 on the first day thereof, and a calendar year means a  
33 year beginning January 1 and ending December 31.

34 2. A seasonal employee shall be given 12 months of

1           creditable service if he renders the number of months of  
2           service normally required by the position in a 12-month  
3           period and he remains in service for the entire 12-month  
4           period. Otherwise a fractional year of service in the  
5           number of months of service rendered shall be credited.

6           3. An intermittent employee shall be given  
7           creditable service for only those months in which a  
8           contribution is made under Section 7-173.

9           (c) No application for correction of credits or  
10          creditable service shall be considered unless the board  
11          receives an application for correction while (1) the  
12          applicant is a participating employee and in active  
13          employment with a participating municipality or  
14          instrumentality, or (2) while the applicant is actively  
15          participating in a pension fund or retirement system which is  
16          a participating system under the Retirement Systems  
17          Reciprocal Act. A participating employee or other applicant  
18          shall not be entitled to credits or creditable service unless  
19          the required employee contributions are made in a lump sum or  
20          in installments made in accordance with board rule.

21          (d) Upon the granting of a retirement, surviving spouse  
22          or child annuity, a death benefit or a separation benefit, on  
23          account of any employee, all individual accumulated credits  
24          shall thereupon terminate. Upon the withdrawal of additional  
25          contributions, the credits applicable thereto shall thereupon  
26          terminate. Terminated credits shall not be applied to  
27          increase the benefits any remaining employee would otherwise  
28          receive under this Article.

29          (Source: P.A. 90-448, eff. 8-16-97; 91-887, eff. 7-6-00.)

30               (40 ILCS 5/7-139.7) (from Ch. 108 1/2, par. 7-139.7)  
31               Sec. 7-139.7. Transfer to Article 14.

32           (a) Until January 31, 1994, any active member of the  
33           State Employees' Retirement System who is a State policeman,

1 a conservation police officer, or an investigator for the  
 2 Secretary of State may apply for transfer of his creditable  
 3 service accumulated under this Article for service as a  
 4 sheriff's law enforcement employee, or service as a municipal  
 5 conservator of the peace, certified under the Police Training  
 6 Act, to the State Employees' Retirement System. At the time  
 7 of the transfer the Fund shall pay to the State Employees'  
 8 Retirement System an amount equal to:

9 (1) the amounts accumulated to the credit of the  
 10 applicant for such service on the books of the Fund on  
 11 the date of transfer; and

12 (2) the corresponding municipality credits,  
 13 including interest, on the books of the Fund on the date  
 14 of transfer; and

15 (3) any interest paid by the applicant in order to  
 16 reinstate such service.

17 Participation in this Fund with respect to the transferred  
 18 credits shall terminate on the date of transfer.

19 (b) Until January 31, 1993, any such State policeman,  
 20 conservation police officer or investigator for the Secretary  
 21 of State may reinstate service that was terminated by receipt  
 22 of a refund, by paying to the Fund the amount of the refund  
 23 with interest thereon at the effective rate from the date of  
 24 refund to the date of payment.

25 (c) Until July 1, 2002, any active member of the State  
 26 Employees' Retirement System who is a State policeman may  
 27 apply for transfer of all or a portion of his or her  
 28 creditable service accumulated under this Article for service  
 29 as a Metropolitan Enforcement Group agent employed by a  
 30 police department to the State Employees' Retirement System  
 31 in accordance with Section 14-110. At the time of the  
 32 transfer the Fund shall pay to the State Employees'  
 33 Retirement System an amount equal to:

34 (1) the amounts accumulated to the credit of the

1 applicant for the service to be transferred on the books  
2 of the Fund on the date of transfer; and

3 (2) the corresponding municipality credits,  
4 including interest, on the books of the Fund on the date  
5 of transfer.

6 Participation in this Fund with respect to the transferred  
7 credits shall terminate on the date of transfer.

8 (Source: P.A. 87-794; 87-850; 87-1265.)

9 (40 ILCS 5/7-139.8) (from Ch. 108 1/2, par. 7-139.8)  
10 Sec. 7-139.8. Transfer to Article 14 System.

11 (a) Any active member of the State Employees' Retirement  
12 System who is an investigator for the Office of the State's  
13 Attorneys Appellate Prosecutor, an investigator for the  
14 Office of the Attorney General, or a controlled substance  
15 inspector may apply for transfer of some or all of his or her  
16 credits and creditable service accumulated in this Fund for  
17 service as a sheriff's law enforcement employee or service as  
18 a municipal conservator of the peace certified under the  
19 Police Training Act, to the State Employees' Retirement  
20 System in accordance with Section 14-110. The creditable  
21 service shall be transferred only upon payment by this Fund  
22 to the State Employees' Retirement System of an amount equal  
23 to:

24 (1) the amounts accumulated to the credit of the  
25 applicant for the service to be transferred as--a  
26 sheriff's-law-enforcement-employee, including interest;  
27 and

28 (2) municipality credits based on such service,  
29 including interest; and

30 (3) any interest paid by the applicant to reinstate  
31 such service.

32 Participation in this Fund as to any credits transferred  
33 under this Section shall terminate on the date of transfer.

1 (b) Any such investigator or inspector may reinstate  
 2 credits and creditable service terminated upon receipt of a  
 3 separation benefit, by paying to the Fund the amount of the  
 4 separation benefit plus interest thereon at the rate of 6%  
 5 per year to the date of payment.

6 (Source: P.A. 90-32, eff. 6-27-97.)

7 (40 ILCS 5/8-110) (from Ch. 108 1/2, par. 8-110)

8 Sec. 8-110. Employer. "Employer":

9 (1) a city of more than 500,000 inhabitants;

10 (2) er the Board of Education of the such city, with  
 11 respect to any of its employees who participate in this Fund;

12 (3) the Chicago Housing Authority, with respect to any  
 13 of its employees who participate in this Fund subject to the  
 14 provisions of Section 8-230.9;

15 (4) the Public Building Commission of the city, with  
 16 respect to any of its employees who participate in this Fund;  
 17 and

18 (5) ~~to--which--this--Article--applies,--or~~ the Retirement  
 19 Board.

20 (Source: Laws 1968, p. 181.)

21 (40 ILCS 5/8-113) (from Ch. 108 1/2, par. 8-113)

22 Sec. 8-113. Municipal employee, employee, contributor,  
 23 or participant. "Municipal employee", "employee",  
 24 "contributor", or "participant":

25 (a) Any employee of an employer employed in the  
 26 classified civil service thereof other than by temporary  
 27 appointment or in a position excluded or exempt from the  
 28 classified service by the Civil Service Act, or in the case  
 29 of a city operating under a personnel ordinance, any employee  
 30 of an employer employed in the classified or career service  
 31 under the provisions of a personnel ordinance, other than in  
 32 a provisional or exempt position as specified in such

1 ordinance or in rules and regulations formulated thereunder.

2 (b) Any employee in the service of an employer before  
3 the Civil Service Act came in effect for the employer.

4 (c) Any person employed by the board.

5 (d) Any person employed after December 31, 1949, but  
6 prior to January 1, 1984, in the service of the employer by  
7 temporary appointment or in a position exempt from the  
8 classified service as set forth in the Civil Service Act, or  
9 in a provisional or exempt position as specified in the  
10 personnel ordinance, who meets the following qualifications:

11 (1) has rendered service during not less than 12  
12 calendar months to an employer as an employee, officer, or  
13 official, 4 months of which must have been consecutive full  
14 normal working months of service rendered immediately prior  
15 to filing application to be included; and

16 (2) files written application with the board, while in  
17 the service, to be included hereunder.

18 (e) After December 31, 1949, any alderman or other  
19 officer or official of the employer, who files, while in  
20 office, written application with the board to be included  
21 hereunder.

22 (f) Beginning January 1, 1984, any person employed by an  
23 employer other than the Chicago Housing Authority or the  
24 Public Building Commission of the city, whether or not such  
25 person is serving by temporary appointment or in a position  
26 exempt from the classified service as set forth in the Civil  
27 Service Act, or in a provisional or exempt position as  
28 specified in the personnel ordinance, provided that such  
29 person is neither (1) an alderman or other officer or  
30 official of the employer, nor (2) participating, on the basis  
31 of such employment, in any other pension fund or retirement  
32 system established under this Act.

33 (g) After December 31, 1959, any person employed in the  
34 law department of the city, or municipal court or Board of

1 Election Commissioners of the city, who was a contributor and  
2 participant, on December 31, 1959, in the annuity and benefit  
3 fund in operation in the city on said date, by virtue of the  
4 Court and Law Department Employees' Annuity Act or the Board  
5 of Election Commissioners Employees' Annuity Act.

6 After December 31, 1959, the foregoing definition  
7 includes any other person employed or to be employed in the  
8 law department, or municipal court (other than as a judge),  
9 or Board of Election Commissioners (if his salary is provided  
10 by appropriation of the city council of the city and his  
11 salary paid by the city) -- subject, however, in the case of  
12 such persons not participants on December 31, 1959, to  
13 compliance with the same qualifications and restrictions  
14 otherwise set forth in this Section and made generally  
15 applicable to employees or officers of the city concerning  
16 eligibility for participation or membership.

17 (h) After December 31, 1965, any person employed in the  
18 public library of the city -- and any other person -- who was  
19 a contributor and participant, on December 31, 1965, in the  
20 pension fund in operation in the city on said date, by virtue  
21 of the Public Library Employees' Pension Act.

22 (i) After December 31, 1968, any person employed in the  
23 house of correction of the city, who was a contributor and  
24 participant, on December 31, 1968, in the pension fund in  
25 operation in the city on said date, by virtue of the House of  
26 Correction Employees' Pension Act.

27 (j) Any person employed full-time on or after the  
28 effective date of this amendatory Act of the 92nd General  
29 Assembly by the Chicago Housing Authority who has elected to  
30 participate in this Fund as provided in subsection (a) of  
31 Section 8-230.9.

32 (k) Any person employed full-time by the Public Building  
33 Commission of the city who has elected to participate in this  
34 Fund as provided in subsection (d) of Section 8-230.7.

1 (Source: P.A. 83-802.)

2 (40 ILCS 5/8-120) (from Ch. 108 1/2, par. 8-120)

3 Sec. 8-120. Child or children. "Child" or "children":  
4 The natural child or children, or any child or children  
5 legally adopted by an employee at least one year prior to the  
6 date any benefit for the child or children accrues, ~~and so~~  
7 ~~adopted prior to the date the employee attained age 55.~~

8 (Source: P.A. 84-1028.)

9 (40 ILCS 5/8-150.1) (from Ch. 108 1/2, par. 8-150.1)

10 Sec. 8-150.1. Minimum annuities for widows. The widow  
11 (otherwise eligible for widow's annuity under other Sections  
12 of this Article 8) of an employee hereinafter described, who  
13 retires from service or dies while in the service subsequent  
14 to the effective date of this amendatory provision, and for  
15 which widow the amount of widow's annuity and widow's prior  
16 service annuity combined, fixed or provided for such widow  
17 under other provisions of this Article is less than the  
18 amount provided in this Section, shall, from and after the  
19 date her otherwise provided annuity would begin, in lieu of  
20 such otherwise provided widow's and widow's prior service  
21 annuity, be entitled to the following indicated amount of  
22 annuity:

23 (a) The widow of any employee who dies while in service  
24 on or after the date on which he attains age 60 if the death  
25 occurs before July 1, 1990, or on or after the date on which  
26 he attains age 55 if the death occurs on or after July 1,  
27 1990, with at least 20 years of service, or on or after the  
28 date on which he attains age 50 if the death occurs on or  
29 after the effective date of this amendatory Act of 1997 with  
30 at least 30 years of service, shall be entitled to an annuity  
31 equal to one-half of the amount of annuity which her deceased  
32 husband would have been entitled to receive had he withdrawn

1 from the service on the day immediately preceding the date of  
2 his death, conditional upon such widow having attained the  
3 age of 60 or more years on such date if the death occurs  
4 before July 1, 1990, or age 55 or more if the death occurs on  
5 or after July 1, 1990, or age 50 or more if the death occurs  
6 on or after January 1, 1998 and the employee is age 50 or  
7 over with at least 30 years of service or age 55 or over with  
8 at least 25 years of service. Except as provided in  
9 subsection (k), this widow's annuity shall not, however,  
10 exceed the sum of \$500 a month if the employee's death in  
11 service occurs before January 23, 1987. The widow's annuity  
12 shall not be limited to a maximum dollar amount if the  
13 employee's death in service occurs on or after January 23,  
14 1987.

15 If the employee dies in service before July 1, 1990, and  
16 if such widow of such described employee shall not be 60 or  
17 more years of age on such date of death, the amount provided  
18 in the immediately preceding paragraph for a widow 60 or more  
19 years of age, shall, in the case of such younger widow, be  
20 reduced by 0.25% for each month that her then attained age is  
21 less than 60 years if the employee was born before January 1,  
22 1936 or dies in service on or after January 1, 1988, or by  
23 0.5% for each month that her then attained age is less than  
24 60 years if the employee was born on or after July 1, 1936  
25 and dies in service before January 1, 1988.

26 If the employee dies in service on or after July 1, 1990,  
27 and if the widow of the employee has not attained age 55 on  
28 or before the employee's date of death, the amount otherwise  
29 provided in this subsection (a) shall be reduced by 0.25% for  
30 each month that her then attained age is less than 55 years;  
31 except that if the employee dies in service on or after  
32 January 1, 1998 at age 50 or over with at least 30 years of  
33 service or at age 55 or over with at least 25 years of  
34 service, there shall be no reduction due to the widow's age

1 if she has attained age 50 on or before the employee's date  
2 of death, and if the widow has not attained age 50 on or  
3 before the employee's date of death the amount otherwise  
4 provided in this subsection (a) shall be reduced by 0.25% for  
5 each month that her then attained age is less than 50 years.

6 (b) The widow of any employee who dies subsequent to the  
7 date of his retirement on annuity, and who so retired on or  
8 after the date on which he attained the age of 60 or more  
9 years if retirement occurs before July 1, 1990, or on or  
10 after the date on which he attained age 55 if retirement  
11 occurs on or after July 1, 1990, with at least 20 years of  
12 service, or on or after the date on which he attained age 50  
13 if the retirement occurs on or after the effective date of  
14 this amendatory Act of 1997 with at least 30 years of  
15 service, shall be entitled to an annuity equal to one-half of  
16 the amount of annuity which her deceased husband received as  
17 of the date of his retirement on annuity, conditional upon  
18 such widow having attained the age of 60 or more years on the  
19 date of her husband's retirement on annuity if retirement  
20 occurs before July 1, 1990, or age 55 or more if retirement  
21 occurs on or after July 1, 1990, or age 50 or more if the  
22 retirement on annuity occurs on or after January 1, 1998 and  
23 the employee is age 50 or over with at least 30 years of  
24 service or age 55 or over with at least 25 years of service.  
25 Except as provided in subsection (k), this widow's annuity  
26 shall not, however, exceed the sum of \$500 a month if the  
27 employee's death occurs before January 23, 1987. The widow's  
28 annuity shall not be limited to a maximum dollar amount if  
29 the employee's death occurs on or after January 23, 1987,  
30 regardless of the date of retirement; provided that, if  
31 retirement was before January 23, 1987, the employee or  
32 eligible spouse repays the excess spouse refund with interest  
33 at the effective rate from the date of refund to the date of  
34 repayment.

1           If the date of the employee's retirement on annuity is  
2 before July 1, 1990, and if such widow of such described  
3 employee shall not have attained such age of 60 or more years  
4 on such date of her husband's retirement on annuity, the  
5 amount provided in the immediately preceding paragraph for a  
6 widow 60 or more years of age on the date of her husband's  
7 retirement on annuity, shall, in the case of such then  
8 younger widow, be reduced by 0.25% for each month that her  
9 then attained age was less than 60 years if the employee was  
10 born before January 1, 1936 or withdraws from service on or  
11 after January 1, 1988, or by 0.5% for each month that her  
12 then attained age is less than 60 years if the employee was  
13 born on or after January 1, 1936 and withdraws from service  
14 before January 1, 1988.

15           If the date of the employee's retirement on annuity is on  
16 or after July 1, 1990, and if the widow of the employee has  
17 not attained age 55 by the date of the employee's retirement  
18 on annuity, the amount otherwise provided in this subsection  
19 (b) shall be reduced by 0.25% for each month that her then  
20 attained age is less than 55 years; except that if the  
21 employee retires on annuity on or after January 1, 1998 at  
22 age 50 or over with at least 30 years of service or at age 55  
23 or over with at least 25 years of service, there shall be no  
24 reduction due to the widow's age if she has attained age 50  
25 on or before the employee's date of death, and if the widow  
26 has not attained age 50 on or before the employee's date of  
27 death the amount otherwise provided in this subsection (b)  
28 shall be reduced by 0.25% for each month that her then  
29 attained age is less than 50 years.

30           (c) The foregoing provisions relating to minimum  
31 annuities for widows shall not apply to the widow of any  
32 former municipal employee receiving an annuity from the fund  
33 on August 9, 1965 or on the effective date of this amendatory  
34 provision, who re-enters service as a municipal employee,

1 unless such employee renders at least 3 years of additional  
2 service after the date of re-entry.

3 (d) In computing the amount of annuity which the husband  
4 specified in the foregoing paragraphs (a) and (b) of this  
5 Section would have been entitled to receive, or received,  
6 such amount shall be the annuity to which such husband would  
7 have been, or was entitled, before reduction in the amount of  
8 his annuity for the purposes of the voluntary optional  
9 reversionary annuity provided for in Sec. 8-139 of this  
10 Article, if such option was elected.

11 (e) (Blank).

12 (f) (Blank).

13 (g) The amendatory provisions of this amendatory Act of  
14 1985 relating to annuity discount because of age for widows  
15 of employees born before January 1, 1936, shall apply only to  
16 qualifying widows of employees withdrawing or dying in  
17 service on or after July 18, 1985.

18 (h) Beginning on January 1, 1999, the minimum amount of  
19 widow's annuity shall be \$800 per month for life for the  
20 following classes of widows, without regard to the fact that  
21 the death of the employee occurred prior to the effective  
22 date of this amendatory Act of 1998:

23 (1) any widow annuitant alive and receiving a life  
24 annuity on the effective date of this amendatory Act of  
25 1998, except a reciprocal annuity;

26 (2) any widow annuitant alive and receiving a term  
27 annuity on the effective date of this amendatory Act of  
28 1998, except a reciprocal annuity;

29 (3) any widow annuitant alive and receiving a  
30 reciprocal annuity on the effective date of this  
31 amendatory Act of 1998, whose employee spouse's service  
32 in this fund was at least 5 years;

33 (4) the widow of an employee with at least 10 years  
34 of service in this fund who dies after retirement, if the

1 retirement occurred prior to the effective date of this  
2 amendatory Act of 1998;

3 (5) the widow of an employee with at least 10 years  
4 of service in this fund who dies after retirement, if  
5 withdrawal occurs on or after the effective date of this  
6 amendatory Act of 1998;

7 (6) the widow of an employee who dies in service  
8 with at least 5 years of service in this fund, if the  
9 death in service occurs on or after the effective date of  
10 this amendatory Act of 1998.

11 The increases granted under items (1), (2), (3) and (4)  
12 of this subsection (h) shall not be limited by any other  
13 Section of this Act.

14 (i) The widow of an employee who retired or died in  
15 service on or after January 1, 1985 and before July 1, 1990,  
16 at age 55 or older, and with at least 35 years of service  
17 credit, shall be entitled to have her widow's annuity  
18 increased, effective January 1, 1991, to an amount equal to  
19 50% of the retirement annuity that the deceased employee  
20 received on the date of retirement, or would have been  
21 eligible to receive if he had retired on the day preceding  
22 the date of his death in service, provided that if the widow  
23 had not attained age 60 by the date of the employee's  
24 retirement or death in service, the amount of the annuity  
25 shall be reduced by 0.25% for each month that her then  
26 attained age was less than age 60 if the employee's  
27 retirement or death in service occurred on or after January  
28 1, 1988, or by 0.5% for each month that her attained age is  
29 less than age 60 if the employee's retirement or death in  
30 service occurred prior to January 1, 1988. However, in cases  
31 where a refund of excess contributions for widow's annuity  
32 has been paid by the Fund, the increase in benefit provided  
33 by this subsection (i) shall be contingent upon repayment of  
34 the refund to the Fund with interest at the effective rate

1 from the date of refund to the date of payment.

2 (j) If a deceased employee is receiving a retirement  
3 annuity at the time of death and that death occurs on or  
4 after June 27, 1997, the widow may elect to receive, in lieu  
5 of any other annuity provided under this Article, 50% of the  
6 deceased employee's retirement annuity at the time of death  
7 reduced by 0.25% for each month that the widow's age on the  
8 date of death is less than 55; except that if the employee  
9 dies on or after January 1, 1998 and withdrew from service on  
10 or after June 27, 1997 at age 50 or over with at least 30  
11 years of service or at age 55 or over with at least 25 years  
12 of service, there shall be no reduction due to the widow's  
13 age if she has attained age 50 on or before the employee's  
14 date of death, and if the widow has not attained age 50 on or  
15 before the employee's date of death the amount otherwise  
16 provided in this subsection (j) shall be reduced by 0.25% for  
17 each month that her age on the date of death is less than 50  
18 years. However, in cases where a refund of excess  
19 contributions for widow's annuity has been paid by the Fund,  
20 the benefit provided by this subsection (j) is contingent  
21 upon repayment of the refund to the Fund with interest at the  
22 effective rate from the date of refund to the date of  
23 payment.

24 (k) For widows of employees who died before January 23,  
25 1987 after retirement on annuity or in service, the maximum  
26 dollar amount limitation on widow's annuity shall cease to  
27 apply, beginning with the first annuity payment after the  
28 effective date of this amendatory Act of 1997; except that if  
29 a refund of excess contributions for widow's annuity has been  
30 paid by the Fund, the increase resulting from this subsection  
31 (k) shall not begin before the refund has been repaid to the  
32 Fund, together with interest at the effective rate from the  
33 date of the refund to the date of repayment.

34 (l) In lieu of any other annuity provided in this

1 Article, an eligible spouse of an employee who dies in  
 2 service at least 60 days after the effective date of this  
 3 amendatory Act of the 92nd General Assembly with at least 10  
 4 years of service shall be entitled to an annuity of 50% of  
 5 the minimum formula annuity earned and accrued to the credit  
 6 of the employee at the date of death. For the purposes of  
 7 this subsection, the minimum formula annuity earned and  
 8 accrued to the credit of the employee is equal to 2.40% for  
 9 each year of service of the highest average annual salary for  
 10 any 4 consecutive years within the last 10 years of service  
 11 immediately preceding the date of death, up to a maximum of  
 12 80% of the highest average annual salary. This annuity shall  
 13 not be reduced due to the age of the employee or spouse. In  
 14 addition to any other eligibility requirements under this  
 15 Article, the spouse is eligible for this annuity only if the  
 16 marriage was in effect for 10 full years or more.

17 (Source: P.A. 90-32, eff. 6-27-97; 90-511, eff. 8-22-97;  
 18 90-766, eff. 8-14-98.)

19 (40 ILCS 5/8-158) (from Ch. 108 1/2, par. 8-158)

20 Sec. 8-158. Child's annuity. A child's annuity is  
 21 payable monthly after the death of an employee parent to the  
 22 child until the child's attainment of age 18, under the  
 23 following conditions, if the child was born before the  
 24 employee attained age 65, and before he withdrew from  
 25 service:

26 (a) ~~upon death resulting from injury incurred in~~  
 27 ~~the performance of an act of duty;~~

28 (b) ~~upon death in service from any cause other than~~  
 29 ~~injury incurred in the performance of an act of duty, if~~  
 30 ~~the employee has at least 4 years of service after the~~  
 31 ~~date of his original entry into service, and at least 2~~  
 32 ~~years after the date of his latest re-entry;~~

33 (b) (e) upon death of an employee who withdraws

1 from service after age 55 (or after age 50 with at least  
2 30 years of service if withdrawal is on or after June 27,  
3 1997) and who has entered upon or is eligible for  
4 annuity.

5 Payment shall be made as provided in Section 8-125.

6 (Source: P.A. 90-31, eff. 6-27-97; 90-766, eff. 8-14-98.)

7 (40 ILCS 5/8-161) (from Ch. 108 1/2, par. 8-161)

8 Sec. 8-161. Ordinary disability benefit. An employee  
9 while under age 65 and prior to January 1, 1979, or while  
10 under age 70 and after January 1, 1979, who becomes disabled  
11 after the effective date as the result of any cause other  
12 than injury incurred in the performance of duty, shall be  
13 entitled to ordinary disability benefit during such  
14 disability, after the first 30 days thereof.

15 The first payment shall be made not later than one month  
16 after the benefit is granted and each subsequent payment  
17 shall be made not later than one month after the last  
18 preceding payment.

19 The disability benefit prescribed herein shall cease when  
20 the first of the following dates shall occur and the  
21 employee, if still disabled, shall thereafter be entitled to  
22 such annuity as is otherwise provided in this Article:

23 (a) the date disability ceases.

24 (b) the date the disabled employee attains age 65 for  
25 disability commencing prior to January 1, 1979.

26 (c) the date the disabled employee attains age 65 for  
27 disability commencing prior to attainment of age 60 in the  
28 service and after January 1, 1979.

29 (d) the date the disabled employee attains the age of 70  
30 for disability commencing after attainment of age 60 in the  
31 service and after January 1, 1979.

32 (e) the date the payments of the benefit shall exceed in  
33 the aggregate, throughout the employee's service, a period

1 equal to 1/4 of the total service rendered prior to the date  
2 of disability but in no event more than 5 years. In  
3 computing such total service any period during which the  
4 employee received ordinary disability benefit shall be  
5 excluded.

6 Any employee whose ordinary disability benefit was  
7 terminated after January 1, 1979 by reason of his attainment  
8 of age 65 and who continues disabled after age 65 may elect  
9 before July 1, 1986 to have such benefits resumed beginning  
10 at the time of such termination and continuing until  
11 termination is required under this Section as amended by this  
12 amendatory Act of 1985. The amount payable to any employee  
13 for such resumed benefit for any period shall be reduced by  
14 the amount of any retirement annuity paid to such employee  
15 under this Article for the same period of time or by any  
16 refund paid in lieu of annuity.

17 Ordinary disability benefit shall be 50% of the  
18 employee's salary at the date of disability.

19 For ordinary disability benefits paid before January 1,  
20 2001, before any payment, an amount equal to less the sum  
21 ordinarily deducted from salary for all annuity purposes for  
22 such period for which the ordinary disability benefit is made  
23 shall be deducted from such payment and credited to the  
24 employee as a deduction from salary for that period. The  
25 sums so deducted shall ~~be credited to the employee and~~ shall  
26 be regarded, for annuity and refund purposes, as an amount  
27 contributed by him.

28 For ordinary disability benefits paid on or after January  
29 1, 2001, the fund shall credit sums equal to the amounts  
30 ordinarily contributed by an employee for annuity purposes  
31 for any period during which the employee receives ordinary  
32 disability, and those sums shall be deemed for annuity  
33 purposes and purposes of Section 8-173 as amounts contributed  
34 by the employee. These amounts credited for annuity purposes

1 shall not be credited for refund purposes.

2 If a participating employee is eligible for a disability  
3 benefit under the federal Social Security Act, the amount of  
4 ordinary disability benefit under this Section attributable  
5 to employment with the Chicago Housing Authority shall be  
6 reduced, but not to less than \$10 per month, by the amount  
7 that the employee would be eligible to receive as a  
8 disability benefit under the federal Social Security Act,  
9 whether or not that federal benefit is based on service as a  
10 covered employee under this Article. The reduction shall be  
11 effective as of the month the employee is eligible for the  
12 social security disability benefit. The Board may make this  
13 reduction pending determination of eligibility for the social  
14 security disability benefit, if it appears to the Board that  
15 the employee may be eligible, and make an appropriate  
16 adjustment if necessary after eligibility for the social  
17 security disability benefit is determined. If the employee's  
18 social security disability benefit is reduced or terminated  
19 because of a refusal to accept rehabilitation services under  
20 the federal Rehabilitation Act of 1973 or the federal Social  
21 Security Act or because the employee is receiving a workers'  
22 compensation benefit, the ordinary disability benefit under  
23 this Section shall be reduced as if the employee were  
24 receiving the full social security disability benefit.

25 The amount of ordinary disability benefit shall not be  
26 reduced by reason of any increase in the amount of social  
27 security disability benefit that takes effect after the month  
28 of the initial reduction under this Section, other than an  
29 increase resulting from a correction in the employee's wage  
30 records.

31 (Source: P.A. 84-23.)

32 (40 ILCS 5/8-167) (from Ch. 108 1/2, par. 8-167)

33 Sec. 8-167. Restoration of rights.

1       (1) An employee who has withdrawn as a refund the  
 2 amounts credited for annuity purposes, and who (i) re-enters  
 3 service of the employer and serves for periods comprising at  
 4 least 90 days 2-years after the date of the last refund paid  
 5 to him or (ii) has completed at least 2 years of service  
 6 under a participating system (as defined in the Retirement  
 7 Systems Reciprocal Act) other than this Fund after the date  
 8 of the last refund, shall have his annuity rights restored by  
 9 compliance with the following provisions:

10           (a) After such 90 day or 2 year period, whichever  
 11 applies, he shall repay in full to the Fund, while in  
 12 service, ~~in-full~~ all refunds received, together with  
 13 interest at the effective rate from the dates of refund  
 14 to the date of repayment. ~~;-er~~

15           (b) If payment is not made in a single sum, the  
 16 repayment may be made in installments by deductions from  
 17 salary or otherwise in such amounts and manner as the  
 18 board, by rule, may prescribe, with interest at the  
 19 effective rate accruing on unpaid balances. ~~;-er~~

20           (c) If the employee withdraws from service or dies  
 21 in service before full repayment is made, service credit  
 22 shall be restored in accordance with Section 8-230.3(b).  
 23 ~~such--rights--shall--not--be--restored,--but--the--amount,~~  
 24 ~~including--interest,--repaid--by--him,--but--without--any~~  
 25 ~~further--interest--otherwise--normally--credited,--shall--be~~  
 26 ~~refunded--to--him--or--to--his--widow,--or--in--the--manner~~  
 27 ~~provided--by--the--refund--provisions--of--this--Article--if--no~~  
 28 ~~widow--survives.~~

29           (d) If the employee repays the refund while  
 30 participating in a participating system (as defined in  
 31 the Retirement Systems Reciprocal Act) other than this  
 32 Fund, the service credit restored must be used for a  
 33 proportional annuity calculated in accordance with the  
 34 Retirement Systems Reciprocal Act. If not so used, the

1 restored service credit shall be forfeited and the amount  
2 of the repayment shall be refunded, without interest.

3 (2) A person who is employed full-time by a local  
4 labor organization that represents municipal employees  
5 and has withdrawn as a refund the amounts credited for  
6 annuity purposes may elect to have his or her annuity  
7 rights restored by repaying to the Fund in full all  
8 refunds received, together with interest at the effective  
9 rate from the date of the refund to the date of  
10 repayment. Repayment of a refund under this subsection  
11 (2) does not require a return to service, and this  
12 subsection applies without regard to whether the person  
13 is in service on or after the effective date of this  
14 amendatory Act of the 92nd General Assembly.

15 (3) This Section applies also to any person who received  
16 a refund from any annuity and benefit fund or pension fund  
17 which was merged into and superseded by the annuity and  
18 benefit fund provided for in this Article on or after  
19 December 31, 1959. Upon repayment such person shall receive  
20 credit for all annuity purposes in the annuity and benefit  
21 fund provided for in this Article for the period of service  
22 covered by the repayment. such-refund.

23 (4) The amount of refund repayment is considered as  
24 salary deductions for age and service annuity and widow's  
25 annuity purposes in the case of a male person. In the latter  
26 case the amount of refund repayment is allocated in the  
27 applicable proportion for age and service and widow's annuity  
28 purposes. Such person shall also be credited with city  
29 contributions for age and service annuity, and widow's  
30 annuity if a male employee, in the amount which would have  
31 been credited and accrued if such person had been a  
32 participant in and contributor to the annuity and benefit  
33 fund provided for in this Article during the period of such  
34 service on the basis of his salary during such period.

1 (Source: P.A. 81-1536.)

2 (40 ILCS 5/8-168) (from Ch. 108 1/2, par. 8-168)  
3 Sec. 8-168. Refunds - Withdrawal before age 55 or with  
4 less than 10 years of service.

5 1. An employee, without regard to length of service, who  
6 withdraws before age 55, and any employee with less than 10  
7 years of service who withdraws before age 60, shall be  
8 entitled to a refund of the accumulated sums to his credit,  
9 as of the date of withdrawal, for age and service annuity and  
10 widow's annuity from amounts contributed by him, including  
11 interest credited and including amounts contributed for him  
12 for age and service and widow's annuity purposes by the city  
13 while receiving duty disability benefits; provided that such  
14 amounts contributed by the city after December 31, 1981,  
15 while the employee is receiving duty disability benefits, and  
16 amounts credited to the employee for annuity purposes by the  
17 fund after December 31, 2000, while the employee is receiving  
18 ordinary disability benefits, shall not be credited for  
19 refund purposes. If he is a present employee he shall also be  
20 entitled to a refund of the accumulations from any sums  
21 contributed by him, and applied to any municipal pension fund  
22 superseded by this fund.

23 2. Upon receipt of the refund, the employee surrenders  
24 and forfeits all rights to any annuity or other benefits, for  
25 himself and for any other persons who might have benefited  
26 through him; provided that he may have such period of service  
27 counted in computing the term of his service if he becomes an  
28 employee before age 65, excepting as limited by the  
29 provisions of paragraph (a) (3) of Section 8-232 of this  
30 Article relating to the basis of computing the term of  
31 service.

32 3. Any such employee shall retain such right to a refund  
33 of such amounts when he shall apply for same until he

1 re-enters the service or until the amount of annuity shall  
2 have been fixed as provided in this Article. Thereafter, no  
3 such right shall exist in the case of any such employee.

4 4. Any such municipal employee who shall have served 10  
5 or more years and who shall not withdraw the amounts  
6 aforesaid to which he shall have a right of refund shall have  
7 a right to annuity as stated in this Article.

8 5. Any such municipal employee who shall have served  
9 less than 10 years and who shall not withdraw the amounts to  
10 which he shall have a right to refund shall have a right to  
11 have all such amounts and all other amounts to his credit for  
12 annuity purposes on date of his withdrawal from service  
13 retained to his credit and improved by interest while he  
14 shall be out of the service at the rate of 3 1/2% or 3% per  
15 annum (whichever rate shall apply under the provisions of  
16 Section 8-155 of this Article) and used for annuity purposes  
17 for his benefit and the benefit of any person who may have  
18 any right to annuity through him because of his service,  
19 according to the provisions of this Article in the event that  
20 he shall subsequently re-enter the service and complete the  
21 number of years of service necessary to attain a right to  
22 annuity; but such sum shall be improved by interest to his  
23 credit while he shall be out of the service only until he  
24 shall have become 65 years of age.

25 (Source: P.A. 82-283.)

26 (40 ILCS 5/8-171) (from Ch. 108 1/2, par. 8-171)

27 Sec. 8-171. Refund in lieu of annuity. In lieu of an  
28 annuity, an employee who withdraws and whose annuity would  
29 amount to less than \$800 a month for life, may elect to  
30 receive a refund of his accumulated contributions for annuity  
31 purposes, based on the amounts contributed by him.

32 The widow of any employee, eligible for annuity upon the  
33 death of her husband, whose widow's annuity would amount to

1 less than \$800 a month for life, may, in lieu of widow's  
 2 annuity, elect to receive a refund of the accumulated  
 3 contributions for annuity purposes, based on the amounts  
 4 contributed by her deceased employee husband, but reduced by  
 5 any amounts theretofore paid to him in the form of an annuity  
 6 or refund out of such accumulated contributions.

7 Accumulated contributions shall mean the amounts -  
 8 including the interest credited thereon - contributed by the  
 9 employee for age and service and widow's annuity to the date  
 10 of his withdrawal or death, whichever first occurs, including  
 11 any amounts contributed for him as salary deductions while  
 12 receiving duty disability benefits, and, if not otherwise  
 13 included, any accumulations from sums contributed by him and  
 14 applied to any pension fund superseded by this fund; provided  
 15 that such amounts contributed by the city after December 31,  
 16 1981 while the employee is receiving duty disability benefits  
 17 and amounts credited to the employee for annuity purposes by  
 18 the fund after December 31, 2000 while the employee is  
 19 receiving ordinary disability shall not be included.

20 The acceptance of such refund in lieu of widow's annuity,  
 21 on the part of a widow, shall not deprive a child or children  
 22 of the right to receive a child's annuity as provided for in  
 23 Sections 8-158 and 8-159 of this Article, and neither shall  
 24 the payment of a child's annuity in the case of such refund  
 25 to a widow reduce the amount herein set forth as refundable  
 26 to such widow electing a refund in lieu of widow's annuity.

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

28 (40 ILCS 5/8-174.1) (from Ch. 108 1/2, par. 8-174.1)  
 29 Sec. 8-174.1. Employer contributions on behalf of  
 30 employees.

31 (a) The employer may make and may incur an obligation to  
 32 make contributions on behalf of its employees in an amount  
 33 not to exceed the employee contributions required by Sections

1 8-137, 8-161, 8-174, 8-182 and 8-182.1 for all salary earned  
2 after December 31, 1981. If such employee contributions are  
3 not made or an obligation to make such contributions is not  
4 incurred by the employer on behalf of its employees, the  
5 amount that could have been contributed shall continue to be  
6 deducted from salary. If employee contributions are made by  
7 the employer on behalf of its employees, they shall be  
8 treated as employer contributions in determining tax  
9 treatment under the United States Internal Revenue Code;  
10 however, each city shall continue to withhold federal and  
11 State income taxes based upon these contributions until the  
12 Internal Revenue Service or the Federal courts rule that  
13 pursuant to Section 414(h) of the United States Internal  
14 Revenue Code, these contributions shall not be included as  
15 gross income of the employee until such time as they are  
16 distributed or made available. The employer may make these  
17 contributions on behalf of its employees by a reduction in  
18 the cash salary of the employee or by an offset against a  
19 future salary increase or by a combination of a reduction in  
20 salary and offset against a future salary increase. The  
21 employer shall pay these employee contributions from the same  
22 source of funds used in paying salary to the employee or, if  
23 the employer is a Board of Education, it may also or  
24 alternatively pay such contributions in whole or in part from  
25 the proceeds of the pension contribution liability tax  
26 authorized by Section 34-60.1 of the School Code, as amended.  
27 If such a tax is levied with respect to any fiscal year of a  
28 Board of Education, that portion of the contributions to be  
29 paid by the Board of Education on behalf of its employees for  
30 that fiscal year from the proceeds of such a tax shall not be  
31 due and payable into the Fund until the collection, in the  
32 calendar year following the calendar year in which such levy  
33 was made, of the actual tax bills extending the second  
34 installment of real estate taxes for the Board of Education

1 for that calendar year, pursuant to Section 21-30 of the  
2 Property Tax Code, and such Board of Education shall not be  
3 required to pay those contributions to be paid from the  
4 proceeds of such a tax into the Fund except as collected from  
5 the extension of the actual tax bills. If employee  
6 contributions are made by the employer on behalf of its  
7 employees, they shall be treated for all purposes of this  
8 Article 8, including Section 8-173, in the same manner and to  
9 the same extent as employee contributions made by employees  
10 and deducted from salary; provided, however, that  
11 contributions which are made by a Board of Education on  
12 behalf of its employees shall not be treated as a pension or  
13 retirement obligation of the Board of Education for purposes  
14 of Section 12 of "An Act in relation to State revenue sharing  
15 with local governmental entities", approved July 31, 1969, as  
16 amended. For purposes of Section 8-173, contributions made  
17 by a Board of Education on behalf of its employees shall be  
18 treated as contributions made by or on behalf of employees to  
19 the Fund for the fiscal year for which the Board of Education  
20 incurred the obligation to make such contributions.

21 (b) Subject to the requirements of federal law and the  
22 rules of the Board, the Fund may allow the employee to elect  
23 to have the employer pick up the optional contributions that  
24 the employee has elected to pay to the Fund, and the  
25 contributions so picked up shall be treated as employer  
26 contributions for the purpose of determining federal tax  
27 treatment. The employer shall pick up the contributions by a  
28 reduction in the cash salary of the employee and shall pay  
29 contributions from the same source of funds that is used to  
30 pay earnings of the employee. The election to have the  
31 contributions picked up is irrevocable and the optional  
32 contributions may not thereafter be prepaid, by direct  
33 payment or otherwise.

34 If the provision authorizing the optional contribution

1 requires payment by a stated date (rather than the date of  
2 withdrawal or retirement), the requirement will be deemed to  
3 have been satisfied if (i) on or before the stated date the  
4 employee executes a valid irrevocable election to have the  
5 contributions picked up under this subsection, and (ii) the  
6 picked-up contributions are in fact paid to the Fund as  
7 provided in the election.

8 If employee contributions are picked up under this  
9 subsection, they shall be treated for all purposes of this  
10 Article 8, including Section 8-173, in the same manner and to  
11 the same extent as optional employee contributions made prior  
12 to the date picked up.

13 (Source: P.A. 88-670, eff. 12-2-94.)

14 (40 ILCS 5/8-226.7 new)

15 Sec. 8-226.7. Transfer to Metropolitan Pier and  
16 Exposition Authority pension plan.

17 (a) Until January 1, 2002, any member of the management  
18 committee of the Metropolitan Pier and Exposition Authority,  
19 as designated by the chief executive officer of the  
20 Authority, regardless of whether the member is in service  
21 under this Article on or after the effective date of this  
22 Section, may apply to the Board for transfer of all of his or  
23 her creditable service accumulated under this Fund to the  
24 pension plan established for employees and officers of the  
25 Metropolitan Pier and Exposition Authority. The creditable  
26 service shall be transferred in accordance with the terms of  
27 that plan and shall be accompanied by a payment from this  
28 Fund to that pension plan, consisting of:

29 (1) the amounts accumulated to the credit of the  
30 applicant for the service to be transferred, including  
31 interest, on the books of the Fund on the date of  
32 transfer, but excluding any additional or optional  
33 credits, which shall be refunded to the applicant; plus

1           (2) municipality credits computed and credited  
 2           under this Article, including interest, on the books of  
 3           the Fund on the date the applicant terminated service  
 4           under the Fund.

5           Participation in this Fund as to the credits transferred  
 6           under this Section terminates on the date of transfer.

7           (b) For the purpose of transferring credit under this  
 8           Section, a person may reinstate credits and creditable  
 9           service terminated upon receipt of a refund, by paying to the  
 10           Fund, before January 1, 2002, the amount of the refund plus  
 11           regular interest from the date of the refund to the date of  
 12           repayment.

13           (40 ILCS 5/8-227) (from Ch. 108 1/2, par. 8-227)  
 14           Sec. 8-227. Service as police officer, firefighter or  
 15           teacher.

16           (a) Service rendered by an employee as a police officer  
 17           and member of the regularly constituted police department of  
 18           the city, or as a firefighter and regular member of the paid  
 19           fire department of the city, or as a teacher in the public  
 20           school system in the city shall be counted, for the purposes  
 21           of this Article, as service rendered as an employee of the  
 22           city. Salary received for any such service shall be treated,  
 23           for the purposes of this Article, as salary received for the  
 24           performance of duty as an employee.

25           (b) Subsection (a) applies ~~The--foregoing--provisions~~  
 26           ~~shall-apply~~ to service rendered after the effective date only  
 27           if the employee pays to the Fund, prior to his separation  
 28           from service, an amount equal to what would have accumulated  
 29           in his or her account from salary deductions as employee  
 30           contributions, including interest at the effective rate, if  
 31           such contributions had been made for age and service and  
 32           spouse's annuity during all of such service; provided, that  
 33           no service shall be counted or payments received for any

1 period of service for which the employee retains or has not  
2 forfeited his or her rights to credit for the same period of  
3 service in another annuity and benefit fund, or pension fund,  
4 in operation in the city for the benefit of such police  
5 officers, firefighters, or teachers. The amount transferred  
6 to the Fund under item (1) of Section 5-233.1, if any, shall  
7 be credited against the contributions required under this  
8 subsection.

9 (Source: P.A. 81-1536.)

10 (40 ILCS 5/8-230.7)

11 Sec. 8-230.7. Service rendered to Public Building  
12 Commission.

13 (a) An employee or former employee may contribute to the  
14 Fund and receive credit for all periods of past full-time  
15 employment with by the Public Building Commission created by  
16 the employing city, except for those periods for which the  
17 employee retains a right to credit in another public pension  
18 fund or retirement system. Such service credit shall be paid  
19 for and granted on the same basis and under the same  
20 conditions as are applicable in the case of employees who  
21 make payment for past service under Section 8-230, provided  
22 that the person must also pay the corresponding employer  
23 contributions. The contributions shall be based on the  
24 salary actually received by the person from the Commission  
25 for that employment.

26 (b) A person establishing service credit under  
27 subsection (a) or electing to participate in the Fund under  
28 subsection (d) may, at the same time, reinstate service  
29 credit that was terminated through receipt of a refund by  
30 repaying to the Fund the amount of the refund plus interest  
31 at the effective rate from the date of the refund to the date  
32 of repayment.

33 (c) An eligible person may establish service credit

1 under subsection (a) and reinstate service credit under  
2 subsection (b) without returning to active service as an  
3 employee under this Article, but the required contributions  
4 and repayment must be received by the Fund before the person  
5 begins to receive a retirement annuity under this Article.

6 (d) Within 60 days after beginning full-time employment  
7 with the Public Building Commission of the city (or within 60  
8 days after the effective date of this amendatory Act of the  
9 92nd General Assembly, whichever is later), a person having  
10 service credits in this Fund or reinstating service credits  
11 under subsection (b) may elect to participate in this Fund  
12 with respect to that Public Building Commission employment.  
13 An employee who participates in this Fund with respect to  
14 Public Building Commission employment shall not participate  
15 in any other pension plan for employees of the Commission  
16 with respect to the same period of employment. An election  
17 under this subsection (d), once made, is irrevocable.

18 Participation under this subsection shall be on the same  
19 basis and under the same conditions as are applicable in the  
20 case of participating employees of the city. Employee  
21 contributions shall be based on the salary actually received  
22 by the employee for that employment. Employer contributions  
23 shall be paid by the Public Building Commission rather than  
24 the city, at a rate to be determined by the Retirement Board.

25 (Source: P.A. 90-766, eff. 8-14-98.)

26 (40 ILCS 5/8-230.8 new)

27 Sec. 8-230.8. Credit for employment with the Metropolitan  
28 Pier and Exposition Authority.

29 (a) A person who has service credit in the Fund and has  
30 not yet begun to receive a retirement annuity may establish  
31 service credit in this Fund for periods before the effective  
32 date of this Section during which he or she was employed by  
33 the Metropolitan Pier and Exposition Authority or its

1 predecessor entities, provided that the person does not have  
2 credit for those periods in any other public employee pension  
3 fund or retirement system and has terminated participation  
4 with respect to those periods of employment in any pension or  
5 retirement program established by the Authority or its  
6 predecessor entities. A person need not establish credit for  
7 all such periods and may not establish more than 10 years of  
8 service credit under this subsection. The credit established  
9 shall be deemed to relate to the earliest period for which  
10 the credit may be established.

11 In order to establish this credit, the person must apply  
12 in writing to the Board and pay to the Fund an amount equal  
13 to the sum of: (i) employee contributions based upon the  
14 period of credit to be established, the employee contribution  
15 rate in effect at the time of application, and the  
16 applicant's salary rate on the last day of service in the  
17 Fund before his or her employment with the Authority, or the  
18 first day of service in the Fund after that employment,  
19 whichever is higher; (ii) an employer contribution equal to  
20 the amount determined under item (i) multiplied by the  
21 employer multiple under Section 8-173(a); and (iii) interest  
22 on items (i) and (ii) at the rate of 6% per year, compounded  
23 annually, from the date of the service to the date of  
24 payment. The applicant may pay the required contribution in  
25 a lump sum at any time before the retirement annuity begins  
26 or, subject to subsection (c), within 90 days after  
27 withdrawal from city service.

28 (b) A person wishing to establish service credit under  
29 subsection (a) may reinstate creditable service terminated  
30 upon receipt of a refund in accordance with the provisions of  
31 Section 8-167.

32 (c) An eligible person may establish service credit  
33 under subsection (a) without returning to active service as  
34 an employee under this Article, but the required

1 contributions must be received by the Fund before the person  
2 begins to receive a retirement annuity under this Article.

3 (40 ILCS 5/8-230.9 new)

4 Sec. 8-230.9. Service rendered to Chicago Housing  
5 Authority.

6 (a) Within 60 days after beginning full-time employment  
7 with the Chicago Housing Authority (or within 60 days after  
8 the effective date of this amendatory Act of the 92nd General  
9 Assembly, whichever is later), a person having service  
10 credits in this Fund or reinstating service credits under  
11 subsection (c) may elect to participate in this Fund with  
12 respect to that Chicago Housing Authority employment. An  
13 employee who participates in this Fund with respect to  
14 Chicago Housing Authority employment shall not, with respect  
15 to the same period of employment, participate in any other  
16 pension plan for employees of the Authority for which  
17 contributions are made by the Authority, except that this  
18 provision shall not prevent an employee from making elective  
19 contributions to a plan of deferred compensation during that  
20 period. An election under this subsection (a), once made, is  
21 irrevocable.

22 Participation under this subsection shall be on the same  
23 basis and under the same conditions as are applicable in the  
24 case of participating employees of the city. Employee  
25 contributions shall be based on the salary actually received  
26 by the employee for that employment. Employer contributions  
27 shall be paid by the Chicago Housing Authority rather than  
28 the city, at a rate to be determined by the Retirement Board.

29 (b) An employee or former employee of the Chicago  
30 Housing Authority who has established credit under the Fund  
31 with regard to service to an employer other than the Chicago  
32 Housing Authority may contribute to the Fund and receive  
33 credit for all periods of full-time employment with the

1 Chicago Housing Authority occurring prior to 60 days after  
2 the effective date of this amendatory Act, except for those  
3 periods for which the employee retains a right to credit in  
4 another public pension fund or retirement system established  
5 under this Code. Such service credit shall be paid for and  
6 granted on the same basis and under the same conditions as  
7 are applicable in the case of employees who make payment for  
8 past service under Section 8-230, provided that the person  
9 must also pay the corresponding employer contributions, and  
10 further provided that the contributions and service credit  
11 are permitted under Section 415 of the Internal Revenue Code  
12 of 1986. The contributions shall be based on the salary  
13 actually received by the person from the Authority for that  
14 employment.

15 (c) A person establishing service credit under  
16 subsection (b) or electing to participate in the Fund under  
17 subsection (a) may, at the same time, reinstate service  
18 credit that was terminated through receipt of a refund by  
19 repaying to the Fund the amount of the refund plus interest  
20 at the effective rate from the date of the refund to the date  
21 of repayment.

22 (d) An eligible person may establish service credit  
23 under subsection (b) and reinstate service credit under  
24 subsection (c) without returning to active service as an  
25 employee under this Article, but the required contributions  
26 and repayment must be received by the Fund before the person  
27 begins to receive a retirement annuity under this Article.

28 (40 ILCS 5/8-230.10 new)

29 Sec. 8-230.10. Service rendered to IHDA. An employee  
30 with at least 10 years of creditable service in the Fund may  
31 establish service credit for up to 7 years of full-time  
32 employment by the Illinois Housing Development Authority for  
33 which the employee does not have credit in another public

1 pension fund or retirement system.

2 To establish service credit under this Section, the  
3 employee must apply to the Fund in writing by July 1, 2002  
4 and pay to the Fund, at any time before beginning to receive  
5 a retirement annuity under this Article, an amount to be  
6 determined by the Fund, consisting of (i) employee  
7 contributions based on the salary actually received by the  
8 person from the Illinois Housing Development Authority for  
9 that employment and the contribution rates then in effect for  
10 employees of the Fund, (ii) the corresponding employer  
11 contributions, and (iii) regular interest on the amounts in  
12 items (i) and (ii) from the date of the service to the date  
13 of payment.

14 (40 ILCS 5/8-243.2) (from Ch. 108 1/2, par. 8-243.2)  
15 Sec. 8-243.2. Alternative annuity for city officers.

16 (a) For the purposes of this Section and Sections  
17 8-243.1 and 8-243.3, "city officer" means the city clerk, the  
18 city treasurer, or an alderman of the city elected by vote of  
19 the people, while serving in that capacity or as provided in  
20 subsection (f), who has elected to participate in the Fund.

21 (b) Any elected city officer, while serving in that  
22 capacity or as provided in subsection (f), may elect to  
23 establish alternative credits for an alternative annuity by  
24 electing in writing to make additional optional  
25 contributions in accordance with this Section and the  
26 procedures established by the board. Such elected city  
27 officer may discontinue making the additional optional  
28 contributions by notifying the Fund in writing in accordance  
29 with this Section and procedures established by the board.

30 Additional optional contributions for the alternative  
31 annuity shall be as follows:

32 (1) For service after the option is elected, an  
33 additional contribution of 3% of salary shall be

1 contributed to the Fund on the same basis and under the  
2 same conditions as contributions required under Sections  
3 8-174 and 8-182.

4 (2) For service before the option is elected, an  
5 additional contribution of 3% of the salary for the  
6 applicable period of service, plus interest at the  
7 effective rate from the date of service to the date of  
8 payment. All payments for past service must be paid in  
9 full before credit is given. No additional optional  
10 contributions may be made for any period of service for  
11 which credit has been previously forfeited by acceptance  
12 of a refund, unless the refund is repaid in full with  
13 interest at the effective rate from the date of refund to  
14 the date of repayment.

15 (c) In lieu of the retirement annuity otherwise payable  
16 under this Article, any city officer elected by vote of the  
17 people who (1) has elected to participate in the Fund and  
18 make additional optional contributions in accordance with  
19 this Section, and (2) has attained age 55 60 with at least 10  
20 years of service credit, or has attained age 60 65 with at  
21 least 8 years of service credit, may elect to have his  
22 retirement annuity computed as follows: 3% of the  
23 participant's salary at the time of termination of service  
24 for each of the first 8 years of service credit, plus 4% of  
25 such salary for each of the next 4 years of service credit,  
26 plus 5% of such salary for each year of service credit in  
27 excess of 12 years, subject to a maximum of 80% of such  
28 salary. To the extent such elected city officer has made  
29 additional optional contributions with respect to only a  
30 portion of his years of service credit, his retirement  
31 annuity will first be determined in accordance with this  
32 Section to the extent such additional optional contributions  
33 were made, and then in accordance with the remaining Sections  
34 of this Article to the extent of years of service credit with

1 respect to which additional optional contributions were not  
2 made.

3 (d) In lieu of the disability benefits otherwise payable  
4 under this Article, any city officer elected by vote of the  
5 people who (1) has elected to participate in the Fund, and  
6 (2) has become permanently disabled and as a consequence is  
7 unable to perform the duties of his office, and (3) was  
8 making optional contributions in accordance with this Section  
9 at the time the disability was incurred, may elect to receive  
10 a disability annuity calculated in accordance with the  
11 formula in subsection (c). For the purposes of this  
12 subsection, such elected city officer shall be considered  
13 permanently disabled only if: (i) disability occurs while in  
14 service as an elected city officer and is of such a nature as  
15 to prevent him from reasonably performing the duties of his  
16 office at the time; and (ii) the board has received a written  
17 certification by at least 2 licensed physicians appointed by  
18 it stating that such officer is disabled and that the  
19 disability is likely to be permanent.

20 (e) Refunds of additional optional contributions shall  
21 be made on the same basis and under the same conditions as  
22 provided under Sections 8-168, 8-170 and 8-171. Interest  
23 shall be credited at the effective rate on the same basis and  
24 under the same conditions as for other contributions.  
25 Optional contributions shall be accounted for in a separate  
26 Elected City Officer Optional Contribution Reserve. Optional  
27 contributions under this Section shall be included in the  
28 amount of employee contributions used to compute the tax levy  
29 under Section 8-173.

30 (f) The effective date of this plan of optional  
31 alternative benefits and contributions shall be July 1, 1990,  
32 or the date upon which approval is received from the U.S.  
33 Internal Revenue Service, whichever is later.

34 The plan of optional alternative benefits and

1 contributions shall not be available to any former city  
 2 officer or employee receiving an annuity from the Fund on the  
 3 effective date of the plan, unless he re-enters service as an  
 4 elected city officer and renders at least 3 years of  
 5 additional service after the date of re-entry. However, a  
 6 person who holds office as a city officer on June 1, 1995  
 7 ~~April-30, 1991~~ may elect to participate in the plan, to  
 8 transfer credits into the Fund from other Articles of this  
 9 Code, and to make the contributions required for prior  
 10 service, until 30 days after the effective date of this  
 11 amendatory Act of the 92nd General Assembly ~~the--plan--takes~~  
 12 ~~effect~~, notwithstanding the ending of his term of office  
 13 prior to that effective date; in the event that the person is  
 14 already receiving an annuity from this Fund or any other  
 15 Article of this Code at the time of making this election, the  
 16 annuity shall be recalculated to include any increase  
 17 resulting from participation in the plan, with such increase  
 18 taking effect on the effective date of the election plan.

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

20 (40 ILCS 5/9-121.6) (from Ch. 108 1/2, par. 9-121.6)  
 21 Sec. 9-121.6. Alternative annuity for county officers.

22 (a) Any county officer elected by vote of the people may  
 23 elect to establish alternative credits for an alternative  
 24 annuity by electing in writing to make additional optional  
 25 contributions in accordance with this Section and procedures  
 26 established by the board. Such elected county officer may  
 27 discontinue making the additional optional contributions by  
 28 notifying the Fund in writing in accordance with this Section  
 29 and procedures established by the board.

30 Additional optional contributions for the alternative  
 31 annuity shall be as follows:

32 (1) For service after the option is elected, an  
 33 additional contribution of 3% of salary shall be contributed

1 to the Fund on the same basis and under the same conditions  
2 as contributions required under Sections 9-170 and 9-176.

3 (2) For service before the option is elected, an  
4 additional contribution of 3% of the salary for the  
5 applicable period of service, plus interest at the effective  
6 rate from the date of service to the date of payment. All  
7 payments for past service must be paid in full before credit  
8 is given. No additional optional contributions may be made  
9 for any period of service for which credit has been  
10 previously forfeited by acceptance of a refund, unless the  
11 refund is repaid in full with interest at the effective rate  
12 from the date of refund to the date of repayment.

13 (b) In lieu of the retirement annuity otherwise payable  
14 under this Article, any county officer elected by vote of the  
15 people who (1) has elected to participate in the Fund and  
16 make additional optional contributions in accordance with  
17 this Section, and (2) has attained age 55 60 with at least 10  
18 years of service credit, or has attained age 60 65 with at  
19 least 8 years of service credit, may elect to have his  
20 retirement annuity computed as follows: 3% of the  
21 participant's salary at the time of termination of service  
22 for each of the first 8 years of service credit, plus 4% of  
23 such salary for each of the next 4 years of service credit,  
24 plus 5% of such salary for each year of service credit in  
25 excess of 12 years, subject to a maximum of 80% of such  
26 salary. To the extent such elected county officer has made  
27 additional optional contributions with respect to only a  
28 portion of his years of service credit, his retirement  
29 annuity will first be determined in accordance with this  
30 Section to the extent such additional optional contributions  
31 were made, and then in accordance with the remaining Sections  
32 of this Article to the extent of years of service credit with  
33 respect to which additional optional contributions were not  
34 made.

1           (c) In lieu of the disability benefits otherwise payable  
2 under this Article, any county officer elected by vote of the  
3 people who (1) has elected to participate in the Fund, and  
4 (2) has become permanently disabled and as a consequence is  
5 unable to perform the duties of his office, and (3) was  
6 making optional contributions in accordance with this Section  
7 at the time the disability was incurred, may elect to receive  
8 a disability annuity calculated in accordance with the  
9 formula in subsection (b). For the purposes of this  
10 subsection, such elected county officer shall be considered  
11 permanently disabled only if: (i) disability occurs while in  
12 service as an elected county officer and is of such a nature  
13 as to prevent him from reasonably performing the duties of  
14 his office at the time; and (ii) the board has received a  
15 written certification by at least 2 licensed physicians  
16 appointed by it stating that such officer is disabled and  
17 that the disability is likely to be permanent.

18           (d) Refunds of additional optional contributions shall  
19 be made on the same basis and under the same conditions as  
20 provided under Section 9-164, 9-166 and 9-167. Interest shall  
21 be credited at the effective rate on the same basis and under  
22 the same conditions as for other contributions. Optional  
23 contributions shall be accounted for in a separate Elected  
24 County Officer Optional Contribution Reserve. Optional  
25 contributions under this Section shall be included in the  
26 amount of employee contributions used to compute the tax levy  
27 under Section 9-169.

28           (e) The effective date of this plan of optional  
29 alternative benefits and contributions shall be January 1,  
30 1988, or the date upon which approval is received from the  
31 U.S. Internal Revenue Service, whichever is later. The plan  
32 of optional alternative benefits and contributions shall not  
33 be available to any former county officer or employee  
34 receiving an annuity from the Fund on the effective date of

1 the plan, unless he re-enters service as an elected county  
2 officer and renders at least 3 years of additional service  
3 after the date of re-entry.

4 (Source: P.A. 85-964.)

5 (40 ILCS 5/9-121.10) (from Ch. 108 1/2, par. 9-121.10)

6 Sec. 9-121.10. Transfer to Article 14.

7 (a) Until July 1, 1993, any active member of the State  
8 Employees' Retirement System who is a State policeman may  
9 apply for transfer of some or all of his creditable service  
10 as a member of the County Police Department accumulated under  
11 this Article to the State Employees' Retirement System. At  
12 the time of the transfer the Fund shall pay to the State  
13 Employees' Retirement System an amount equal to:

14 (1) the amounts accumulated to the credit of the  
15 applicant on the books of the Fund on the date of  
16 transfer for the service to be transferred; and

17 (2) the corresponding municipality credits,  
18 including interest, on the books of the Fund on the date  
19 of transfer; and

20 (3) any interest paid by the applicant in order to  
21 reinstate such service.

22 Participation in this Fund with respect to the credits  
23 transferred shall terminate on the date of transfer.

24 (b) Until July 1, 1993, any such State policeman may  
25 reinstate credit for service as a member of the County Police  
26 Department that was terminated by receipt of a refund, by  
27 paying to the Fund the amount of the refund with interest  
28 thereon at the rate of 6% per year, compounded annually, from  
29 the date of refund to the date of payment.

30 (c) Any active member of the State Employees' Retirement  
31 System who is an investigator for the Office of the Attorney  
32 General may apply for transfer of some or all of his or her  
33 creditable service as a member of the County Police

1 Department accumulated under this Article to the State  
2 Employees' Retirement System in accordance with Section  
3 14-110. At the time of the transfer the Fund shall pay to  
4 the State Employees' Retirement System an amount equal to:

5 (1) the amounts accumulated to the credit of the  
6 applicant for the service to be transferred on the books  
7 of the Fund on the date of transfer; and

8 (2) the corresponding municipality credits,  
9 including interest, on the books of the Fund on the date  
10 of transfer; and

11 (3) any interest paid by the applicant in order to  
12 reinstate such service.

13 Participation in this Fund with respect to the credits  
14 transferred shall terminate on the date of transfer.

15 (d) Any such investigator for the Office of the Attorney  
16 General may may reinstate credit for service as a member of  
17 the County Police Department that was terminated by receipt  
18 of a refund, by paying to the Fund the amount of the refund  
19 plus interest at the rate of 6% per year, compounded  
20 annually, from the date of the refund to the date of payment.

21 (Source: P.A. 87-1265.)

22 (40 ILCS 5/9-121.14 new)

23 Sec. 9-121.14. Benefit processors. An employee with at  
24 least 5 years of creditable service under this Article may  
25 purchase service credit for annuity purposes for up to 5  
26 years of time spent working as a benefits processor for a  
27 firm under contract with the Fund, by paying to the Fund  
28 before July 1, 2002 an amount equal to 8.5% of the salary  
29 received for that work or, if that salary is not  
30 determinable, 8.5% of the employee's annual salary rate on  
31 the first day of service in the Fund for each year of service  
32 credit established under this Section. The employee may not  
33 make optional contributions under Section 9-121.6 or 9-179.3

1 for periods of credit established under this Section.

2 (40 ILCS 5/9-121.15)

3 Sec. 9-121.15. Transfer of credit from Article 14 system.

4 A current or former An employee shall be entitled to service  
5 credit in the Fund for any creditable service transferred to  
6 this Fund from the State Employees' Retirement System under  
7 Section 14-105.7 of this Code. Credit under this Fund shall  
8 be granted upon receipt by the Fund of the amounts required  
9 to be transferred under Section 14-105.7; no additional  
10 contribution is necessary.

11 (Source: P.A. 90-511, eff. 8-22-97.)

12 (40 ILCS 5/9-121.16 new)

13 Sec. 9-121.16. Contractual service to the Retirement  
14 Board. A person who has rendered continuous contractual  
15 services (other than legal services) to the Retirement Board  
16 for a period of at least 5 years may establish creditable  
17 service in the Fund for up to 10 years of those services by  
18 making written application to the Board before July 1, 2002  
19 and paying to the Fund an amount to be determined by the  
20 Board, equal to the employee contributions that would have  
21 been required if those services had been performed as an  
22 employee.

23 For the purposes of calculating the required payment, the  
24 Board may determine the applicable salary equivalent based on  
25 the compensation received by the person for performing those  
26 contractual services. The salary equivalent calculated under  
27 this Section shall not be used for determining final average  
28 salary under Section 9-134 or any other provisions of this  
29 Code.

30 A person may not make optional contributions under  
31 Section 9-121.6 or 9-179.3 for periods of credit established  
32 under this Section.

1 (40 ILCS 5/9-134) (from Ch. 108 1/2, par. 9-134)  
2 Sec. 9-134. Minimum annuity - Additional provisions.

3 (a) An employee who withdraws after July 1, 1957 at age  
4 60 or more with 20 or more years of service, for whom the  
5 amount of age and service and prior service annuity combined  
6 is less than the amount stated in this Section from the date  
7 of withdrawal, instead of all annuities otherwise provided in  
8 this Article, is entitled to receive an annuity for life of  
9 an amount equal to 1 2/3% for each year of service, of his  
10 highest average annual salary for any 5 consecutive years  
11 within the last 10 years of service immediately preceding the  
12 date of withdrawal; provided that in the case of any employee  
13 who withdraws on or after July 1, 1971, such employee age 60  
14 or over with 20 or more years of service, or who withdraws on  
15 or after January 1, 1982 and on or after attainment of age 65  
16 with 10 or more years of service, shall instead receive an  
17 annuity for life equal to 1.67% for each of the first 10  
18 years of service; 1.90% for each of the next 10 years of  
19 service; 2.10% for each year of service in excess of 20 but  
20 not exceeding 30; and 2.30% for each year of service in  
21 excess of 30, based on the highest average annual salary for  
22 any 4 consecutive years within the last 10 years of service  
23 immediately preceding the date of withdrawal.

24 An employee who withdraws after July 1, 1957, but prior  
25 to January 1, 1988, with 20 or more years of service, before  
26 age 60 is entitled to annuity, to begin not earlier than age  
27 55, if under such age at withdrawal, as computed in the last  
28 preceding paragraph, reduced 1/2 of 1% for each full month or  
29 fractional part thereof that his attained age when annuity is  
30 to begin is less than 60 to the end that the total reduction  
31 at age 55 shall be 30%, except that an employee retiring at  
32 age 55 or over but less than age 60, having at least 35 years  
33 of service, shall not be subject to the reduction in his  
34 retirement annuity because of retirement below age 60.

1           An employee who withdraws on or after January 1, 1988,  
2 with 20 or more years of service and before age 60, is  
3 entitled to annuity as computed above, to begin not earlier  
4 than age 50 if under such age at withdrawal, reduced 1/2 of  
5 1% for each full month or fractional part thereof that his  
6 attained age when annuity is to begin is less than 60, to the  
7 end that the total reduction at age 50 shall be 60%, except  
8 that an employee retiring at age 50 or over but less than age  
9 60, having at least 30 years of service, shall not be subject  
10 to the reduction in retirement annuity because of retirement  
11 below age 60.

12           An employee who withdraws on or after January 1, 1992 but  
13 before January 1, 1993, at age 60 or over with 5 or more  
14 years of service, may elect, in lieu of any other employee  
15 annuity provided in this Section, to receive an annuity for  
16 life equal to 2.20% for each of the first 20 years of  
17 service, and 2.40% for each year of service in excess of 20,  
18 based on the highest average annual salary for any 4  
19 consecutive years within the last 10 years of service  
20 immediately preceding the date of withdrawal. An employee  
21 who withdraws on or after January 1, 1992, but before January  
22 1, 1993, on or after attainment of age 55 but before  
23 attainment of age 60 with 5 or more years of service, is  
24 entitled to elect such annuity, but the annuity shall be  
25 reduced 0.25% for each full month or fractional part thereof  
26 that his attained age when the annuity is to begin is less  
27 than age 60, to the end that the total reduction at age 55  
28 shall be 15%, except that an employee retiring at age 55 or  
29 over but less than age 60, having at least 30 years of  
30 service, shall not be subject to the reduction in retirement  
31 annuity because of retirement below age 60. This annuity  
32 benefit formula shall only apply to those employees who are  
33 age 55 or over prior to January 1, 1993, and who elect to  
34 withdraw at age 55 or over on or after January 1, 1992 but

1 before January 1, 1993.

2 An employee who withdraws on or after July 1, 1996 but  
3 before August 1, 1996, at age 55 or over with 8 or more years  
4 of service, may elect, in lieu of any other employee annuity  
5 provided in this Section, to receive an annuity for life  
6 equal to 2.20% for each of the first 20 years of service, and  
7 2.40% for each year of service in excess of 20, based on the  
8 highest average annual salary for any 4 consecutive years  
9 within the last 10 years of service immediately preceding the  
10 date of withdrawal, but the annuity shall be reduced by 0.25%  
11 for each full month or fractional part thereof that the  
12 annuitant's attained age when the annuity is to begin is less  
13 than age 60, unless the annuitant has at least 30 years of  
14 service.

15 The maximum annuity under this paragraph (a) shall not  
16 exceed 70% of highest average annual salary for any 5  
17 consecutive years within the last 10 years of service in the  
18 case of an employee who withdraws prior to July 1, 1971, and  
19 75% of the highest average annual salary for any 4  
20 consecutive years within the last 10 years of service  
21 immediately preceding the date of withdrawal if withdrawal  
22 takes place on or after July 1, 1971 and prior to January 1,  
23 1988, and 80% of the highest average annual salary for any 4  
24 consecutive years within the last 10 years of service  
25 immediately preceding the date of withdrawal if withdrawal  
26 takes place on or after January 1, 1988. Fifteen hundred  
27 dollars shall be considered the minimum amount of annual  
28 salary for any year, and the maximum shall be his salary as  
29 defined in this Article, except that for the years before  
30 1957 and subsequent to 1952 the maximum annual salary to be  
31 considered shall be \$6,000, and for any year before the year  
32 1953, \$4,800.

33 (b) Any employee who withdraws on or after July 1, 1985  
34 but prior to January 1, 1988, at age 60 or over with 10 or

1 more years of service, may elect in lieu of the benefit in  
2 paragraph (a) to receive an annuity for life equal to 2.00%  
3 for each year of service, based on the highest average annual  
4 salary for any 4 consecutive years within the last 10 years  
5 of service immediately preceding the date of withdrawal. An  
6 employee who withdraws on or after July 1, 1985, but prior to  
7 January 1, 1988, with 10 or more years of service, but before  
8 age 60, is entitled to elect such annuity, to begin not  
9 earlier than age 55, but the annuity shall be reduced 0.5%  
10 for each full month or fractional part thereof that his  
11 attained age when the annuity is to begin is less than 60, to  
12 the end that the total reduction at age 55 shall be 30%;  
13 except that an employee retiring at age 55 or over but less  
14 than age 60, having at least 30 years of service, shall not  
15 be subject to the reduction in retirement annuity because of  
16 retirement below age 60.

17 An employee who withdraws on or after January 1, 1988, at  
18 age 60 or over with 10 or more years of service, may elect,  
19 in lieu of the benefit in paragraph (a), to receive an  
20 annuity for life equal to 2.20% for each of the first 20  
21 years of service, and 2.4% for each year of service in excess  
22 of 20, based on the highest average annual salary for any 4  
23 consecutive years within the last 10 years of service  
24 immediately preceding the date of withdrawal. An employee who  
25 withdraws on or after January 1, 1988, with 10 or more years  
26 of service, but before age 60, is entitled to elect such  
27 annuity, to begin not earlier than age 50, but the annuity  
28 shall be reduced 0.5% for each full month or fractional part  
29 thereof that his attained age when the annuity is to begin is  
30 less than 60, to the end that the total reduction at age 50  
31 shall be 60%, except that an employee retiring at age 50 or  
32 over but less than age 60, having at least 30 years of  
33 service, shall not be subject to the reduction in retirement  
34 annuity because of retirement below age 60.

1       An employee who withdraws on or after December 31, 2000  
2       with 10 or more years of service may elect, in lieu of any  
3       other retirement annuity provided under this Article, to  
4       receive an annuity for life, beginning no earlier than upon  
5       attainment of age 50, equal to 2.40% of his or her highest  
6       average annual salary for any 4 consecutive years within the  
7       last 10 years of service immediately preceding withdrawal,  
8       for each year of service. If the employee has less than 30  
9       years of service, the annuity shall be reduced by 0.5% for  
10       each full month or remaining fraction thereof that the  
11       employee's attained age when the annuity is to begin is less  
12       than 60.

13       The maximum annuity under this paragraph (b) shall not  
14       exceed 75% of the highest average annual salary for any 4  
15       consecutive years within the last 10 years of service  
16       immediately preceding the date of withdrawal if withdrawal  
17       occurs prior to January 1, 1988, or 80% of the highest  
18       average annual salary for any 4 consecutive years within the  
19       last 10 years of service immediately preceding the date of  
20       withdrawal if withdrawal takes place on or after January 1,  
21       1988.

22       The provisions of this paragraph (b) do not apply to any  
23       former County employee receiving an annuity from the fund,  
24       who re-enters service as a County employee, unless he renders  
25       at least 3 years of additional service after the date of  
26       re-entry.

27       (c) For an employee receiving disability benefit, the  
28       salary for annuity purposes under paragraph (a) or (b) of  
29       this Section shall, for all periods of disability benefit  
30       subsequent to the year 1956, be the amount on which his  
31       disability benefit was based.

32       (d) A county employee with 20 or more years of service,  
33       whose entire disability benefit credit period expires before  
34       attainment of age 50 (age 55 if expiration occurs before

1 January 1, 1988), while still disabled for service is  
2 entitled upon withdrawal to the larger of:

3 (1) The minimum annuity provided above, assuming  
4 that he is then age 50 (age 55 if expiration occurs  
5 before January 1, 1988), and reducing such annuity to its  
6 actuarial equivalent at his attained age on such date, or

7 (2) the annuity provided from his age and service  
8 and prior service annuity credits.

9 (e) The minimum annuity provisions above do not apply to  
10 any former county employee receiving an annuity from the  
11 fund, who re-enters service as a county employee, unless he  
12 renders at least 3 years of additional service after the date  
13 of re-entry.

14 (f) Any employee in service on July 1, 1947, or who  
15 enters service thereafter before attaining age 65 and  
16 withdraws after age 65 with less than 10 years of service for  
17 whom the annuity has been fixed under the foregoing Sections  
18 of this Article, shall, instead of the annuity so fixed,  
19 receive an annuity as follows:

20 Such amount as he could have received had the accumulated  
21 amounts for annuity been improved with interest at the  
22 effective rate to the date of withdrawal, or to attainment of  
23 age 70, whichever is earlier, and had the county contributed  
24 to such earlier date for age and service annuity the amount  
25 that it would have contributed had he been under age 65,  
26 after the date his annuity was fixed in accordance with this  
27 Article, and assuming his annuity were computed from such  
28 accumulations as of his age on such earlier date. However  
29 those employees who before July 1, 1953, made additional  
30 contributions in accordance with this Article, the annuity so  
31 computed under this paragraph shall not exceed the annuity  
32 which would be payable under the other provisions of this  
33 Section if the employee concerned was credited with 20 years  
34 of service and would qualify for annuity thereunder.

1 (g) Instead of the annuity provided in this or any other  
2 Section of this Article, an employee having attained age 65  
3 with at least 15 years of service may elect to receive a  
4 minimum annual annuity for life equal to 1% of the highest  
5 average annual salary for any 4 consecutive years within the  
6 last 10 years of service immediately preceding retirement for  
7 each year of service, plus the sum of \$25 for each year of  
8 service provided that no such minimum annual annuity may be  
9 greater than 60% of such highest average annual salary.

10 (h) The annuity is payable in equal monthly  
11 installments.

12 (i) If, by operation of law, a function of a  
13 governmental unit, as defined by Section 20-107 of this Code,  
14 is transferred in whole or in part to the county in which  
15 this Article 9 is created as set forth in Section 9-101, and  
16 employees of the governmental unit are transferred as a class  
17 to such county, the earnings credits in the retirement system  
18 covering the governmental unit which have been validated  
19 under Section 20-109 of this Code shall be considered in  
20 determining the highest average annual salary for purposes of  
21 this Section 9-134.

22 (j) The annuity being paid to an employee annuitant on  
23 July 1, 1988, shall be increased on that date by 1% for each  
24 full year that has elapsed from the date the annuity began.

25 (k) Notwithstanding anything to the contrary in this  
26 Article 9, Section 20-131 shall not apply to an employee who  
27 withdraws on or after January 1, 1988, but prior to attaining  
28 age 55. Therefore, no employee shall be entitled to elect to  
29 have the alternative formula previously set forth in Section  
30 20-122 prior to the amendatory Act of 1975 apply to any  
31 annuity, the payment of which commenced after January 1,  
32 1988, but prior to such employee's attainment of age 55.

33 (Source: P.A. 86-272; 87-794.)

1 (40 ILCS 5/9-146.1) (from Ch. 108 1/2, par. 9-146.1)

2 Sec. 9-146.1. Minimum annuities for widows. The widow of  
3 an employee who retires from service or dies while in the  
4 service subsequent to June 11, 1965, who is otherwise  
5 eligible for widow's annuity under this Article and for whom  
6 the amount of widow's annuity and widow's prior service  
7 annuity combined, fixed or provided for such widow under  
8 other provisions of this Article 9 is less than the amount  
9 hereinafter provided in this Section, shall, from and after  
10 the date her otherwise provided annuity would begin, in lieu  
11 of such otherwise provided widow's and widow's prior service  
12 annuity, be entitled to the following indicated amount of  
13 annuity:

14 (a) The widow<sup>7</sup> of any employee who dies while in the  
15 service on or after the date on which he attains the age of  
16 60 or more years with at least 20 years of service, or 10 or  
17 more years of service if death occurs on or after attainment  
18 of age 65 and on or after January 1, 1982, shall be entitled  
19 to an annuity equal to one-half of the amount of annuity  
20 which her deceased husband would have been entitled to  
21 receive had he withdrawn from the service on the day  
22 immediately preceding the date of his death, conditional upon  
23 such widow having attained the age of 60 or more years on  
24 such date. Such amount of widow's annuity shall not, however,  
25 exceed the sum of \$500 a month if death in service occurs  
26 before July 1, 1985.

27 If such widow of such described employee shall not be 60  
28 or more years of age on such date of death, the amount  
29 provided in the immediately preceding paragraph for a widow  
30 60 or more years of age, shall, in the case of such younger  
31 widow, be reduced by 1/2 of 1 per cent for each month that  
32 her then attained age is less than 60 years; except that such  
33 younger widow of an employee who dies while in service on or  
34 after July 1, 1985 with at least 30 years of service, shall

1 not be subject to the reduction in widow's annuity because of  
2 her age less than 60 on the date of the employee's death.

3 (b) The widow, of any employee who dies subsequent to  
4 the date of his retirement on annuity, and who so retired on  
5 or after the date on which he attained the age of 60 or more  
6 years with at least 20 years of service, or 10 or more years  
7 of service if retirement occurs on or after attainment of age  
8 65 and on or after January 1, 1982, shall be entitled to an  
9 annuity equal to one-half of the amount of annuity which her  
10 deceased husband received as of the date of his retirement on  
11 annuity, conditional upon such widow having attained the age  
12 of 60 or more years on the date of her husband's retirement  
13 on annuity. Such amount of widow's annuity shall not,  
14 however, exceed the sum of \$500 a month if the death occurs  
15 before the effective date of this amendatory Act of 1991.

16 If such widow of such described employee shall not have  
17 attained such age of 60 or more years on such date of her  
18 husband's retirement on annuity, the amount provided in the  
19 immediately preceding paragraph for a widow 60 or more years  
20 of age on the date of her husband's retirement on annuity,  
21 shall, in the case of such then younger widow, be reduced by  
22 1/2 of 1 per cent for each month that her then attained age  
23 was less than 60 years; except that such younger widow of an  
24 employee retiring on or after July 1, 1985 with at least 30  
25 years of service, shall not be subject to the reduction in  
26 widow's annuity because of her age less than 60 on the date  
27 of the employee's retirement.

28 (c) The foregoing provisions relating to minimum  
29 annuities for widows shall not apply to the widow of any  
30 former county employee receiving an annuity from the Fund on  
31 June 11, 1965, who re-enters service as a county employee,  
32 unless such employee renders at least 3 years of additional  
33 service after the date of re-entry.

34 (d) An annuity being paid to a surviving spouse on

1 January 1, 1984 shall be increased by 10% and shall  
2 thereafter be paid at the increased rate until the  
3 termination of the annuity by death or other cause. The  
4 annuity for a qualifying widow shall not exceed \$500 per  
5 month.

6 (e) The widow of any employee who dies while in service  
7 on or after July 1, 1985 but prior to January 1, 1988, and  
8 the widow of an employee who retires on or after July 1, 1985  
9 but prior to January 1, 1988 with at least 10 years of  
10 service, and the widow of an employee who retires on or after  
11 January 1, 1984 but prior to July 1, 1985 with at least 30  
12 years of service, shall be entitled to an annuity equal to  
13 one-half of the amount of annuity which her deceased husband  
14 would have received had he retired immediately prior to his  
15 death or one-half the amount of the originally granted  
16 retirement annuity, whichever is applicable. Such widow's  
17 annuity will be reduced 0.5% for each month that the widow's  
18 attained age is less than age 60 on the date of the  
19 employee's death in service or retirement if the employee's  
20 death in service or retirement is before January 1, 1988;  
21 except that such younger widow of an employee with at least  
22 30 years of service shall not be subject to the reduction in  
23 widow's annuity because of her age less than 60 on the date  
24 of the employee's death in service or retirement.

25 The widow of an employee who dies in service on or after  
26 January 1, 1988, or retires on or after January 1, 1988 with  
27 at least 10 years of service, shall be entitled to an annuity  
28 equal to 1/2 of the amount of annuity which her deceased  
29 husband would have received had he retired immediately prior  
30 to his death or 1/2 of the amount of the annuity which her  
31 deceased husband received as of the date of his death,  
32 whichever is applicable. Such widow's annuity shall be  
33 reduced 0.5% for each month that the widow's attained age is  
34 less than age 60 on the date of the employee's death if

1 employee's death in service or retirement is after January 1,  
2 1988; except that such younger widow of an employee with at  
3 least 30 years of service shall not be subject to the  
4 reduction in widow's annuity because of her age on the date  
5 of the employee's death.

6 In lieu of any other annuity provided by this Article,  
7 the widow of an employee who dies in service on or after  
8 January 1, 1992, or retires on or after January 1, 1992 with  
9 at least 10 years of service, shall be entitled to an annuity  
10 equal to 1/2 of the amount of annuity which her deceased  
11 husband would have received had he retired immediately prior  
12 to his death or 1/2 of the amount of the annuity which her  
13 deceased husband received as of the date of his death,  
14 whichever is applicable. Such widow's annuity shall be  
15 reduced 0.5% for each month that the widow's attained age is  
16 less than age 55 on the date of the employee's death; except  
17 that such younger widow of an employee with at least 30 years  
18 of service shall not be subject to the reduction in widow's  
19 annuity because of her age on the date of the employee's  
20 death.

21 In lieu of any other annuity provided by this Article,  
22 the widow of an employee who dies in service or withdraws  
23 from service on or after January 1, 1992 but before January  
24 1, 1993 at age 55 or over with at least 5 but less than 10  
25 years of service, shall be entitled to an annuity equal to  
26 half of the amount of annuity which her deceased husband  
27 would have received had he retired immediately prior to his  
28 death or half of the amount of the annuity which her deceased  
29 husband received as of the date of his death, whichever is  
30 applicable. This widow's annuity shall be reduced 0.5% for  
31 each month that the widow's attained age is less than 60 on  
32 the date of the employee's death.

33 However, in the case of an employee dying in service, the  
34 amount of widow's annuity shall not be less than 10% of the

1 highest average annual salary for any 4 consecutive years  
2 within the last 10 years of service immediately preceding the  
3 date of withdrawal. The maximum amount of annuity under this  
4 paragraph shall not be limited to a dollar maximum. The  
5 provisions of this paragraph shall not apply to the widow of  
6 any former County employee receiving an annuity from the fund  
7 who re-enters service as a County employee, unless such  
8 employee renders at least 3 years of additional service after  
9 the date of re-entry.

10 (f) An annuity being paid to a surviving spouse on July  
11 1, 1988, shall be increased on that date by 1% for each full  
12 year that has elapsed from the date the annuity began.

13 (g) In lieu of any other annuity provided under this  
14 Article, if the deceased employee was receiving a retirement  
15 annuity at the time of his death and that death occurs on or  
16 after January 1, 1993, the widow's annuity shall be 50% of  
17 the deceased employee's retirement annuity at the time of  
18 death, reduced by 0.5% for each month that the widow's age on  
19 the date of death is less than 55, except that the reduction  
20 does not apply if the deceased employee had at least 30 years  
21 of service.

22 (h) In lieu of any other annuity provided under this  
23 Article, the widow of an employee who dies in service on or  
24 after January 1, 2001 or has at least 10 years of service and  
25 dies on or after January 1, 2001 while receiving an annuity  
26 shall be entitled to a widow's annuity equal to 65% of the  
27 amount of annuity which her deceased husband would have  
28 received had he retired immediately prior to his death or 65%  
29 of the amount of the annuity which her deceased husband  
30 received as of the date of his death, whichever is  
31 applicable. This widow's annuity shall be reduced by 0.5%  
32 for each month that the widow's age on the date of the  
33 employee's death is less than 55, unless the deceased husband  
34 had at least 30 years of service.

1 (Source: P.A. 86-273; 87-794; 87-1265.)

2 (40 ILCS 5/9-163) (from Ch. 108 1/2, par. 9-163)

3 Sec. 9-163. Restoration of rights. An employee who has  
4 withdrawn as a refund the amounts credited for annuity  
5 purposes, and who re-enters service and serves for periods  
6 comprising at least 2 years after the date of the last refund  
7 paid to him, may have his annuity rights restored by making  
8 application to the board in writing for the privilege of  
9 reinstating such rights and by compliance with the following  
10 provisions:

11 (a) The employee shall repay in full to the fund  
12 while in service all refunds received, together with  
13 interest at the effective rate from the application date  
14 of such refund or refunds to the date of repayment.

15 (b) If payment is not made in a single sum, the  
16 repayment may be made in installments by deductions from  
17 salary or otherwise in such amounts as the employee may  
18 elect to pay, with interest at the effective rate  
19 accruing on unpaid balances.

20 (c) If the employee withdraws from service or dies  
21 in service before full repayment is made, or during the  
22 required return to service, the amounts repaid, including  
23 interest repaid but without further interest, shall be  
24 refunded in accordance with the refund provisions of this  
25 Article.

26 For an employee who applies to the Fund to reinstate  
27 credit and repay a refund between January 1, 1993 and March  
28 1, 1993, the 2 year minimum period of subsequent service  
29 required under item (a) shall be instead a period of 6  
30 months.

31 A person who establishes service credit under Section  
32 9-121.16 may, at the same time, reinstate credit in this Fund  
33 and repay a refund without a return to service,

1 notwithstanding the other provisions of this Section.

2 (Source: P.A. 87-1265.)

3 (40 ILCS 5/9-179.1) (from Ch. 108 1/2, par. 9-179.1)

4 Sec. 9-179.1. Military service. A contributing employee  
5 as of January 1, 1993 with at least 20 25 years of service  
6 credit may apply for creditable service for up to 2 years of  
7 military service whether or not the military service followed  
8 service as a county employee. The military service need not  
9 have been served in wartime, but the employee must not have  
10 been dishonorably discharged. To establish this creditable  
11 service the applicant must pay to the Fund, while in the  
12 service of the county, an amount determined by the Fund to  
13 represent the employee contributions for the creditable  
14 service established, based on the employee's rate of  
15 compensation on his or her last day as a contributor before  
16 the military service, or on his or her first day as a  
17 contributor after the military service, whichever is greater,  
18 plus interest at the effective rate from the date of  
19 discharge to the date of payment. If a person who has  
20 established any credit under this Section applies for or  
21 receives any early retirement incentive under Section  
22 9-134.2, the credit under this Section shall be forfeited and  
23 the amount paid to the Fund under this Section shall be  
24 refunded.

25 (Source: P.A. 87-1265.)

26 (40 ILCS 5/9-185) (from Ch. 108 1/2, par. 9-185)

27 Sec. 9-185. Board created.

28 (a) A board of 9 7 members shall constitute the board of  
29 trustees authorized to carry out the provisions of this  
30 Article. The board of trustees shall be known as "The  
31 Retirement Board of the County Employees' Annuity and Benefit  
32 Fund of .... County". The board shall consist of 2 members

1 appointed and 7 5 members elected as hereinafter prescribed.

2 (b) The appointed members shall be appointed as follows:  
3 One member shall be appointed by the comptroller of such  
4 county, who may be the comptroller or some person chosen by  
5 him from among employees of the county, who are versed in the  
6 affairs of the comptroller's office; and one member shall be  
7 appointed by the treasurer of such county, who may be the  
8 treasurer or some person chosen by him from among employees  
9 of the County who are versed in the affairs of the  
10 treasurer's office.

11 The member appointed by the comptroller shall hold office  
12 for a term ending on December 1st of the first year following  
13 the year of appointment. The member appointed by the county  
14 treasurer shall hold office for a term ending on December 1st  
15 of the second year following the year of appointment.

16 Thereafter, each appointed member shall be appointed by  
17 the officer that appointed his predecessor for a term of 2  
18 years.

19 (c) Three county employee members of the board shall be  
20 elected as follows: within 30 days from and after the date  
21 upon which this Article comes into effect in the county, the  
22 clerk of the county shall arrange for and hold an election.  
23 One employee shall be elected for a term ending on the first  
24 day in the month of December of the first year next following  
25 the effective date; one for a term ending on December 1st of  
26 the following year; and one for a term ending December 1st of  
27 the second following year.

28 (d) Beginning December 1, 1988, and every 3 years  
29 thereafter, an annuitant member of the board shall be elected  
30 as follows: the board shall arrange for and hold an election  
31 in which only those participants who are currently receiving  
32 retirement or disability benefits under this Article shall be  
33 eligible to vote and be elected. Each such member shall be  
34 elected to a term ending on the first day in the month of

1 December of the third following year.

2 (d-1) Beginning December 1, 2001, and every 3 years  
3 thereafter, an annuitant member of the board shall be elected  
4 as follows: the board shall arrange for and hold an election  
5 in which only those participants who are currently receiving  
6 retirement or disability benefits under this Article shall be  
7 eligible to vote and be elected. Each such member shall be  
8 elected to a term ending on the first day in the month of  
9 December of the third following year. Until December 1,  
10 2001, the position created under this subsection (d-1) may be  
11 filled by the board as in the case of a vacancy.

12 (e) Beginning December 1, 1988, if a Forest Preserve  
13 District Employees' Annuity and Benefit Fund shall be in  
14 force in such county and the board of this fund is charged  
15 with administering the affairs of such annuity and benefit  
16 fund for employees of such forest preserve district, a forest  
17 preserve district member of the board shall be elected as of  
18 December 1, 1988, and every 3 years thereafter as follows:  
19 the board shall arrange for and hold an election in which  
20 only those employees of such forest preserve district who are  
21 contributors to the annuity and benefit fund for employees of  
22 such forest preserve district shall be eligible to vote and  
23 be elected. Each such member shall be elected to a term  
24 ending on the first day in the month of December of the third  
25 following year.

26 (f) Beginning December 1, 2001, and every 3 years  
27 thereafter, if a Forest Preserve District Employees' Annuity  
28 and Benefit Fund is in force in the county and the board of  
29 this Fund is charged with administering the affairs of that  
30 annuity and benefit fund for employees of the forest preserve  
31 district, a forest preserve district annuitant member of the  
32 board shall be elected as follows: the board shall arrange  
33 for and hold an election in which only those participants who  
34 are currently receiving retirement benefits under Article 10

1 shall be eligible to vote and be elected. Each such member  
 2 shall be elected to a term ending on the first day in the  
 3 month of December of the third following year. Until  
 4 December 1, 2001, the position created under this subsection  
 5 (f) may be filled by the board as in the case of a vacancy.

6 (Source: P.A. 85-964; 86-1488.)

7 (40 ILCS 5/9-186) (from Ch. 108 1/2, par. 9-186)  
 8 Sec. 9-186. Board elections. In each year, the board  
 9 shall conduct a regular election, under rules adopted by it,  
 10 at least 30 days prior to the expiration of the term of each  
 11 elected employee or annuitant member.

12 To be eligible to be a county employee member, a person  
 13 must be an employee of the county and must have at least 5  
 14 years of service credit in that capacity by December 1 of the  
 15 year of election. To be eligible to be a forest preserve  
 16 district member, a person must be an employee of the forest  
 17 preserve district and must have at least 5 years of service  
 18 credit in that capacity by December 1 of the year of  
 19 election.

20 Only those persons who are employees of the county shall  
 21 be eligible to vote for the 3 county employee members, only  
 22 those persons who are employees of the forest preserve  
 23 district shall be eligible to vote for the forest preserve  
 24 district member, and only those persons who are currently  
 25 receiving retirement or disability benefits under this  
 26 Article shall be eligible to vote for the annuitant members  
 27 elected under subsections (d) and (d-1) of Section 9-185, and  
 28 only those persons who are currently receiving retirement  
 29 benefits under Article 10 shall be eligible to vote for the  
 30 forest preserve district annuitant member elected under  
 31 subsection (f) of Section 9-185. The ballot shall be of  
 32 secret character.

33 Except as otherwise provided in Section 9-187, each

1 member of the board shall hold office until his successor is  
2 chosen and has qualified.

3 Any person elected or appointed a member of the board  
4 shall qualify for the office by taking an oath of office to  
5 be administered by the county clerk or a person designated by  
6 him. A copy thereof shall be kept in the office of the  
7 county clerk. Any appointment or notice of election shall be  
8 in writing and the written instrument shall be filed with the  
9 oath.

10 (Source: P.A. 85-964; 86-1488.)

11 (40 ILCS 5/9-187) (from Ch. 108 1/2, par. 9-187)

12 Sec. 9-187. Board vacancy.

13 (a) A vacancy in the membership of the board shall be  
14 filled as follows:

15 If the vacancy is that of an appointive member, the  
16 official who appointed him shall appoint a person to serve  
17 for the unexpired term.

18 If the vacancy is that of a county employee member, the  
19 remaining members of the board shall appoint a successor from  
20 among the employees of the county, who shall serve during the  
21 remainder of the unexpired term.

22 If the vacancy is that of a forest preserve district  
23 member, the remaining members of the board shall appoint a  
24 successor from among the employees of the forest preserve  
25 district, who shall serve during the remainder of the  
26 unexpired term.

27 If the vacancy is that of an annuitant member other than  
28 a forest preserve district annuitant member, the remaining  
29 members of the board shall appoint a successor from among  
30 those persons who are currently receiving retirement or  
31 disability benefits under this Article.

32 If the vacancy is that of a forest preserve district  
33 annuitant member, the remaining members of the board shall

1 appoint a successor from among those persons who are  
2 currently receiving retirement benefits under Article 10.

3 (b) Any county or forest preserve district member who  
4 withdraws from service shall automatically cease to be a  
5 member of the board. Any annuitant member other than a  
6 forest preserve district annuitant member whose retirement or  
7 disability benefits cease under this Article, and any forest  
8 preserve district annuitant member whose retirement benefits  
9 cease under Article 10, shall also automatically cease to be  
10 a member of the Board.

11 (Source: P.A. 85-964; 86-1488.)

12 (40 ILCS 5/9-219) (from Ch. 108 1/2, par. 9-219)  
13 Sec. 9-219. Computation of service.

14 (1) In computing the term of service of an employee  
15 prior to the effective date, the entire period beginning on  
16 the date he was first appointed and ending on the day before  
17 the effective date, except any intervening period during  
18 which he was separated by withdrawal from service, shall be  
19 counted for all purposes of this Article.

20 (2) In computing the term of service of any employee on  
21 or after the effective date, the following periods of time  
22 shall be counted as periods of service for age and service,  
23 widow's and child's annuity purposes:

24 (a) The time during which he performed the duties  
25 of his position.

26 (b) Vacations, leaves of absence with whole or part  
27 pay, and leaves of absence without pay not longer than 90  
28 days.

29 (c) For an employee who is a member of a county  
30 police department or a correctional officer with the  
31 county department of corrections, approved leaves of  
32 absence without pay during which the employee serves as a  
33 full-time officer or employee head of an employee

1 association, the membership of which consists of other  
2 participants in the Fund police-officers, provided that  
3 the employee contributes to the Fund (1) the amount that  
4 he would have contributed had he remained an active  
5 employee member-of-the-county-police--department in the  
6 position he occupied at the time the leave of absence was  
7 granted, (2) an amount calculated by the Board  
8 representing employer contributions, and (3) regular  
9 interest thereon from the date of service to the date of  
10 payment. However, if the employee's application to  
11 establish credit under this subsection is received by the  
12 Fund on or after January 1, 2002 and before July 1, 2002,  
13 the amount representing employer contributions specified  
14 in item (2) shall be waived.

15 For a former member of a county police department  
16 who has received a refund under Section 9-164, periods  
17 during which the employee serves as head of an employee  
18 association, the membership of which consists of other  
19 police officers, provided that the employee contributes  
20 to the Fund (1) the amount that he would have contributed  
21 had he remained an active member of the county police  
22 department in the position he occupied at the time he  
23 left service, (2) an amount calculated by the Board  
24 representing employer contributions, and (3) regular  
25 interest thereon from the date of service to the date of  
26 payment. However, if the former member of the county  
27 police department retires on or after January 1, 1993 but  
28 no later than March 1, 1993, the amount representing  
29 employer contributions specified in item (2) shall be  
30 waived.

31 (d) Any period of disability for which he received  
32 disability benefit or whole or part pay.

33 (e) Accumulated vacation or other time for which an  
34 employee who retires on or after November 1, 1990

1 receives a lump sum payment at the time of retirement,  
2 provided that contributions were made to the fund at the  
3 time such lump sum payment was received. The service  
4 granted for the lump sum payment shall not change the  
5 employee's date of withdrawal for computing the effective  
6 date of the annuity.

7 (f) An employee may receive service credit for  
8 annuity purposes for accumulated sick leave as of the  
9 date of the employee's withdrawal from service, not to  
10 exceed a total of 180 days, provided that the amount of  
11 such accumulated sick leave is certified by the County  
12 Comptroller to the Board and the employee pays an amount  
13 equal to 8.5% (9% for members of the County Police  
14 Department who are eligible to receive an annuity under  
15 Section 9-128.1) of the amount that would have been paid  
16 had such accumulated sick leave been paid at the  
17 employee's final rate of salary. Such payment shall be  
18 made within 30 days after the date of withdrawal and  
19 prior to receipt of the first annuity check. The service  
20 credit granted for such accumulated sick leave shall not  
21 change the employee's date of withdrawal for the purpose  
22 of computing the effective date of the annuity.

23 (3) In computing the term of service of an employee on  
24 or after the effective date for ordinary disability benefit  
25 purposes, the following periods of time shall be counted as  
26 periods of service:

27 (a) Unless otherwise specified in Section 9-157,  
28 the time during which he performed the duties of his  
29 position.

30 (b) Paid vacations and leaves of absence with whole  
31 or part pay.

32 (c) Any period for which he received duty  
33 disability benefit.

34 (d) Any period of disability for which he received

1 whole or part pay.

2 (4) For an employee who on January 1, 1958, was  
3 transferred by Act of the 70th General Assembly from his  
4 position in a department of welfare of any city located in  
5 the county in which this Article is in force and effect to a  
6 similar position in a department of such county, service  
7 shall also be credited for ordinary disability benefit and  
8 child's annuity for such period of department of welfare  
9 service during which period he was a contributor to a  
10 statutory annuity and benefit fund in such city and for which  
11 purposes service credit would otherwise not be credited by  
12 virtue of such involuntary transfer.

13 (5) An employee described in subsection (e) of Section  
14 9-108 shall receive credit for child's annuity and ordinary  
15 disability benefit for the period of time for which he was  
16 credited with service in the fund from which he was  
17 involuntarily separated through class or group transfer;  
18 provided, that no such credit shall be allowed to the extent  
19 that it results in a duplication of credits or benefits, and  
20 neither shall such credit be allowed to the extent that it  
21 was or may be forfeited by the application for and acceptance  
22 of a refund from the fund from which the employee was  
23 transferred.

24 (6) Overtime or extra service shall not be included in  
25 computing service. Not more than 1 year of service shall be  
26 allowed for service rendered during any calendar year.

27 (Source: P.A. 86-1488; 87-794; 87-1265.)

28 (40 ILCS 5/11-125.8)

29 Sec. 11-125.8. Service as police officer, firefighter, or  
30 teacher.

31 (a) Service rendered by an employee as a police officer  
32 and member of the regularly constituted police department of  
33 the city, or as a firefighter and regular member of the paid

1 fire department of the city, or as a teacher in the public  
 2 school system in the city shall be counted, for the purposes  
 3 of this Article, as service rendered as an employee of the  
 4 city. Salary received for any such service shall be treated,  
 5 for the purposes of this Article, as salary received for the  
 6 performance of duty as an employee.

7 (b) Credit shall be granted under subsection (a) only if  
 8 (1) the employee pays to the Fund prior to his or her  
 9 separation from service an amount equal to the employee  
 10 contributions that would have been payable for that service,  
 11 based on the salary actually received, plus interest at the  
 12 effective rate, and (2) the employee has terminated any  
 13 credit for that service earned in any other annuity and  
 14 benefit fund or pension fund in operation in the city for the  
 15 benefit of police officers, firefighters, or teachers. The  
 16 amount transferred to the Fund under item (1) of Section  
 17 5-233.1, if any, shall be credited against the contributions  
 18 required under this subsection.

19 (Source: P.A. 90-31, eff. 6-27-97.)

20 (40 ILCS 5/11-134) (from Ch. 108 1/2, par. 11-134)  
 21 Sec. 11-134. Minimum annuities.

22 (a) An employee whose withdrawal occurs after July 1,  
 23 1957 at age 60 or over, with 20 or more years of service, (as  
 24 service is defined or computed in Section 11-216), for whom  
 25 the age and service and prior service annuity combined is  
 26 less than the amount stated in this Section, shall, from and  
 27 after the date of withdrawal, in lieu of all annuities  
 28 otherwise provided in this Article, be entitled to receive an  
 29 annuity for life of an amount equal to 1 2/3% for each year  
 30 of service, of the highest average annual salary for any 5  
 31 consecutive years within the last 10 years of service  
 32 immediately preceding the date of withdrawal; provided, that  
 33 in the case of any employee who withdraws on or after July 1,

1 1971, such employee age 60 or over with 20 or more years of  
2 service, shall be entitled to instead receive an annuity for  
3 life equal to 1.67% for each of the first 10 years of  
4 service; 1.90% for each of the next 10 years of service;  
5 2.10% for each year of service in excess of 20 but not  
6 exceeding 30; and 2.30% for each year of service in excess of  
7 30, based on the highest average annual salary for any 4  
8 consecutive years within the last 10 years of service  
9 immediately preceding the date of withdrawal.

10 An employee who withdraws after July 1, 1957 and before  
11 January 1, 1988, with 20 or more years of service, before age  
12 60, shall be entitled to an annuity, to begin not earlier  
13 than age 55, if under such age at withdrawal, as computed in  
14 the last preceding paragraph, reduced 0.25% if the employee  
15 was born before January 1, 1936, or 0.5% if the employee was  
16 born on or after January 1, 1936, for each full month or  
17 fractional part thereof that his attained age when such  
18 annuity is to begin is less than 60.

19 Any employee born before January 1, 1936 who withdraws  
20 with 20 or more years of service, and any employee with 20 or  
21 more years of service who withdraws on or after January 1,  
22 1988, may elect to receive, in lieu of any other employee  
23 annuity provided in this Section, an annuity for life equal  
24 to 1.80% for each of the first 10 years of service, 2.00% for  
25 each of the next 10 years of service, 2.20% for each year of  
26 service in excess of 20, but not exceeding 30, and 2.40% for  
27 each year of service in excess of 30, of the highest average  
28 annual salary for any 4 consecutive years within the last 10  
29 years of service immediately preceding the date of  
30 withdrawal, to begin not earlier than upon attained age of 55  
31 years, if under such age at withdrawal, reduced 0.25% for  
32 each full month or fractional part thereof that his attained  
33 age when annuity is to begin is less than 60; except that an  
34 employee retiring on or after January 1, 1988, at age 55 or

1 over but less than age 60, having at least 35 years of  
2 service, or an employee retiring on or after July 1, 1990, at  
3 age 55 or over but less than age 60, having at least 30 years  
4 of service, or an employee retiring on or after the effective  
5 date of this amendatory Act of 1997, at age 55 or over but  
6 less than age 60, having at least 25 years of service, shall  
7 not be subject to the reduction in retirement annuity because  
8 of retirement below age 60.

9 However, in the case of an employee who retired on or  
10 after January 1, 1985 but before January 1, 1988, at age 55  
11 or older and with at least 35 years of service, and who was  
12 subject under this subsection (a) to the reduction in  
13 retirement annuity because of retirement below age 60, that  
14 reduction shall cease to be effective January 1, 1991, and  
15 the retirement annuity shall be recalculated accordingly.

16 Any employee who withdraws on or after July 1, 1990, with  
17 20 or more years of service, may elect to receive, in lieu of  
18 any other employee annuity provided in this Section, an  
19 annuity for life equal to 2.20% for each year of service of  
20 the highest average annual salary for any 4 consecutive years  
21 within the last 10 years of service immediately preceding the  
22 date of withdrawal, to begin not earlier than upon attained  
23 age of 55 years, if under such age at withdrawal, reduced  
24 0.25% for each full month or fractional part thereof that his  
25 attained age when annuity is to begin is less than 60; except  
26 that an employee retiring at age 55 or over but less than age  
27 60, having at least 30 years of service, shall not be subject  
28 to the reduction in retirement annuity because of retirement  
29 below age 60.

30 Any employee who withdraws on or after the effective date  
31 of this amendatory Act of 1997 with 20 or more years of  
32 service may elect to receive, in lieu of any other employee  
33 annuity provided in this Section, an annuity for life equal  
34 to 2.20%, for each year of service of the highest average

1 annual salary for any 4 consecutive years within the last 10  
2 years of service immediately preceding the date of  
3 withdrawal, to begin not earlier than upon attainment of age  
4 55 (age 50 if the employee has at least 30 years of service),  
5 reduced 0.25% for each full month or remaining fractional  
6 part thereof that the employee's attained age when annuity is  
7 to begin is less than 60; except that an employee retiring at  
8 age 50 or over with at least 30 years of service or at age 55  
9 or over with at least 25 years of service shall not be  
10 subject to the reduction in retirement annuity because of  
11 retirement below age 60.

12 The maximum annuity payable under this paragraph (a) of  
13 this Section shall not exceed 70% of highest average annual  
14 salary in the case of an employee who withdraws prior to July  
15 1, 1971, 75% if withdrawal takes place on or after July 1,  
16 1971. For the purpose of the minimum annuity provided in  
17 said paragraphs \$1,500 shall be considered the minimum annual  
18 salary for any year; and the maximum annual salary to be  
19 considered for the computation of such annuity shall be  
20 \$4,800 for any year prior to 1953, \$6,000 for the years 1953  
21 to 1956, inclusive, and the actual annual salary, as salary  
22 is defined in this Article, for any year thereafter.

23 (b) For an employee receiving disability benefit, his  
24 salary for annuity purposes under this Section shall, for all  
25 periods of disability benefit subsequent to the year 1956, be  
26 the amount on which his disability benefit was based.

27 (c) An employee with 20 or more years of service, whose  
28 entire disability benefit credit period expires prior to  
29 attainment of age 55 while still disabled for service, shall  
30 be entitled upon withdrawal to the larger of (1) the minimum  
31 annuity provided above assuming that he is then age 55, and  
32 reducing such annuity to its actuarial equivalent at his  
33 attained age on such date, or (2) the annuity provided from  
34 his age and service and prior service annuity credits.

1 (d) The minimum annuity provisions as aforesaid shall  
2 not apply to any former employee receiving an annuity from  
3 the fund, and who re-enters service as an employee, unless he  
4 renders at least 3 years of additional service after the date  
5 of re-entry.

6 (e) An employee in service on July 1, 1947, or who  
7 became a contributor after July 1, 1947 and prior to July 1,  
8 1950, or who shall become a contributor to the fund after  
9 July 1, 1950 prior to attainment of age 70, who withdraws  
10 after age 65 with less than 20 years of service, for whom the  
11 annuity has been fixed under the foregoing Sections of this  
12 Article shall, in lieu of the annuity so fixed, receive an  
13 annuity as follows:

14 Such amount as he could have received had the accumulated  
15 amounts for annuity been improved with interest at the  
16 effective rate to the date of his withdrawal, or to  
17 attainment of age 70, whichever is earlier, and had the city  
18 contributed to such earlier date for age and service annuity  
19 the amount that would have been contributed had he been under  
20 age 65, after the date his annuity was fixed in accordance  
21 with this Article, and assuming his annuity were computed  
22 from such accumulations as of his age on such earlier date.  
23 The annuity so computed shall not exceed the annuity which  
24 would be payable under the other provisions of this Section  
25 if the employee was credited with 20 years of service and  
26 would qualify for annuity thereunder.

27 (f) In lieu of the annuity provided in this or in any  
28 other Section of this Article, an employee having attained  
29 age 65 with at least 15 years of service who withdraws from  
30 service on or after July 1, 1971 and whose annuity computed  
31 under other provisions of this Article is less than the  
32 amount provided under this paragraph shall be entitled to  
33 receive a minimum annual annuity for life equal to 1% of the  
34 highest average annual salary for any 4 consecutive years

1 within the last 10 years of service immediately preceding  
2 retirement for each year of his service plus the sum of \$25  
3 for each year of service. Such annual annuity shall not  
4 exceed the maximum percentages stated under paragraph (a) of  
5 this Section of such highest average annual salary.

6 (f-1) Instead of any other retirement annuity provided  
7 in this Article, an employee who has at least 10 years of  
8 service and withdraws from service on or after January 1,  
9 1999 may elect to receive a retirement annuity for life,  
10 beginning no earlier than upon attainment of age 60, equal to  
11 2.2% of final average salary for each year of service,  
12 subject to a maximum of 75% of final average salary. For the  
13 purpose of calculating this annuity, "final average salary"  
14 means the highest average annual salary for any 4 consecutive  
15 years in the last 10 years of service.

16 (g) Any annuity payable under the preceding subsections  
17 of this Section 11-134 shall be paid in equal monthly  
18 installments.

19 (h) The amendatory provisions of part (a) and (f) of  
20 this Section shall be effective July 1, 1971 and apply in the  
21 case of every qualifying employee withdrawing on or after  
22 July 1, 1971.

23 (i) The amendatory provisions of this amendatory Act of  
24 1985 relating to the discount of annuity because of  
25 retirement prior to attainment of age 60 and increasing the  
26 retirement formula for those born before January 1, 1936,  
27 shall apply only to qualifying employees withdrawing on or  
28 after August 16, 1985.

29 (j) Beginning on January 1, 2001 ~~1999~~, the minimum  
30 amount of employee's annuity shall be \$1,250 ~~\$850~~ per month  
31 for life for the following classes of employees, without  
32 regard to the fact that withdrawal occurred prior to the  
33 effective date of this amendatory Act of the 92nd General  
34 Assembly 1998:

1 (1) any employee annuitant alive and receiving a  
2 life annuity on the effective date of this amendatory Act  
3 of the 92nd General Assembly 1998, except a reciprocal  
4 annuity;

5 (2) any employee annuitant alive and receiving a  
6 term annuity on the effective date of this amendatory Act  
7 of the 92nd General Assembly 1998, except a reciprocal  
8 annuity;

9 (3) any employee annuitant alive and receiving a  
10 reciprocal annuity on the effective date of this  
11 amendatory Act of the 92nd General Assembly 1998, whose  
12 service in this fund is at least 5 years;

13 (4) any employee annuitant withdrawing after age 60  
14 on or after the effective date of this amendatory Act of  
15 the 92nd General Assembly 1998, with at least 10 years of  
16 service in this fund.

17 The increases granted under items (1), (2) and (3) of  
18 this subsection (j) shall not be limited by any other Section  
19 of this Act.

20 (Source: P.A. 90-32, eff. 6-27-97; 90-511, eff. 8-22-97;  
21 90-766, eff. 8-14-98.)

22 (40 ILCS 5/11-145.1) (from Ch. 108 1/2, par. 11-145.1)  
23 Sec. 11-145.1. Minimum annuities for widows. The widow  
24 otherwise eligible for widow's annuity under other Sections  
25 of this Article 11, of an employee hereinafter described, who  
26 retires from service or dies while in the service subsequent  
27 to the effective date of this amendatory provision, and for  
28 which widow the amount of widow's annuity and widow's prior  
29 service annuity combined, fixed or provided for such widow  
30 under other provisions of said Article 11 is less than the  
31 amount hereinafter provided in this section, shall, from and  
32 after the date her otherwise provided annuity would begin, in  
33 lieu of such otherwise provided widow's and widow's prior

1 service annuity, be entitled to the following indicated  
2 amount of annuity:

3 (a) The widow of any employee who dies while in service  
4 on or after the date on which he attains age 60 if the death  
5 occurs before July 1, 1990, or on or after the date on which  
6 he attains age 55 if the death occurs on or after July 1,  
7 1990, with at least 20 years of service, or on or after the  
8 date on which he attains age 50 if the death occurs on or  
9 after the effective date of this amendatory Act of 1997 with  
10 at least 30 years of service, shall be entitled to an annuity  
11 equal to one-half of the amount of annuity which her deceased  
12 husband would have been entitled to receive had he withdrawn  
13 from the service on the day immediately preceding the date of  
14 his death, conditional upon such widow having attained age 60  
15 on or before such date if the death occurs before July 1,  
16 1990, or age 55 if the death occurs on or after July 1, 1990,  
17 or age 50 if the death occurs on or after January 1, 1998 and  
18 the employee is age 50 or over with at least 30 years of  
19 service or age 55 or over with at least 25 years of service.  
20 Except as provided in subsection (j), the widow's annuity  
21 shall not, however, exceed the sum of \$500 a month if the  
22 employee's death in service occurs before January 23, 1987.  
23 The widow's annuity shall not be limited to a maximum dollar  
24 amount if the employee's death in service occurs on or after  
25 January 23, 1987.

26 If the employee dies in service before July 1, 1990, and  
27 if such widow of such described employee shall not be 60 or  
28 more years of age on such date of death, the amount provided  
29 in the immediately preceding paragraph for a widow 60 or more  
30 years of age, shall, in the case of such younger widow, be  
31 reduced by 0.25% for each month that her then attained age is  
32 less than 60 years if the employee was born before January 1,  
33 1936, or dies in service on or after January 1, 1988, or 0.5%  
34 for each month that her then attained age is less than 60

1 years if the employee was born on or after January 1, 1936  
2 and dies in service before January 1, 1988.

3 If the employee dies in service on or after July 1, 1990,  
4 and if the widow of the employee has not attained age 55 on  
5 or before the employee's date of death, the amount otherwise  
6 provided in this subsection (a) shall be reduced by 0.25% for  
7 each month that her then attained age is less than 55 years;  
8 except that if the employee dies in service on or after  
9 January 1, 1998 at age 50 or over with at least 30 years of  
10 service or at age 55 or over with at least 25 years of  
11 service, there shall be no reduction due to the widow's age  
12 if she has attained age 50 on or before the employee's date  
13 of death, and if the widow has not attained age 50 on or  
14 before the employee's date of death the amount otherwise  
15 provided in this subsection (a) shall be reduced by 0.25% for  
16 each month that her then attained age is less than 50 years.

17 (b) The widow of any employee who dies subsequent to the  
18 date of his retirement on annuity, and who so retired on or  
19 after the date on which he attained age 60 if retirement  
20 occurs before July 1, 1990, or on or after the date on which  
21 he attained age 55 if retirement occurs on or after July 1,  
22 1990, with at least 20 years of service, or on or after the  
23 date on which he attained age 50 if the retirement occurs on  
24 or after the effective date of this amendatory Act of 1997  
25 with at least 30 years of service, shall be entitled to an  
26 annuity equal to one-half of the amount of annuity which her  
27 deceased husband received as of the date of his retirement on  
28 annuity, conditional upon such widow having attained age 60  
29 on or before the date of her husband's retirement on annuity  
30 if retirement occurs before July 1, 1990, or age 55 if  
31 retirement occurs on or after July 1, 1990, or age 50 if the  
32 retirement on annuity occurs on or after January 1, 1998 and  
33 the employee is age 50 or over with at least 30 years of  
34 service or age 55 or over with at least 25 years of service.

1 Except as provided in subsection (j), this widow's annuity  
2 shall not, however, exceed the sum of \$500 a month if the  
3 employee's death occurs before January 23, 1987. The widow's  
4 annuity shall not be limited to a maximum dollar amount if  
5 the employee's death occurs on or after January 23, 1987,  
6 regardless of the date of retirement; provided that, if  
7 retirement was before January 23, 1987, the employee or  
8 eligible spouse repays the excess spouse refund with interest  
9 at the effective rate from the date of refund to the date of  
10 repayment.

11 If the date of the employee's retirement on annuity is  
12 before July 1, 1990, and if such widow of such described  
13 employee shall not have attained such age of 60 or more years  
14 on such date of her husband's retirement on annuity, the  
15 amount provided in the immediately preceding paragraph for a  
16 widow 60 or more years of age on the date of her husband's  
17 retirement on annuity, shall, in the case of such then  
18 younger widow, be reduced by 0.25% for each month that her  
19 then attained age was less than 60 years if the employee was  
20 born before January 1, 1936, or withdraws from service on or  
21 after January 1, 1988, or 0.5% for each month that her then  
22 attained age was less than 60 years if the employee was born  
23 on or after January 1, 1936 and withdraws from service before  
24 January 1, 1988.

25 If the date of the employee's retirement on annuity is on  
26 or after July 1, 1990, and if the widow of the employee has  
27 not attained age 55 by the date of the employee's retirement  
28 on annuity, the amount otherwise provided in this subsection  
29 (b) shall be reduced by 0.25% for each month that her then  
30 attained age is less than 55 years; except that if the  
31 employee retires on annuity on or after January 1, 1998 at  
32 age 50 or over with at least 30 years of service or at age 55  
33 or over with at least 25 years of service, there shall be no  
34 reduction due to the widow's age if she has attained age 50

1 on or before the employee's date of death, and if the widow  
 2 has not attained age 50 on or before the employee's date of  
 3 death the amount otherwise provided in this subsection (b)  
 4 shall be reduced by 0.25% for each month that her then  
 5 attained age is less than 50 years.

6 (c) The foregoing provisions relating to minimum  
 7 annuities for widows shall not apply to the widow of any  
 8 former employee receiving an annuity from the fund on August  
 9 2, 1965 or on the effective date of this amendatory  
 10 provision, who re-enters service as a former employee, unless  
 11 such employee renders at least 3 years of additional service  
 12 after the date of re-entry.

13 (d) (Blank).

14 (e) (Blank).

15 (f) The amendments to this Section by this amendatory  
 16 Act of 1985, relating to changing the discount because of age  
 17 from 1/2 of 1% to 0.25% per month for widows of employees  
 18 born before January 1, 1936, shall apply only to qualifying  
 19 widows whose husbands die while in the service on or after  
 20 August 16, 1985 or withdraw and enter on annuity on or after  
 21 August 16, 1985.

22 (g) Beginning on January 1, 2001 ~~1999~~, the minimum  
 23 amount of widow's annuity shall be \$1,200 ~~\$800~~ per month for  
 24 life for the following classes of widows, without regard to  
 25 the fact that the death of the employee occurred prior to the  
 26 effective date of this amendatory Act of the 92nd General  
 27 Assembly ~~1998~~:

28 (1) any widow annuitant alive and receiving a term  
 29 annuity on the effective date of this amendatory Act of  
 30 the 92nd General Assembly ~~1998~~, except a reciprocal  
 31 annuity;

32 (2) any widow annuitant alive and receiving a life  
 33 annuity on the effective date of this amendatory Act of  
 34 the 92nd General Assembly ~~1998~~, except a reciprocal

1 annuity;

2 (3) any widow annuitant alive and receiving a  
3 reciprocal annuity on the effective date of this  
4 amendatory Act of the 92nd General Assembly 1998, whose  
5 employee spouse's service in this fund was at least 5  
6 years;

7 (4) the widow of an employee with at least 10 years  
8 of service in this fund who dies after retirement, if the  
9 retirement occurred prior to the effective date of this  
10 amendatory Act of the 92nd General Assembly 1998;

11 (5) the widow of an employee with at least 10 years  
12 of service in this fund who dies after retirement, if  
13 withdrawal occurs on or after the effective date of this  
14 amendatory Act of the 92nd General Assembly 1998;

15 (6) the widow of an employee who dies in service  
16 with at least 5 years of service in this fund, if the  
17 death in service occurs on or after the effective date of  
18 this amendatory Act of the 92nd General Assembly 1998.

19 The increases granted under items (1), (2), (3) and (4)  
20 of this subsection (g) shall not be limited by any other  
21 Section of this Act.

22 (h) The widow of an employee who retired or died in  
23 service on or after January 1, 1985 and before July 1, 1990,  
24 at age 55 or older, and with at least 35 years of service  
25 credit, shall be entitled to have her widow's annuity  
26 increased, effective January 1, 1991, to an amount equal to  
27 50% of the retirement annuity that the deceased employee  
28 received on the date of retirement, or would have been  
29 eligible to receive if he had retired on the day preceding  
30 the date of his death in service, provided that if the widow  
31 had not attained age 60 by the date of the employee's  
32 retirement or death in service, the amount of the annuity  
33 shall be reduced by 0.25% for each month that her then  
34 attained age was less than age 60 if the employee's

1 retirement or death in service occurred on or after January  
2 1, 1988, or by 0.5% for each month that her attained age is  
3 less than age 60 if the employee's retirement or death in  
4 service occurred prior to January 1, 1988. However, in cases  
5 where a refund of excess contributions for widow's annuity  
6 has been paid by the Fund, the increase in benefit provided  
7 by this subsection (h) shall be contingent upon repayment of  
8 the refund to the Fund with interest at the effective rate  
9 from the date of refund to the date of payment.

10 (i) If a deceased employee is receiving a retirement  
11 annuity at the time of death and that death occurs on or  
12 after June 27, 1997, the widow may elect to receive, in lieu  
13 of any other annuity provided under this Article, 50% of the  
14 deceased employee's retirement annuity at the time of death  
15 reduced by 0.25% for each month that the widow's age on the  
16 date of death is less than 55; except that if the employee  
17 dies on or after January 1, 1998 and withdrew from service on  
18 or after June 27, 1997 at age 50 or over with at least 30  
19 years of service or at age 55 or over with at least 25 years  
20 of service, there shall be no reduction due to the widow's  
21 age if she has attained age 50 on or before the employee's  
22 date of death, and if the widow has not attained age 50 on or  
23 before the employee's date of death the amount otherwise  
24 provided in this subsection (i) shall be reduced by 0.25% for  
25 each month that her age on the date of death is less than 50  
26 years. However, in cases where a refund of excess  
27 contributions for widow's annuity has been paid by the Fund,  
28 the benefit provided by this subsection (i) is contingent  
29 upon repayment of the refund to the Fund with interest at the  
30 effective rate from the date of refund to the date of  
31 payment.

32 (j) For widows of employees who died before January 23,  
33 1987 after retirement on annuity or in service, the maximum  
34 dollar amount limitation on widow's annuity shall cease to

1 apply, beginning with the first annuity payment after the  
2 effective date of this amendatory Act of 1997; except that if  
3 a refund of excess contributions for widow's annuity has been  
4 paid by the Fund, the increase resulting from this subsection  
5 (j) shall not begin before the refund has been repaid to the  
6 Fund, together with interest at the effective rate from the  
7 date of the refund to the date of repayment.

8 (k) In lieu of any other annuity provided in this  
9 Article, an eligible spouse of any employee who dies in  
10 service at least 60 days after the effective date of this  
11 amendatory Act of the 92nd General Assembly with at least 10  
12 years of Laborers' service shall be entitled to an annuity of  
13 60% of the minimum formula annuity earned and accrued to the  
14 credit of the employee at the date of death, plus 1% for each  
15 year of total Laborers' service, to a maximum of 85%. For  
16 the purposes of this subsection, the minimum formula annuity  
17 earned and accrued to the credit of the employee is equal to  
18 2.40% for each year of service of the highest average annual  
19 salary for any 4 consecutive years within the last 10 years  
20 of service immediately preceding the date of death, to a  
21 maximum of 80% of the highest average annual salary. This  
22 annuity shall not be reduced due to the age of the employee  
23 or spouse.

24 In lieu of any other annuity provided in this Article, an  
25 eligible spouse of any employee annuitant who dies after  
26 retirement at least 60 days after the effective date of this  
27 amendatory Act of the 92nd General Assembly with at least 10  
28 years of Laborers' service shall be entitled to an annuity of  
29 60%, plus 1% for each year of total Laborers' service to a  
30 maximum of 85%, of the deceased employee's retirement annuity  
31 at the time of death reduced by 0.25% for each month that the  
32 widow's age on the date of death is less than 55; except that  
33 if the employee withdrew from service on or after June 27,  
34 1997 at age 50 or over with at least 30 years of service or

1 at age 55 or over with at least 25 years of service, there  
 2 shall be no reduction due to the widow's age if she has  
 3 attained age 50 on or before the employee's date of death,  
 4 and if the widow has not attained age 50 on or before the  
 5 employee's date of death the amount otherwise provided in  
 6 this subsection (k) shall be reduced by 0.25% for each month  
 7 that her than attained age is less than 50 years. However,  
 8 in cases where a refund of excess contributions for widow's  
 9 annuity has been paid by the Fund, the benefit provided by  
 10 this subsection (k) is contingent upon repayment of the  
 11 refund to the Fund with interest at the effective rate from  
 12 the date of refund to the date of payment.

13 In addition to any other eligibility requirements under  
 14 this Article, the spouse is eligible for this annuity only if  
 15 the marriage was in effect for 10 full years or more at the  
 16 date of retirement or death in service.

17 (Source: P.A. 90-32, eff. 6-27-97; 90-511, eff. 8-22-97;  
 18 90-766, eff. 8-14-98.)

19 (40 ILCS 5/11-153) (from Ch. 108 1/2, par. 11-153)  
 20 Sec. 11-153. Child's annuity.

21 (a) A "Child's Annuity" shall be payable monthly after  
 22 the death of an employee parent to an unmarried child until  
 23 the child's attainment of age 18 or marriage, whichever event  
 24 shall first occur, under the following conditions, if the  
 25 child was born or in esse before the employee attained age  
 26 65, and before he withdrew from service:

27 (1) ~~upon--death--resulting--from--injury--incurred--in~~  
 28 ~~the--performance--of--an--act--of--duty;~~

29 {2} upon death in service from any cause other than  
 30 ~~injury--incurred--in--the--performance--of--duty,~~ ~~if--the~~  
 31 ~~employee--has--at--least--4--years--of--service--after--the--date~~  
 32 ~~of--his--original--entry--into--service,~~ ~~and--at--least--2--years~~  
 33 ~~after--the--date--of--his--latest--re--entry;~~

1           ~~(2)~~(3) upon death of an employee who withdraws from  
2 service after age 55 (or after age 50 with at least 30  
3 years of service if withdrawal is on or after June 27,  
4 1997) and who has entered upon or is eligible for  
5 annuity.

6 Payment shall be made as provided in Section 11-124.

7           (b) After July 24, 1967, an adopted child shall be  
8 entitled to the same child's annuity benefits provided for  
9 natural children in this Article, if:

10           (1) the child was legally adopted by the employee  
11 at least one year prior to the death of the employee; and

12           (2) the child was adopted before the employee  
13 withdrew from service attained-age-55.

14 (Source: P.A. 90-31, eff. 6-27-97; 90-766, eff. 8-14-98.)

15           (40 ILCS 5/11-156) (from Ch. 108 1/2, par. 11-156)

16           Sec. 11-156. Ordinary disability benefit. An employee,  
17 while under age 65 and prior to January 1, 1979, or while  
18 under age 70 and after January 1, 1979, who becomes disabled  
19 after the effective date as the result of any cause other  
20 than injury incurred in the performance of any act or acts of  
21 duty, shall be entitled to ordinary disability benefit during  
22 such disability, after the first 30 days thereof.

23           The disability benefit prescribed herein shall cease when  
24 the first of the following dates shall occur and the  
25 employee, if still disabled, shall thereafter be entitled to  
26 such annuity as is otherwise provided in this Article:

27           (a) the date disability ceases.

28           (b) the date the disabled employee attains age 65 for  
29 disability commencing prior to January 1, 1979.

30           (c) the date the disabled employee attains 65 for  
31 disability commencing prior to attainment of age 60 in the  
32 service and after January 1, 1979.

33           (d) the date the disabled employee attains the age of 70

1 for disability commencing after attainment of age 60 in the  
2 service and after January 1, 1979.

3 (e) the date the payments of the benefit shall exceed in  
4 the aggregate, throughout the employee's service, a period  
5 equal to 1/4 of the total service rendered prior to the date  
6 of disability but in no event more than 5 years. In computing  
7 such total the following periods shall be excluded:

8 (i) Any period during which the employee received  
9 ordinary disability benefit;

10 (ii) Any period of absence from duty, whether caused by  
11 layoff, leave of absence or suspension of employment, or any  
12 other reason, unless the board, upon satisfactory evidence,  
13 finds that the disability resulted from a cause which existed  
14 or occurred prior to such period of absence. No employee who  
15 becomes disabled and whose disability begins during absence  
16 from duty (other than while on vacation with pay) shall have  
17 any right to ordinary disability benefit, except as herein  
18 provided, until he recovers from such disability and performs  
19 the duties of his position in the service for at least 15  
20 consecutive days, Sundays and holidays excepted, after such  
21 recovery.

22 The first payment shall be made not later than one month  
23 after the benefit is granted and each subsequent payment  
24 shall be made not later than one month after the last  
25 preceding payment.

26 Ordinary disability benefit shall be 50% of the  
27 employee's salary at the date of disability.

28 For ordinary disability benefits paid before January 1,  
29 2001, before any payment, an amount equal to, less the sum  
30 ordinarily deducted from salary for all annuity purposes for  
31 such period for which the ordinary disability benefit is made  
32 shall be deducted from such payment and credited to the  
33 employee as a deduction from salary for that period. The  
34 sums so deducted shall be credited to the employee and shall

1 be regarded, for annuity and refund purposes, as an amount  
2 contributed by him.

3 For ordinary disability benefits paid on or after January  
4 1, 2001, the fund shall credit sums equal to the amounts  
5 ordinarily contributed by an employee for annuity purposes  
6 for any period during which the employee receives ordinary  
7 disability, and those sums shall be deemed for annuity  
8 purposes and purposes of Section 11-169 as amounts  
9 contributed by the employee. These amounts credited for  
10 annuity purposes shall not be credited for refund purposes.

11 Any employee whose ordinary disability benefit was  
12 terminated after January 1, 1979 by reason of his attainment  
13 of age 65 and who continues disabled after age 65 may elect  
14 before July 1, 1986 to have such benefits resumed beginning  
15 at the time of such termination and continuing until  
16 termination is required under this Section as amended by this  
17 amendatory Act of 1985. The amount payable to any employee  
18 for such resumed benefit for any period shall be reduced by  
19 the amount of any retirement annuity paid to such employee  
20 under this Article for the same period of time or by refund  
21 paid in lieu of annuity.

22 (Source: P.A. 85-964.)

23 (40 ILCS 5/11-163) (from Ch. 108 1/2, par. 11-163)

24 Sec. 11-163. Restoration of rights. An employee who has  
25 withdrawn as a refund the amounts credited for annuity  
26 purposes, and who (i) re-enters service of the employer and  
27 serves for periods comprising at least 90 days 2-years after  
28 the date of the last refund paid to him or (ii) has completed  
29 at least 2 years of service under a participating system (as  
30 defined in the Retirement Systems Reciprocal Act) other than  
31 this Fund after the date of the last refund, shall have his  
32 annuity rights restored by making application to the board in  
33 writing for the privilege of re-instating such rights and by

1 compliance with the following provisions:

2 (a) After such 90 day or 2 year period, whichever  
3 applies, he shall repay in full to the fund, while in  
4 service, ~~in-full~~ all refunds received, together with  
5 interest at the effective rate from the application dates  
6 of such refund or refunds to the date of repayment.;

7 (b) If payment is not made in a single sum,  
8 repayment may be made in installments by deductions from  
9 salary or otherwise, in such manner and amounts as the  
10 board, by rule, may prescribe, with interest at the  
11 effective rate accruing on the unpaid balance employee  
12 may--elect. The employee shall be credited with interest  
13 at the effective rate from the date of each installment  
14 until full repayment is made.

15 (c) If the employee withdraws from service or dies  
16 in service before full repayment is made or during the  
17 required 90 day or 2 year period, service credit shall be  
18 restored in accordance with Section 11-221.2(b) any  
19 ~~repayments--made--shall--be--refunded,--without--interest~~  
20 ~~thereon--and--in-accordance-with-the-refund-provisions-of~~  
21 ~~this-Article.~~

22 (d) If the employee repays the refund while  
23 participating in a participating system (as defined in  
24 the Retirement Systems Reciprocal Act) other than this  
25 Fund, the service credit restored must be used for a  
26 proportional annuity calculated in accordance with the  
27 Retirement Systems Reciprocal Act. If not so used, the  
28 restored service credit shall be forfeited and the amount  
29 of the repayment shall be refunded, without interest.

30 (Source: Laws 1963, p. 161.)

31 (40 ILCS 5/11-164) (from Ch. 108 1/2, par. 11-164)  
32 Sec. 11-164. Refunds - Withdrawal before age 55 or with  
33 less than 10 years of service.

1           (1) An employee, without regard to length of service,  
2 who withdraws before age 55, and any employee with less than  
3 10 years of service who withdraws before age 60, shall be  
4 entitled to a refund of the total sum accumulated to his  
5 credit as of date of withdrawal for age and service annuity  
6 and widow's annuity from amounts contributed by him or by the  
7 City in lieu of employee contributions during duty  
8 disability; provided that such amounts contributed by the  
9 city after December 31, 1983 while the employee is receiving  
10 duty disability benefits and amounts credited to the employee  
11 for annuity purposes by the fund after December 31, 2000  
12 while the employee is receiving ordinary disability benefits  
13 shall not be credited for refund purposes.

14           The board may in its discretion withhold payment of  
15 refund for a period not to exceed 6 months from the date of  
16 withdrawal. Interest at the effective rate shall be paid on  
17 any such refund withheld during such withheld period not to  
18 exceed 6 months.

19           (2) Upon receipt of the refund, the employee surrenders  
20 and forfeits all rights to any annuity or other benefits, for  
21 himself and for any other persons who might have benefited  
22 through him; provided that he may have such period of service  
23 counted in computing the term of his service for age and  
24 service annuity purposes only if he becomes an employee  
25 before age 65.

26           (3) An employee who does not receive a refund shall have  
27 all amounts to his credit for annuity purposes on the date of  
28 his withdrawal improved by interest only until he becomes age  
29 65, while out of service, at the effective rate, for his  
30 benefit and the benefit of any person who may have any right  
31 to annuity through him if he re-enters the service and  
32 attains a right to annuity.

33           (4) Any such employee shall retain such right to refund  
34 of such amounts when he shall apply for same, until he

1 re-enters the service or until the amount of annuity to which  
2 he shall have a right shall have been fixed as provided in  
3 this Article. Thereafter, no such right shall exist in the  
4 case of any such employee.

5 (Source: P.A. 83-499.)

6 (40 ILCS 5/11-167) (from Ch. 108 1/2, par. 11-167)

7 Sec. 11-167. Refunds in lieu of annuity. In lieu of an  
8 annuity, an employee who withdraws, and whose annuity would  
9 amount to less than \$800 a month for life may elect to  
10 receive a refund of the total sum accumulated to his credit  
11 from employee contributions for annuity purposes.

12 The widow of any employee, eligible for annuity upon the  
13 death of her husband, whose annuity would amount to less than  
14 \$800 a month for life, may, in lieu of a widow's annuity,  
15 elect to receive a refund of the accumulated contributions  
16 for annuity purposes, based on the amounts contributed by her  
17 deceased employee husband, but reduced by any amounts  
18 theretofore paid to him in the form of an annuity or refund  
19 out of such accumulated contributions.

20 Accumulated contributions shall mean the amounts  
21 including interest credited thereon contributed by the  
22 employee for age and service and widow's annuity to the date  
23 of his withdrawal or death, whichever first occurs, and  
24 including the accumulations from any amounts contributed for  
25 him as salary deductions while receiving duty disability  
26 benefits; provided that such amounts contributed by the city  
27 after December 31, 1983 while the employee is receiving duty  
28 disability benefits and amounts credited to the employee for  
29 annuity purposes by the fund after December 31, 2000 while  
30 the employee is receiving ordinary disability benefits shall  
31 not be included.

32 The acceptance of such refund in lieu of widow's annuity,  
33 on the part of a widow, shall not deprive a child or children

1 of the right to receive a child's annuity as provided for in  
2 Sections 11-153 and 11-154 of this Article, and neither shall  
3 the payment of a child's annuity in the case of such refund  
4 to a widow reduce the amount herein set forth as refundable  
5 to such widow electing a refund in lieu of widow's annuity.  
6 (Source: P.A. 90-655, eff. 7-30-98; 91-887, eff. 7-6-00.)

7 (40 ILCS 5/11-170.1) (from Ch. 108 1/2, par. 11-170.1)  
8 Sec. 11-170.1. Pickup of employee contributions.

9 (a) The employer may pick up the employee contributions  
10 required by Sections 11-156, 11-170, 11-174 and 11-175.1 for  
11 salary earned after December 31, 1981. If employee  
12 contributions are not picked up, the amount that would have  
13 been picked up under this amendatory Act of 1980 shall  
14 continue to be deducted from salary. If contributions are  
15 picked up they shall be treated as employer contributions in  
16 determining tax treatment under the United States Internal  
17 Revenue Code; however, the employer shall continue to  
18 withhold Federal and state income taxes based upon these  
19 contributions until the Internal Revenue Service or the  
20 Federal courts rule that pursuant to Section 414(h) of the  
21 United States Internal Revenue Code, these contributions  
22 shall not be included as gross income of the employee until  
23 such time as they are distributed or made available. The  
24 employer shall pay these employee contributions from the same  
25 source of funds which is used in paying salary to the  
26 employee. The employer may pick up these contributions by a  
27 reduction in the cash salary of the employee or by an offset  
28 against a future salary increase or by a combination of a  
29 reduction in salary and offset against a future salary  
30 increase. If employee contributions are picked up they shall  
31 be treated for all purposes of this Article 11, including  
32 Section 11-169, in the same manner and to the same extent as  
33 employee contributions made prior to the date picked up.

1       (b) Subject to the requirements of federal law and the  
2 rules of the Board, the Fund may allow the employee to elect  
3 to have the employer pick up the optional contributions that  
4 the employee has elected to pay to the Fund, and the  
5 contributions so picked up shall be treated as employer  
6 contributions for the purpose of determining federal tax  
7 treatment. The employer shall pick up the contributions by a  
8 reduction in the cash salary of the employee and shall pay  
9 contributions from the same source of funds that is used to  
10 pay earnings of the employee. The election to have the  
11 contributions picked up is irrevocable, and the optional  
12 contributions may not thereafter be prepaid, by direct  
13 payment or otherwise.

14       If the provision authorizing the optional contribution  
15 requires payment by a stated date (rather than the date of  
16 withdrawal or retirement), the requirement will be deemed to  
17 have been satisfied if (i) on or before the stated date the  
18 employee executes a valid irrevocable election to have the  
19 contributions picked up under this subsection, and (ii) the  
20 picked-up contributions are in fact paid to the Fund as  
21 provided in the election.

22       If employee contributions are picked up under this  
23 subsection, they shall be treated for all purposes of this  
24 Article 11, including Section 11-169, in the same manner and  
25 to the same extent as optional employee contributions made  
26 prior to the date picked up.

27       (Source: P.A. 81-1536.)

28       (40 ILCS 5/12-127.6 new)

29       Sec. 12-127.6. Credit for employment with the  
30 Metropolitan Pier and Exposition Authority.

31       (a) A person who has service credit in the Fund and has  
32 not yet begun to receive a retirement annuity may establish  
33 service credit in this Fund for periods before the effective

1 date of this Section during which he or she was employed by  
2 the Metropolitan Pier and Exposition Authority or its  
3 predecessor entities, provided that the person does not have  
4 credit for those periods in any other public employee pension  
5 fund or retirement system and has terminated participation  
6 with respect to those periods of employment in any pension or  
7 retirement program established by the Authority or its  
8 predecessor entities. A person need not establish credit for  
9 all such periods and may not establish more than 10 years of  
10 service credit under this subsection. The credit established  
11 shall be deemed to relate to the earliest period for which  
12 the credit may be established.

13 In order to establish this credit, the person must apply  
14 in writing to the Board and pay to the Fund an amount equal  
15 to the sum of: (i) employee contributions based upon the  
16 period of credit to be established, the employee contribution  
17 rate in effect at the time of application, and the  
18 applicant's salary rate on the last day of service in the  
19 Fund before his or her employment with the Authority, or the  
20 first day of service in the Fund after that employment,  
21 whichever is higher; (ii) an employer contribution equal to  
22 the amount determined under item (i) multiplied by the  
23 employer multiple under Section 12-149; and (iii) interest on  
24 items (i) and (ii) at the rate of 6% per year, compounded  
25 annually, from the date of the service to the date of  
26 payment. The applicant may pay the required contribution in  
27 a lump sum at any time before the retirement annuity begins  
28 or, subject to subsection (c), within 90 days after  
29 withdrawal from service.

30 (b) A person wishing to establish service credit under  
31 subsection (a) may reinstate creditable service terminated  
32 upon receipt of a refund in accordance with the provisions of  
33 Section 12-145.

34 (c) An eligible person may establish service credit

1 under subsection (a) without returning to active service as  
2 an employee under this Article, but the required  
3 contributions must be received by the Fund before the person  
4 begins to receive a retirement annuity under this Article.

5 (40 ILCS 5/12-127.7 new)

6 Sec. 12-127.7. Transfer to Metropolitan Pier and  
7 Exposition Authority pension plan.

8 (a) Until January 1, 2002, any member of the management  
9 committee of the Metropolitan Pier and Exposition Authority,  
10 as designated by the chief executive officer of the  
11 Authority, regardless of whether the member is in service  
12 under this Article on or after the effective date of this  
13 Section, may apply to the Board for transfer of all of his or  
14 her creditable service accumulated under this Fund to the  
15 pension plan established for employees and officers of the  
16 Metropolitan Pier and Exposition Authority. The creditable  
17 service shall be transferred in accordance with the terms of  
18 that plan and shall be accompanied by a payment from this  
19 Fund to that pension plan, consisting of:

20 (1) the amounts accumulated to the credit of the  
21 applicant for the service to be transferred, including  
22 interest, on the books of the Fund on the date of  
23 transfer, but excluding any additional or optional  
24 credits, which shall be refunded to the applicant; plus

25 (2) employer contribution credits computed and  
26 credited under this Article, including interest, on the  
27 books of the Fund on the date the applicant terminated  
28 service under the Fund.

29 Participation in this Fund as to the credits transferred  
30 under this Section terminates on the date of transfer.

31 (b) For the purpose of transferring credit under this  
32 Section, a person may reinstate credits and creditable  
33 service terminated upon receipt of a refund, by paying to the

1 Fund, before January 1, 2002, the amount of the refund plus  
2 regular interest from the date of the refund to the date of  
3 repayment.

4 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)  
5 Sec. 14-103.05. Employee.

6 (a) Any person employed by a Department who receives  
7 salary for personal services rendered to the Department on a  
8 warrant issued pursuant to a payroll voucher certified by a  
9 Department and drawn by the State Comptroller upon the State  
10 Treasurer, including an elected official described in  
11 subparagraph (d) of Section 14-104, shall become an employee  
12 for purpose of membership in the Retirement System on the  
13 first day of such employment.

14 A person entering service on or after January 1, 1972 and  
15 prior to January 1, 1984 shall become a member as a condition  
16 of employment and shall begin making contributions as of the  
17 first day of employment.

18 A person entering service on or after January 1, 1984  
19 shall, upon completion of 6 months of continuous service  
20 which is not interrupted by a break of more than 2 months,  
21 become a member as a condition of employment. Contributions  
22 shall begin the first of the month after completion of the  
23 qualifying period.

24 The qualifying period of 6 months of service is not  
25 applicable to: (1) a person who has been granted credit for  
26 service in a position covered by the State Universities  
27 Retirement System, the Teachers' Retirement System of the  
28 State of Illinois, the General Assembly Retirement System, or  
29 the Judges Retirement System of Illinois unless that service  
30 has been forfeited under the laws of those systems; (2) a  
31 person entering service on or after July 1, 1991 in a  
32 noncovered position; or (3) a person to whom Section  
33 14-108.2a or 14-108.2b applies.

1       **(b)** The term "employee" does not include the following:

2           (1) members of the State Legislature, and persons  
3       electing to become members of the General Assembly  
4       Retirement System pursuant to Section 2-105;

5           (2) incumbents of offices normally filled by vote  
6       of the people;

7           (3) except as otherwise provided in this Section,  
8       any person appointed by the Governor with the advice and  
9       consent of the Senate unless that person elects to  
10      participate in this system;

11          (4) except as provided in Section 14-108.2 or  
12      14-108.2c, any person who is covered or eligible to be  
13      covered by the Teachers' Retirement System of the State  
14      of Illinois, the State Universities Retirement System, or  
15      the Judges Retirement System of Illinois;

16          (5) an employee of a municipality or any other  
17      political subdivision of the State;

18          (6) any person who becomes an employee after June  
19      30, 1979 as a public service employment program  
20      participant under the Federal Comprehensive Employment  
21      and Training Act and whose wages or fringe benefits are  
22      paid in whole or in part by funds provided under such  
23      Act;

24          (7) enrollees of the Illinois Young Adult  
25      Conservation Corps program, administered by the  
26      Department of Natural Resources, authorized grantee  
27      pursuant to Title VIII of the "Comprehensive Employment  
28      and Training Act of 1973", 29 USC 993, as now or  
29      hereafter amended;

30          (8) enrollees and temporary staff of programs  
31      administered by the Department of Natural Resources under  
32      the Youth Conservation Corps Act of 1970;

33          (9) any person who is a member of any professional  
34      licensing or disciplinary board created under an Act

1 administered by the Department of Professional Regulation  
2 or a successor agency or created or re-created after the  
3 effective date of this amendatory Act of 1997, and who  
4 receives per diem compensation rather than a salary,  
5 notwithstanding that such per diem compensation is paid  
6 by warrant issued pursuant to a payroll voucher; such  
7 persons have never been included in the membership of  
8 this System, and this amendatory Act of 1987 (P.A.  
9 84-1472) is not intended to effect any change in the  
10 status of such persons;

11 (10) any person who is a member of the Illinois  
12 Health Care Cost Containment Council, and receives per  
13 diem compensation rather than a salary, notwithstanding  
14 that such per diem compensation is paid by warrant issued  
15 pursuant to a payroll voucher; such persons have never  
16 been included in the membership of this System, and this  
17 amendatory Act of 1987 is not intended to effect any  
18 change in the status of such persons; or

19 (11) any person who is a member of the Oil and Gas  
20 Board created by Section 1.2 of the Illinois Oil and Gas  
21 Act, and receives per diem compensation rather than a  
22 salary, notwithstanding that such per diem compensation  
23 is paid by warrant issued pursuant to a payroll voucher.

24 (c) An individual who is employed on a full-time basis  
25 as an officer or employee of a statewide labor organization  
26 that represents members of this System may participate in the  
27 System and shall be deemed an employee, provided that (1) the  
28 individual has previously earned creditable service under  
29 this Article, (2) the individual files with the System an  
30 irrevocable election to become a participant, and (3) the  
31 individual does not receive credit for that employment under  
32 any other public or private pension plan or retirement system  
33 (other than social security). An employee under this  
34 subsection (c) is responsible for paying to the System both

1 (i) employee contributions based on compensation as defined  
2 in this subsection and (ii) employer contributions based on  
3 that compensation and the percentage of payroll certified by  
4 the board; all or any part of these contributions may be paid  
5 on the employee's behalf or picked up for tax purposes (if  
6 authorized under federal law) by the labor organization.

7 While participating in the System under this subsection  
8 (c), the participant's rate of compensation, for all purposes  
9 of this Article and the Retirement Systems Reciprocal Act,  
10 shall be deemed to be the rate of compensation that the  
11 participant would have received if he or she had continued in  
12 the position that he or she held on the last day as an  
13 employee in this System prior to beginning participation  
14 under this subsection (c), including all scheduled  
15 satisfactory performance increases and other salary increases  
16 applicable from time to time to persons in that position (or,  
17 if that position is eliminated, applicable to persons in  
18 similar positions under the same pay plan or its successor).  
19 The rate of compensation for a participant under this  
20 subsection (c) shall be determined by the Board, in its sole  
21 discretion.

22 A person who is an employee as defined in this subsection  
23 may establish service credit for similar employment prior to  
24 becoming an employee under this subsection by paying to the  
25 System for that employment the contributions specified in  
26 this subsection, plus interest at the effective rate from the  
27 date of service to the date of payment. However, credit  
28 shall not be granted under this subsection for any such prior  
29 employment for which the applicant received credit under any  
30 other public or private pension plan or retirement system  
31 (other than social security).

32 (Source: P.A. 89-246; eff. 8-4-95; 89-445, eff. 2-7-96;  
33 90-448, eff. 8-16-97.)

1 (40 ILCS 5/14-103.12) (from Ch. 108 1/2, par. 14-103.12)  
2 Sec. 14-103.12. Final average compensation.

3 (a) For retirement and survivor annuities, "final  
4 average compensation" means the monthly compensation obtained  
5 by dividing the total compensation of an employee during the  
6 period of: (1) the 48 consecutive months of service within  
7 the last 120 months of service in which the total  
8 compensation was the highest, or (2) the total period of  
9 service, if less than 48 months, by the number of months of  
10 service in such period; provided that for purposes of a  
11 retirement annuity the average compensation for the last 12  
12 months of the 48-month period shall not exceed the final  
13 average compensation by more than 25%.

14 (b) For death and disability benefits, in the case of a  
15 full-time employee, "final average compensation" means the  
16 greater of (1) the rate of compensation of the employee at  
17 the date of death or disability multiplied by 1 in the case  
18 of a salaried employee, by 174 in the case of an hourly  
19 employee, and by 22 in the case of a per diem employee, or  
20 (2) for benefits commencing on or after January 1, 1991,  
21 final average compensation as determined under subsection  
22 (a).

23 For purposes of this paragraph, full or part-time status  
24 shall be certified by the employing agency. Final rate of  
25 compensation for a part-time employee shall be the total  
26 compensation earned during the last full calendar month prior  
27 to the date of death or disability.

28 (c) Notwithstanding the provisions of subsection (a),  
29 for the purpose of calculating retirement and survivor  
30 annuities of persons with at least 20 years of eligible  
31 creditable service as defined in Section 14-110, "final  
32 average compensation" means (1) the monthly rate of  
33 compensation received by the person on the last day of  
34 eligible creditable service (but not to exceed 115% of the

1 average monthly compensation received by the person for the  
2 last 24 months of service, unless the person was in service  
3 as a State policeman before the effective date of this  
4 amendatory Act of 1997, and not to include any increase in  
5 compensation received during the 90 days following any  
6 general election at which a governor is elected, unless the  
7 increase is specifically provided for by statute or  
8 collective bargaining agreement or the person was a member of  
9 the System earning eligible creditable service on the day  
10 preceding the effective date of this amendatory Act of the  
11 92nd General Assembly), or (2) the average monthly  
12 compensation received by the person for the last 48 months of  
13 service prior to retirement, whichever is greater.

14 (d) Notwithstanding the provisions of subsection (a),  
15 for a person who was receiving, on the date of retirement or  
16 death, a disability benefit calculated under subdivision  
17 (b)(2) of this Section, the final average compensation used  
18 to calculate the disability benefit may be used for purposes  
19 of calculating the retirement and survivor annuities.

20 (e) In computing the final average compensation, periods  
21 of military leave shall not be considered.

22 A person appointed by the Governor to serve on a  
23 part-time basis as a paid member of a State board or  
24 commission may elect to have all or part of that service  
25 excluded from the computation of final average compensation  
26 under this Section.

27 (f) The changes to this Section made by this amendatory  
28 Act of 1997 (redefining final average compensation for  
29 members under the alternative formula) apply to members who  
30 retire on or after January 1, 1998, without regard to whether  
31 employment terminated before the effective date of this  
32 amendatory Act of 1997.

33 (Source: P.A. 90-65, eff. 7-7-97.)

1 (40 ILCS 5/14-104) (from Ch. 108 1/2, par. 14-104)

2 Sec. 14-104. Service for which contributions are  
3 permitted. Creditable service shall be granted under this  
4 Section for the types of service specified, upon application  
5 in writing and payment of the contributions provided for in  
6 this Section covering shall-~~cover~~ the period of service to be  
7 granted. Except as otherwise provided in this Section, the  
8 contributions shall be based upon the applicant's employee's  
9 compensation and contribution rate in effect on the date he  
10 or she last became a member of the System; ~~provided-that~~ for  
11 all employment prior to January 1, 1969, the contribution  
12 rate shall be that in effect for a noncovered employee ~~on-the~~  
13 ~~date-he-last-became--a--member--of--the--System.~~ Except as  
14 otherwise provided in this Section, contributions permitted  
15 under this Section shall include regular interest from the  
16 date the applicant ~~an-employee~~ last became a member of the  
17 System to the date of payment.

18 These contributions must be paid in full before  
19 retirement either in a lump sum or in installment payments in  
20 accordance with such rules as may be adopted by the board.

21 (a) Any member may make contributions as required in  
22 this Section for any period of service, subsequent to the  
23 date of establishment, but prior to the date of membership.

24 (b) Any member employee who had been previously excluded  
25 from membership because of age at entry and subsequently  
26 became eligible may elect to make contributions as required  
27 in this Section for the period of service during which the  
28 member he was ineligible.

29 (c) An employee of the Department of Insurance who,  
30 after January 1, 1944 but prior to becoming eligible for  
31 membership, received salary from funds of insurance companies  
32 in the process of rehabilitation, liquidation, conservation  
33 or dissolution, may elect to make contributions as required  
34 in this Section for such service.

1 (d) Any member employee who rendered service in a State  
2 office to which he or she was elected, or rendered service in  
3 the elective office of Clerk of the Appellate Court prior to  
4 the date he or she became a member, may make contributions  
5 for such service as required in this Section. Any member who  
6 served by appointment of the Governor under the Civil  
7 Administrative Code of Illinois and did not participate in  
8 this System may make contributions as required in this  
9 Section for such service.

10 (e) Any person employed by the United States government  
11 or any instrumentality or agency thereof from January 1, 1942  
12 through November 15, 1946 as the result of a transfer from  
13 State service by executive order of the President of the  
14 United States shall be entitled to prior service credit  
15 covering the period from January 1, 1942 through December 31,  
16 1943 as provided for in this Article and to membership  
17 service credit for the period from January 1, 1944 through  
18 November 15, 1946 by making the contributions required in  
19 this Section. A person so employed on January 1, 1944 but  
20 whose employment began after January 1, 1942 may qualify for  
21 prior service and membership service credit under the same  
22 conditions.

23 (f) An employee of the Department of Labor of the State  
24 of Illinois who performed services for and under the  
25 supervision of that Department prior to January 1, 1944 but  
26 who was compensated for those services directly by federal  
27 funds and not by a warrant of the Auditor of Public Accounts  
28 paid by the State Treasurer may establish credit for such  
29 employment by making the contributions required in this  
30 Section. An employee of the Department of Agriculture of the  
31 State of Illinois, who performed services for and under the  
32 supervision of that Department prior to June 1, 1963, but was  
33 compensated for those services directly by federal funds and  
34 not paid by a warrant of the Auditor of Public Accounts paid

1 by the State Treasurer, and who did not contribute to any  
2 other public employee retirement system for such service, may  
3 establish credit for such employment by making the  
4 contributions required in this Section.

5 (g) Any employee who executed a waiver of membership  
6 within 60 days prior to January 1, 1944 may, at any time  
7 while in the service of a department, file with the board a  
8 rescission of such waiver. Upon making the contributions  
9 required by this Section, the member shall be granted the  
10 creditable service that would have been received if the  
11 waiver had not been executed.

12 (h) Until May 1, 1990, an employee who was employed on a  
13 full-time basis by a regional planning commission for at  
14 least 5 continuous years may establish creditable service for  
15 such employment by making the contributions required under  
16 this Section, provided that any credits earned by the  
17 employee in the commission's retirement plan have been  
18 terminated.

19 (i) Any person who rendered full time contractual  
20 services to the General Assembly as a member of a legislative  
21 staff may establish service credit for up to 8 years of such  
22 services by making the contributions required under this  
23 Section, provided that application therefor is made not later  
24 than July 1, 1991.

25 (j) By paying the contributions otherwise required under  
26 this Section, plus an amount determined by the Board to be  
27 equal to the employer's normal cost of the benefit plus  
28 interest, but with all of the interest calculated from the  
29 date he or she last became a member of the System or November  
30 19, 1991, whichever is later, to the date of payment, a  
31 member an-employee may establish service credit for a period  
32 of up to 2 years spent in active military service for which  
33 he or she does not qualify for credit under Section 14-105,  
34 provided that (1) the member he was not dishonorably

1 discharged from such military service, and (2) the amount of  
2 service credit established by the a member under this  
3 subsection (j), when added to the amount of military service  
4 credit granted to the member under subsection (b) of Section  
5 14-105, shall not exceed 5 years. The change in the manner  
6 of calculating interest under this subsection (j) made by  
7 this amendatory Act of the 92nd General Assembly applies to  
8 credit purchased by a member on or after its effective date  
9 and does not entitle any person to a refund of contributions  
10 or interest already paid.

11 (k) A member An-employee who was employed on a full-time  
12 basis by the Illinois State's Attorneys Association Statewide  
13 Appellate Assistance Service LEAA-ILEC grant project prior to  
14 the time that project became the State's Attorneys Appellate  
15 Service Commission, now the Office of the State's Attorneys  
16 Appellate Prosecutor, an agency of State government, may  
17 establish creditable service for not more than 60 months  
18 service for such employment by making contributions required  
19 under this Section.

20 (l) By paying the contributions otherwise required under  
21 this Section, plus an amount determined by the Board to be  
22 equal to the employer's normal cost of the benefit plus  
23 interest, a member may establish service credit for periods  
24 of less than one year spent on authorized leave of absence  
25 from service, provided that ~~(1)-the-period-of-leave-began--on~~  
26 ~~or--after--January--17--1982-and-(2)~~ any credit established by  
27 the member for the period of leave in any other public  
28 employee retirement system has been terminated. A member may  
29 establish service credit under this subsection for more than  
30 one period of authorized leave, and in that case the total  
31 period of service credit established by the member under this  
32 subsection may exceed one year. In determining the  
33 contributions required for establishing service credit under  
34 this subsection, the interest shall be calculated from the

1 beginning of the leave of absence to the date of payment.

2 (m) Any person who rendered contractual services to a  
3 member of the General Assembly as a worker in the member's  
4 district office may establish creditable service for up to 3  
5 years of those contractual services by making the  
6 contributions required under this Section. The System shall  
7 determine a full-time salary equivalent for the purpose of  
8 calculating the required contribution. To establish credit  
9 under this subsection, the applicant must apply to the System  
10 by March 1, 1998.

11 (n) Any person who rendered contractual services to a  
12 member of the General Assembly as a worker providing  
13 constituent services to persons in the member's district may  
14 establish creditable service for up to 8 years of those  
15 contractual services by making the contributions required  
16 under this Section. The System shall determine a full-time  
17 salary equivalent for the purpose of calculating the required  
18 contribution. To establish credit under this subsection, the  
19 applicant must apply to the System by March 1, 1998.

20 (o) A member who participated in the Illinois  
21 Legislative Staff Internship Program, the Graduate Public  
22 Service Internship Program, or the Secretary of State's Ira  
23 S. Loeb Fellowship Program (formerly known as the One-Year  
24 Fellowship Program) may establish creditable service for up  
25 to one year of that participation by making the contribution  
26 required under this Section. The System shall determine a  
27 full-time salary equivalent for the purpose of calculating  
28 the required contribution. Credit may not be established  
29 under this subsection for any period for which service credit  
30 is established under any other provision of this Code.

31 (p) An employee of the State Treasurer who performed  
32 services for and under the supervision of the State Treasurer  
33 prior to April 1, 1990 but who was compensated for those  
34 services directly from the administrative fees of the

1 Illinois Public Treasurers' Investment Pool (IPTIP) and not  
 2 by a warrant of the State Comptroller paid by the State  
 3 Treasurer may establish credit for up to 24 months of those  
 4 services by making the contributions required under this  
 5 Section.

6 (Source: P.A. 90-32, eff. 6-27-97; 90-448, eff. 8-16-97;  
 7 90-511, eff. 8-22-97; 90-655, eff. 7-30-98; 90-766, eff.  
 8 8-14-98.)

9 (40 ILCS 5/14-104.6) (from Ch. 108 1/2, par. 14-104.6)

10 Sec. 14-104.6. Service transferred from Article 16.

11 Service also includes the following:

12 (a) Any period as a teacher employed by the Department  
 13 of Corrections for which credit was established under Article  
 14 16 of this Code, subject to the following conditions: (1) the  
 15 credits accrued for such employment under Article 16 have  
 16 been transferred to this System; and (2) the participant has  
 17 contributed to this System an amount equal to (A) employee  
 18 contributions at the rate in effect for noncoordinated  
 19 eligible creditable service at the date of membership in this  
 20 System, based upon the salary in effect during such period of  
 21 service, plus (B) the employer's share of the normal cost  
 22 under this System for each year that credit is being  
 23 established, based on the salary in effect during such period  
 24 of service, plus (C) regular interest, compounded annually,  
 25 from July 1, 1987 to the date of payment, less (D) the amount  
 26 transferred on behalf of the participant under Section  
 27 16-131.6.

28 (b) Any period as a security employee of the Department  
 29 of Human Services, as defined in Section 14-110, for which  
 30 credit was established under Article 16 of this Code, subject  
 31 to the following conditions: (1) the credits accrued for that  
 32 employment under Article 16 have been transferred to this  
 33 System; and (2) the participant has contributed to this

1 System an amount equal to (A) employee contributions at the  
2 rate in effect for noncoordinated eligible creditable service  
3 at the date of membership in this System, based upon the  
4 salary in effect during the period of service, plus (B) the  
5 employer's share of the normal cost under this System for  
6 each year that credit is being established, based on the  
7 salary in effect during the period of service, plus (C)  
8 regular interest, compounded annually, from July 1, 2002 to  
9 the date of payment, less (D) the amount transferred on  
10 behalf of the participant under Section 16-131.6.

11 (c) Credit established under this Section shall be  
12 deemed noncoordinated eligible creditable service as defined  
13 in Section 14-110.

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

15 (40 ILCS 5/14-104.12 new)

16 Sec. 14-104.12. Credit for employment with the Illinois  
17 Sports Facilities Authority Board.

18 (a) A person who has service credit in the System and  
19 has not yet begun to receive a retirement annuity may  
20 establish service credit in this System for periods before  
21 the effective date of this Section during which he or she was  
22 employed by the Illinois Sports Facilities Authority Board or  
23 its predecessor entities, provided that the person does not  
24 have credit for those periods in any other public employee  
25 pension fund or retirement system and has terminated  
26 participation with respect to those periods of employment in  
27 any pension or retirement program established by the  
28 Authority or its predecessor entities. A person need not  
29 establish credit for all such periods and may not establish  
30 more than 10 years of service credit under this subsection.  
31 The credit established shall be deemed to relate to the  
32 earliest period for which the credit may be established.

33 In order to establish this credit, the person must apply

1 in writing to the Board and pay to the System an amount equal  
 2 to the sum of: (i) employee contributions based upon the  
 3 period of credit to be established, the employee contribution  
 4 rate in effect at the time of application, and the  
 5 applicant's salary rate on the last day of service in the  
 6 System before his or her employment with the Authority, or  
 7 the first day of service in the System after that employment,  
 8 whichever is higher; (ii) the employer's normal cost of the  
 9 benefits accrued for the credit being established, as  
 10 determined by the Board; and (iii) regular interest on items  
 11 (i) and (ii) from the date of the service for which credit is  
 12 being established to the date of payment. The applicant must  
 13 pay the required contribution to the System before the  
 14 retirement annuity begins.

15 (b) A person wishing to establish service credit under  
 16 subsection (a) may reinstate creditable service terminated  
 17 upon receipt of a refund in accordance with the provisions of  
 18 Section 14-130(b).

19 (c) An eligible person may establish service credit  
 20 under subsection (a) without returning to active service as  
 21 an employee under this Article, but the required  
 22 contributions must be received by the System before the  
 23 person begins to receive a retirement annuity under this  
 24 Article.

25 (40 ILCS 5/14-104.13 new)  
 26 Sec. 14-104.13. Credit for employment with the  
 27 Metropolitan Pier and Exposition Authority.

28 (a) A person who has service credit in the System and  
 29 has not yet begun to receive a retirement annuity may  
 30 establish service credit in this System for periods before  
 31 the effective date of this Section during which he or she was  
 32 employed by the Metropolitan Pier and Exposition Authority or  
 33 its predecessor entities, provided that the person does not

1 have credit for those periods in any other public employee  
2 pension fund or retirement system and has terminated  
3 participation with respect to those periods of employment in  
4 any pension or retirement program established by the  
5 Authority or its predecessor entities. A person need not  
6 establish credit for all such periods and may not establish  
7 more than 10 years of service credit under this subsection.  
8 The credit established shall be deemed to relate to the  
9 earliest period for which the credit may be established.

10 In order to establish this credit, the person must apply  
11 in writing to the Board and pay to the System an amount equal  
12 to the sum of: (i) employee contributions based upon the  
13 period of credit to be established, the employee contribution  
14 rate in effect at the time of application, and the  
15 applicant's salary rate on the last day of service in the  
16 System before his or her employment with the Authority, or  
17 the first day of service in the System after that employment,  
18 whichever is higher; (ii) the employer's normal cost of the  
19 benefits accrued for the credit being established, as  
20 determined by the Board; and (iii) regular interest on items  
21 (i) and (ii) from the date of the service for which credit is  
22 being established to the date of payment. The applicant must  
23 pay the required contribution to the System before the  
24 retirement annuity begins.

25 (b) A person wishing to establish service credit under  
26 subsection (a) may reinstate creditable service terminated  
27 upon receipt of a refund in accordance with the provisions of  
28 Section 14-130(b).

29 (c) An eligible person may establish service credit  
30 under subsection (a) without returning to active service as  
31 an employee under this Article, but the required  
32 contributions must be received by the System before the  
33 person begins to receive a retirement annuity under this  
34 Article.

1 (40 ILCS 5/14-105.7)

2 Sec. 14-105.7. Transfer to Article 9 fund.

3 (a) Until July 1, 2002 ~~1998~~, any active or inactive  
4 member of the System who has established creditable service  
5 under paragraph (i) of Section 14-104 (relating to  
6 contractual service to the General Assembly) and is an active  
7 or former contributor to the pension fund established under  
8 Article 9 of this Code may apply to the Board for transfer of  
9 all of his or her creditable service accumulated under this  
10 System to the Article 9 fund. The creditable service shall  
11 be transferred forthwith. Payment by this System to the  
12 Article 9 fund shall be made at the same time and shall  
13 consist of:

14 (1) the amounts accumulated to the credit of the  
15 applicant for that service, including regular interest,  
16 on the books of the System on the date of transfer; plus

17 (2) employer contributions in an amount equal to  
18 the amount determined under item (1).

19 Participation in this System as to the credits transferred  
20 under this Section terminates on the date of transfer.

21 (b) Any person transferring credit under this Section  
22 may reinstate credits and creditable service terminated upon  
23 receipt of a refund, by paying to the System, before July 1,  
24 2002 ~~1998~~, the amount of the refund plus regular interest  
25 from the date of refund to the date of payment.

26 (c) The changes to this Section and Section 9-121.15  
27 made by this amendatory Act of the 92nd General Assembly  
28 apply without regard to whether the person is in active  
29 service, under this System or the Article 9 Fund, on or after  
30 the effective date of this amendatory Act.

31 (Source: P.A. 90-511, eff. 8-22-97.)

32 (40 ILCS 5/14-105.8 new)

33 Sec. 14-105.8. Transfer to Metropolitan Pier and

1 Exposition Authority pension plan.

2 (a) Until January 1, 2002, any member of the management  
3 committee of the Metropolitan Pier and Exposition Authority,  
4 as designated by the chief executive officer of the  
5 Authority, regardless of whether the member is in service  
6 under this Article on or after the effective date of this  
7 Section, may apply to the Board for transfer of all of his or  
8 her creditable service accumulated under this System to the  
9 pension plan established for employees and officers of the  
10 Metropolitan Pier and Exposition Authority. The creditable  
11 service shall be transferred in accordance with the terms of  
12 that plan and shall be accompanied by a payment from this  
13 System to that pension plan, consisting of:

14 (1) the amounts accumulated to the credit of the  
15 applicant for the service to be transferred, including  
16 regular interest, on the books of the System on the date  
17 of transfer; plus

18 (2) employer contributions in an amount equal to  
19 the amount determined under item (1).

20 Participation in this System as to the credits transferred  
21 under this Section terminates on the date of transfer.

22 (b) For the purpose of transferring credit under this  
23 Section, a person may reinstate credits and creditable  
24 service terminated upon receipt of a refund, by paying to the  
25 System, before January 1, 2002, the amount of the refund plus  
26 regular interest from the date of the refund to the date of  
27 repayment.

28 (40 ILCS 5/14-106) (from Ch. 108 1/2, par. 14-106)  
29 Sec. 14-106. Membership service credit.

30 (a) After January 1, 1944, all service of a member since  
31 he last became a member with respect to which contributions  
32 are made shall count as membership service; provided, that  
33 for service on and after July 1, 1950, 12 months of service

1 shall constitute a year of membership service, the completion  
2 of 15 days or more of service during any month shall  
3 constitute 1 month of membership service, 8 to 15 days shall  
4 constitute 1/2 month of membership service and less than 8  
5 days shall constitute 1/4 month of membership service. The  
6 payroll record of each department shall constitute conclusive  
7 evidence of the record of service rendered by a member.

8 (b) For a member who is employed and paid on an  
9 academic-year basis rather than on a 12-month annual basis,  
10 employment for a full academic year shall constitute a full  
11 year of membership service, except that the member shall not  
12 receive more than one year of membership service credit (plus  
13 any additional service credit granted for unused sick leave)  
14 for service during any 12-month period. This subsection (b)  
15 applies to all such service for which the member has not  
16 begun to receive a retirement annuity before January 1, 2001.

17 (c) A member shall be entitled to additional service  
18 credit, under rules prescribed by the Board, for accumulated  
19 unused sick leave credited to his account in the last  
20 Department on the date of withdrawal from service or for any  
21 period for which he would have been eligible to receive  
22 benefits under a sick pay plan authorized by law, if he had  
23 suffered a sickness or accident on the date of withdrawal  
24 from service. It shall be the responsibility of the last  
25 Department to certify to the Board the length of time salary  
26 or benefits would have been paid to the member based upon the  
27 accumulated unused sick leave or the applicable sick pay plan  
28 if he had become entitled thereto because of sickness on the  
29 date that his status as an employee terminated. This period  
30 of service credit granted under this paragraph shall not be  
31 considered in determining the date the retirement annuity is  
32 to begin, or final average compensation.

33 (Source: P.A. 87-1265.)

1 (40 ILCS 5/14-107) (from Ch. 108 1/2, par. 14-107)  
2 Sec. 14-107. Retirement annuity - service and age -  
3 conditions.

4 (a) A member is entitled to a retirement annuity after  
5 having at least 8 years of creditable service.

6 A member who has at least 35 years of creditable service  
7 may claim his or her retirement annuity at any age. A member  
8 having at least 8 years of creditable service but less than  
9 35 may claim his or her retirement annuity upon or after  
10 attainment of age 60 or, beginning January 1, 2001, any  
11 lesser age which, when added to the number of years of his or  
12 her creditable service, equals at least 85. A member upon or  
13 after attainment of age 55 having at least 25 years of  
14 creditable service (30 years if retirement is before January  
15 1, 2001) may elect to receive the lower retirement annuity  
16 provided in paragraph (c) of Section 14-108 of this Code.  
17 For purposes of the rule of 85, portions of years shall be  
18 counted in whole months.

19 (b) A member with at least 34 but less than 35 years of  
20 creditable service who has reached the 75% maximum imposed  
21 under subsection (d) of Section 14-108 shall be deemed to  
22 have 35 years of creditable service for the purpose of (1)  
23 qualifying for retirement at any age under subsection (a) of  
24 this Section, (2) avoiding the early retirement reduction  
25 under subsection (c) of Section 14-108, and (3) qualifying  
26 for the automatic annual increase under subsection (a) of  
27 Section 14-114.

28 (c) The retirement annuity allowance shall begin with  
29 the first full calendar month specified in the member's  
30 application therefor, the first day of which shall not be  
31 before the date of withdrawal as approved by the board.  
32 Regardless of the date of withdrawal, the retirement annuity  
33 allowance need not begin within one year of application  
34 therefor.

1 (Source: P.A. 91-927, eff. 12-14-00.)

2 (40 ILCS 5/14-108) (from Ch. 108 1/2, par. 14-108)

3 Sec. 14-108. Amount of retirement annuity. A member who  
4 has contributed to the System for at least 12 months shall be  
5 entitled to a prior service annuity for each year of  
6 certified prior service credited to him, except that a member  
7 shall receive 1/3 of the prior service annuity for each year  
8 of service for which contributions have been made and all of  
9 such annuity shall be payable after the member has made  
10 contributions for a period of 3 years. Proportionate amounts  
11 shall be payable for service of less than a full year after  
12 completion of at least 12 months.

13 The total period of service to be considered in  
14 establishing the measure of prior service annuity shall  
15 include service credited in the Teachers' Retirement System  
16 of the State of Illinois and the State Universities  
17 Retirement System for which contributions have been made by  
18 the member to such systems; provided that at least 1 year of  
19 the total period of 3 years prescribed for the allowance of a  
20 full measure of prior service annuity shall consist of  
21 membership service in this system for which credit has been  
22 granted.

23 (a) In the case of a member who retires on or after  
24 January 1, 1998 and is a noncovered employee, the retirement  
25 annuity for membership service and prior service shall be  
26 2.2% of final average compensation for each year of service.  
27 Any service credit established as a covered employee shall be  
28 computed as stated in paragraph (b).

29 (b) In the case of a member who retires on or after  
30 January 1, 1998 and is a covered employee, the retirement  
31 annuity for membership service and prior service shall be  
32 computed as stated in paragraph (a) for all service credit  
33 established as a noncovered employee; for service credit

1 established as a covered employee it shall be 1.67% of final  
2 average compensation for each year of service.

3 (c) For a member retiring after attaining age 55 but  
4 before age 60 with at least 30 but less than 35 years of  
5 creditable service if retirement is before January 1, 2001,  
6 or with at least 25 but less than 30 years of creditable  
7 service if retirement is on or after January 1, 2001, the  
8 retirement annuity shall be reduced by 1/2 of 1% for each  
9 month that the member's age is under age 60 at the time of  
10 retirement.

11 (d) A retirement annuity shall not exceed 75% of final  
12 average compensation, subject to such extension as may result  
13 from the application of Section 14-114 or Section 14-115.

14 (e) The retirement annuity payable to any covered  
15 employee who is a member of the System and in service on  
16 January 1, 1969, or in service thereafter in 1969 as a result  
17 of legislation enacted by the Illinois General Assembly  
18 transferring the member to State employment from county  
19 employment in a county Department of Public Aid in counties  
20 of 3,000,000 or more population, under a plan of coordination  
21 with the Old Age, Survivors and Disability provisions  
22 thereof, if not fully insured for Old Age Insurance payments  
23 under the Federal Old Age, Survivors and Disability Insurance  
24 provisions at the date of acceptance of a retirement annuity,  
25 shall not be less than the amount for which the member would  
26 have been eligible if coordination were not applicable.

27 (f) The retirement annuity payable to any covered  
28 employee who is a member of the System and in service on  
29 January 1, 1969, or in service thereafter in 1969 as a result  
30 of the legislation designated in the immediately preceding  
31 paragraph, if fully insured for Old Age Insurance payments  
32 under the Federal Social Security Act at the date of  
33 acceptance of a retirement annuity, shall not be less than an  
34 amount which when added to the Primary Insurance Benefit

1 payable to the member upon attainment of age 65 under such  
2 Federal Act, will equal the annuity which would otherwise be  
3 payable if the coordinated plan of coverage were not  
4 applicable.

5 (g) In the case of a member who is a noncovered  
6 employee, the retirement annuity for membership service as a  
7 security employee of the Department of Corrections or  
8 security employee of the Department of Human Services shall  
9 be: if retirement occurs on or after January 1, 2001, 3% of  
10 final average compensation for each year of creditable  
11 service; or if retirement occurs before January 1, 2001, 1.9%  
12 of final average compensation for each of the first 10 years  
13 of service, 2.1% for each of the next 10 years of service,  
14 2.25% for each year of service in excess of 20 but not  
15 exceeding 30, and 2.5% for each year in excess of 30; except  
16 that the annuity may be calculated under subsection (a)  
17 rather than this subsection (g) if the resulting annuity is  
18 greater.

19 (h) In the case of a member who is a covered employee,  
20 the retirement annuity for membership service as a security  
21 employee of the Department of Corrections or security  
22 employee of the Department of Human Services shall be: if  
23 retirement occurs on or after January 1, 2001, 2.5% of final  
24 average compensation for each year of creditable service; if  
25 retirement occurs before January 1, 2001, 1.67% of final  
26 average compensation for each of the first 10 years of  
27 service, 1.90% for each of the next 10 years of service,  
28 2.10% for each year of service in excess of 20 but not  
29 exceeding 30, and 2.30% for each year in excess of 30.

30 (i) For the purposes of this Section and Section 14-133  
31 of this Act, the term "security employee of the Department of  
32 Corrections" and the term "security employee of the  
33 Department of Human Services" shall have the meanings  
34 ascribed to them in subsection (c) of Section 14-110.

1           (j) The retirement annuity computed pursuant to  
2 paragraphs (g) or (h) shall be applicable only to those  
3 security employees of the Department of Corrections and  
4 security employees of the Department of Human Services who  
5 have at least 20 years of membership service and who are not  
6 eligible for the alternative retirement annuity provided  
7 under Section 14-110. However, persons transferring to this  
8 System under Section 14-108.2 or 14-108.2c who have service  
9 credit under Article 16 of this Code may count such service  
10 toward establishing their eligibility under the 20-year  
11 service requirement of this subsection; but such service may  
12 be used only for establishing such eligibility, and not for  
13 the purpose of increasing or calculating any benefit.

14           (k) (Blank).

15           (l) The changes to this Section made by this amendatory  
16 Act of 1997 (changing certain retirement annuity formulas  
17 from a stepped rate to a flat rate) apply to members who  
18 retire on or after January 1, 1998, without regard to whether  
19 employment terminated before the effective date of this  
20 amendatory Act of 1997. An annuity shall not be calculated  
21 in steps by using the new flat rate for some steps and the  
22 superseded stepped rate for other steps of the same type of  
23 service.

24 (Source: P.A. 90-65, eff. 7-7-97; 90-448, eff. 8-16-97;  
25 90-655, eff. 7-30-98; 91-927, eff. 12-14-00.)

26           (40 ILCS 5/14-108.2c new)

27           Sec. 14-108.2c. Transfer of membership from TRS. A  
28 security employee of the Department of Human Services, as  
29 defined in Section 14-110, who is a member of the Teachers'  
30 Retirement System established under Article 16 of this Code  
31 may elect to become a member of this System on either June 1,  
32 2002 or July 1, 2002 by notifying the Board of the election  
33 in writing on or before May 31, 2002.

1        For persons electing to become covered employees,  
 2        participation in the Article 16 system shall terminate on  
 3        June 1, 2002, and membership in this System shall begin on  
 4        that date.

5        For persons electing to become noncovered employees,  
 6        participation in the Article 16 system shall terminate on  
 7        July 1, 2002, and membership in this System shall begin on  
 8        that date.

9            (40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)  
 10          Sec. 14-110. Alternative retirement annuity.

11          (a) Any member who has withdrawn from service with not  
 12          less than 20 years of eligible creditable service and has  
 13          attained age 55, and any member who has withdrawn from  
 14          service with not less than 25 years of eligible creditable  
 15          service and has attained age 50, regardless of whether the  
 16          attainment of either of the specified ages occurs while the  
 17          member is still in service, shall be entitled to receive at  
 18          the option of the member, in lieu of the regular or minimum  
 19          retirement annuity, a retirement annuity computed as  
 20          follows:

21            (i) for periods of service as a noncovered  
 22            employee: if retirement occurs on or after January 1,  
 23            2001, 3% of final average compensation for each year of  
 24            creditable service; if retirement occurs before January  
 25            1, 2001, 2 1/4% of final average compensation for each of  
 26            the first 10 years of creditable service, 2 1/2% for each  
 27            year above 10 years to and including 20 years of  
 28            creditable service, and 2 3/4% for each year of  
 29            creditable service above 20 years; and

30            (ii) for periods of eligible creditable service as  
 31            a covered employee: if retirement occurs on or after  
 32            January 1, 2001, 2.5% of final average compensation for  
 33            each year of creditable service; if retirement occurs

1       before January 1, 2001, 1.67% of final average  
2       compensation for each of the first 10 years of such  
3       service, 1.90% for each of the next 10 years of such  
4       service, 2.10% for each year of such service in excess of  
5       20 but not exceeding 30, and 2.30% for each year in  
6       excess of 30.

7       Such annuity shall be subject to a maximum of 75% of  
8       final average compensation if retirement occurs before  
9       January 1, 2001 or to a maximum of 80% of final average  
10      compensation if retirement occurs on or after January 1,  
11      2001.

12      These rates shall not be applicable to any service  
13      performed by a member as a covered employee which is not  
14      eligible creditable service. Service as a covered employee  
15      which is not eligible creditable service shall be subject to  
16      the rates and provisions of Section 14-108.

17      (b) For the purpose of this Section, "eligible  
18      creditable service" means creditable service resulting from  
19      service in one or more of the following positions:

- 20           (1) State policeman;
- 21           (2) fire fighter in the fire protection service of  
22           a department;
- 23           (3) air pilot;
- 24           (4) special agent;
- 25           (5) investigator for the Secretary of State;
- 26           (6) conservation police officer;
- 27           (7) investigator for the Department of Revenue;
- 28           (8) security employee of the Department of Human  
29           Services;
- 30           (9) Central Management Services security police  
31           officer;
- 32           (10) security employee of the Department of  
33           Corrections;
- 34           (11) dangerous drugs investigator;

1           (12) investigator for the Department of State  
2 Police;

3           (13) investigator for the Office of the Attorney  
4 General;

5           (14) controlled substance inspector;

6           (15) investigator for the Office of the State's  
7 Attorneys Appellate Prosecutor;

8           (16) Commerce Commission police officer;

9           (17) arson investigator;

10          (18) State highway maintenance worker;

11          (19) CMS automotive mechanic.

12           A person employed in one of the positions specified in  
13 this subsection is entitled to eligible creditable service  
14 for service credit earned under this Article while undergoing  
15 the basic police training course approved by the Illinois Law  
16 Enforcement Training Standards Board, if completion of that  
17 training is required of persons serving in that position.  
18 For the purposes of this Code, service during the required  
19 basic police training course shall be deemed performance of  
20 the duties of the specified position, even though the person  
21 is not a sworn peace officer at the time of the training.

22           (c) For the purposes of this Section:

23           (1) The term "state policeman" includes any title  
24 or position in the Department of State Police that is  
25 held by an individual employed under the State Police  
26 Act.

27           (2) The term "fire fighter in the fire protection  
28 service of a department" includes all officers in such  
29 fire protection service including fire chiefs and  
30 assistant fire chiefs.

31           (3) The term "air pilot" includes any employee  
32 whose official job description on file in the Department  
33 of Central Management Services, or in the department by  
34 which he is employed if that department is not covered by

1 the Personnel Code, states that his principal duty is the  
2 operation of aircraft, and who possesses a pilot's  
3 license; however, the change in this definition made by  
4 this amendatory Act of 1983 shall not operate to exclude  
5 any noncovered employee who was an "air pilot" for the  
6 purposes of this Section on January 1, 1984.

7 (4) The term "special agent" means any person who  
8 by reason of employment by the Division of Narcotic  
9 Control, the Bureau of Investigation or, after July 1,  
10 1977, the Division of Criminal Investigation, the  
11 Division of Internal Investigation, the Division of  
12 Operations, or any other Division or organizational  
13 entity in the Department of State Police is vested by law  
14 with duties to maintain public order, investigate  
15 violations of the criminal law of this State, enforce the  
16 laws of this State, make arrests and recover property.  
17 The term "special agent" includes any title or position  
18 in the Department of State Police that is held by an  
19 individual employed under the State Police Act.

20 (5) The term "investigator for the Secretary of  
21 State" means any person employed by the Office of the  
22 Secretary of State and vested with such investigative  
23 duties as render him ineligible for coverage under the  
24 Social Security Act by reason of Sections 218(d)(5)(A),  
25 218(d)(8)(D) and 218(1)(1) of that Act.

26 A person who became employed as an investigator for  
27 the Secretary of State between January 1, 1967 and  
28 December 31, 1975, and who has served as such until  
29 attainment of age 60, either continuously or with a  
30 single break in service of not more than 3 years  
31 duration, which break terminated before January 1, 1976,  
32 shall be entitled to have his retirement annuity  
33 calculated in accordance with subsection (a),  
34 notwithstanding that he has less than 20 years of credit

1 for such service.

2 (6) The term "Conservation Police Officer" means  
3 any person employed by the Division of Law Enforcement of  
4 the Department of Natural Resources and vested with such  
5 law enforcement duties as render him ineligible for  
6 coverage under the Social Security Act by reason of  
7 Sections 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of  
8 that Act. The term "Conservation Police Officer"  
9 includes the positions of Chief Conservation Police  
10 Administrator and Assistant Conservation Police  
11 Administrator.

12 (7) The term "investigator for the Department of  
13 Revenue" means any person employed by the Department of  
14 Revenue and vested with such investigative duties as  
15 render him ineligible for coverage under the Social  
16 Security Act by reason of Sections 218(d)(5)(A),  
17 218(d)(8)(D) and 218(1)(1) of that Act.

18 (8) The term "security employee of the Department  
19 of Human Services" means any person employed by the  
20 Department of Human Services who (i) is employed at the  
21 Chester Mental Health Center and has daily contact with  
22 the residents thereof, (ii) is employed within a security  
23 unit at a facility operated by the Department and has  
24 daily contact with the residents of the security unit,  
25 (iii) is employed at a facility operated by the  
26 Department that includes a security unit and is regularly  
27 scheduled to work at least 50% of his or her working  
28 hours within that security unit, or (iv) who is a mental  
29 health police officer. "Mental health police officer"  
30 means any person employed by the Department of Human  
31 Services in a position pertaining to the Department's  
32 mental health and developmental disabilities functions  
33 who is vested with such law enforcement duties as render  
34 the person ineligible for coverage under the Social

1 Security Act by reason of Sections 218(d)(5)(A),  
2 218(d)(8)(D) and 218(1)(1) of that Act. "Security unit"  
3 means that portion of a facility that is devoted to the  
4 care, containment, and treatment of persons committed to  
5 the Department of Human Services as sexually violent  
6 persons, persons unfit to stand trial, or persons not  
7 guilty by reason of insanity. With respect to past  
8 employment, references to the Department of Human  
9 Services include its predecessor, the Department of  
10 Mental Health and Developmental Disabilities.

11 The changes made to this subdivision (c)(8) by this  
12 amendatory Act of the 92nd General Assembly apply to  
13 persons who retire on or after January 1, 2001,  
14 notwithstanding Section 1-103.1.

15 (9) "Central Management Services security police  
16 officer" means any person employed by the Department of  
17 Central Management Services who is vested with such law  
18 enforcement duties as render him ineligible for coverage  
19 under the Social Security Act by reason of Sections  
20 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

21 (10) The term "security employee of the Department  
22 of Corrections" means any employee of the Department of  
23 Corrections or the former Department of Personnel, and  
24 any member or employee of the Prisoner Review Board, who  
25 has daily contact with inmates by working within a  
26 correctional facility or who is a parole officer or an  
27 employee who has direct contact with committed persons in  
28 the performance of his or her job duties.

29 (11) The term "dangerous drugs investigator" means  
30 any person who is employed as such by the Department of  
31 Human Services.

32 (12) The term "investigator for the Department of  
33 State Police" means a person employed by the Department  
34 of State Police who is vested under Section 4 of the

1 Narcotic Control Division Abolition Act with such law  
2 enforcement powers as render him ineligible for coverage  
3 under the Social Security Act by reason of Sections  
4 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

5 (13) "Investigator for the Office of the Attorney  
6 General" means any person who is employed as such by the  
7 Office of the Attorney General and is vested with such  
8 investigative duties as render him ineligible for  
9 coverage under the Social Security Act by reason of  
10 Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that  
11 Act. For the period before January 1, 1989, the term  
12 includes all persons who were employed as investigators  
13 by the Office of the Attorney General, without regard to  
14 social security status. For the period January 1, 1972  
15 through August 15, 1975, the term also includes a person  
16 who was employed by the Illinois Department of  
17 Transportation while engaged in an investigation that was  
18 conducted for and supervised by the Office of the  
19 Attorney General, without regard to social security  
20 status.

21 (14) "Controlled substance inspector" means any  
22 person who is employed as such by the Department of  
23 Professional Regulation and is vested with such law  
24 enforcement duties as render him ineligible for coverage  
25 under the Social Security Act by reason of Sections  
26 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.  
27 The term "controlled substance inspector" includes the  
28 Program Executive of Enforcement and the Assistant  
29 Program Executive of Enforcement.

30 (15) The term "investigator for the Office of the  
31 State's Attorneys Appellate Prosecutor" means a person  
32 employed in that capacity on a full time basis under the  
33 authority of Section 7.06 of the State's Attorneys  
34 Appellate Prosecutor's Act.

1           (16) "Commerce Commission police officer" means any  
2 person employed by the Illinois Commerce Commission who  
3 is vested with such law enforcement duties as render him  
4 ineligible for coverage under the Social Security Act by  
5 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and  
6 218(1)(1) of that Act.

7           (17) "Arson investigator" means any person who is  
8 employed as such by the Office of the State Fire Marshal  
9 and is vested with such law enforcement duties as render  
10 the person ineligible for coverage under the Social  
11 Security Act by reason of Sections 218(d)(5)(A),  
12 218(d)(8)(D), and 218(1)(1) of that Act. A person who  
13 was employed as an arson investigator on January 1, 1995  
14 and is no longer in service but not yet receiving a  
15 retirement annuity may convert his or her creditable  
16 service for employment as an arson investigator into  
17 eligible creditable service by paying to the System the  
18 difference between the employee contributions actually  
19 paid for that service and the amounts that would have  
20 been contributed if the applicant were contributing at  
21 the rate applicable to persons with the same social  
22 security status earning eligible creditable service on  
23 the date of application.

24           (18) The term "State highway maintenance worker"  
25 means a person who is either of the following:

26           (i) A person employed on a full-time basis by  
27 the Illinois Department of Transportation in the  
28 position of highway maintainer, highway maintenance  
29 lead worker, highway maintenance lead/lead worker,  
30 heavy construction equipment operator, power shovel  
31 operator, or bridge mechanic; and whose principal  
32 responsibility is to perform, on the roadway, the  
33 actual maintenance necessary to keep the highways  
34 that form a part of the State highway system in

1 serviceable condition for vehicular traffic.

2 (ii) A person employed on a full-time basis by  
3 the Illinois State Toll Highway Authority in the  
4 position of equipment operator/laborer H-4,  
5 equipment operator/laborer H-6, welder H-4,  
6 welder H-6, mechanical/electrical H-4,  
7 mechanical/electrical H-6, water/sewer H-4,  
8 water/sewer H-6, sign maker/hanger H-4, sign  
9 maker/hanger H-6, roadway lighting H-4, roadway  
10 lighting H-6, structural H-4, structural H-6,  
11 painter H-4, or painter H-6; and whose principal  
12 responsibility is to perform, on the roadway, the  
13 actual maintenance necessary to keep the Authority's  
14 tollways in serviceable condition for vehicular  
15 traffic.

16 However, service performed before April 15, 2001  
17 does not constitute service as a State highway  
18 maintenance worker unless the employee is in service as a  
19 State highway maintenance worker on or after that date.

20 (19) The term "CMS automotive mechanic" means a  
21 person who is employed by the Department of Central  
22 Management Services at a correctional facility in the  
23 position of automotive mechanic or automotive shop  
24 supervisor.

25 (d) A security employee of the Department of  
26 Corrections, and a security employee of the Department of  
27 Human Services who is not a mental health police officer,  
28 shall not be eligible for the alternative retirement annuity  
29 provided by this Section unless he or she meets the following  
30 minimum age and service requirements at the time of  
31 retirement:

32 (i) 25 years of eligible creditable service and age  
33 55; or

34 (ii) beginning January 1, 1987, 25 years of

1 eligible creditable service and age 54, or 24 years of  
2 eligible creditable service and age 55; or

3 (iii) beginning January 1, 1988, 25 years of  
4 eligible creditable service and age 53, or 23 years of  
5 eligible creditable service and age 55; or

6 (iv) beginning January 1, 1989, 25 years of  
7 eligible creditable service and age 52, or 22 years of  
8 eligible creditable service and age 55; or

9 (v) beginning January 1, 1990, 25 years of eligible  
10 creditable service and age 51, or 21 years of eligible  
11 creditable service and age 55; or

12 (vi) beginning January 1, 1991, 25 years of  
13 eligible creditable service and age 50, or 20 years of  
14 eligible creditable service and age 55.

15 Persons who have service credit under Article 16 of this  
16 Code for service as a security employee of the Department of  
17 Corrections or the Department of Human Services in a position  
18 requiring certification as a teacher may count such service  
19 toward establishing their eligibility under the service  
20 requirements of this Section; but such service may be used  
21 only for establishing such eligibility, and not for the  
22 purpose of increasing or calculating any benefit.

23 (e) If a member enters military service while working in  
24 a position in which eligible creditable service may be  
25 earned, and returns to State service in the same or another  
26 such position, and fulfills in all other respects the  
27 conditions prescribed in this Article for credit for military  
28 service, such military service shall be credited as eligible  
29 creditable service for the purposes of the retirement annuity  
30 prescribed in this Section.

31 (f) For purposes of calculating retirement annuities  
32 under this Section, periods of service rendered after  
33 December 31, 1968 and before October 1, 1975 as a covered  
34 employee in the position of special agent, conservation

1 police officer, mental health police officer, or investigator  
2 for the Secretary of State, shall be deemed to have been  
3 service as a noncovered employee, provided that the employee  
4 pays to the System prior to retirement an amount equal to (1)  
5 the difference between the employee contributions that would  
6 have been required for such service as a noncovered employee,  
7 and the amount of employee contributions actually paid, plus  
8 (2) if payment is made after July 31, 1987, regular interest  
9 on the amount specified in item (1) from the date of service  
10 to the date of payment.

11 For purposes of calculating retirement annuities under  
12 this Section, periods of service rendered after December 31,  
13 1968 and before January 1, 1982 as a covered employee in the  
14 position of investigator for the Department of Revenue shall  
15 be deemed to have been service as a noncovered employee,  
16 provided that the employee pays to the System prior to  
17 retirement an amount equal to (1) the difference between the  
18 employee contributions that would have been required for such  
19 service as a noncovered employee, and the amount of employee  
20 contributions actually paid, plus (2) if payment is made  
21 after January 1, 1990, regular interest on the amount  
22 specified in item (1) from the date of service to the date of  
23 payment.

24 (g) A State policeman may elect, not later than January  
25 1, 1990, to establish eligible creditable service for up to  
26 10 years of his service as a policeman under Article 3, by  
27 filing a written election with the Board, accompanied by  
28 payment of an amount to be determined by the Board, equal to  
29 (i) the difference between the amount of employee and  
30 employer contributions transferred to the System under  
31 Section 3-110.5, and the amounts that would have been  
32 contributed had such contributions been made at the rates  
33 applicable to State policemen, plus (ii) interest thereon at  
34 the effective rate for each year, compounded annually, from

1 the date of service to the date of payment.

2 Subject to the limitation in subsection (i), a State  
3 policeman may elect, not later than July 1, 1993, to  
4 establish eligible creditable service for up to 10 years of  
5 his service as a member of the County Police Department under  
6 Article 9, by filing a written election with the Board,  
7 accompanied by payment of an amount to be determined by the  
8 Board, equal to (i) the difference between the amount of  
9 employee and employer contributions transferred to the System  
10 under Section 9-121.10 and the amounts that would have been  
11 contributed had those contributions been made at the rates  
12 applicable to State policemen, plus (ii) interest thereon at  
13 the effective rate for each year, compounded annually, from  
14 the date of service to the date of payment.

15 Subject to the limitation in subsection (i), a State  
16 policeman may elect, not later than July 1, 2002, to  
17 establish eligible creditable service for up to 12 years of  
18 his or her service as a Metropolitan Enforcement Group agent  
19 employed by a municipal police department under Article 7 or  
20 as a police officer under Article 15 by filing a written  
21 election with the Board, accompanied by payment of an amount  
22 to be determined by the Board, equal to (i) the difference  
23 between the amount of employee and employer contributions  
24 transferred to the System under Section 7-139.7(c) or  
25 15-134.6 and the amounts that would have been contributed had  
26 those contributions been made at the rates then applicable to  
27 persons earning eligible creditable service, plus (ii)  
28 interest thereon at the effective rate for each year,  
29 compounded annually, from the date of service to the date of  
30 payment.

31 (h) Subject to the limitation in subsection (i), a State  
32 policeman or investigator for the Secretary of State may  
33 elect to establish eligible creditable service for up to 12  
34 years of his service as a policeman under Article 5, by

1 filing a written election with the Board on or before January  
2 31, 1992, and paying to the System by January 31, 1994 an  
3 amount to be determined by the Board, equal to (i) the  
4 difference between the amount of employee and employer  
5 contributions transferred to the System under Section 5-236,  
6 and the amounts that would have been contributed had such  
7 contributions been made at the rates applicable to State  
8 policemen, plus (ii) interest thereon at the effective rate  
9 for each year, compounded annually, from the date of service  
10 to the date of payment.

11 Subject to the limitation in subsection (i), a State  
12 policeman, conservation police officer, or investigator for  
13 the Secretary of State may elect to establish eligible  
14 creditable service for up to 10 years of service as a  
15 sheriff's law enforcement employee under Article 7, by filing  
16 a written election with the Board on or before January 31,  
17 1993, and paying to the System by January 31, 1994 an amount  
18 to be determined by the Board, equal to (i) the difference  
19 between the amount of employee and employer contributions  
20 transferred to the System under Section 7-139.7, and the  
21 amounts that would have been contributed had such  
22 contributions been made at the rates applicable to State  
23 policemen, plus (ii) interest thereon at the effective rate  
24 for each year, compounded annually, from the date of service  
25 to the date of payment.

26 (i) The total amount of eligible creditable service  
27 established by any person under subsections (g), (h), (j),  
28 (k), and (l), and (m) of this Section shall not exceed 12  
29 years.

30 (j) Subject to the limitation in subsection (i), an  
31 investigator for the Office of the State's Attorneys  
32 Appellate Prosecutor or a controlled substance inspector may  
33 elect to establish eligible creditable service for up to 10  
34 years of his service as a policeman under Article 3 or a

1 sheriff's law enforcement employee under Article 7, by filing  
2 a written election with the Board, accompanied by payment of  
3 an amount to be determined by the Board, equal to (1) the  
4 difference between the amount of employee and employer  
5 contributions transferred to the System under Section 3-110.6  
6 or 7-139.8, and the amounts that would have been contributed  
7 had such contributions been made at the rates applicable to  
8 State policemen, plus (2) interest thereon at the effective  
9 rate for each year, compounded annually, from the date of  
10 service to the date of payment.

11 (k) Subject to the limitation in subsection (i) of this  
12 Section, an alternative formula employee may elect to  
13 establish eligible creditable service for periods spent as a  
14 full-time law enforcement officer or full-time corrections  
15 officer employed by the federal government or by a state or  
16 local government located outside of Illinois, for which  
17 credit is not held in any other public employee pension fund  
18 or retirement system. To obtain this credit, the applicant  
19 must file a written application with the Board by March 31,  
20 1998, accompanied by evidence of eligibility acceptable to  
21 the Board and payment of an amount to be determined by the  
22 Board, equal to (1) employee contributions for the credit  
23 being established, based upon the applicant's salary on the  
24 first day as an alternative formula employee after the  
25 employment for which credit is being established and the  
26 rates then applicable to alternative formula employees, plus  
27 (2) an amount determined by the Board to be the employer's  
28 normal cost of the benefits accrued for the credit being  
29 established, plus (3) regular interest on the amounts in  
30 items (1) and (2) from the first day as an alternative  
31 formula employee after the employment for which credit is  
32 being established to the date of payment.

33 Subject to the limitation in subsection (i) of this  
34 Section, an alternative formula employee may elect to

1 establish eligible creditable service for periods spent as a  
2 full-time law enforcement officer employed by the Chicago  
3 Transit Authority for which credit is not held in any other  
4 public employee pension fund or retirement system. To obtain  
5 this credit, the applicant must (1) irrevocably relinquish  
6 any credits that the applicant may have for the relevant  
7 period in the retirement system established under Section  
8 22-101 of this Code, (2) file a written application with the  
9 Board by May 31, 2002, accompanied by evidence of eligibility  
10 acceptable to the Board, and (3) pay to the System before  
11 retirement an amount to be determined by the Board, equal to  
12 (i) employee contributions for the credit being established,  
13 based upon the applicant's salary on the first day as an  
14 alternative formula employee after the employment for which  
15 credit is being established and the rates then applicable to  
16 the employee, plus (ii) an amount determined by the Board to  
17 be the employer's normal cost of the benefits accrued for the  
18 credit being established, plus (iii) regular interest on the  
19 amounts in items (i) and (ii) from the first day as an  
20 alternative formula employee after the employment for which  
21 credit is being established to the date of payment.

22 (1) Subject to the limitation in subsection (i), a  
23 security employee of the Department of Corrections may elect,  
24 not later than July 1, 1998, to establish eligible creditable  
25 service for up to 10 years of his or her service as a  
26 policeman under Article 3, by filing a written election with  
27 the Board, accompanied by payment of an amount to be  
28 determined by the Board, equal to (i) the difference between  
29 the amount of employee and employer contributions transferred  
30 to the System under Section 3-110.5, and the amounts that  
31 would have been contributed had such contributions been made  
32 at the rates applicable to security employees of the  
33 Department of Corrections, plus (ii) interest thereon at the  
34 effective rate for each year, compounded annually, from the

1 date of service to the date of payment.

2 (m) Subject to the limitation in subsection (i), an  
3 investigator for the Office of the Attorney General may elect  
4 to establish eligible creditable service for up to 12 years  
5 of service as a policeman under Article 3 or 5, as a  
6 sheriff's law enforcement employee or municipal conservator  
7 of the peace under Article 7, or as a member of the County  
8 Police Department under Article 9, by filing a written  
9 election with the Board, accompanied by payment of an amount  
10 to be determined by the Board, equal to (1) the difference  
11 between the amount of employee and employer contributions  
12 transferred to the System under Section 3-110.6, 5-236,  
13 7-139.8, or 9-121.10 and the amounts that would have been  
14 contributed had those contributions been made at the rates  
15 applicable to State policemen, plus (2) interest thereon at  
16 the effective rate for each year, compounded annually, from  
17 the date of service to the date of payment.

18 (Source: P.A. 90-32, eff. 6-27-97; 91-357, eff. 7-29-99;  
19 91-760, eff. 1-1-01.)

20 (40 ILCS 5/14-114) (from Ch. 108 1/2, par. 14-114)

21 Sec. 14-114. Automatic increase in retirement annuity.

22 (a) Any person receiving a retirement annuity under this  
23 Article who retires having attained age 60, or who retires  
24 before age 60 having at least 35 years of creditable service,  
25 or who retires on or after January 1, 2001 at an age which,  
26 when added to the number of years of his or her creditable  
27 service, equals at least 85, shall, on January 1 next  
28 following the first full year of retirement, have the amount  
29 of the then fixed and payable monthly retirement annuity  
30 increased 3%. Any person receiving a retirement annuity  
31 under this Article who retires before attainment of age 60  
32 and with less than (i) 35 years of creditable service if  
33 retirement is before January 1, 2001, or (ii) the number of

1 years of creditable service which, when added to the member's  
2 age, would equal 85, if retirement is on or after January 1,  
3 2001, shall have the amount of the fixed and payable  
4 retirement annuity increased by 3% on the January 1 occurring  
5 on or next following (1) attainment of age 60, or (2) the  
6 first anniversary of retirement, whichever occurs later.  
7 However, for persons who receive the alternative retirement  
8 annuity under Section 14-110, references in this subsection  
9 (a) to attainment of age 60 shall be deemed to refer to  
10 attainment of age 55. For a person receiving early  
11 retirement incentives under Section 14-108.3 whose retirement  
12 annuity began after January 1, 1992 pursuant to an extension  
13 granted under subsection (e) of that Section, the first  
14 anniversary of retirement shall be deemed to be January 1,  
15 1993. For a person whose retirement annuity is calculated,  
16 in whole or in part, under Section 14-110 or subsection (g)  
17 or (h) of Section 14-108, and who retires within the 90 days  
18 following the effective date of this amendatory Act of the  
19 92nd General Assembly, the first anniversary of retirement  
20 shall be deemed to be January 1, 2002.

21 On each January 1 following the date of the initial  
22 increase under this subsection, the employee's monthly  
23 retirement annuity shall be increased by an additional 3%.

24 Beginning January 1, 1990, all automatic annual increases  
25 payable under this Section shall be calculated as a  
26 percentage of the total annuity payable at the time of the  
27 increase, including previous increases granted under this  
28 Article.

29 (b) The provisions of subsection (a) of this Section  
30 shall be applicable to an employee only if the employee makes  
31 the additional contributions required after December 31, 1969  
32 for the purpose of the automatic increases for not less than  
33 the equivalent of one full year. If an employee becomes an  
34 annuitant before his additional contributions equal one full

1 year's contributions based on his salary at the date of  
 2 retirement, the employee may pay the necessary balance of the  
 3 contributions to the system, without interest, and be  
 4 eligible for the increasing annuity authorized by this  
 5 Section.

6 (c) The provisions of subsection (a) of this Section  
 7 shall not be applicable to any annuitant who is on retirement  
 8 on December 31, 1969, and thereafter returns to State  
 9 service, unless the member has established at least one year  
 10 of additional creditable service following reentry into  
 11 service.

12 (d) In addition to other increases which may be provided  
 13 by this Section, on January 1, 1981 any annuitant who was  
 14 receiving a retirement annuity on or before January 1, 1971  
 15 shall have his retirement annuity then being paid increased  
 16 \$1 per month for each year of creditable service. On January  
 17 1, 1982, any annuitant who began receiving a retirement  
 18 annuity on or before January 1, 1977, shall have his  
 19 retirement annuity then being paid increased \$1 per month for  
 20 each year of creditable service.

21 On January 1, 1987, any annuitant who began receiving a  
 22 retirement annuity on or before January 1, 1977, shall have  
 23 the monthly retirement annuity increased by an amount equal  
 24 to 8¢ per year of creditable service times the number of  
 25 years that have elapsed since the annuity began.

26 (d-1) On July 1, 2001, every annuitant who began  
 27 receiving a retirement annuity before January 1, 1980 shall  
 28 have the monthly retirement annuity increased by whichever of  
 29 the following percentages is applicable:

- 30 5% if the annuity began in 1979;
- 31 10% if the annuity began in 1978;
- 32 14% if the annuity began in 1977;
- 33 14% if the annuity began in 1976;
- 34 18% if the annuity began in 1975;

1           23% if the annuity began in 1974;

2           32% if the annuity began in 1973 or before.

3           The increase under this subsection shall be calculated as  
4 a percentage of the amount of the retirement annuity payable  
5 on June 30, 2001, including any increases previously received  
6 under this Article, and shall be included in the calculation  
7 of increases granted thereafter under subsection (a).

8           (e) Every person who receives the alternative retirement  
9 annuity under Section 14-110 and who is eligible to receive  
10 the 3% increase under subsection (a) on January 1, 1986,  
11 shall also receive on that date a one-time increase in  
12 retirement annuity equal to the difference between (1) his  
13 actual retirement annuity on that date, including any  
14 increases received under subsection (a), and (2) the amount  
15 of retirement annuity he would have received on that date if  
16 the amendments to subsection (a) made by Public Act 84-162  
17 had been in effect since the date of his retirement.

18 (Source: P.A. 91-927, eff. 12-14-00.)

19           (40 ILCS 5/14-114.1 new)

20           Sec. 14-114.1. Reduction of purchasing power; policy;  
21 report; increase.

22           (a) The General Assembly finds and declares that:

23           (1) The purchasing power of a fixed annuity can be  
24 eroded over time by the effects of inflation and  
25 increases in the general cost of living.

26           (2) For a person whose income consists primarily of  
27 a fixed annuity, the reduction in purchasing power  
28 resulting from increases in the cost of living can become  
29 catastrophic over time, transforming a once-comfortable  
30 retirement into a time of poverty and need.

31           (3) The State of Illinois is concerned about the  
32 effects that a significant reduction in purchasing power  
33 can have on the quality of life of its retired employees

1 and their survivors.

2 (4) The General Assembly has previously addressed  
3 this concern by providing for automatic annual increases  
4 in retirement and survivor's annuities under this  
5 Article. Recognizing that these automatic annual  
6 increases, by themselves, are not a complete answer in  
7 times of high inflation, the General Assembly has also,  
8 from time to time, provided specific one-time increases  
9 in annuities for certain categories of annuitants.

10 (b) It is the public policy of this State and the  
11 intention of the General Assembly to protect annuitants  
12 against significant decreases in the purchasing power of the  
13 retirement and survivor's annuities granted under this  
14 Article.

15 (c) The System shall regularly review the changes that  
16 have occurred in the purchasing power of the retirement and  
17 survivor's annuities being paid under this Article, and it  
18 shall report to the General Assembly, the Governor, and the  
19 Pension Laws Commission whenever it determines that the  
20 original purchasing power of those annuities has been reduced  
21 by 20% or more for any category or group of annuitants. The  
22 System may include in the report its recommendations, if any,  
23 for legislative action to address its findings.

24 (d) As used in this Section, the term "retirement and  
25 survivor's annuities" means all annuities as defined in  
26 Section 14-103.18, other than disability benefits.

27 (40 ILCS 5/14-119) (from Ch. 108 1/2, par. 14-119)  
28 Sec. 14-119. Amount of widow's annuity.

29 (a) The widow's annuity shall be 50% of the amount of  
30 retirement annuity payable to the member on the date of death  
31 while on retirement if an annuitant, or on the date of his  
32 death while in service if an employee, regardless of his age  
33 on such date, or on the date of withdrawal if death occurred

1 after termination of service under the conditions prescribed  
2 in the preceding Section.

3 (b) If an eligible widow, regardless of age, has in her  
4 care any unmarried child or children of the member under age  
5 18 (under age 22 if a full-time student), the widow's annuity  
6 shall be increased in the amount of 5% of the retirement  
7 annuity for each such child, but the combined payments for a  
8 widow and children shall not exceed 66 2/3% of the member's  
9 earned retirement annuity.

10 The amount of retirement annuity from which the widow's  
11 annuity is derived shall be that earned by the member without  
12 regard to whether he attained age 60 prior to his withdrawal  
13 under the conditions stated or prior to his death.

14 (c) Adopted children shall be considered as children of  
15 the member only if the proceedings for adoption were  
16 commenced at least 1 year prior to the member's death.

17 Marriage of a child shall render the child ineligible for  
18 further consideration in the increase in the amount of the  
19 widow's annuity.

20 Attainment of age 18 (age 22 if a full-time student)  
21 shall render a child ineligible for further consideration in  
22 the increase of the widow's annuity, but the annuity to the  
23 widow shall be continued thereafter, without regard to her  
24 age at that time.

25 (d) A widow's annuity payable on account of any covered  
26 employee who shall have been a covered employee for at least  
27 18 months shall be reduced by 1/2 of the amount of survivors  
28 benefits to which his beneficiaries are eligible under the  
29 provisions of the Federal Social Security Act, except that  
30 (1) the amount of any widow's annuity payable under this  
31 Article shall not be reduced by reason of any increase under  
32 that Act which occurs after the offset required by this  
33 subsection is first applied to that annuity, and (2) for  
34 benefits granted on or after January 1, 1992, the offset

1 under this subsection (d) shall not exceed 50% of the amount  
2 of widow's annuity otherwise payable.

3 (e) Upon the death of a recipient of a widow's annuity  
4 the excess, if any, of the member's accumulated  
5 contributions plus credited interest over all annuity  
6 payments to the member and widow, exclusive of the \$500 lump  
7 sum payment, shall be paid to the named beneficiary of the  
8 widow, or if none has been named, to the estate of the widow,  
9 provided no reversionary annuity is payable.

10 (f) On January 1, 1981, any recipient of a widow's  
11 annuity who was receiving a widow's annuity on or before  
12 January 1, 1971, shall have her widow's annuity then being  
13 paid increased by 1% for each full year which has elapsed  
14 from the date the widow's annuity began. On January 1, 1982,  
15 any recipient of a widow's annuity who began receiving a  
16 widow's annuity after January 1, 1971, but before January 1,  
17 1981, shall have her widow's annuity then being paid  
18 increased by 1% for each full year which has elapsed from the  
19 date the widow's annuity began. On January 1, 1987, any  
20 recipient of a widow's annuity who began receiving the  
21 widow's annuity on or before January 1, 1977, shall have the  
22 monthly widow's annuity increased by \$1 for each full year  
23 which has elapsed since the date the annuity began.

24 (f-1) On July 1, 2001, every recipient of a widow's  
25 annuity whose original annuity began before January 1, 1980  
26 shall have the monthly widow's annuity increased by whichever  
27 of the following percentages is applicable:

- 28 5% if the original annuity began in 1979;
- 29 10% if the original annuity began in 1978;
- 30 14% if the original annuity began in 1977;
- 31 14% if the original annuity began in 1976;
- 32 18% if the original annuity began in 1975;
- 33 23% if the original annuity began in 1974;
- 34 32% if the original annuity began in 1973 or before.

1       In the case of the survivor of a deceased annuitant who  
 2       died while receiving a retirement annuity, "original annuity"  
 3       means the deceased annuitant's retirement annuity; in all  
 4       other cases, "original annuity" means the widow's annuity.

5       The increase under this subsection shall be calculated as  
 6       a percentage of the amount of the widow's annuity payable on  
 7       June 30, 2001, including any increases previously received  
 8       under this Article, and shall be included in the calculation  
 9       of increases granted thereafter under subsection (g).

10       (g) Beginning January 1, 1990, every widow's annuity  
 11 shall be increased (1) on each January 1 occurring on or  
 12 after the commencement of the annuity if the deceased member  
 13 died while receiving a retirement annuity, or (2) in other  
 14 cases, on each January 1 occurring on or after the first  
 15 anniversary of the commencement of the annuity, by an amount  
 16 equal to 3% of the current amount of the annuity, including  
 17 any previous increases under this Article. Such increases  
 18 shall apply without regard to whether the deceased member was  
 19 in service on or after the effective date of Public Act  
 20 86-1488, but shall not accrue for any period prior to January  
 21 1, 1990.

22       (Source: P.A. 90-448, eff. 8-16-97.)

23       (40 ILCS 5/14-120) (from Ch. 108 1/2, par. 14-120)  
 24       Sec. 14-120. Survivors annuities - Conditions for  
 25 payments. A survivors annuity is established for all members  
 26 of the System. Upon the death of any male person who was a  
 27 member on July 19, 1961, however, his widow may have the  
 28 option of receiving the widow's annuity provided in this  
 29 Article, in lieu of the survivors annuity.

30       (a) A survivors annuity beneficiary, as herein defined,  
 31 is eligible for a survivors annuity if the deceased member  
 32 had completed at least 1 1/2 years of contributing creditable  
 33 service if death occurred:

1 (1) while in service;

2 (2) while on an approved or authorized leave of  
3 absence from service, not exceeding one year  
4 continuously; or

5 (3) while in receipt of a non-occupational  
6 disability or an occupational disability benefit.

7 (b) If death of the member occurs after withdrawal, the  
8 survivors annuity beneficiary is eligible for such annuity  
9 only if the member had fulfilled at the date of withdrawal  
10 the prescribed service conditions for establishing a right in  
11 a retirement annuity.

12 (c) Payment of the survivors annuity shall begin  
13 immediately if the beneficiary is 50 years or over, or upon  
14 attainment of age 50 if the beneficiary is under that age at  
15 the date of the member's death. In the case of survivors of a  
16 member whose death occurred between November 1, 1970 and July  
17 15, 1971, the payment of the survivors annuity shall begin  
18 upon October 1, 1977, if the beneficiary is then 50 years of  
19 age or older, or upon the attainment of age 50 if the  
20 beneficiary is under that age on October 1, 1977.

21 If an eligible child or children, under the care of the  
22 spouse also survive the member, the survivors annuity shall  
23 begin immediately without regard to whether the beneficiary  
24 has attained age 50.

25 Benefits under this Section shall accrue and be payable  
26 for whole calendar months, beginning on the first day of the  
27 month after the initiating event occurs and ending on the  
28 last day of the month in which the terminating event occurs.

29 (d) A survivor annuity beneficiary means:

30 (1) A spouse of a member or annuitant if:

31 (i) in the case of a member or annuitant who  
32 dies before the effective date of this amendatory  
33 Act of the 91st General Assembly, the current  
34 marriage with the member or annuitant was in effect

1 for at least one year at the date of death or  
2 withdrawal, whichever first occurs; or

3 (ii) in the case of a member or annuitant who  
4 dies on or after the effective date of this  
5 amendatory Act of the 91st General Assembly, the  
6 current marriage with the member or annuitant was in  
7 effect for at least one year immediately prior to  
8 the date of death, regardless of the date of  
9 withdrawal.

10 (2) An unmarried child under age 18 (under age 22  
11 if a full-time student) of the member or annuitant; an  
12 unmarried stepchild under age 18 (under age 22 if a  
13 full-time student) who has been such for at least one  
14 year at the date of the member's death or at least one  
15 year at the date of withdrawal, whichever first occurs;  
16 an unmarried adopted child under age 18 (under age 22 if  
17 a full-time student) if the adoption proceedings were  
18 initiated at least one year prior to the death or  
19 withdrawal of the member or annuitant, whichever first  
20 occurs; and an unmarried child over age 18 if he or she  
21 is dependent by reason of a physical or mental  
22 disability, so long as the physical or mental disability  
23 continues. For purposes of this subsection, disability  
24 means inability to engage in any substantial gainful  
25 activity by reason of any medically determinable physical  
26 or mental impairment which can be expected to result in  
27 death or which has lasted or can be expected to last for  
28 a continuous period of not less than 12 months.

29 (3) A dependent parent of the member or annuitant;  
30 a dependent step-parent by a marriage contracted before  
31 the member or annuitant attained age 18; or a dependent  
32 adopting parent by whom the member or annuitant was  
33 adopted before he or she attained age 18.

34 (e) Payment of a survivors annuity to a beneficiary

1 terminates upon: (1) remarriage before age 55 (for periods  
2 prior to July 6, 2000) ~~that-occurs-before-the-effective--date~~  
3 ~~of-this-amendatory-Act-of-the-91st-General-Assembly~~ or death,  
4 if the beneficiary is a spouse; (2) marriage or death, if the  
5 beneficiary is a child; or (3) remarriage before age 55 or  
6 death, if the beneficiary is a parent. Remarriage of a  
7 prospective beneficiary prior to the attainment of age 50  
8 disqualifies the beneficiary for the annuity expectancy  
9 hereunder until July 6, 2000, ~~-if-the-remarriage-occurs-before~~  
10 ~~the-effective-date-of-this-amendatory-Act-of-the-91st-General~~  
11 ~~Assembly.~~ Termination due to marriage or remarriage of a  
12 child or parent shall be permanent, regardless of any future  
13 changes in marital status.

14 A surviving spouse whose survivor's annuity has been  
15 terminated due to remarriage may apply for reinstatement of  
16 that annuity. The reinstated annuity shall begin to accrue  
17 on July 6, 2000, except that if, on July 6, 2000, the annuity  
18 is payable to an eligible surviving child or parent, payment  
19 of the annuity to the surviving spouse shall not be  
20 reinstated until the annuity is no longer payable to any  
21 eligible surviving child or parent. The reinstated annuity  
22 shall include any one-time or annual increases received prior  
23 to the date of termination, as well as any increases that  
24 would otherwise have accrued from the date of termination to  
25 the date of reinstatement. An eligible surviving spouse  
26 whose expectation of receiving a survivor's annuity was lost  
27 due to remarriage before attainment of age 50 shall also be  
28 entitled to reinstatement under this subsection, but the  
29 resulting survivor's annuity shall not begin to accrue sooner  
30 than upon the surviving spouse's attainment of age 50.

31 The substantive changes made to this subsection by Public  
32 Act 91-887 and this amendatory Act of the 92nd ~~91st~~ General  
33 Assembly (pertaining to remarriage ~~prior-to--age--55--or--50~~)  
34 apply without regard to whether the deceased participant or

1 annuitant was in service on or after the effective date of  
2 either this amendatory Act.

3 Any person whose survivors annuity was terminated during  
4 1978 or 1979 due to remarriage at age 55 or over shall be  
5 eligible to apply, not later than July 1, 1990, for a  
6 resumption of that annuity, to begin on July 1, 1990.

7 (f) The term "dependent" relating to a survivors annuity  
8 means a beneficiary of a survivors annuity who was receiving  
9 from the member at the date of the member's death at least  
10 1/2 of the support for maintenance including board, lodging,  
11 medical care and like living costs.

12 (g) If there is no eligible spouse surviving the member,  
13 or if a survivors annuity beneficiary includes a spouse who  
14 dies or is disqualified by remarriage, the annuity is payable  
15 to an unmarried child or children. If at the date of death  
16 of the member there is no spouse or unmarried child, payments  
17 shall be made to a dependent parent or parents. If no  
18 eligible survivors annuity beneficiary survives the member,  
19 the non-occupational death benefit is payable in the manner  
20 provided in this Article.

21 (h) Survivor benefits do not affect any reversionary  
22 annuity.

23 (i) If a survivors annuity beneficiary becomes entitled  
24 to a widow's annuity or one or more survivors annuities or  
25 both such annuities, the beneficiary shall elect to receive  
26 only one of such annuities.

27 (j) Contributing creditable service under the State  
28 Universities Retirement System and the Teachers' Retirement  
29 System of the State of Illinois shall be considered in  
30 determining whether the member has met the contributing  
31 service requirements of this Section.

32 (k) In lieu of the Survivor's Annuity described in this  
33 Section, the spouse of the member has the option to select  
34 the Nonoccupational Death Benefit described in this Article,

1 provided the spouse is the sole survivor and the sole  
2 nominated beneficiary of the member.

3 (1) The changes made to this Section and Sections  
4 14-118, 14-119, and 14-128 by this amendatory Act of 1997,  
5 relating to benefits for certain unmarried children who are  
6 full-time students under age 22, apply without regard to  
7 whether the deceased member was in service on or after the  
8 effective date of this amendatory Act of 1997. These changes  
9 do not authorize the repayment of a refund or a re-election  
10 of benefits, and any benefit or increase in benefits  
11 resulting from these changes is not payable retroactively for  
12 any period before the effective date of this amendatory Act  
13 of 1997.

14 (Source: P.A. 90-448, eff. 8-16-97; 91-357, eff. 7-29-99;  
15 91-887, eff. 7-6-00.)

16 (40 ILCS 5/14-121) (from Ch. 108 1/2, par. 14-121)

17 Sec. 14-121. Amount of survivors annuity. A survivors  
18 annuity beneficiary shall be entitled upon death of the  
19 member to a single sum payment of \$1,000, payable pro rata  
20 among all persons entitled thereto, together with a survivors  
21 annuity payable at the rates and under the conditions  
22 specified in this Article.

23 (a) If the survivors annuity beneficiary is a spouse,  
24 the survivors annuity shall be 30% of final average  
25 compensation subject to a maximum payment of \$400 per month.

26 (b) If an eligible child or children under the care of a  
27 spouse also survives the member, such spouse as natural  
28 guardian of the child or children shall receive, in addition  
29 to the foregoing annuity, 20% of final average compensation  
30 on account of each such child and 10% of final average  
31 compensation divided pro rata among such children, subject to  
32 a maximum payment on account of all survivor annuity  
33 beneficiaries of \$600 per month, or 80% of the member's final

1 average compensation, whichever is the lesser.

2 (c) If the survivors annuity beneficiary or  
3 beneficiaries consists of an unmarried child or children, the  
4 amount of survivors annuity shall be 20% of final average  
5 compensation to each child, and 10% of final average  
6 compensation divided pro rata among all such children  
7 entitled to such annuity, subject to a maximum payment to all  
8 children combined of \$600 per month or 80% of the member's  
9 final average compensation, whichever is the lesser.

10 (d) If the survivors annuity beneficiary is one or more  
11 dependent parents, the annuity shall be 20% of final average  
12 compensation to each parent and 10% of final average  
13 compensation divided pro rata among the parents who qualify  
14 for this annuity, subject to a maximum payment to both  
15 dependent parents of \$400 per month.

16 (e) The survivors annuity to the spouse, children or  
17 dependent parents of a member whose death occurs after the  
18 date of last withdrawal, or after retirement, or while in  
19 service following reentry into service after retirement but  
20 before completing 1 1/2 years of additional creditable  
21 service, shall not exceed the lesser of 80% of the member's  
22 earned retirement annuity at the date of death or the maximum  
23 previously established in this Section.

24 (f) In applying the limitation prescribed on the  
25 combined payments to 2 or more survivors annuity  
26 beneficiaries, the annuity on account of each beneficiary  
27 shall be reduced pro rata until such time as the number of  
28 beneficiaries makes the reduction no longer applicable.

29 (g) A survivors annuity payable on account of any  
30 covered employee who shall have been a covered employee for  
31 at least 18 months at date of death or last withdrawal,  
32 whichever is the later, shall be reduced by 1/2 of the  
33 survivors benefits to which his beneficiaries are eligible  
34 under the federal Social Security Act, except that (1) the

1 survivors annuity payable under this Article shall not be  
2 reduced by any increase under that Act which occurs after the  
3 offset required by this subsection is first applied to that  
4 annuity, and (2) for benefits granted on or after January 1,  
5 1992, the offset under this subsection (g) shall not exceed  
6 50% of the amount of survivors annuity otherwise payable.

7 (h) The minimum payment to a beneficiary hereunder shall  
8 be \$60 per month, which shall be reduced in accordance with  
9 the limitation prescribed on the combined payments to all  
10 beneficiaries of a member.

11 (i) Subject to the conditions set forth in Section  
12 14-120, the minimum total survivors annuity benefit payable  
13 to the survivors annuity beneficiaries of a deceased member  
14 or annuitant whose death occurs on or after January 1, 1984,  
15 shall be 50% of the amount of retirement annuity that was or  
16 would have been payable to the deceased on the date of death,  
17 regardless of the age of the deceased on such date. If the  
18 minimum total benefit provided by this subsection exceeds the  
19 maximum otherwise imposed by this Section, the minimum total  
20 benefit shall nevertheless be payable. Any increase in the  
21 total survivors annuity benefit resulting from the operation  
22 of this subsection shall be divided among the survivors  
23 annuity beneficiaries of the deceased in proportion to their  
24 shares of the total survivors annuity benefit otherwise  
25 payable under this Section.

26 (j) Any survivors annuity beneficiary whose annuity  
27 terminates due to any condition specified in this Article  
28 other than death shall be entitled to a refund of the excess,  
29 if any, of the accumulated contributions of the member plus  
30 credited interest over all payments to the member and  
31 beneficiary or beneficiaries, exclusive of the single sum  
32 payment of \$1,000, provided no future survivors or  
33 reversionary annuity benefits are payable.

34 (k) Upon the death of the last eligible recipient of a

1 survivors annuity the excess, if any, of the member's  
2 accumulated contributions plus credited interest over all  
3 annuity payments to the member and survivors exclusive of the  
4 single sum payment of \$1000, shall be paid to the named  
5 beneficiary of the last eligible survivor, or if none has  
6 been named, to the estate of the last eligible survivor,  
7 provided no reversionary annuity is payable.

8 (l) On January 1, 1981, any survivor who was receiving a  
9 survivors annuity on or before January 1, 1971, shall have  
10 his survivors annuity then being paid increased by 1% for  
11 each full year which has elapsed from the date the annuity  
12 began. On January 1, 1982, any survivor who began receiving  
13 a survivor's annuity after January 1, 1971, but before  
14 January 1, 1981, shall have his survivor's annuity then being  
15 paid increased by 1% for each full year that has elapsed from  
16 the date the annuity began. On January 1, 1987, any survivor  
17 who began receiving a survivor's annuity on or before January  
18 1, 1977, shall have the monthly survivor's annuity increased  
19 by \$1 for each full year which has elapsed since the date the  
20 survivor's annuity began.

21 (m) Beginning January 1, 1990, every survivor's annuity  
22 shall be increased (1) on each January 1 occurring on or  
23 after the commencement of the annuity if the deceased member  
24 died while receiving a retirement annuity, or (2) in other  
25 cases, on each January 1 occurring on or after the first  
26 anniversary of the commencement of the annuity, by an amount  
27 equal to 3% of the current amount of the annuity, including  
28 any previous increases under this Article. Such increases  
29 shall apply without regard to whether the deceased member was  
30 in service on or after the effective date of Public Act  
31 86-1488, but shall not accrue for any period prior to January  
32 1, 1990.

33 (n) On July 1, 2001, every recipient of a survivor's  
34 annuity whose original annuity began before January 1, 1980

1 shall have the monthly survivor's annuity increased by  
2 whichever of the following percentages is applicable:

3 5% if the original annuity began in 1979;

4 10% if the original annuity began in 1978;

5 14% if the original annuity began in 1977;

6 14% if the original annuity began in 1976;

7 18% if the original annuity began in 1975;

8 23% if the original annuity began in 1974;

9 32% if the original annuity began in 1973 or before.

10 In the case of the survivor of a deceased annuitant who  
11 died while receiving a retirement annuity, "original annuity"  
12 means the deceased annuitant's retirement annuity; in all  
13 other cases, "original annuity" means the survivor's annuity.

14 The increase under this subsection shall be calculated as  
15 a percentage of the amount of the survivor's annuity payable  
16 on June 30, 2001, including any increases previously received  
17 under this Article, and shall be included in the calculation  
18 of increases granted thereafter under subsection (m).

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

20 (40 ILCS 5/14-128) (from Ch. 108 1/2, par. 14-128)

21 Sec. 14-128. Occupational death benefit. An  
22 occupational death benefit is provided for a member of the  
23 System whose death, prior to retirement, is the proximate  
24 result of bodily injuries sustained or a hazard undergone  
25 while in the performance and within the scope of the member's  
26 duties.

27 (a) Conditions for payment.

28 Exclusive of the lump sum payment provided for herein,  
29 all annuities under this Section shall accrue and be payable  
30 for complete calendar months, beginning on the first day of  
31 the month next following the month in which the initiating  
32 event occurs and ending on the last day of the month in which  
33 the terminating event occurs.

1 The following named survivors of the member may be  
2 eligible for an annuity under this Section:

3 (i) The member's spouse.

4 (ii) An unmarried child of the member under age 18  
5 (under age 22 if a full-time student); an unmarried  
6 stepchild under age 18 (under age 22 if a full-time  
7 student) who has been such for at least one year at the  
8 date of the member's death; an unmarried adopted child  
9 under age 18 (under age 22 if a full-time student) if the  
10 adoption proceedings were initiated at least one year  
11 prior to the death of the member; and an unmarried child  
12 over age 18 who is dependent by reason of a physical or  
13 mental disability, for so long as such physical or mental  
14 disability continues. For the purposes of this Section  
15 disability means inability to engage in any substantial  
16 gainful activity by reason of any medically determinable  
17 physical or mental impairment which can be expected to  
18 result in death or which has lasted or can be expected to  
19 last for a continuous period of not less than 12 months.

20 (iii) If no spouse or eligible children survive: a  
21 dependent parent of the member; a dependent step-parent  
22 by a marriage contracted before the member attained age  
23 18; or a dependent adopting parent by whom the member was  
24 adopted before he or she attained age 18.

25 The term "dependent" relating to an occupational death  
26 benefit means a survivor of the member who was receiving from  
27 the member at the date of the member's death at least 1/2 of  
28 the support for maintenance including board, lodging, medical  
29 care and like living costs.

30 Payment of the annuity shall continue until the  
31 occurrence of the following:

32 (1) remarriage before age 55 (for periods prior to  
33 July 6, 2000) ~~that occurs before the effective date of~~  
34 ~~this amendatory Act of the 91st General Assembly~~ or

1 death, in the case of a surviving spouse;

2 (2) attainment of age 18 or termination of  
3 disability, death, or marriage, in the case of an  
4 eligible child;

5 (3) remarriage before age 55 or death, in the case  
6 of a dependent parent.

7 If none of the aforementioned beneficiaries is living at  
8 the date of death of the member, no occupational death  
9 benefit shall be payable, but the nonoccupational death  
10 benefit shall be payable as provided in this Article.

11 A surviving spouse whose occupational death benefit  
12 annuity has been terminated due to remarriage may apply for  
13 reinstatement of that annuity. The reinstated annuity shall  
14 begin to accrue on July 6, 2000, except that if, on July 6,  
15 2000, the annuity is payable to an eligible surviving child  
16 or parent, payment of the annuity to the surviving spouse  
17 shall not be reinstated until the annuity is no longer  
18 payable to any eligible surviving child or parent. The  
19 reinstated annuity shall include any one-time or annual  
20 increases received prior to the date of termination, as well  
21 as any increases that would otherwise have accrued from the  
22 date of termination to the date of reinstatement.

23 The changes change made to this subsection by Public Act  
24 91-887 and this amendatory Act of the 92nd ~~91st~~ General  
25 Assembly (pertaining to remarriage ~~prior-to-age-55~~) apply  
26 ~~applies~~ without regard to whether the deceased member was in  
27 service on or after the effective date of either this  
28 amendatory Act.

29 (b) Amount of benefit.

30 The member's accumulated contributions plus credited  
31 interest shall be payable in a lump sum to such person as the  
32 member has nominated by written direction, duly acknowledged  
33 and filed with the Board, or if no such nomination to the  
34 estate of the member. When an annuitant is re-employed by a

1 Department, the accumulated contributions plus credited  
2 interest payable on the member's account shall, if the member  
3 has not previously elected a reversionary annuity, consist of  
4 the excess, if any, of the member's total accumulated  
5 contributions plus credited interest for all creditable  
6 service over the total amount of all retirement annuity  
7 payments received by the member prior to death.

8 In addition to the foregoing payment, an annuity is  
9 provided for eligible survivors as follows:

10 (1) If the survivor is a spouse only, the annuity  
11 shall be 50% of the member's final average compensation.

12 (2) If the spouse has in his or her care an  
13 eligible child or children, the annuity shall be  
14 increased by an amount equal to 15% of the final average  
15 compensation on account of each such child, subject to a  
16 limitation on the combined annuities to a surviving  
17 spouse and children of 75% of final average compensation.

18 (3) If there is no surviving spouse, or if the  
19 surviving spouse dies or remarries while a child remains  
20 eligible, then each such child shall be entitled to an  
21 annuity of 15% of the deceased member's final average  
22 compensation, subject to a limitation of 50% of final  
23 average compensation to all such children.

24 (4) If there is no surviving spouse or eligible  
25 children, then an annuity shall be payable to the  
26 member's dependent parents, equal to 25% of final average  
27 compensation to each such beneficiary.

28 If any annuity payable under this Section is less than  
29 the corresponding survivors annuity, the beneficiary or  
30 beneficiaries of the annuity under this Section may elect to  
31 receive the survivors annuity and the nonoccupational death  
32 benefit provided for in this Article in lieu of the annuity  
33 provided under this Section.

34 (c) Occupational death claims pending adjudication by

1 the Industrial Commission or a ruling by the agency  
 2 responsible for determining the liability of the State under  
 3 the "Workers' Compensation Act" or "Workers' Occupational  
 4 Diseases Act" shall be payable under Sections 14-120 and  
 5 14-121 until a ruling or adjudication occurs, if the  
 6 beneficiary or beneficiaries: (1) meet all conditions for  
 7 payment as prescribed in this Article; and (2) execute an  
 8 assignment of benefits payable as a result of adjudication by  
 9 the Industrial Commission or a ruling by the agency  
 10 responsible for determining the liability of the State under  
 11 such Acts. The assignment shall be made to the System and  
 12 shall be for an amount equal to the excess of benefits paid  
 13 under Sections 14-120 and 14-121 over benefits payable as a  
 14 result of adjudication of the workers' compensation claim  
 15 computed from the date of death of the member.

16 (d) Every occupational death annuity payable under this  
 17 Section shall be increased on each January 1 occurring on or  
 18 after (i) January 1, 1990, or (ii) the first anniversary of  
 19 the commencement of the annuity, whichever occurs later, by  
 20 an amount equal to 3% of the current amount of the annuity,  
 21 including any previous increases under this Article, without  
 22 regard to whether the deceased member was in service on the  
 23 effective date of this amendatory Act of 1991.

24 (e) On July 1, 2001, every annuitant who began receiving  
 25 an occupational death annuity before January 1, 1980 shall  
 26 have the monthly annuity increased by whichever of the  
 27 following percentages is applicable:

- 28 5% if the annuity began in 1979;
- 29 10% if the annuity began in 1978;
- 30 14% if the annuity began in 1977;
- 31 14% if the annuity began in 1976;
- 32 18% if the annuity began in 1975;
- 33 23% if the annuity began in 1974;
- 34 32% if the annuity began in 1973 or before.

1       The increase under this subsection shall be calculated as  
 2       a percentage of the amount of the occupational death annuity  
 3       payable on June 30, 2001, including any increases previously  
 4       received under this Article, and shall be included in the  
 5       calculation of increases granted thereafter under subsection  
 6       (d).

7       (Source: P.A. 90-448, eff. 8-16-97; 91-887, eff. 7-6-00.)

8           (40 ILCS 5/14-131) (from Ch. 108 1/2, par. 14-131)  
 9           Sec. 14-131. Contributions by State.

10       (a) The State shall make contributions to the System by  
 11       appropriations of amounts which, together with other employer  
 12       contributions from trust, federal, and other funds, employee  
 13       contributions, investment income, and other income, will be  
 14       sufficient to meet the cost of maintaining and administering  
 15       the System on a 90% funded basis in accordance with actuarial  
 16       recommendations.

17       For the purposes of this Section and Section 14-135.08,  
 18       references to State contributions refer only to employer  
 19       contributions and do not include employee contributions that  
 20       are picked up or otherwise paid by the State or a department  
 21       on behalf of the employee.

22       (b) The Board shall determine the total amount of State  
 23       contributions required for each fiscal year on the basis of  
 24       the actuarial tables and other assumptions adopted by the  
 25       Board, using the formulae formula in subsection (e) and  
 26       subsection (e-1). The minimum contribution to the System to  
 27       be made by the State for each fiscal year shall be the sum of  
 28       the amount determined under subsection (e) and the amount  
 29       determined under subsection (e-1).

30       The Board shall also determine a State contribution rate  
 31       for each fiscal year, expressed as a percentage of payroll,  
 32       based on the total required State contribution under  
 33       subsections (e) and (e-1) for that fiscal year (less the

1 amount received by the System from appropriations under  
2 Section 8.12 of the State Finance Act and Section 1 of the  
3 State Pension Funds Continuing Appropriation Act, if any, for  
4 the fiscal year ending on the June 30 immediately preceding  
5 the applicable November 15 certification deadline), the  
6 estimated payroll (including all forms of compensation) for  
7 personal services rendered by eligible employees, and the  
8 recommendations of the actuary.

9 For the purposes of this Section and Section 14.1 of the  
10 State Finance Act, the term "eligible employees" includes  
11 employees who participate in the System, persons who may  
12 elect to participate in the System but have not so elected,  
13 persons who are serving a qualifying period that is required  
14 for participation, and annuitants employed by a department as  
15 described in subdivision (a)(1) or (a)(2) of Section 14-111.

16 (c) Contributions shall be made by the several  
17 departments for each pay period by warrants drawn by the  
18 State Comptroller against their respective funds or  
19 appropriations based upon vouchers stating the amount to be  
20 so contributed. These amounts shall be based on the full  
21 rate certified by the Board under Section 14-135.08 for that  
22 fiscal year.

23 (d) If an employee is paid from trust funds or federal  
24 funds, the department or other employer shall pay employer  
25 contributions from those funds to the System at the certified  
26 rate, unless the terms of the trust or the federal-State  
27 agreement preclude the use of the funds for that purpose, in  
28 which case the required employer contributions shall be paid  
29 by the State.

30 (e) For State fiscal years 2011 through 2045, the  
31 minimum contribution to the System to be made by the State  
32 under this subsection (e) for each fiscal year shall be an  
33 amount determined by the System to be sufficient to bring the  
34 total assets of the System up to 90% of the total actuarial

1 liabilities of the System (other than the liabilities  
2 described in subsection (e-1) of this Section) by the end of  
3 State fiscal year 2045. In making these determinations, the  
4 required State contribution under this subsection (e) shall  
5 be calculated each year as a level percentage of payroll over  
6 the years remaining to and including fiscal year 2045 and  
7 shall be determined under the projected unit credit actuarial  
8 cost method.

9 For State fiscal years 1996 through 2010, the State  
10 contribution to the System under this subsection (e), as a  
11 percentage of the applicable employee payroll, shall be  
12 increased in equal annual increments so that by State fiscal  
13 year 2011, the State is contributing at the rate required  
14 under this Section; except that (i) for State fiscal year  
15 1998, for all purposes of this Code and any other law of this  
16 State, the certified percentage of the applicable employee  
17 payroll shall be 5.052% for employees earning eligible  
18 creditable service under Section 14-110 and 6.500% for all  
19 other employees, notwithstanding any contrary certification  
20 made under Section 14-135.08 before the effective date of  
21 this amendatory Act of 1997, and (ii) in the following  
22 specified State fiscal years, the State contribution to the  
23 System under this subsection (e) shall not be less than the  
24 following indicated percentages of the applicable employee  
25 payroll, even if the indicated percentage will produce a  
26 State contribution in excess of the amount otherwise required  
27 under this subsection and subsection (a): 9.8% in FY 1999;  
28 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY 2002; 10.6%  
29 in FY 2003; 10.8% in FY 2004; 11.0% in FY 2005; 11.2% in FY  
30 2006; 11.4% in FY 2007; 11.6% in FY 2008; and 11.8% in FY  
31 2009.

32 Beginning in State fiscal year 2046, the minimum State  
33 contribution under this subsection (e) for each fiscal year  
34 shall be the amount needed to maintain the total assets of

1 the System at 90% of the total actuarial liabilities of the  
2 System.

3 (e-1) The cost of the one-time increases granted by this  
4 amendatory Act of the 92nd General Assembly under subsection  
5 (d-1) of Section 14-114, subsection (f-1) of Section 14-119,  
6 and subsection (n) of Section 14-121 shall be paid by the  
7 State on a level dollar basis over a period of 10 years  
8 beginning July 1, 2003. These contributions are in addition  
9 to, and shall not be included in the calculation of, the  
10 State contribution required under subsection (e), but shall  
11 be included in the calculation of the annual payroll  
12 percentage under subsection (b).

13 (Source: P.A. 89-136, eff. 7-14-95; 90-65, eff. 7-7-97.)

14 (40 ILCS 5/14-133) (from Ch. 108 1/2, par. 14-133)  
15 Sec. 14-133. Contributions on behalf of members.

16 (a) Each participating employee shall make contributions  
17 to the System, based on the employee's compensation, as  
18 follows:

19 (1) Covered employees, except as indicated below,  
20 3.5% for retirement annuity, and 0.5% for a widow or  
21 survivors annuity;

22 (2) Noncovered employees, except as indicated  
23 below, 7% for retirement annuity and 1% for a widow or  
24 survivors annuity;

25 (3) Noncovered employees serving in a position in  
26 which "eligible creditable service" as defined in Section  
27 14-110 may be earned, ~~8.5% for retirement annuity and~~ 1%  
28 for a widow or survivors annuity plus the following  
29 amount for retirement annuity: 8.5% through December 31,  
30 2001; 9.5% in 2002; 10.5% in 2003; and 11.5% in 2004 and  
31 thereafter;

32 (4) Covered employees serving in a position in  
33 which "eligible creditable service" as defined in Section

1 14-110 may be earned, ~~5%-for-retirement-annuity-and~~ 0.5%  
 2 for a widow or survivors annuity plus the following  
 3 amount for retirement annuity: 5% through December 31,  
 4 2001; 6% in 2002; 7% in 2003; and 8% in 2004 and  
 5 thereafter;

6 (5) Each security employee of the Department of  
 7 Corrections or of the Department of Human Services who is  
 8 a covered employee, ~~5%-for-retirement-annuity-and~~ 0.5%  
 9 for a widow or survivors annuity plus the following  
 10 amount for retirement annuity: 5% through December 31,  
 11 2001; 6% in 2002; 7% in 2003; and 8% in 2004 and  
 12 thereafter;

13 (6) Each security employee of the Department of  
 14 Corrections or of the Department of Human Services who is  
 15 not a covered employee, ~~8.5%-for-retirement--annuity--and~~  
 16 1% for a widow or survivors annuity plus the following  
 17 amount for retirement annuity: 8.5% through December 31,  
 18 2001; 9.5% in 2002; 10.5% in 2003; and 11.5% in 2004 and  
 19 thereafter.

20 (b) Contributions shall be in the form of a deduction  
 21 from compensation and shall be made notwithstanding that the  
 22 compensation paid in cash to the employee shall be reduced  
 23 thereby below the minimum prescribed by law or regulation.  
 24 Each member is deemed to consent and agree to the deductions  
 25 from compensation provided for in this Article, and shall  
 26 receipt in full for salary or compensation.

27 (Source: P.A. 89-507, eff. 7-1-97; 90-448, eff. 8-16-97.)

28 (40 ILCS 5/15-113.1) (from Ch. 108 1/2, par. 15-113.1)  
 29 Sec. 15-113.1. Service for employment with an employer  
 30 defined under Section 15-106. "Service for employment with  
 31 an employer defined under Section 15-106": Includes the  
 32 following periods:

33 (a) Periods prior to September 1, 1941 during which a

1 person was permanently and continuously employed by an  
2 employer.

3 (b) Periods after August 31, 1941 during which a person  
4 was an employee except (1) those during which the employee  
5 elected not to participate or was ineligible to participate,  
6 (2) those during which the employee was on leave of absence  
7 at less than 50% pay, except military and disability leave,  
8 but failed, in accordance with rules prescribed by the board,  
9 to elect to make and to pay the contributions required under  
10 Section 15-157, and (3) those during which the employee's  
11 eligibility for disability benefit was being considered by  
12 the board or reviewed by the courts, if the disability  
13 benefit was denied.

14 (c) Periods after August 31, 1941 during which a person  
15 was employed at least one-half time for an employer preceding  
16 the date of becoming a participant or during which a person  
17 was employed at least one-half time for an employer not  
18 subject to "The 1941 Act" which employer has since been  
19 included as an employer under "The 1941 Act", or this  
20 Article, provided the person makes the contributions required  
21 under Section 15-157 based on the rate of earnings during  
22 this period equal to the basic compensation on the date of  
23 becoming a participating employee together with compound  
24 interest from the date participation began to the date  
25 payment is received by the board at the rate of 6% per annum  
26 through August 31, 1982, and at the effective rates after  
27 that date, and provided that the contributions required under  
28 Section 15-155 are also made. However, no service credit  
29 shall be allowed for any period of employment during which an  
30 individual is excluded from the definition of an employee as  
31 provided under subsection (b) of Section 15-107.

32 (d) A period of up to 2 years prior to January 1, 1981  
33 during which a person was employed on a full-time basis by an  
34 employer and could have participated in this System, but

1 elected not to; provided that the person applies to the  
2 System in writing before July 1, 2002 and pays to the System  
3 an amount equal to the employee and employer contributions  
4 that would have been received by the System if the person had  
5 participated during that period, without interest. This  
6 subsection (d) applies without regard to whether the person  
7 currently participates or has service credit in the System.

8 (Source: P.A. 84-1028.)

9 (40 ILCS 5/15-134.6 new)

10 Sec. 15-134.6. Transfer of certain creditable service to  
11 the Article 14 retirement system. Until July 1, 2002, an  
12 active member of the Article 14 retirement system who is a  
13 State policeman may transfer all or a portion of his or her  
14 creditable service accumulated under this System for service  
15 as a police officer to the Article 14 retirement system in  
16 accordance with Section 14-110. The transfer of creditable  
17 service shall be accompanied by payment from this System to  
18 the Article 14 retirement system of:

19 (1) the amounts credited to the applicant for the  
20 service to be transferred through employee contributions,  
21 including interest, as of the date of transfer; and

22 (2) employer contributions equal to the amount  
23 determined under item (1).

24 Participation in this System with respect to the transferred  
25 service shall terminate on the date of transfer.

26 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

27 Sec. 15-136. Retirement annuities - Amount. The  
28 provisions of this Section 15-136 apply only to those  
29 participants who are participating in the traditional benefit  
30 package or the portable benefit package and do not apply to  
31 participants who are participating in the self-managed plan.

32 (a) The amount of a participant's retirement annuity,

1 expressed in the form of a single-life annuity, shall be  
2 determined by whichever of the following rules is applicable  
3 and provides the largest annuity:

4 Rule 1: The retirement annuity shall be 1.67% of final  
5 rate of earnings for each of the first 10 years of service,  
6 1.90% for each of the next 10 years of service, 2.10% for  
7 each year of service in excess of 20 but not exceeding 30,  
8 and 2.30% for each year in excess of 30; or for persons who  
9 retire on or after January 1, 1998, 2.2% of the final rate of  
10 earnings for each year of service.

11 Rule 2: The retirement annuity shall be the sum of the  
12 following, determined from amounts credited to the  
13 participant in accordance with the actuarial tables and the  
14 prescribed rate of interest in effect at the time the  
15 retirement annuity begins:

16 (i) the normal annuity which can be provided on an  
17 actuarially equivalent basis, by the accumulated normal  
18 contributions as of the date the annuity begins; and

19 (ii) an annuity from employer contributions of an  
20 amount equal to that which can be provided on an  
21 actuarially equivalent basis from the accumulated normal  
22 contributions made by the participant under Section  
23 15-113.6 and Section 15-113.7 plus 1.4 times all other  
24 accumulated normal contributions made by the participant.

25 With respect to a police officer or firefighter who  
26 retires on or after August 14, 1998, the accumulated normal  
27 contributions taken into account under clauses (i) and (ii)  
28 of this Rule 2 shall include the additional normal  
29 contributions made by the police officer or firefighter under  
30 Section 15-157(a).

31 The amount of a retirement annuity calculated under this  
32 Rule 2 shall be computed solely on the basis of the  
33 participant's accumulated normal contributions, as specified  
34 in this Rule and defined in Section 15-116. Neither an

1 employee or employer contribution for early retirement under  
2 Section 15-136.2 nor any other employer contribution shall be  
3 used in the calculation of the amount of a retirement annuity  
4 under this Rule 2.

5 This amendatory Act of the 91st General Assembly is a  
6 clarification of existing law and applies to every  
7 participant and annuitant without regard to whether status as  
8 an employee terminates before the effective date of this  
9 amendatory Act.

10 Rule 3: The retirement annuity of a participant who is  
11 employed at least one-half time during the period on which  
12 his or her final rate of earnings is based, shall be equal to  
13 the participant's years of service not to exceed 30,  
14 multiplied by (1) \$96 if the participant's final rate of  
15 earnings is less than \$3,500, (2) \$108 if the final rate of  
16 earnings is at least \$3,500 but less than \$4,500, (3) \$120 if  
17 the final rate of earnings is at least \$4,500 but less than  
18 \$5,500, (4) \$132 if the final rate of earnings is at least  
19 \$5,500 but less than \$6,500, (5) \$144 if the final rate of  
20 earnings is at least \$6,500 but less than \$7,500, (6) \$156 if  
21 the final rate of earnings is at least \$7,500 but less than  
22 \$8,500, (7) \$168 if the final rate of earnings is at least  
23 \$8,500 but less than \$9,500, and (8) \$180 if the final rate  
24 of earnings is \$9,500 or more, except that the annuity for  
25 those persons having made an election under Section  
26 15-154(a-1) shall be calculated and payable under the  
27 portable retirement benefit program pursuant to the  
28 provisions of Section 15-136.4.

29 Rule 4: A participant who is at least age 50 and has 25  
30 or more years of service as a police officer or firefighter,  
31 and a participant who is age 55 or over and has at least 20  
32 but less than 25 years of service as a police officer or  
33 firefighter, shall be entitled to a retirement annuity of  
34 2 1/4% of the final rate of earnings for each of the first 10

1 years of service as a police officer or firefighter, 2 1/2%  
2 for each of the next 10 years of service as a police officer  
3 or firefighter, and 2 3/4% for each year of service as a  
4 police officer or firefighter in excess of 20. The  
5 retirement annuity for all other service shall be computed  
6 under Rule 1.

7 For purposes of this Rule 4, a participant's service as a  
8 firefighter shall also include the following:

9 (i) service that is performed while the person is  
10 an employee under subsection (h) of Section 15-107; and

11 (ii) in the case of an individual who was a  
12 participating employee employed in the fire department of  
13 the University of Illinois's Champaign-Urbana campus  
14 immediately prior to the elimination of that fire  
15 department and who immediately after the elimination of  
16 that fire department transferred to another job with the  
17 University of Illinois, service performed as an employee  
18 of the University of Illinois in a position other than  
19 police officer or firefighter, from the date of that  
20 transfer until the employee's next termination of service  
21 with the University of Illinois.

22 Rule 5: The retirement annuity of a participant who  
23 elected early retirement under the provisions of Section  
24 15-136.2 and who, on or before February 16, 1995, brought  
25 administrative proceedings pursuant to the administrative  
26 rules adopted by the System to challenge the calculation of  
27 his or her retirement annuity shall be the sum of the  
28 following, determined from amounts credited to the  
29 participant in accordance with the actuarial tables and the  
30 prescribed rate of interest in effect at the time the  
31 retirement annuity begins:

32 (i) the normal annuity which can be provided on an  
33 actuarially equivalent basis, by the accumulated normal  
34 contributions as of the date the annuity begins; and

1           (ii) an annuity from employer contributions of an  
2 amount equal to that which can be provided on an  
3 actuarially equivalent basis from the accumulated normal  
4 contributions made by the participant under Section  
5 15-113.6 and Section 15-113.7 plus 1.4 times all other  
6 accumulated normal contributions made by the participant;  
7 and

8           (iii) an annuity which can be provided on an  
9 actuarially equivalent basis from the employee  
10 contribution for early retirement under Section 15-136.2,  
11 and an annuity from employer contributions of an amount  
12 equal to that which can be provided on an actuarially  
13 equivalent basis from the employee contribution for early  
14 retirement under Section 15-136.2.

15       In no event shall a retirement annuity under this Rule 5  
16 be lower than the amount obtained by adding (1) the monthly  
17 amount obtained by dividing the combined employee and  
18 employer contributions made under Section 15-136.2 by the  
19 System's annuity factor for the age of the participant at the  
20 beginning of the annuity payment period and (2) the amount  
21 equal to the participant's annuity if calculated under Rule  
22 1, reduced under Section 15-136(b) as if no contributions had  
23 been made under Section 15-136.2.

24       With respect to a participant who is qualified for a  
25 retirement annuity under this Rule 5 whose retirement annuity  
26 began before the effective date of this amendatory Act of the  
27 91st General Assembly, and for whom an employee contribution  
28 was made under Section 15-136.2, the System shall recalculate  
29 the retirement annuity under this Rule 5 and shall pay any  
30 additional amounts due in the manner provided in Section  
31 15-186.1 for benefits mistakenly set too low.

32       The amount of a retirement annuity calculated under this  
33 Rule 5 shall be computed solely on the basis of those  
34 contributions specifically set forth in this Rule 5. Except

1 as provided in clause (iii) of this Rule 5, neither an  
2 employee nor employer contribution for early retirement under  
3 Section 15-136.2, nor any other employer contribution, shall  
4 be used in the calculation of the amount of a retirement  
5 annuity under this Rule 5.

6 The General Assembly has adopted the changes set forth in  
7 Section 25 of this amendatory Act of the 91st General  
8 Assembly in recognition that the decision of the Appellate  
9 Court for the Fourth District in *Mattis v. State Universities*  
10 *Retirement System et al.* might be deemed to give some right  
11 to the plaintiff in that case. The changes made by Section  
12 25 of this amendatory Act of the 91st General Assembly are a  
13 legislative implementation of the decision of the Appellate  
14 Court for the Fourth District in *Mattis v. State Universities*  
15 *Retirement System et al.* with respect to that plaintiff.

16 The changes made by Section 25 of this amendatory Act of  
17 the 91st General Assembly apply without regard to whether the  
18 person is in service as an employee on or after its effective  
19 date.

20 (b) The retirement annuity provided under Rules 1 and 3  
21 above shall be reduced by 1/2 of 1% for each month the  
22 participant is under age 60 at the time of retirement.  
23 However, this reduction shall not apply in the following  
24 cases:

25 (1) For a disabled participant whose disability  
26 benefits have been discontinued because he or she has  
27 exhausted eligibility for disability benefits under  
28 clause (6) of Section 15-152;

29 (2) For a participant who has at least the number  
30 of years of service required to retire at any age under  
31 subsection (a) of Section 15-135; or

32 (3) For that portion of a retirement annuity which  
33 has been provided on account of service of the  
34 participant during periods when he or she performed the

1 duties of a police officer or firefighter, if these  
2 duties were performed for at least 5 years immediately  
3 preceding the date the retirement annuity is to begin.

4 (c) The maximum retirement annuity provided under Rules  
5 1, 2, 4, and 5 shall be the lesser of (1) the annual limit of  
6 benefits as specified in Section 415 of the Internal Revenue  
7 Code of 1986, as such Section may be amended from time to  
8 time and as such benefit limits shall be adjusted by the  
9 Commissioner of Internal Revenue, and (2) 80% of final rate  
10 of earnings.

11 (d) An annuitant whose status as an employee terminates  
12 after August 14, 1969 shall receive automatic increases in  
13 his or her retirement annuity as follows:

14 Effective January 1 immediately following the date the  
15 retirement annuity begins, the annuitant shall receive an  
16 increase in his or her monthly retirement annuity of 0.125%  
17 of the monthly retirement annuity provided under Rule 1, Rule  
18 2, Rule 3, Rule 4, or Rule 5, contained in this Section,  
19 multiplied by the number of full months which elapsed from  
20 the date the retirement annuity payments began to January 1,  
21 1972, plus 0.1667% of such annuity, multiplied by the number  
22 of full months which elapsed from January 1, 1972, or the  
23 date the retirement annuity payments began, whichever is  
24 later, to January 1, 1978, plus 0.25% of such annuity  
25 multiplied by the number of full months which elapsed from  
26 January 1, 1978, or the date the retirement annuity payments  
27 began, whichever is later, to the effective date of the  
28 increase.

29 The annuitant shall receive an increase in his or her  
30 monthly retirement annuity on each January 1 thereafter  
31 during the annuitant's life of 3% of the monthly annuity  
32 provided under Rule 1, Rule 2, Rule 3, Rule 4, or Rule 5  
33 contained in this Section. The change made under this  
34 subsection by P.A. 81-970 is effective January 1, 1980 and

1 applies to each annuitant whose status as an employee  
2 terminates before or after that date.

3 Beginning January 1, 1990, all automatic annual increases  
4 payable under this Section shall be calculated as a  
5 percentage of the total annuity payable at the time of the  
6 increase, including all increases previously granted under  
7 this Article.

8 The change made in this subsection by P.A. 85-1008 is  
9 effective January 26, 1988, and is applicable without regard  
10 to whether status as an employee terminated before that date.

11 (e) If, on January 1, 1987, or the date the retirement  
12 annuity payment period begins, whichever is later, the sum of  
13 the retirement annuity provided under Rule 1 or Rule 2 of  
14 this Section and the automatic annual increases provided  
15 under the preceding subsection or Section 15-136.1, amounts  
16 to less than the retirement annuity which would be provided  
17 by Rule 3, the retirement annuity shall be increased as of  
18 January 1, 1987, or the date the retirement annuity payment  
19 period begins, whichever is later, to the amount which would  
20 be provided by Rule 3 of this Section. Such increased amount  
21 shall be considered as the retirement annuity in determining  
22 benefits provided under other Sections of this Article. This  
23 paragraph applies without regard to whether status as an  
24 employee terminated before the effective date of this  
25 amendatory Act of 1987, provided that the annuitant was  
26 employed at least one-half time during the period on which  
27 the final rate of earnings was based.

28 (f) A participant is entitled to such additional annuity  
29 as may be provided on an actuarially equivalent basis, by any  
30 accumulated additional contributions to his or her credit.  
31 However, the additional contributions made by the participant  
32 toward the automatic increases in annuity provided under this  
33 Section shall not be taken into account in determining the  
34 amount of such additional annuity.



- 1           10% if the annuity began in 1978;
- 2           14% if the annuity began in 1977;
- 3           14% if the annuity began in 1976;
- 4           18% if the annuity began in 1975;
- 5           23% if the annuity began in 1974;
- 6           32% if the annuity began in 1973 or before.

7           The increase under this subsection shall be calculated as  
 8           a percentage of the amount of the retirement annuity payable  
 9           on June 30, 2001, including any increases previously received  
 10           under this Article, and shall be included in the calculation  
 11           of increases granted thereafter under subsection (d).

12           (Source: P.A. 90-14, eff. 7-1-97; 90-65, eff. 7-7-97; 90-448,  
 13           eff. 8-16-97; 90-576, eff. 3-31-98; 90-655, eff. 7-30-98;  
 14           90-766, eff. 8-14-98; 91-887 (Sections 20 and 25), eff.  
 15           7-6-00; revised 8-31-00.)

16           (40 ILCS 5/15-136.3)

17           Sec. 15-136.3. Minimum retirement annuity.

18           (a) Beginning January 1, 1997, any person who is  
 19           receiving a monthly retirement annuity under this Article  
 20           which, after inclusion of (1) all one-time and automatic  
 21           annual increases to which the person is entitled, (2) any  
 22           supplemental annuity payable under Section 15-136.1, and (3)  
 23           any amount deducted under Section 15-138 or 15-140 to provide  
 24           a reversionary annuity, is less than the minimum monthly  
 25           retirement benefit amount specified in subsection (b) of this  
 26           Section, shall be entitled to a monthly supplemental payment  
 27           equal to the difference.

28           (b) For purposes of the calculation in subsection (a),  
 29           the minimum monthly retirement benefit amount is the sum of  
 30           \$25 for each year of service credit, up to a maximum of 30  
 31           years of service, plus the amount of the increase received by  
 32           the annuitant under subsection (j) of Section 15-136, if any.

33           (c) This Section applies to all persons receiving a

1 retirement annuity under this Article, without regard to  
2 whether or not employment terminated prior to the effective  
3 date of this Section.

4 (Source: P.A. 89-616, eff. 8-9-96.)

5 (40 ILCS 5/15-137.1 new)

6 Sec. 15-137.1. Reduction of purchasing power; policy;  
7 report; increase.

8 (a) The General Assembly finds and declares that:

9 (1) The purchasing power of a fixed annuity can be  
10 eroded over time by the effects of inflation and  
11 increases in the general cost of living.

12 (2) For a person whose income consists primarily of  
13 a fixed annuity, the reduction in purchasing power  
14 resulting from increases in the cost of living can become  
15 catastrophic over time, transforming a once-comfortable  
16 retirement into a time of poverty and need.

17 (3) The State of Illinois is concerned about the  
18 effects that a significant reduction in purchasing power  
19 can have on the quality of life of retired employees and  
20 their survivors.

21 (4) The General Assembly has previously addressed  
22 this concern by providing for automatic annual increases  
23 in retirement and survivor's annuities under this  
24 Article. Recognizing that these automatic annual  
25 increases, by themselves, are not a complete answer in  
26 times of high inflation, the General Assembly has also,  
27 from time to time, provided specific one-time increases  
28 in annuities for certain categories of annuitants.

29 (b) It is the public policy of this State and the  
30 intention of the General Assembly to protect annuitants  
31 against significant decreases in the purchasing power of the  
32 retirement and survivor's annuities granted under this  
33 Article.

1       (c) The System shall regularly review the changes that  
 2 have occurred in the purchasing power of the retirement and  
 3 survivor's annuities being paid under this Article, and it  
 4 shall report to the General Assembly, the Governor, and the  
 5 Pension Laws Commission whenever it determines that the  
 6 original purchasing power of those annuities has been reduced  
 7 by 20% or more for any category or group of annuitants. The  
 8 System may include in the report its recommendations, if any,  
 9 for legislative action to address its findings.

10       (d) As used in this Section, the term "retirement and  
 11 survivor's annuities" means all retirement annuities and  
 12 those survivors insurance benefits payable in the form of an  
 13 annuity.

14       (e) This Section does not apply to any benefits under  
 15 the self-managed plan.

16       (40 ILCS 5/15-145) (from Ch. 108 1/2, par. 15-145)

17       Sec. 15-145. Survivors insurance benefits; conditions  
 18 and amounts.

19       (a) The survivors insurance benefits provided under this  
 20 Section shall be payable to the eligible survivors of a  
 21 participant covered under the traditional benefit package  
 22 upon the death of (1) a participating employee with at least  
 23 1 1/2 years of service, (2) a participant who terminated  
 24 employment with at least 10 years of service, and (3) an  
 25 annuitant in receipt of a retirement annuity or disability  
 26 retirement annuity under this Article.

27       Service under the State Employees' Retirement System of  
 28 Illinois, the Teachers' Retirement System of the State of  
 29 Illinois and the Public School Teachers' Pension and  
 30 Retirement Fund of Chicago shall be considered in determining  
 31 eligibility for survivors benefits under this Section.

32       If by law, a function of a governmental unit, as defined  
 33 by Section 20-107, is transferred in whole or in part to an

1 employer, and an employee transfers employment from this  
2 governmental unit to such employer within 6 months after the  
3 transfer of this function, the service credits in the  
4 governmental unit's retirement system which have been  
5 validated under Section 20-109 shall be considered in  
6 determining eligibility for survivors benefits under this  
7 Section.

8 (b) A surviving spouse of a deceased participant, or of  
9 a deceased annuitant who did not take a refund or additional  
10 annuity consisting of accumulated survivors insurance  
11 contributions, shall receive a survivors annuity of 30% of  
12 the final rate of earnings. Payments shall begin on the day  
13 following the participant's or annuitant's death or the date  
14 the surviving spouse attains age 50, whichever is later, and  
15 continue until the death of the surviving spouse. The  
16 annuity shall be payable to the surviving spouse prior to  
17 attainment of age 50 if the surviving spouse has in his or  
18 her care a deceased participant's or annuitant's dependent  
19 unmarried child under age 18 (under age 22 if a full-time  
20 student) who is eligible for a survivors annuity.

21 Remarriage of a surviving spouse prior to attainment of  
22 age 55 that occurs before the effective date of this  
23 amendatory Act of the 91st General Assembly shall disqualify  
24 him or her for the receipt of a survivors annuity until July  
25 6, 2000.

26 A surviving spouse whose survivors annuity has been  
27 terminated due to remarriage may apply for reinstatement of  
28 that annuity. The reinstated annuity shall begin to accrue  
29 on July 6, 2000, except that if, on July 6, 2000, the annuity  
30 is payable to an eligible surviving child or parent, payment  
31 of the annuity to the surviving spouse shall not be  
32 reinstated until the annuity is no longer payable to any  
33 eligible surviving child or parent. The reinstated annuity  
34 shall include any one-time or annual increases received prior

1 to the date of termination, as well as any increases that  
2 would otherwise have accrued from the date of termination to  
3 the date of reinstatement. An eligible surviving spouse  
4 whose expectation of receiving a survivors annuity was lost  
5 due to remarriage before attainment of age 50 shall also be  
6 entitled to reinstatement under this subsection, but the  
7 resulting survivors annuity shall not begin to accrue sooner  
8 than upon the surviving spouse's attainment of age 50.

9 The changes made to this subsection by this amendatory  
10 Act of the 92nd General Assembly (pertaining to remarriage)  
11 apply without regard to whether the deceased participant or  
12 annuitant was in service on or after the effective date of  
13 this amendatory Act.

14 (c) Each dependent unmarried child under age 18 (under  
15 age 22 if a full-time student) of a deceased participant, or  
16 of a deceased annuitant who did not take a refund or  
17 additional annuity consisting of accumulated survivors  
18 insurance contributions, shall receive a survivors annuity  
19 equal to the sum of (1) 20% of the final rate of earnings,  
20 and (2) 10% of the final rate of earnings divided by the  
21 number of children entitled to this benefit. Payments shall  
22 begin on the day following the participant's or annuitant's  
23 death and continue until the child marries, dies, or attains  
24 age 18 (age 22 if a full-time student). If the child is in  
25 the care of a surviving spouse who is eligible for survivors  
26 insurance benefits, the child's benefit shall be paid to the  
27 surviving spouse.

28 Each unmarried child over age 18 of a deceased  
29 participant or of a deceased annuitant who had a survivor's  
30 insurance beneficiary at the time of his or her retirement,  
31 and who was dependent upon the participant or annuitant by  
32 reason of a physical or mental disability which began prior  
33 to the date the child attained age 18 (age 22 if a full-time  
34 student), shall receive a survivor's annuity equal to the sum

1 of (1) 20% of the final rate of earnings, and (2) 10% of the  
2 final rate of earnings divided by the number of children  
3 entitled to survivors benefits. Payments shall begin on the  
4 day following the participant's or annuitant's death and  
5 continue until the child marries, dies, or is no longer  
6 disabled. If the child is in the care of a surviving spouse  
7 who is eligible for survivors insurance benefits, the child's  
8 benefit may be paid to the surviving spouse. For the  
9 purposes of this Section, disability means inability to  
10 engage in any substantial gainful activity by reason of any  
11 medically determinable physical or mental impairment that can  
12 be expected to result in death or that has lasted or can be  
13 expected to last for a continuous period of at least one  
14 year.

15 (d) Each dependent parent of a deceased participant, or  
16 of a deceased annuitant who did not take a refund or  
17 additional annuity consisting of accumulated survivors  
18 insurance contributions, shall receive a survivors annuity  
19 equal to the sum of (1) 20% of final rate of earnings, and  
20 (2) 10% of final rate of earnings divided by the number of  
21 parents who qualify for the benefit. Payments shall begin  
22 when the parent reaches age 55 or the day following the  
23 participant's or annuitant's death, whichever is later, and  
24 continue until the parent dies. Remarriage of a parent prior  
25 to attainment of age 55 shall disqualify the parent for the  
26 receipt of a survivors annuity.

27 (e) In addition to the survivors annuity provided above,  
28 each survivors insurance beneficiary shall, upon death of the  
29 participant or annuitant, receive a lump sum payment of  
30 \$1,000 divided by the number of such beneficiaries.

31 (f) The changes made in this Section by Public Act  
32 81-712 pertaining to survivors annuities in cases of  
33 remarriage prior to age 55 shall apply to each survivors  
34 insurance beneficiary who remarries after June 30, 1979,

1 regardless of the date that the participant or annuitant  
2 terminated his employment or died.

3 The change made to this Section by this amendatory Act of  
4 the 91st General Assembly, pertaining to remarriage prior to  
5 age 55, applies without regard to whether the deceased  
6 participant or annuitant was in service on or after the  
7 effective date of this amendatory Act of the 91st General  
8 Assembly.

9 (g) On January 1, 1981, any person who was receiving a  
10 survivors annuity on or before January 1, 1971 shall have the  
11 survivors annuity then being paid increased by 1% for each  
12 full year which has elapsed from the date the annuity began.  
13 On January 1, 1982, any survivor whose annuity began after  
14 January 1, 1971, but before January 1, 1981, shall have the  
15 survivor's annuity then being paid increased by 1% for each  
16 year which has elapsed from the date the survivor's annuity  
17 began. On January 1, 1987, any survivor who began receiving a  
18 survivor's annuity on or before January 1, 1977, shall have  
19 the monthly survivor's annuity increased by \$1 for each full  
20 year which has elapsed since the date the survivor's annuity  
21 began.

22 (g-1) On July 1, 2001, every recipient of a survivor's  
23 annuity whose original annuity began before January 1, 1980  
24 shall have the monthly survivor's annuity increased by  
25 whichever of the following percentages is applicable:

- 26 5% if the original annuity began in 1979;
- 27 10% if the original annuity began in 1978;
- 28 14% if the original annuity began in 1977;
- 29 14% if the original annuity began in 1976;
- 30 18% if the original annuity began in 1975;
- 31 23% if the original annuity began in 1974;
- 32 32% if the original annuity began in 1973 or before.

33 In the case of the survivor of a deceased annuitant who  
34 died while receiving a retirement annuity, "original annuity"

1 means the deceased annuitant's retirement annuity; in all  
2 other cases, "original annuity" means the survivor's annuity.

3 The increase under this subsection shall be calculated as  
4 a percentage of the amount of the survivor's annuity payable  
5 on June 30, 2001, including any increases previously received  
6 under this Article, and shall be included in the calculation  
7 of increases granted thereafter under subsection (j).

8 (h) If the sum of the lump sum and total monthly  
9 survivor benefits payable under this Section upon the death  
10 of a participant amounts to less than the sum of the death  
11 benefits payable under items (2) and (3) of Section 15-141,  
12 the difference shall be paid in a lump sum to the beneficiary  
13 of the participant who is living on the date that this  
14 additional amount becomes payable.

15 (i) If the sum of the lump sum and total monthly  
16 survivor benefits payable under this Section upon the death  
17 of an annuitant receiving a retirement annuity or disability  
18 retirement annuity amounts to less than the death benefit  
19 payable under Section 15-142, the difference shall be paid to  
20 the beneficiary of the annuitant who is living on the date  
21 that this additional amount becomes payable.

22 (j) Effective on the later of (1) January 1, 1990, or  
23 (2) the January 1 on or next after the date on which the  
24 survivor annuity begins, if the deceased member died while  
25 receiving a retirement annuity, or in all other cases the  
26 January 1 nearest the first anniversary of the date the  
27 survivor annuity payments begin, every survivors insurance  
28 beneficiary shall receive an increase in his or her monthly  
29 survivors annuity of 3%. On each January 1 after the initial  
30 increase, the monthly survivors annuity shall be increased by  
31 3% of the total survivors annuity provided under this  
32 Article, including previous increases provided by this  
33 subsection. Such increases shall apply to the survivors  
34 insurance beneficiaries of each participant and annuitant,

1 whether or not the employment status of the participant or  
2 annuitant terminates before the effective date of this  
3 amendatory Act of 1990. This subsection (j) also applies to  
4 persons receiving a survivor annuity under the portable  
5 benefit package.

6 (k) If the Internal Revenue Code of 1986, as amended,  
7 requires that the survivors benefits be payable at an age  
8 earlier than that specified in this Section the benefits  
9 shall begin at the earlier age, in which event, the  
10 survivor's beneficiary shall be entitled only to that amount  
11 which is equal to the actuarial equivalent of the benefits  
12 provided by this Section.

13 (l) The changes made to this Section and Section 15-131  
14 by this amendatory Act of 1997, relating to benefits for  
15 certain unmarried children who are full-time students under  
16 age 22, apply without regard to whether the deceased member  
17 was in service on or after the effective date of this  
18 amendatory Act of 1997. These changes do not authorize the  
19 repayment of a refund or a re-election of benefits, and any  
20 benefit or increase in benefits resulting from these changes  
21 is not payable retroactively for any period before the  
22 effective date of this amendatory Act of 1997.

23 (Source: P.A. 90-448, eff. 8-16-97; 90-766, eff. 8-14-98;  
24 91-887, eff. 7-6-00.)

25 (40 ILCS 5/15-148) (from Ch. 108 1/2, par. 15-148)  
26 Sec. 15-148. Survivors insurance benefits - General  
27 provisions. The survivors annuity is payable monthly. Any  
28 annuity due but unpaid upon the death of the annuitant, shall  
29 be paid to the annuitant's estate.

30 A person who becomes entitled to more than one survivors  
31 insurance benefit because of the death of 2 or more persons  
32 shall receive only the largest of the benefits; except that  
33 this limitation does not apply to a survivors insurance

1 beneficiary who is entitled to a survivor's annuity by reason  
2 of a mental or physical disability.

3 A survivors insurance beneficiary or the personal  
4 representative of the estate of a deceased survivors  
5 insurance beneficiary or the personal representative of a  
6 survivors insurance beneficiary who is under a legal  
7 disability may waive the right to receive survivorship  
8 benefits, provided written notice of the waiver is given by  
9 the beneficiary or representative to the board within 6  
10 months after the death of the participant or annuitant and  
11 before any payment is made pursuant to an application filed  
12 by such person.

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

14 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)  
15 Sec. 15-155. Employer contributions.

16 (a) The State of Illinois shall make contributions by  
17 appropriations of amounts which, together with the other  
18 employer contributions from trust, federal, and other funds,  
19 employee contributions, income from investments, and other  
20 income of this System, will be sufficient to meet the cost of  
21 maintaining and administering the System on a 90% funded  
22 basis in accordance with actuarial recommendations.

23 The Board shall determine the amount of State  
24 contributions required for each fiscal year on the basis of  
25 the actuarial tables and other assumptions adopted by the  
26 Board and the recommendations of the actuary, using the  
27 formulae formula in subsection (a-1) and subsection (a-2).  
28 The minimum contribution to the System to be made by the  
29 State for each fiscal year shall be the sum of the amount  
30 determined under subsection (a-1) and the amount determined  
31 under subsection (a-2).

32 (a-1) For State fiscal years 2011 through 2045, the  
33 minimum contribution to the System to be made by the State

1 for each fiscal year shall be an amount determined by the  
2 System to be sufficient to bring the total assets of the  
3 System up to 90% of the total actuarial liabilities of the  
4 System (other than the liabilities described in subsection  
5 (a-2) of this Section) by the end of State fiscal year 2045.

6 In making these determinations, the required State  
7 contribution shall be calculated each year as a level  
8 percentage of payroll over the years remaining to and  
9 including fiscal year 2045 and shall be determined under the  
10 projected unit credit actuarial cost method.

11 For State fiscal years 1996 through 2010, the State  
12 contribution to the System, as a percentage of the applicable  
13 employee payroll, shall be increased in equal annual  
14 increments so that by State fiscal year 2011, the State is  
15 contributing at the rate required under this Section.

16 Beginning in State fiscal year 2046, the minimum State  
17 contribution for each fiscal year shall be the amount needed  
18 to maintain the total assets of the System at 90% of the  
19 total actuarial liabilities of the System.

20 (a-2) The cost of the one-time increases granted by this  
21 amendatory Act of the 92nd General Assembly under subsection  
22 (j) of Section 15-136, subsection (b) of Section 15-136.3  
23 (insofar as it derives from that subsection (j) increase),  
24 and subsection (g-1) of Section 15-145 shall be paid by the  
25 State on a level dollar basis over a period of 10 years  
26 beginning July 1, 2003. These contributions are in addition  
27 to, and shall not be included in in the calculation of, the  
28 State contribution required under subsection (a-1).

29 (b) If an employee is paid from trust or federal funds,  
30 the employer shall pay to the Board contributions from those  
31 funds which are sufficient to cover the accruing normal costs  
32 on behalf of the employee. However, universities having  
33 employees who are compensated out of local auxiliary funds,  
34 income funds, or service enterprise funds are not required to

1 pay such contributions on behalf of those employees. The  
2 local auxiliary funds, income funds, and service enterprise  
3 funds of universities shall not be considered trust funds for  
4 the purpose of this Article, but funds of alumni  
5 associations, foundations, and athletic associations which  
6 are affiliated with the universities included as employers  
7 under this Article and other employers which do not receive  
8 State appropriations are considered to be trust funds for the  
9 purpose of this Article.

10 (b-1) The City of Urbana and the City of Champaign shall  
11 each make employer contributions to this System for their  
12 respective firefighter employees who participate in this  
13 System pursuant to subsection (h) of Section 15-107. The  
14 rate of contributions to be made by those municipalities  
15 shall be determined annually by the Board on the basis of the  
16 actuarial assumptions adopted by the Board and the  
17 recommendations of the actuary, and shall be expressed as a  
18 percentage of salary for each such employee. The Board shall  
19 certify the rate to the affected municipalities as soon as  
20 may be practical. The employer contributions required under  
21 this subsection shall be remitted by the municipality to the  
22 System at the same time and in the same manner as employee  
23 contributions.

24 (c) Through State fiscal year 1995: The total employer  
25 contribution shall be apportioned among the various funds of  
26 the State and other employers, whether trust, federal, or  
27 other funds, in accordance with actuarial procedures approved  
28 by the board. State of Illinois contributions for employers  
29 receiving State appropriations for personal services shall be  
30 payable from appropriations made to the employers or to the  
31 System. The contributions for Class I community colleges  
32 covering earnings other than those paid from trust and  
33 federal funds, shall be payable solely from appropriations to  
34 the Illinois Community College Board or the System for

1 employer contributions.

2 (d) Beginning in State fiscal year 1996, the required  
3 State contributions to the System shall be appropriated  
4 directly to the System and shall be payable through vouchers  
5 issued in accordance with subsection (c) of Section 15-165.

6 (e) The State Comptroller shall draw warrants payable to  
7 the System upon proper certification by the System or by the  
8 employer in accordance with the appropriation laws and this  
9 Code.

10 (f) Normal costs under this Section means liability for  
11 pensions and other benefits which accrues to the System  
12 because of the credits earned for service rendered by the  
13 participants during the fiscal year and expenses of  
14 administering the System, but shall not include the principal  
15 of or any redemption premium or interest on any bonds issued  
16 by the board or any expenses incurred or deposits required in  
17 connection therewith.

18 (Source: P.A. 89-602, eff. 8-2-96; 90-576, eff. 3-31-98.)

19 (40 ILCS 5/15-165) (from Ch. 108 1/2, par. 15-165)  
20 Sec. 15-165. To certify amounts and submit vouchers.

21 (a) The Board shall certify to the Governor on or before  
22 November 15 of each year the appropriation required from  
23 State funds for the purposes of this System for the following  
24 fiscal year. The certification shall include a copy of the  
25 actuarial recommendations upon which it is based.

26 (b) The Board shall certify to the State Comptroller or  
27 employer, as the case may be, from time to time, by its  
28 president and secretary, with its seal attached, the amounts  
29 payable to the System from the various funds.

30 (c) Beginning in State fiscal year 1996, on or as soon  
31 as possible after the 15th day of each month the Board shall  
32 submit vouchers for payment of State contributions to the  
33 System, in a total monthly amount of one-twelfth of the

1 required annual State contribution certified under subsection  
2 (a). These vouchers shall be paid by the State Comptroller  
3 and Treasurer by warrants drawn on the funds appropriated to  
4 the System for that fiscal year.

5 If in any month the amount remaining unexpended from all  
6 other appropriations to the System for the applicable fiscal  
7 year (including the appropriations to the System under  
8 Section 8.12 of the State Finance Act and Section 1 of the  
9 State Pension Funds Continuing Appropriation Act) is less  
10 than the amount lawfully vouchered under this Section, the  
11 difference shall be paid from the General Revenue Fund under  
12 the continuing appropriation authority provided in Section  
13 1.1 of the State Pension Funds Continuing Appropriation Act.

14 (d) So long as the payments received are the full amount  
15 lawfully vouchered under this Section, payments received by  
16 the System under this Section shall be applied first toward  
17 the employer contribution to the self-managed plan  
18 established under Section 15-158.2. Payments shall be  
19 applied second toward the employer's portion of the normal  
20 costs of the System, as defined in subsection (f) of Section  
21 15-155. The balance shall be applied toward the unfunded  
22 actuarial liabilities of the System.

23 (e) In the event that the System does not receive, as a  
24 result of legislative enactment or otherwise, payments  
25 sufficient to fully fund the employer contribution to the  
26 self-managed plan established under Section 15-158.2 and to  
27 fully fund that portion of the employer's portion of the  
28 normal costs of the System, as calculated in accordance with  
29 subsections (a-1) and (a-2) of Section 15-155 ~~15-155(a-1)~~,  
30 then any payments received shall be applied proportionately  
31 to the optional retirement program established under Section  
32 15-158.2 and to the employer's portion of the normal costs of  
33 the System, as calculated in accordance with subsections  
34 (a-1) and (a-2) of Section 15-155 ~~15-155(a-1)~~.

1 (Source: P.A. 90-448, eff. 8-16-97; 90-766, eff. 8-14-98.)

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

3 Sec. 16-106. Teacher. "Teacher": The following  
4 individuals, provided that, for employment prior to July 1,  
5 1990, they are employed on a full-time basis, or if not  
6 full-time, on a permanent and continuous basis in a position  
7 in which services are expected to be rendered for at least  
8 one school term:

9 (1) Any educational, administrative, professional  
10 or other staff employed in the public common schools  
11 included within this system in a position requiring  
12 certification under the law governing the certification  
13 of teachers;

14 (2) Any educational, administrative, professional  
15 or other staff employed in any facility of the Department  
16 of Children and Family Services or the Department of  
17 Human Services, in a position requiring certification  
18 under the law governing the certification of teachers,  
19 and any person who (i) works in such a position for the  
20 Department of Corrections, (ii) was a member of this  
21 System on May 31, 1987, and (iii) did not elect to become  
22 a member of the State Employees' Retirement System  
23 pursuant to Section 14-108.2 of this Code; except that  
24 "teacher" does not include any person who (A) becomes a  
25 security employee of the Department of Human Services, as  
26 defined in Section 14-110, after the effective date of  
27 this amendatory Act of the 92nd General Assembly, or (B)  
28 becomes a member of the State Employees' Retirement  
29 System pursuant to Section 14-108.2c of this Code;

30 (3) Any regional superintendent of schools,  
31 assistant regional superintendent of schools, State  
32 Superintendent of Education; any person employed by the  
33 State Board of Education as an executive; any executive

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

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

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

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

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

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

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

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

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

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

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

25           (40 ILCS 5/16-129.1)

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

27           (a) A member of the System may qualify for the augmented  
28 rate under subdivision (a)(B)(1) of Section 16-133 for all  
29 years of creditable service earned before July 1, 1998 by  
30 making the optional contribution specified in subsection (b).  
31 A member may not elect to qualify for the augmented rate for  
32 only a portion of his or her creditable service earned before  
33 July 1, 1998.

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

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

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

25           (i) in a lump sum on or before the date of  
26 retirement;

27           (ii) in substantially equal installments over a  
28 period of time not to exceed 5 years, as a deduction from  
29 salary in accordance with subsection (b) of Section  
30 16-154;

31           (iii) if the member becomes an annuitant before  
32 June 30, 2003, in substantially equal monthly  
33 installments over a 24-month period, by reducing the  
34 annuitant's monthly benefit over a 24-month period by the

1 amount of the otherwise applicable contribution. For  
2 federal and Illinois tax purposes, the monthly amount by  
3 which the annuitant's benefit is reduced shall not be  
4 treated as a contribution by the annuitant, but rather as  
5 a reduction of the annuitant's monthly benefit.

6 (c) If the member fails to make the full contribution  
7 under this Section in a timely fashion, the payments made  
8 under this Section shall be refunded to the member, without  
9 interest. If the member dies before making the full  
10 contribution, the payments made under this Section, together  
11 with regular interest thereon, shall be refunded to the  
12 member's designated beneficiary for benefits under Section  
13 16-138.

14 (d) For purposes of this Section and subdivision  
15 (a)(B)(1) of Section 16-133, optional creditable service  
16 established by a member shall be deemed to have been earned  
17 at the time of the employment or other qualifying event upon  
18 which the service is based, rather than at the time the  
19 credit was established in this System.

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

27 (f) A person who, on or after July 1, 1998 and before  
28 June 4, 1999, began receiving a retirement annuity calculated  
29 at the augmented rate may apply in writing to have the  
30 annuity recalculated to reflect the changes to this Section  
31 and Section 16-133 that were enacted in Public Act 91-17.  
32 The amount of any resulting decrease in the optional  
33 contribution shall be refunded to the annuitant, without  
34 interest. Any resulting increase in retirement annuity shall

1 take effect on the next annuity payment date following the  
2 date of application under this subsection.

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

4 (40 ILCS 5/16-131.6) (from Ch. 108 1/2, par. 16-131.6)  
5 Sec. 16-131.6. Transfer to Article 14.

6 (a) Any active member of the State Employees' Retirement  
7 System of Illinois may apply for transfer to that System of  
8 credits and creditable service accumulated under this System  
9 for service as a teacher employed by the Department of  
10 Corrections. Such creditable service shall be transferred  
11 forthwith. Payment by this System to the State Employees'  
12 Retirement System shall be made at the same time and shall  
13 consist of:

14 (1) the amounts accumulated to the credit of the  
15 applicant for such service, including interest, on the  
16 books of this System on the date of transfer; and

17 (2) employer contributions in an amount equal to  
18 the amount of member contributions as determined under  
19 item (1).

20 Participation in this System as to any credits transferred  
21 under this subsection Section shall terminate on the date of  
22 transfer.

23 (b) Any active member of the State Employees' Retirement  
24 System of Illinois may apply for transfer to that System of  
25 credits and creditable service accumulated under this System  
26 for service as a security employee of the Department of Human  
27 Services as defined (at the time of application) in Section  
28 14-110. That creditable service shall be transferred  
29 forthwith. Payment by this System to the State Employees'  
30 Retirement System shall be made at the same time and shall  
31 consist of:

32 (1) the amounts accumulated to the credit of the  
33 applicant for that service, including interest, on the

1 books of this System on the date of transfer, but  
2 excluding any contribution paid by the member under  
3 Section 16-129.1 to upgrade that credit to the augmented  
4 rate, which shall be refunded to the member; and

5 (2) employer contributions in an amount equal to  
6 the amount of member contributions as determined under  
7 item (1).

8 Participation in this System as to any credits transferred  
9 under this subsection shall terminate on the date of  
10 transfer.

11 (Source: P.A. 86-1488.)

12 (40 ILCS 5/16-132) (from Ch. 108 1/2, par. 16-132)

13 Sec. 16-132. Retirement annuity eligibility. A member  
14 who has at least 34 years of creditable service is entitled  
15 to a retirement annuity at any age. A member who has at  
16 least 20 years of creditable service is entitled to a  
17 retirement annuity upon or after attainment of age 55. A  
18 member who has at least 10 but less than 20 years of  
19 creditable service is entitled to a retirement annuity upon  
20 or after attainment of age 60. A member who has at least 5  
21 but less than 10 years of creditable service is entitled to a  
22 retirement annuity upon or after attainment of age 62. A  
23 member who (i) has earned during the period immediately  
24 preceding the last day of service at least one year of  
25 contributing creditable service as an employee of a  
26 department as defined in Section 14-103.04, (ii) has earned  
27 at least 5 years of contributing creditable service as an  
28 employee of a department as defined in Section 14-103.04, and  
29 (iii) retires on or after January 1, 2001 is entitled to a  
30 retirement annuity upon or after attainment of an age which,  
31 when added to the number of years of his or her total  
32 creditable service, equals at least 85. Portions of years  
33 shall be counted as decimal equivalents.

1           A member who is eligible to receive a retirement annuity  
 2 of at least 74.6% of final average salary and will attain age  
 3 55 on or before December 31 during the year which commences  
 4 on July 1 shall be deemed to attain age 55 on the preceding  
 5 June 1.

6           A member meeting the above eligibility conditions is  
 7 entitled to a retirement annuity upon written application to  
 8 the board setting forth the date the member wishes the  
 9 retirement annuity to commence. However, the effective date  
 10 of the retirement annuity shall be no earlier than the day  
 11 following the last day of creditable service, regardless of  
 12 the date of official termination of employment. To be  
 13 eligible for a retirement annuity, a member shall not be  
 14 employed as a teacher in the schools included under this  
 15 System or under Article 17, unless the member is disabled (in  
 16 which event, eligibility for salary must cease), or unless  
 17 the System is required by federal law to commence payment due  
 18 to the member's age; the changes to this sentence made by  
 19 this amendatory Act of 1991 shall apply without regard to  
 20 whether the member terminated employment before or after its  
 21 effective date.

22           (Source: P.A. 90-582, eff. 5-27-98; 91-927, eff. 12-14-00.)

23           (40 ILCS 5/16-133) (from Ch. 108 1/2, par. 16-133)  
 24           Sec. 16-133. Retirement annuity; amount.

25           (a) The amount of the retirement annuity shall be the  
 26 larger of the amounts determined under paragraphs (A) and (B)  
 27 below:

28                   (A) An amount consisting of the sum of the  
 29 following:

30                           (1) An amount that can be provided on an  
 31 actuarially equivalent basis by the member's  
 32 accumulated contributions at the time of retirement;  
 33 and

1           (2) The sum of (i) the amount that can be  
2 provided on an actuarially equivalent basis by the  
3 member's accumulated contributions representing  
4 service prior to July 1, 1947, and (ii) the amount  
5 that can be provided on an actuarially equivalent  
6 basis by the amount obtained by multiplying 1.4  
7 times the member's accumulated contributions  
8 covering service subsequent to June 30, 1947; and

9           (3) If there is prior service, 2 times the  
10 amount that would have been determined under  
11 subparagraph (2) of paragraph (A) above on account  
12 of contributions which would have been made during  
13 the period of prior service creditable to the member  
14 had the System been in operation and had the member  
15 made contributions at the contribution rate in  
16 effect prior to July 1, 1947.

17           (B) An amount consisting of the greater of the  
18 following:

19           (1) For creditable service earned before July  
20 1, 1998 that has not been augmented under Section  
21 16-129.1: 1.67% of final average salary for each of  
22 the first 10 years of creditable service, 1.90% of  
23 final average salary for each year in excess of 10  
24 but not exceeding 20, 2.10% of final average salary  
25 for each year in excess of 20 but not exceeding 30,  
26 and 2.30% of final average salary for each year in  
27 excess of 30; and

28           For creditable service earned on or after July  
29 1, 1998 by a member who has at least 24 years of  
30 creditable service on July 1, 1998 and who does not  
31 elect to augment service under Section 16-129.1:  
32 2.2% of final average salary for each year of  
33 creditable service earned on or after July 1, 1998  
34 but before the member reaches a total of 30 years of

1           creditable service and 2.3% of final average salary  
2           for each year of creditable service earned on or  
3           after July 1, 1998 and after the member reaches a  
4           total of 30 years of creditable service; and

5                   For all other creditable service: 2.2% of  
6           final average salary for each year of creditable  
7           service; or

8                   (2) 1.5% of final average salary for each year  
9           of creditable service plus the sum \$7.50 for each of  
10          the first 20 years of creditable service.

11          The amount of the retirement annuity determined under  
12          this paragraph (B) shall be reduced by 1/2 of 1% for each  
13          month that the member is less than age 60 at the time the  
14          retirement annuity begins. However, this reduction shall  
15          not apply (i) if the member has at least ~~34~~ 35 years of  
16          creditable service, or (ii) if the member retires on  
17          account of disability under Section 16-149.2 of this  
18          Article with at least 20 years of creditable service, or  
19          (iii) if the member (1) has earned during the period  
20          immediately preceding the last day of service at least  
21          one year of contributing creditable service as an  
22          employee of a department as defined in Section 14-103.04,  
23          (2) has earned at least 5 years of contributing  
24          creditable service as an employee of a department as  
25          defined in Section 14-103.04, (3) retires on or after  
26          January 1, 2001, and (4) retires having attained an age  
27          which, when added to the number of years of his or her  
28          total creditable service, equals at least 85. Portions  
29          of years shall be counted as decimal equivalents.

30          (b) For purposes of this Section, final average salary  
31          shall be the average salary for the highest 4 consecutive  
32          years within the last 10 years of creditable service as  
33          determined under rules of the board. The minimum final  
34          average salary shall be considered to be \$2,400 per year.

1           In the determination of final average salary for members  
2 other than elected officials and their appointees when such  
3 appointees are allowed by statute, that part of a member's  
4 salary for any year beginning after June 30, 1979 which  
5 exceeds the member's annual full-time salary rate with the  
6 same employer for the preceding year by more than 20% shall  
7 be excluded. The exclusion shall not apply in any year in  
8 which the member's creditable earnings are less than 50% of  
9 the preceding year's mean salary for downstate teachers as  
10 determined by the survey of school district salaries provided  
11 in Section 2-3.103 of the School Code.

12           (c) In determining the amount of the retirement annuity  
13 under paragraph (B) of this Section, a fractional year shall  
14 be granted proportional credit.

15           (d) The retirement annuity determined under paragraph  
16 (B) of this Section shall be available only to members who  
17 render teaching service after July 1, 1947 for which member  
18 contributions are required, and to annuitants who re-enter  
19 under the provisions of Section 16-150.

20           (e) The maximum retirement annuity provided under  
21 paragraph (B) of this Section shall be 75% of final average  
22 salary.

23           (f) A member retiring after the effective date of this  
24 amendatory Act of 1998 shall receive a pension equal to 75%  
25 of final average salary if the member is qualified to receive  
26 a retirement annuity equal to at least 74.6% of final average  
27 salary under this Article or as proportional annuities under  
28 Article 20 of this Code.

29           (Source: P.A. 90-582, eff. 5-27-98; 91-17, eff. 6-4-99;  
30 91-887, eff. 7-6-00; 91-927, eff. 12-14-00.)

31           (40 ILCS 5/16-133.1) (from Ch. 108 1/2, par. 16-133.1)  
32           Sec. 16-133.1. Automatic annual increase in annuity.

33           (a) Each member with creditable service and retiring on

1 or after August 26, 1969 is entitled to the automatic annual  
2 increases in annuity provided under this Section while  
3 receiving a retirement annuity or disability retirement  
4 annuity from the system.

5 An annuitant shall first be entitled to an initial  
6 increase under this Section on the January 1 next following  
7 the first anniversary of retirement, or January 1 of the year  
8 next following attainment of age 61, whichever is later. At  
9 such time, the system shall pay an initial increase  
10 determined as follows:

11 (1) 1.5% of the originally granted retirement  
12 annuity or disability retirement annuity multiplied by  
13 the number of years elapsed, if any, from the date of  
14 retirement until January 1, 1972, plus

15 (2) 2% of the originally granted annuity multiplied  
16 by the number of years elapsed, if any, from the date of  
17 retirement or January 1, 1972, whichever is later, until  
18 January 1, 1978, plus

19 (3) 3% of the originally granted annuity multiplied  
20 by the number of years elapsed from the date of  
21 retirement or January 1, 1978, whichever is later, until  
22 the effective date of the initial increase.

23 However, the initial annual increase calculated under this  
24 Section for the recipient of a disability retirement annuity  
25 granted under Section 16-149.2 shall be reduced by an amount  
26 equal to the total of all increases in that annuity received  
27 under Section 16-149.5 (but not exceeding 100% of the amount  
28 of the initial increase otherwise provided under this  
29 Section).

30 Following the initial increase, automatic annual  
31 increases in annuity shall be payable on each January 1  
32 thereafter during the lifetime of the annuitant, determined  
33 as a percentage of the originally granted retirement annuity  
34 or disability retirement annuity for increases granted prior

1 to January 1, 1990, and calculated as a percentage of the  
2 total amount of annuity, including previous increases under  
3 this Section, for increases granted on or after January 1,  
4 1990, as follows: 1.5% for periods prior to January 1, 1972,  
5 2% for periods after December 31, 1971 and prior to January  
6 1, 1978, and 3% for periods after December 31, 1977.

7 (b) The automatic annual increases in annuity provided  
8 under this Section shall not be applicable unless a member  
9 has made contributions toward such increases for a period  
10 equivalent to one full year of creditable service. If a  
11 member contributes for service performed after August 26,  
12 1969 but the member becomes an annuitant before such  
13 contributions amount to one full year's contributions based  
14 on the salary at the date of retirement, he or she may pay  
15 the necessary balance of the contributions to the system and  
16 be eligible for the automatic annual increases in annuity  
17 provided under this Section.

18 (c) Each member shall make contributions toward the cost  
19 of the automatic annual increases in annuity as provided  
20 under Section 16-152.

21 (d) An annuitant receiving a retirement annuity or  
22 disability retirement annuity on July 1, 1969, who  
23 subsequently re-enters service as a teacher is eligible for  
24 the automatic annual increases in annuity provided under this  
25 Section if he or she renders at least one year of creditable  
26 service following the latest re-entry.

27 (e) In addition to the automatic annual increases in  
28 annuity provided under this Section, an annuitant who meets  
29 the service requirements of this Section and whose retirement  
30 annuity or disability retirement annuity began on or before  
31 January 1, 1971 shall receive, on January 1, 1981, an  
32 increase in the annuity then being paid of one dollar per  
33 month for each year of creditable service. On January 1,  
34 1982, an annuitant whose retirement annuity or disability

1 retirement annuity began on or before January 1, 1977 shall  
2 receive an increase in the annuity then being paid of one  
3 dollar per month for each year of creditable service.

4 On January 1, 1987, any annuitant whose retirement  
5 annuity began on or before January 1, 1977, shall receive an  
6 increase in the monthly retirement annuity equal to 8¢ per  
7 year of creditable service times the number of years that  
8 have elapsed since the annuity began.

9 (f) On July 1, 2001, every annuitant who began receiving  
10 a retirement annuity before January 1, 1980 shall have the  
11 monthly retirement annuity increased by whichever of the  
12 following percentages is applicable:

- 13 5% if the annuity began in 1979;
- 14 10% if the annuity began in 1978;
- 15 14% if the annuity began in 1977;
- 16 14% if the annuity began in 1976;
- 17 18% if the annuity began in 1975;
- 18 23% if the annuity began in 1974;
- 19 32% if the annuity began in 1973 or before.

20 The increase under this subsection shall be calculated as  
21 a percentage of the amount of the retirement annuity payable  
22 on June 30, 2001, including any increases previously received  
23 under this Article, and shall be included in the calculation  
24 of increases granted thereafter under subsection (a).

25 (Source: P.A. 91-927, eff. 12-14-00.)

26 (40 ILCS 5/16-134.1 new)

27 Sec. 16-134.1. Reduction of purchasing power; policy;  
28 report; increase.

29 (a) The General Assembly finds and declares that:

30 (1) The purchasing power of a fixed annuity can be  
31 eroded over time by the effects of inflation and  
32 increases in the general cost of living.

33 (2) For a person whose income consists primarily of

1 a fixed annuity, the reduction in purchasing power  
2 resulting from increases in the cost of living can become  
3 catastrophic over time, transforming a once-comfortable  
4 retirement into a time of poverty and need.

5 (3) The State of Illinois is concerned about the  
6 effects that a significant reduction in purchasing power  
7 can have on the quality of life of retired employees and  
8 their survivors.

9 (4) The General Assembly has previously addressed  
10 this concern by providing for automatic annual increases  
11 in retirement and survivor's annuities under this  
12 Article. Recognizing that these automatic annual  
13 increases, by themselves, are not a complete answer in  
14 times of high inflation, the General Assembly has also,  
15 from time to time, provided specific one-time increases  
16 in annuities for certain categories of annuitants.

17 (b) It is the public policy of this State and the  
18 intention of the General Assembly to protect annuitants  
19 against significant decreases in the purchasing power of the  
20 retirement and survivor's annuities granted under this  
21 Article.

22 (c) The System shall regularly review the changes that  
23 have occurred in the purchasing power of the retirement and  
24 survivor's annuities being paid under this Article, and it  
25 shall report to the General Assembly, the Governor, and the  
26 Pension Laws Commission whenever it determines that the  
27 original purchasing power of those annuities has been reduced  
28 by 20% or more for any category or group of annuitants. The  
29 System may include in the report its recommendations, if any,  
30 for legislative action to address its findings.

31 (40 ILCS 5/16-143) (from Ch. 108 1/2, par. 16-143)

32 Sec. 16-143. Survivors' benefits - other conditions and  
33 limitations. The benefits provided under Sections 16-141 and

1 16-142, shall be subject to the following further conditions  
2 and limitations:

3 (1) The period during which a member was in receipt of a  
4 disability or occupational disability benefit shall be  
5 considered as creditable service at the annual salary rate on  
6 which the member last made contributions.

7 (2) All service prior to July 24, 1959, for which  
8 creditable service is granted towards a retirement annuity  
9 shall be considered as creditable service.

10 (3) No benefits shall be payable unless a member, or a  
11 disabled member, returning to service, has made contributions  
12 to the system for at least one month after July 24, 1959,  
13 except that an annuitant must have contributed to the system  
14 for at least 1 year of creditable service after July 24,  
15 1959.

16 (4) Creditable service under the State Employees'  
17 Retirement System of Illinois, the State Universities  
18 Retirement System and the Public School Teachers' Pension and  
19 Retirement Fund of Chicago shall be considered in determining  
20 whether the member has met the creditable service  
21 requirement.

22 (5) If an eligible beneficiary qualifies for a  
23 survivors' benefit because of pension credits established by  
24 the participant or annuitant in another system covered by  
25 Article 20, and the combined survivors' benefits exceed the  
26 highest survivors' benefit payable by either system based  
27 upon the combined pension credits, the survivors' benefit  
28 payable by this system shall be reduced to that amount which  
29 when added to the survivors' benefit payable by the other  
30 system would equal this highest survivors' benefit. If the  
31 other system has a similar provision for adjustment of the  
32 survivors' benefit, the respective proportional survivors'  
33 benefits shall be reduced proportionately according to the  
34 ratio which the amount of each proportional survivors'

1 benefit bears to the aggregate of all proportional survivors'  
2 benefits. If a survivors' benefit is payable by another  
3 system covered by Article 20, and the survivor elects to  
4 waive the monthly survivors' benefit and accept a lump sum  
5 payment or death benefit in lieu of the monthly survivors'  
6 benefit, this system shall, for the purpose of adjusting the  
7 monthly survivors' benefit under this paragraph, assume that  
8 the survivor had been entitled to a monthly survivors'  
9 benefit which, in accordance with actuarial tables of this  
10 system, is the actuarial equivalent of the amount of the lump  
11 sum payment or death benefit.

12 (6) Remarriage of a surviving spouse prior to attainment  
13 of age 55 that occurs before the effective date of this  
14 amendatory Act of the 91st General Assembly shall terminate  
15 his or her survivors' benefits until July 6, 2000.

16 A surviving spouse whose survivors' benefit has been  
17 terminated due to remarriage may apply for reinstatement of  
18 that benefit. The reinstated benefit shall begin to accrue  
19 on July 6, 2000, except that if, on July 6, 2000, the benefit  
20 is payable to an eligible surviving child or parent, payment  
21 of the benefit to the surviving spouse shall not be  
22 reinstated until the benefit is no longer payable to any  
23 eligible surviving child or parent. The reinstated benefit  
24 shall include any one-time or annual increases received prior  
25 to the date of termination, as well as any increases that  
26 would otherwise have accrued from the date of termination to  
27 the date of reinstatement. An eligible surviving spouse  
28 whose expectation of receiving a survivors' benefit was lost  
29 due to remarriage before attainment of age 50 shall also be  
30 entitled to reinstatement under this subsection, but the  
31 resulting survivors' benefit shall not begin to accrue sooner  
32 than upon the surviving spouse's attainment of age 50.

33 The changes echange made to this item (6) by Public Act  
34 91-887 and this amendatory Act of the 92nd 91st General

1 Assembly apply ~~applies~~ without regard to whether the deceased  
2 member or annuitant was in service on or after the effective  
3 date of either ~~this~~ amendatory Act ~~of--the-91st-General~~  
4 ~~Assembly~~.

5 (7) The benefits payable to an eligible child shall  
6 terminate when the eligible child marries, dies, or attains  
7 age 18 (age 22 if a full-time student); except that benefits  
8 payable to a dependent disabled eligible child shall  
9 terminate only when the eligible child dies or ceases to be  
10 disabled.

11 (Source: P.A. 90-448, eff. 8-16-97; 91-887, eff. 7-6-00.)

12 (40 ILCS 5/16-143.1) (from Ch. 108 1/2, par. 16-143.1)

13 Sec. 16-143.1. Increase in survivor benefits.

14 (a) Beginning January 1, 1990, each survivor's benefit  
15 and each reversionary annuity payable under Section 16-136  
16 shall be increased by 3% of the currently payable amount  
17 thereof (1) on each January 1 occurring on or after the  
18 commencement of the annuity if the deceased teacher died  
19 while receiving a retirement or disability retirement  
20 annuity, or (2) in other cases, on each January 1 occurring  
21 on or after the first anniversary of the granting of the  
22 benefit, without regard to whether the deceased teacher was  
23 in service on or after the effective date of this amendatory  
24 Act of 1991, but such increases shall not accrue for any  
25 period prior to January 1, 1990.

26 (b) On January 1, 1981, any beneficiary who was  
27 receiving a survivor's monthly benefit on or before January  
28 1, 1971, shall have the benefit then being paid increased by  
29 1% for each full year elapsed from the date the survivor's  
30 benefit began. On January 1, 1982, any beneficiary who began  
31 receiving a survivor's monthly benefit after January 1, 1971,  
32 but before January 1, 1981 shall have the benefit then being  
33 paid increased by 1% for each year elapsed from the date the

1 survivor's benefit began.

2 On January 1, 1987, any beneficiary whose monthly  
3 survivor's benefit began on or before January 1, 1977, shall  
4 have the monthly survivor's benefit increased by \$1 for each  
5 full year which has elapsed since the date the survivor's  
6 benefit began.

7 (c) On July 1, 2001, every recipient of a survivor's  
8 annuity whose original annuity began before January 1, 1980  
9 shall have the monthly survivor's annuity increased by  
10 whichever of the following percentages is applicable:

- 11 5% if the original annuity began in 1979;
- 12 10% if the original annuity began in 1978;
- 13 14% if the original annuity began in 1977;
- 14 14% if the original annuity began in 1976;
- 15 18% if the original annuity began in 1975;
- 16 23% if the original annuity began in 1974;
- 17 32% if the original annuity began in 1973 or before.

18 In the case of the survivor of a deceased annuitant who  
19 died while receiving a retirement annuity, "original annuity"  
20 means the deceased annuitant's retirement annuity; in all  
21 other cases, "original annuity" means the survivor's annuity.

22 The increase under this subsection shall be calculated as  
23 a percentage of the amount of the survivor's annuity payable  
24 on June 30, 2001, including any increases previously received  
25 under this Article, and shall be included in the calculation  
26 of increases granted thereafter under subsection (a).

27 (Source: P.A. 86-273; 86-1488.)

28 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)  
29 Sec. 16-158. Contributions by State and other employing  
30 units.

31 (a) The State shall make contributions to the System by  
32 means of appropriations from the Common School Fund and other  
33 State funds of amounts which, together with other employer

1 contributions, employee contributions, investment income, and  
2 other income, will be sufficient to meet the cost of  
3 maintaining and administering the System on a 90% funded  
4 basis in accordance with actuarial recommendations.

5 The Board shall determine the amount of State  
6 contributions required for each fiscal year on the basis of  
7 the actuarial tables and other assumptions adopted by the  
8 Board and the recommendations of the actuary, using the  
9 formulae formula in subsection (b-3) and subsection (b-4).  
10 The minimum contribution to the System to be made by the  
11 State for each fiscal year shall be the sum of the amount  
12 determined under subsection (b-3) and the amount determined  
13 under subsection (b-4).

14 (a-1) Annually, on or before November 15, the board  
15 shall certify to the Governor the amount of the required  
16 State contribution for the coming fiscal year. The  
17 certification shall include a copy of the actuarial  
18 recommendations upon which it is based.

19 (b) Through State fiscal year 1995, the State  
20 contributions shall be paid to the System in accordance with  
21 Section 18-7 of the School Code.

22 (b-1) Beginning in State fiscal year 1996, on the 15th  
23 day of each month, or as soon thereafter as may be  
24 practicable, the Board shall submit vouchers for payment of  
25 State contributions to the System, in a total monthly amount  
26 of one-twelfth of the required annual State contribution  
27 certified under subsection (a-1). These vouchers shall be  
28 paid by the State Comptroller and Treasurer by warrants drawn  
29 on the funds appropriated to the System for that fiscal year.

30 If in any month the amount remaining unexpended from all  
31 other appropriations to the System for the applicable fiscal  
32 year (including the appropriations to the System under  
33 Section 8.12 of the State Finance Act and Section 1 of the  
34 State Pension Funds Continuing Appropriation Act) is less

1 than the amount lawfully vouchered under this subsection, the  
2 difference shall be paid from the Common School Fund under  
3 the continuing appropriation authority provided in Section  
4 1.1 of the State Pension Funds Continuing Appropriation Act.

5 (b-2) Allocations from the Common School Fund  
6 apportioned to school districts not coming under this System  
7 shall not be diminished or affected by the provisions of this  
8 Article.

9 (b-3) For State fiscal years 2011 through 2045, the  
10 minimum contribution to the System to be made by the State  
11 for each fiscal year shall be an amount determined by the  
12 System to be sufficient to bring the total assets of the  
13 System up to 90% of the total actuarial liabilities of the  
14 System (other than the liabilities described in subsection  
15 (b-4) of this Section) by the end of State fiscal year 2045.

16 In making these determinations, the required State  
17 contribution shall be calculated each year as a level  
18 percentage of payroll over the years remaining to and  
19 including fiscal year 2045 and shall be determined under the  
20 projected unit credit actuarial cost method.

21 For State fiscal years 1996 through 2010, the State  
22 contribution to the System, as a percentage of the applicable  
23 employee payroll, shall be increased in equal annual  
24 increments so that by State fiscal year 2011, the State is  
25 contributing at the rate required under this Section; except  
26 that in the following specified State fiscal years, the State  
27 contribution to the System shall not be less than the  
28 following indicated percentages of the applicable employee  
29 payroll, even if the indicated percentage will produce a  
30 State contribution in excess of the amount otherwise required  
31 under this subsection and subsection (a), and notwithstanding  
32 any contrary certification made under subsection (a-1) before  
33 the effective date of this amendatory Act of 1998: 10.02% in  
34 FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY

1 2002; 12.86% in FY 2003; 13.56% in FY 2004; 14.25% in FY  
2 2005; 14.95% in FY 2006; 15.65% in FY 2007; 16.34% in FY  
3 2008; 17.04% in FY 2009; and 17.74% in FY 2010.

4 Beginning in State fiscal year 2046, the minimum State  
5 contribution for each fiscal year shall be the amount needed  
6 to maintain the total assets of the System at 90% of the  
7 total actuarial liabilities of the System.

8 (b-4) The cost of the one-time increases granted by this  
9 amendatory Act of the 92nd General Assembly under subsection  
10 (f) of Section 16-133.1 and subsection (c) of Section  
11 16-143.1 shall be paid by the State on a level dollar basis  
12 over a period of 10 years beginning July 1, 2003. These  
13 contributions are in addition to, and shall not be included  
14 in the calculation of, the State contribution required under  
15 subsection (b-3).

16 (c) Payment of the required State contributions and of  
17 all pensions, retirement annuities, death benefits, refunds,  
18 and other benefits granted under or assumed by this System,  
19 and all expenses in connection with the administration and  
20 operation thereof, are obligations of the State.

21 If members are paid from special trust or federal funds  
22 which are administered by the employing unit, whether school  
23 district or other unit, the employing unit shall pay to the  
24 System from such funds the full accruing retirement costs  
25 based upon that service, as determined by the System.  
26 Employer contributions, based on salary paid to members from  
27 federal funds, may be forwarded by the distributing agency of  
28 the State of Illinois to the System prior to allocation, in  
29 an amount determined in accordance with guidelines  
30 established by such agency and the System.

31 (d) Effective July 1, 1986, any employer of a teacher as  
32 defined in paragraph (8) of Section 16-106 shall pay the  
33 employer's normal cost of benefits based upon the teacher's  
34 service, in addition to employee contributions, as determined

1 by the System. Such employer contributions shall be  
2 forwarded monthly in accordance with guidelines established  
3 by the System.

4 However, with respect to benefits granted under Section  
5 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)  
6 of Section 16-106, the employer's contribution shall be 12%  
7 (rather than 20%) of the member's highest annual salary rate  
8 for each year of creditable service granted, and the employer  
9 shall also pay the required employee contribution on behalf  
10 of the teacher. For the purposes of Sections 16-133.4 and  
11 16-133.5, a teacher as defined in paragraph (8) of Section  
12 16-106 who is serving in that capacity while on leave of  
13 absence from another employer under this Article shall not be  
14 considered an employee of the employer from which the teacher  
15 is on leave.

16 (e) Beginning July 1, 1998, every employer of a teacher  
17 shall pay to the System an employer contribution computed as  
18 follows:

19 (1) Beginning July 1, 1998 through June 30, 1999,  
20 the employer contribution shall be equal to 0.3% of each  
21 teacher's salary.

22 (2) Beginning July 1, 1999 and thereafter, the  
23 employer contribution shall be equal to 0.58% of each  
24 teacher's salary.

25 The school district or other employing unit may pay these  
26 employer contributions out of any source of funding available  
27 for that purpose and shall forward the contributions to the  
28 System on the schedule established for the payment of member  
29 contributions.

30 These employer contributions are intended to offset a  
31 portion of the cost to the System of the increases in  
32 retirement benefits resulting from this amendatory Act of  
33 1998.

34 The additional 1% employee contribution required under

1 Section 16-152 by this amendatory Act of 1998 is the  
2 responsibility of the teacher and not the teacher's employer,  
3 unless the employer agrees, through collective bargaining or  
4 otherwise, to make the contribution on behalf of the teacher.

5 If an employer is required by a contract in effect on May  
6 1, 1998 between the employer and an employee organization to  
7 pay, on behalf of all its full-time employees covered by this  
8 Article, all mandatory employee contributions required under  
9 this Article, then the employer shall be excused from paying  
10 the employer contribution required under this subsection (e)  
11 for the balance of the term of that contract. The employer  
12 and the employee organization shall jointly certify to the  
13 System the existence of the contractual requirement, in such  
14 form as the System may prescribe. This exclusion shall cease  
15 upon the termination, extension, or renewal of the contract  
16 at any time after May 1, 1998.

17 (Source: P.A. 90-582, eff. 5-27-98.)

18 (40 ILCS 5/17-114.4 new)

19 Sec. 17-114.4. Transfer to Metropolitan Pier and  
20 Exposition Authority pension plan.

21 (a) Until January 1, 2002, any member of the management  
22 committee of the Metropolitan Pier and Exposition Authority,  
23 as designated by the chief executive officer of the  
24 Authority, regardless of whether the member is in service  
25 under this Article on or after the effective date of this  
26 Section and notwithstanding Section 17-157, may apply to the  
27 Board for transfer of all of his or her creditable service  
28 accumulated under this Fund to the pension plan established  
29 for employees and officers of the Metropolitan Pier and  
30 Exposition Authority. The creditable service shall be  
31 transferred in accordance with the terms of that plan and  
32 shall be accompanied by a payment from this Fund to that  
33 pension plan, consisting of:

1           (1) the amounts accumulated to the credit of the  
 2           applicant for the service to be transferred, including  
 3           interest, on the books of the Fund on the date of  
 4           transfer, but excluding any additional or optional  
 5           credits, which shall be refunded to the applicant; plus

6           (2) employer contribution credits computed and  
 7           credited under this Article, including interest, on the  
 8           books of the Fund on the date the applicant terminated  
 9           service under the Fund.

10          Participation in this Fund as to the credits transferred  
 11          under this Section terminates on the date of transfer.

12          (b) For the purpose of transferring credit under this  
 13          Section, a person may reinstate credits and creditable  
 14          service terminated upon receipt of a refund, by paying to the  
 15          Fund, before January 1, 2002, the amount of the refund plus  
 16          regular interest from the date of the refund to the date of  
 17          repayment.

18           (40 ILCS 5/17-116.3)

19           Sec. 17-116.3. Early retirement incentives.

20           (a) A teacher who is covered by a collective bargaining  
 21 agreement shall not be eligible for the early retirement  
 22 incentives provided under this Section unless the collective  
 23 bargaining agent and the Board of Education have entered into  
 24 an agreement under which the agent agrees that any payment  
 25 for accumulated unused sick days to which the employee is  
 26 entitled upon withdrawal from service may be paid by the  
 27 Board of Education in installments over a period of up to 5  
 28 years, and a copy of this agreement has been filed with the  
 29 Board of the Fund.

30           To be eligible for the benefits provided in this Section,  
 31 a person must:

32           (1) be a member of this Fund who, on or after May  
 33           1, 1993, is (i) in active payroll status as a teacher, or

1 (ii) on layoff status from such a position with a right  
2 of re-employment or recall to service, or (iii) on leave  
3 of absence from such a position, but only if the member  
4 on leave has not been receiving a disability benefit  
5 under this Article for a continuous period of 2 years or  
6 more as of the date of application;

7 (2) have not previously received a retirement  
8 pension under this Article;

9 (3) file with the Board and the Board of Education,  
10 before August 15, 1993, a written application requesting  
11 the benefits provided in this Section and a notice of  
12 resignation from employment, which resignation must take  
13 effect before September 1, 1993 unless the applicant's  
14 retirement is delayed under subsection (e), (f), or (f-5)  
15 of this Section;

16 (4) be eligible to receive a retirement pension  
17 under this Article (for which purpose any age enhancement  
18 or creditable service received under this Section may be  
19 used) and elect to receive the retirement pension  
20 beginning no earlier than June 1, 1993 and no later than  
21 September 1, 1993 or the date established under  
22 subsection (e), (f), or (f-5) of this Section, if  
23 applicable;

24 (5) have attained age 50 (without the use of any  
25 age enhancement or creditable service received under this  
26 Section) by the effective date of the retirement pension;

27 (6) have at least 5 years of creditable service  
28 under this Fund or any of the participating systems under  
29 the Retirement Systems Reciprocal Act (without the use of  
30 any creditable service received under this Section) by  
31 the effective date of the retirement pension.

32 (b) An eligible person may establish up to 5 years of  
33 creditable service under this Section. In addition, for each  
34 period of creditable service established under this Section,

1 a person's age at retirement shall be deemed to be increased  
2 by an equal period.

3 The creditable service established under this Section may  
4 be used for all purposes under this Article and the  
5 Retirement Systems Reciprocal Act, except for the purposes of  
6 Section 17-116.1, and the determination of average salary or  
7 compensation under this or any other Article of this Code.

8 The age enhancement established under this Section may be  
9 used for all purposes under this Article (including  
10 calculation of a proportionate pension payable by this Fund  
11 under the Retirement Systems Reciprocal Act), except for  
12 purposes of the reversionary pension under Section 17-120,  
13 and distributions required by federal law on account of age.  
14 However, age enhancement established under this Section shall  
15 not be used in determining benefits payable under other  
16 Articles of this Code under the Retirement Systems Reciprocal  
17 Act.

18 (c) For all creditable service established under this  
19 Section, the employer must pay to the Fund an employer  
20 contribution consisting of 12% of the member's highest annual  
21 full-time rate of compensation for each year of creditable  
22 service granted under this Section.

23 The employer contribution shall be paid to the Fund in  
24 one of the following ways: (i) in a single sum at the time  
25 of the member's retirement, (ii) in equal quarterly  
26 installments over a period of 5 years from the date of  
27 retirement, or (iii) subject to the approval of the Board of  
28 the Fund, in unequal installments over a period of no more  
29 than 5 years from the date of retirement, as provided in a  
30 payment plan designed by the Fund to accommodate the needs of  
31 the employer. The employer's failure to make the required  
32 contributions in a timely manner shall not affect the payment  
33 of the retirement pension.

34 For all creditable service established under this

1 Section, the employee must pay to the Fund an employee  
2 contribution consisting of 4% of the member's highest annual  
3 salary rate used in the determination of the retirement  
4 pension for each year of creditable service granted under  
5 this Section. The employee contribution shall be deducted  
6 from the retirement annuity in 24 monthly installments.

7 (d) An annuitant who has received any age enhancement or  
8 creditable service under this Section and whose pension is  
9 suspended or cancelled under Section 17-149 or 17-150 shall  
10 thereby forfeit the age enhancement and creditable service.  
11 The forfeiture of creditable service under this subsection  
12 shall not entitle the employer to a refund of the employer  
13 contribution paid under this Section, nor to forgiveness of  
14 any part of that contribution that remains unpaid. The  
15 forfeiture of creditable service under this subsection shall  
16 not entitle the employee to a refund of the employee  
17 contribution paid under this Section.

18 (e) If the number of employees of an employer that apply  
19 for early retirement under this Section exceeds 30% of those  
20 eligible, the employer may require that, for any or all of  
21 the number of applicants in excess of that 30%, the starting  
22 date of the retirement pension enhanced under this Section be  
23 no earlier than June 1, 1994 and no later than September 1,  
24 1994. The right to have the retirement pension begin before  
25 June 1, 1994 shall be allocated among the applicants on the  
26 basis of seniority in the service of that employer.

27 This delay applies only to persons who are applying for  
28 early retirement incentives under this Section, and does not  
29 prevent a person whose application for early retirement  
30 incentives has been withdrawn from beginning to receive a  
31 retirement pension on the earliest date upon which the person  
32 is otherwise eligible under this Article.

33 (f) For a member who is notified after July 30, 1993,  
34 but before November 29, 1993, that he or she will become a

1 supernumerary or reserve teacher in the 1993-1994 school  
2 year: (1) the August 15, 1993 application deadline in  
3 subdivision (a)(3) of this Section is extended to December  
4 14, 1993, (2) the September 1, 1993 deadline in subdivision  
5 (a)(4) of this Section is extended to December 14, 1993, and  
6 (3) the member shall not be included in the calculation of  
7 the 30% under subsection (e) and is not subject to delay in  
8 retirement under that subsection.

9 (f-5) For a member who is notified after January 1,  
10 1994, but before March 1, 1994, that he or she will become a  
11 reserve teacher in the 1993-1994 school year: (1) the August  
12 15, 1993 application deadline in subdivision (a)(3) of this  
13 Section is extended to April 1, 1994; (2) the September 1,  
14 1993 deadline in subdivision (a)(4) of this Section is  
15 extended to April 1, 1994; and (3) the member shall not be  
16 included in the calculation of the 30% under subsection (e)  
17 and is not subject to delay in retirement under that  
18 subsection.

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

22 (h) The version of this Section included in Public Act  
23 88-85 is intended to and shall control over the version of  
24 this Section included in Public Act 88-89, notwithstanding  
25 Section 6 of the Statute on Statutes. All persons qualifying  
26 for early retirement incentives under this Section shall be  
27 subject to the limitations and restrictions provided in the  
28 version of this Section included in Public Act 88-85, as  
29 amended by Public Act 88-511.

30 (i) In addition to the benefits provided under the other  
31 provisions of this Section, every person who receives early  
32 retirement benefits under this Section is entitled to one  
33 additional year of creditable service and a corresponding  
34 year of additional age enhancement, for which no additional

1 contribution is required. Every person who receives early  
 2 retirement benefits under this Section whose retirement  
 3 annuity has been calculated on the basis of a 4-year average  
 4 salary is also entitled to have the annuity recalculated on  
 5 the basis of the average salary for the 3 highest consecutive  
 6 years within the last 10 years of service.

7 The additional benefits provided by this subsection (i)  
 8 shall begin to accrue on the date the retirement annuity  
 9 began, notwithstanding Section 17-157. The Fund shall  
 10 recalculate all annuities originally calculated under this  
 11 Section to reflect the additional benefits provided under  
 12 this subsection and shall pay to the annuitant in a lump sum  
 13 the difference between the annuity payments paid before the  
 14 date of the recalculation and the recalculated amount of  
 15 those payments.

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

17 (40 ILCS 5/17-119) (from Ch. 108 1/2, par. 17-119)

18 Sec. 17-119. Automatic annual increase in pension.

19 (a) Each teacher retiring on or after September 1, 1959,  
 20 is entitled to the annual increase in pension, defined  
 21 herein, while he is receiving a pension from the Fund.

22 1. The term "base pension" means a service  
 23 retirement or disability retirement pension in the amount  
 24 fixed and payable at the date of retirement of a teacher.

25 2. The annual increase in pension shall be at the  
 26 rate of 1 1/2% of base pension. This increase shall first  
 27 occur in January of the year next following the first  
 28 anniversary of retirement. At such time the Fund shall  
 29 pay the pro rata part of the increase for the period from  
 30 the first anniversary date to the date of the first  
 31 increase in pension. Beginning January 1, 1972, the rate  
 32 of annual increase in pension shall be 2% of the base  
 33 pension. Beginning January 1, 1979, the rate of annual

1 increase in pension shall be 3% of the base pension.  
2 Beginning January 1, 1990, all automatic annual increases  
3 payable under this Section shall be calculated as a  
4 percentage of the total pension payable at the time of  
5 the increase, including all increases previously granted  
6 under this Article, notwithstanding Section 17-157.

7 3. An increase in pension shall be granted only if  
8 the retired teacher is age 60 or over. If the teacher  
9 attains age 60 after retirement, the increase in pension  
10 shall begin in January of the year following the 61st  
11 birthday. At such time the Fund also shall pay the pro  
12 rata part of the increase from the 61st birthday to the  
13 date of first increase in pension.

14 (b) In addition to other increases which may be provided  
15 by this Section, on January 1, 1981 any teacher who was  
16 receiving a retirement pension on or before January 1, 1971  
17 shall have his retirement pension then being paid increased  
18 \$1 per month for each year of creditable service. On January  
19 1, 1982, any teacher whose retirement pension began on or  
20 before January 1, 1977, shall have his retirement pension  
21 then being paid increased \$1 per month for each year of  
22 creditable service.

23 On January 1, 1987, any teacher whose retirement pension  
24 began on or before January 1, 1977, shall have the monthly  
25 retirement pension increased by an amount equal to 8¢ per  
26 year of creditable service times the number of years that  
27 have elapsed since the retirement pension began.

28 (c) On July 1, 2001, every pensioner who began receiving  
29 a retirement pension before January 1, 1980 shall have the  
30 monthly retirement pension increased by whichever of the  
31 following percentages is applicable:

- 32 5% if the annuity began in 1979;
- 33 10% if the annuity began in 1978;
- 34 14% if the annuity began in 1977;

- 1           14% if the annuity began in 1976;
- 2           18% if the annuity began in 1975;
- 3           23% if the annuity began in 1974;
- 4           32% if the annuity began in 1973 or before.

5           The increase under this subsection shall be calculated as  
6           a percentage of the amount of the retirement pension payable  
7           on June 30, 2001, including any increases previously received  
8           under this Article, and shall be included in the calculation  
9           of increases granted thereafter under subsection (a).  
10          Section 17-157 does not apply to the increase provided under  
11          this subsection.

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

13           (40 ILCS 5/17-119.2 new)

14           Sec. 17-119.2. Reduction of purchasing power; policy;  
15           report; increase.

16           (a) The General Assembly finds and declares that:

17           (1) The purchasing power of a fixed annuity can be  
18           eroded over time by the effects of inflation and  
19           increases in the general cost of living.

20           (2) For a person whose income consists primarily of  
21           a fixed annuity, the reduction in purchasing power  
22           resulting from increases in the cost of living can become  
23           catastrophic over time, transforming a once-comfortable  
24           retirement into a time of poverty and need.

25           (3) The State of Illinois is concerned about the  
26           effects that a significant reduction in purchasing power  
27           can have on the quality of life of retired employees and  
28           their survivors.

29           (4) The General Assembly has previously addressed  
30           this concern by providing for automatic annual increases  
31           in retirement and survivor's pensions under this Article.  
32           Recognizing that these automatic annual increases, by  
33           themselves, are not a complete answer in times of high

1 inflation, the General Assembly has also, from time to  
2 time, provided specific one-time increases in pensions  
3 for certain categories of pensioners.

4 (b) It is the public policy of this State and the  
5 intention of the General Assembly to protect pensioners  
6 against significant decreases in the purchasing power of the  
7 retirement and survivor's pensions granted under this  
8 Article.

9 (c) The Fund shall regularly review the changes that  
10 have occurred in the purchasing power of the retirement and  
11 survivor's pensions being paid under this Article, and it  
12 shall report to the General Assembly, the Governor, and the  
13 Pension Laws Commission whenever it determines that the  
14 original purchasing power of those pensions has been reduced  
15 by 20% or more for any category or group of pensioners. The  
16 Fund may include in the report its recommendations, if any,  
17 for legislative action to address its findings.

18 (d) As used in this Section, the term "retirement and  
19 survivor's pensions" means all service retirement pensions,  
20 disability retirement pensions, survivor's pensions, and  
21 children's pensions.

22 (40 ILCS 5/17-122) (from Ch. 108 1/2, par. 17-122)  
23 Sec. 17-122. Survivor's and children's pensions - Amount.  
24 (a) Upon the death of a teacher who has completed at  
25 least 1 1/2 years of contributing service with either this  
26 Fund or the State Universities Retirement System or the  
27 Teachers' Retirement System of the State of Illinois,  
28 provided his death occurred while (a) in active service  
29 covered by the Fund or during his first 18 months of  
30 continuous employment without a break in service under any  
31 other participating system as defined in the Illinois  
32 Retirement Systems Reciprocal Act except the State  
33 Universities Retirement System and the Teachers' Retirement

1 System of the State of Illinois, (b) on a creditable leave of  
2 absence, (c) on a noncreditable leave of absence of no more  
3 than one year, or (d) a pension was deferred or pending  
4 provided the teacher had at least 10 years of validated  
5 service credit, or upon the death of a pensioner otherwise  
6 qualified for such benefit, the surviving spouse and  
7 unmarried minor children of the deceased teacher under age 18  
8 shall be entitled to pensions, under the conditions stated  
9 hereinafter. Such survivor's and children's pensions shall  
10 be based on the average of the 4 highest consecutive years of  
11 salary in the last 10 years of service or on the average  
12 salary for total service, if total service has been less than  
13 4 years, according to the following percentages:

14 30% of average salary or 50% of the retirement  
15 pension earned by the teacher, whichever is larger,  
16 subject to the prescribed maximum monthly payment, for a  
17 surviving spouse alone on attainment of age 50;

18 60% of average salary for a surviving spouse and  
19 eligible minor children of the deceased teacher.

20 If no eligible spouse survives, or the surviving spouse  
21 remarries, or the parent of the children of the deceased  
22 member is otherwise ineligible for a survivor's pension, a  
23 children's pension for eligible minor children under age 18  
24 shall be paid to their parent or legal guardian for their  
25 benefit according to the following percentages:

26 30% of average salary for one child;

27 60% of average salary for 2 or more children.

28 (b) On January 1, 1981, any survivor or child who was  
29 receiving a survivor's or children's pension on or before  
30 January 1, 1971, shall have his survivor's or children's  
31 pension then being paid increased by 1% for each full year  
32 which has elapsed from the date the pension began. On  
33 January 1, 1982, any survivor or child whose pension began  
34 after January 1, 1971, but before January 1, 1981, shall have

1 his survivor's or children's pension then being paid  
 2 increased 1% for each full year which has elapsed from the  
 3 date the pension began. On January 1, 1987, any survivor or  
 4 child whose pension began on or before January 1, 1977, shall  
 5 have the monthly survivor's or children's pension increased  
 6 by \$1 for each full year which has elapsed since the pension  
 7 began.

8 (c) On July 1, 2001, every survivor or child who began  
 9 receiving a survivor's or children's pension before January  
 10 1, 1980 shall have the monthly pension increased by whichever  
 11 of the following percentages is applicable:

- 12 5% if the original annuity began in 1979;
- 13 10% if the original annuity began in 1978;
- 14 14% if the original annuity began in 1977;
- 15 14% if the original annuity began in 1976;
- 16 18% if the original annuity began in 1975;
- 17 23% if the original annuity began in 1974;
- 18 32% if the original annuity began in 1973 or before.

19 In the case of the survivor of a deceased annuitant who  
 20 died while receiving a retirement annuity, "original annuity"  
 21 means the deceased annuitant's retirement pension; in all  
 22 other cases, "original annuity" means the survivor's or  
 23 children's pension.

24 The increase under this subsection shall be calculated as  
 25 a percentage of the amount of the survivor's or children's  
 26 pension payable on June 30, 2001, including any increases  
 27 previously received under this Article, and shall be included  
 28 in the calculation of increases granted thereafter under  
 29 subsection (d). Section 17-157 does not apply to the  
 30 increase provided under this subsection.

31 (d) Beginning January 1, 1990, every survivor's and  
 32 children's pension shall be increased (1) on each January 1  
 33 occurring on or after the commencement of the pension if the  
 34 deceased teacher died while receiving a retirement pension,

1 or (2) in other cases, on each January 1 occurring on or  
2 after the first anniversary of the commencement of the  
3 pension, by an amount equal to 3% of the current amount of  
4 the pension, including all increases previously granted under  
5 this Article, notwithstanding Section 17-157. Such increases  
6 shall apply without regard to whether the deceased teacher  
7 was in service on or after the effective date of this  
8 amendatory Act of 1991, but shall not accrue for any period  
9 prior to January 1, 1990.

10 (e) Subject to the minimum established below, the  
11 maximum amount of pension for a surviving spouse alone or one  
12 minor child shall be \$400 per month, and the maximum combined  
13 pensions for a surviving spouse and children of the deceased  
14 teacher shall be \$600 per month, with individual pensions  
15 adjusted for all beneficiaries pro rata to conform with this  
16 limitation. If proration is unnecessary the minimum  
17 survivor's and children's pensions shall be \$40 per month.  
18 The minimum total survivor's and children's pension payable  
19 upon the death of a contributor or annuitant which occurs  
20 after December 31, 1986, shall be 50% of the earned  
21 retirement pension of such contributor or annuitant,  
22 calculated without early retirement discount in the case of  
23 death in service.

24 On death after retirement, the total survivor's and  
25 children's pensions shall not exceed the monthly retirement  
26 or disability pension paid to the deceased retirant.  
27 Survivor's and children's benefits described in this Section  
28 shall apply to all service and disability pensioners eligible  
29 for a pension as of July 1, 1981.

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

31 (40 ILCS 5/18-128) (from Ch. 108 1/2, par. 18-128)  
32 Sec. 18-128. Survivor's annuities; Conditions for  
33 payment.

1           (a) A survivor's annuity shall be payable upon the death  
2 of a participant while in service after June 30, 1967 if the  
3 participant had at least 1 1/2 years of service credit as a  
4 judge, or upon death of an inactive participant who had  
5 terminated service as a judge on or after June 30, 1967 with  
6 at least 10 years of service credit, or upon the death of an  
7 annuitant whose retirement becomes effective after June 30,  
8 1967.

9           (b) The surviving spouse of a deceased participant or  
10 annuitant is entitled to a survivor's annuity beginning at  
11 the date of death if the surviving spouse (1) has been  
12 married to the participant or annuitant for a continuous  
13 period of at least one year immediately preceding the date of  
14 death, and (2) has attained age 50, or, regardless of age,  
15 has in his or her care an eligible child or children of the  
16 decedent as provided under subsections (c) and (d) of this  
17 Section. If the surviving spouse has no such child in his or  
18 her care and has not attained age 50, the survivor's annuity  
19 shall begin upon attainment of age 50. When all such  
20 children of the deceased who are in the care of the surviving  
21 spouse no longer qualify for benefits and the surviving  
22 spouse is under 50 years of age, the surviving spouse's  
23 annuity shall be suspended until he or she attains age 50.

24           (c) A child's annuity is payable for an unmarried child  
25 of an annuitant or participant so long as the child is (i)  
26 under age 18, (ii) under age 22 and a full time student, or  
27 (iii) age 18 or over if dependent by reason of physical or  
28 mental disability. Disability means inability to engage in  
29 any substantial gainful activity by reason of any medically  
30 determinable physical or mental impairment which can expected  
31 to result in death or which has lasted or can be expected to  
32 last for a continuous period of not less than 12 months.

33           (d) Adopted children shall have the same status as  
34 natural children, but only if the proceedings for adoption

1 were commenced at least 6 months prior to the death of the  
2 annuitant or participant.

3 (e) Remarriage prior to attainment of age 50 that occurs  
4 before the effective date of this amendatory Act of the 91st  
5 General Assembly shall disqualify a surviving spouse for the  
6 receipt of a survivor's annuity until July 6, 2000.

7 A surviving spouse whose survivor's annuity has been  
8 terminated due to remarriage may apply for reinstatement of  
9 that annuity. The reinstated annuity shall begin to accrue  
10 on July 6, 2000, except that if, on July 6, 2000, the annuity  
11 is payable to an eligible surviving child, payment of the  
12 annuity to the surviving spouse shall not be reinstated until  
13 the annuity is no longer payable to any eligible surviving  
14 child. The reinstated annuity shall include any one-time or  
15 annual increases received prior to the date of termination,  
16 as well as any increases that would otherwise have accrued  
17 from the date of termination to the date of reinstatement.  
18 An eligible surviving spouse whose expectation of receiving a  
19 survivor's annuity was lost due to remarriage before  
20 attainment of age 50 shall also be entitled to reinstatement  
21 under this subsection, but the resulting survivor's annuity  
22 shall not begin to accrue sooner than upon the surviving  
23 spouse's attainment of age 50.

24 The changes echange made to this subsection by Public Act  
25 91-887 and this amendatory Act of the 92nd 91st General  
26 Assembly apply ~~applies~~ without regard to whether the deceased  
27 judge was in service on or after the effective date of either  
28 ~~this amendatory Act of the 91st General Assembly.~~

29 (f) The changes made in survivor's annuity provisions by  
30 Public Act 82-306 shall apply to the survivors of a deceased  
31 participant or annuitant whose death occurs on or after  
32 August 21, 1981 and whose service as a judge terminates on or  
33 after July 1, 1967.

34 The provision of child's annuities for dependent students

1 under age 22 by this amendatory Act of 1991 shall apply to  
2 all eligible students beginning January 1, 1992, without  
3 regard to whether the deceased judge was in service on or  
4 after the effective date of this amendatory Act.

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

6 Section 90. The State Mandates Act is amended by adding  
7 Section 8.25 as follows:

8 (30 ILCS 805/8.25 new)

9 Sec. 8.25. 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.

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