

AN ACT in relation to public employee benefits.

Be it enacted by the People of the State of Illinois,
represented in the General Assembly:

Section 5. The State Employees Group Insurance Act of
1971 is amended by adding Section 6.15 as follows:

(5 ILCS 375/6.15 new)

Sec. 6.15. Retired teacher returning to service in
shortage area. Notwithstanding any other provision of this
Act, the eligibility of an annuitant or TRS benefit recipient
to participate in the program of health benefits established
under Section 6 or 6.5 of this Act is suspended for any
period during which he or she is covered under a plan of
group health benefits for active teachers due to eligible
employment as defined in Section 16-150.1 of the Illinois
Pension Code. Upon termination of that coverage, eligibility
to participate in the program of health benefits established
under Section 6 or 6.5 shall be immediately restored, without
any interruption or delay in coverage or limitation as to
pre-existing medical condition.

Section 10. The Illinois Pension Code is amended by
changing Sections 16-106, 16-118, 16-132, 16-150, and 16-152
and adding Section 16-150.1 as follows:

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

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

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

(2) Any educational, administrative, professional or other staff employed in any facility of the Department of Children and Family Services or the Department of Human Services, in a position requiring certification under the law governing the certification of teachers, and any person who (i) works in such a position for the Department of Corrections, (ii) was a member of this System on May 31, 1987, and (iii) did not elect to become a member of the State Employees' Retirement System pursuant to Section 14-108.2 of this Code; except that "teacher" does not include any person who (A) becomes a security employee of the Department of Human Services, as defined in Section 14-110, after June 28, 2001 (the effective date of Public Act 92-14), or (B) becomes a member of the State Employees' Retirement System pursuant to Section 14-108.2c of this Code;

(3) Any regional superintendent of schools, assistant regional superintendent of schools, State Superintendent of Education; any person employed by the State Board of Education as an executive; any executive of the boards engaged in the service of public common school education in school districts covered under this system of which the State Superintendent of Education is an ex-officio member;

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

(5) Any person employed by the retirement system

who:

(i) was an employee of and a participant in the system on August 17, 2001 (the effective date of Public Act 92-416), or

(ii) becomes an employee of the system on or after August 17, 2001;

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

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

(8) Any officer or employee of a statewide teacher organization or officer of a national teacher organization who is certified under the law governing certification of teachers, provided: (i) the individual had previously established creditable service under this Article, (ii) the individual files with the system an irrevocable election to become a member, and (iii) the individual does not receive credit for such service under any other Article of this Code;

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

teachers.

An annuitant receiving a retirement annuity under this Article or under Article 17 of this Code who is temporarily employed by a board of education or other employer as not exceeding--that permitted under Section 16-118 or 16-150.1 is not a "teacher" for purposes of this Article. A person who has received a single-sum retirement benefit under Section 16-136.4 of this Article is not a "teacher" for purposes of this Article.

(Source: P.A. 92-14, eff. 6-28-01; 92-416, eff. 8-17-01; 92-651, eff. 7-11-02.)

(40 ILCS 5/16-118) (from Ch. 108 1/2, par. 16-118)

Sec. 16-118. Retirement. "Retirement": Entry upon a retirement annuity or receipt of a single-sum retirement benefit granted under this Article after termination of active service as a teacher.

(a) An annuitant receiving a retirement annuity other than a disability retirement annuity may accept employment as a teacher from a school board or other employer specified in Section 16-106 without impairing retirement status, if that employment: (1) is not within the school year during which service was terminated; and (2) does not exceed 100 paid days or 500 paid hours in any school year (during the period beginning July 1, 2001 through June 30, 2006, 120 paid days or 600 paid hours in each school year). Where such permitted employment is partly on a daily and partly on an hourly basis, a day shall be considered as 5 hours.

(b) Subsection (a) does not apply to an annuitant who returns to teaching under the program established in Section 16-150.1, for the duration of his or her participation in that program.

(Source: P.A. 92-416, eff. 8-17-01.)

(40 ILCS 5/16-132) (from Ch. 108 1/2, par. 16-132)

Sec. 16-132. Retirement annuity eligibility. A member who has at least 20 years of creditable service is entitled to a retirement annuity upon or after attainment of age 55. A member who has at least 10 but less than 20 years of creditable service is entitled to a retirement annuity upon or after attainment of age 60. A member who has at least 5 but less than 10 years of creditable service is entitled to a retirement annuity upon or after attainment of age 62. A member who (i) has earned during the period immediately preceding the last day of service at least one year of contributing creditable service as an employee of a department as defined in Section 14-103.04, (ii) has earned at least 5 years of contributing creditable service as an employee of a department as defined in Section 14-103.04, and (iii) retires on or after January 1, 2001 is entitled to a retirement annuity upon or after attainment of an age which, when added to the number of years of his or her total creditable service, equals at least 85. Portions of years shall be counted as decimal equivalents.

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

A member meeting the above eligibility conditions is entitled to a retirement annuity upon written application to the board setting forth the date the member wishes the retirement annuity to commence. However, the effective date of the retirement annuity shall be no earlier than the day following the last day of creditable service, regardless of the date of official termination of employment.

To be eligible for a retirement annuity, a member shall not be employed as a teacher in the schools included under

this System or under Article 17, except (i) as provided in Section 16-118 or 16-150.1, (ii) if unless the member is disabled (in which event, eligibility for salary must cease), or (iii) if unless the System is required by federal law to commence payment due to the member's age; the changes to this sentence made by this amendatory Act of the 93rd General Assembly 1991-shall apply without regard to whether the member terminated employment before or after its effective date.

(Source: P.A. 90-582, eff. 5-27-98; 91-927, eff. 12-14-00.)

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

Sec. 16-150. Re-entry.

(a) This Section does not apply to an annuitant who returns to teaching under the program established in Section 16-150.1, for the duration of his or her participation in that program.

(b) If an annuitant under this System is again employed as a teacher for an aggregate period exceeding that permitted by Section 16-118, his or her retirement annuity shall be terminated and the annuitant shall thereupon be regarded as an active member. The annuitant's remaining accumulated contributions shall be transferred to the Members' Contribution Reserve from the Employer's Contribution Reserve.

Such annuitant is not entitled to a recomputation of his or her retirement annuity unless at least one full year of creditable service is rendered after the latest re-entry into service and the annuitant must have rendered at least 3 years of creditable service after last re-entry into service to qualify for a recomputation of the retirement annuity based on amendments enacted while in receipt of a retirement annuity, except when retirement was due to disability.

However, regardless of age, an annuitant in receipt of a

retirement annuity may be given temporary employment by a school board not exceeding that permitted under Section 16-118 and continue to receive the retirement annuity.

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

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

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

(40 ILCS 5/16-150.1 new)

Sec. 16-150.1. Return to teaching in subject shortage area.

(a) As used in this Section, "eligible employment" means employment beginning on or after July 1, 2003 and ending no later than June 30, 2008, in a subject shortage area at a qualified school, in a position requiring certification under the law governing the certification of teachers.

As used in this Section, "qualified school" means a public elementary or secondary school that meets all of the following requirements:

(1) At the time of hiring a retired teacher under this Section, the school is experiencing a shortage of teachers in the subject shortage area for which the teacher is hired.

(2) The school district to which the school belongs has complied with the requirements of subsection (e), and the regional superintendent has certified that compliance to the System.

(3) If the school district to which the school belongs provides group health benefits for its teachers generally, substantially similar health benefits are made available for teachers participating in the program under this Section, without any limitations based on pre-existing conditions.

(b) An annuitant receiving a retirement annuity under this Article (other than a disability retirement annuity) may engage in eligible employment at a qualified school without impairing his or her retirement status or retirement annuity, subject to the following conditions:

(1) the eligible employment does not begin within the school year during which service was terminated;

(2) the annuitant has not received any early retirement incentive under Section 16-133.3, 16-133.4, or 16-133.5;

(3) if the annuitant retired before age 60 and with less than 34 years of service, the eligible employment does not begin within the year following the effective date of the retirement annuity;

(4) if the annuitant retired at age 60 or above or with 34 or more years of service, the eligible employment does not begin within the 90 days following the effective date of the retirement annuity; and

(5) before the eligible employment begins, the employer notifies the System in writing of the annuitant's desire to participate in the program established under this Section.

(c) An annuitant engaged in eligible employment in accordance with subsection (b) shall be deemed a participant in the program established under this Section for so long as he or she remains employed in eligible employment.

(d) A participant in the program established under this Section continues to be a retirement annuitant, rather than

an active teacher, for all of the purposes of this Code, but shall be deemed an active teacher for other purposes, such as inclusion in a collective bargaining unit, eligibility for group health benefits, and compliance with the laws governing the employment, regulation, certification, treatment, and conduct of teachers.

With respect to an annuitant's eligible employment under this Section, neither employee nor employer contributions shall be made to the System and no additional service credit shall be earned. Eligible employment does not affect the annuitant's final average salary or the amount of the retirement annuity.

(e) Before hiring a teacher under this Section, the school district to which the school belongs must do the following:

(1) If the school district to which the school belongs has honorably dismissed, within the calendar year preceding the beginning of the school term for which it seeks to employ a retired teacher under the program established in this Section, any teachers who are legally qualified to hold positions in the subject shortage area and have not yet begun to receive their retirement annuities under this Article, the vacant positions must first be tendered to those teachers.

(2) For a period of at least 90 days during the 6 months preceding the beginning of the school term for which it seeks to employ a retired teacher under the program established in this Section, the school district must, on an ongoing basis, both (i) advertise its vacancies in the subject shortage area in a newspaper of general circulation in the area in which the school is located and in employment bulletins published by college and university placement offices located near the school; and (ii) search for teachers legally qualified to fill

those vacancies through the Illinois Education Job Bank.

The school district must submit documentation of its compliance with this subsection to the regional superintendent. Upon receiving satisfactory documentation from the school district, the regional superintendent shall certify the district's compliance with this subsection to the System.

(f) This Section applies without regard to whether the annuitant was in service on or after the effective date of this amendatory Act of the 93rd General Assembly.

(40 ILCS 5/16-152) (from Ch. 108 1/2, par. 16-152)

Sec. 16-152. Contributions by members.

(a) Each member shall make contributions for membership service to this System as follows:

(1) Effective July 1, 1998, contributions of 7.50% of salary towards the cost of the retirement annuity. Such contributions shall be deemed "normal contributions".

(2) Effective July 1, 1969, contributions of 1/2 of 1% of salary toward the cost of the automatic annual increase in retirement annuity provided under Section 16-133.1.

(3) Effective July 24, 1959, contributions of 1% of salary towards the cost of survivor benefits. Such contributions shall not be credited to the individual account of the member and shall not be subject to refund except as provided under Section 16-143.2.

(b) The minimum required contribution for any year of full-time teaching service shall be \$192.

(c) Contributions shall not be required of any annuitant receiving a retirement annuity who is given temporary employment as not--exceeding--that permitted under Section 16-118 or 16-150.1.

(d) A person who (i) was a member before July 1, 1998, (ii) retires with more than 34 years of creditable service, and (iii) does not elect to qualify for the augmented rate under Section 16-129.1 shall be entitled, at the time of retirement, to receive a partial refund of contributions made under this Section for service occurring after the later of June 30, 1998 or attainment of 34 years of creditable service, in an amount equal to 1.00% of the salary upon which those contributions were based.

(Source: P.A. 90-582, eff. 5-27-98.)

Section 15. The School Code is amended by changing Section 3-14.25 as follows:

(105 ILCS 5/3-14.25) (from Ch. 122, par. 3-14.25)

Sec. 3-14.25. Unfilled teaching positions list; subject shortage area certifications.

(a) To maintain, and make available to the public during regular business hours, a list of unfilled teaching positions within the region. The most current version of the list must be posted on or linked to the regional office of education's Internet web site. If the regional office of education does not have an Internet web site, the regional superintendent of schools must make the list available to the State Board of Education and the State Board of Education must post the list on the State Board of Education's Internet web site. The State Board of Education's Internet web site must provide a link to each regional office of education's list.

(b) To certify to the Teachers' Retirement System of the State of Illinois that a school district has submitted satisfactory evidence of compliance with the requirements of subsection (e) of Section 16-150.1 of the Illinois Pension Code, for the purpose of authorizing the employment of retired teachers in subject shortage areas under the program

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established in that Section.

(Source: P.A. 92-41, eff. 7-1-01.)

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