**Section 1540.170 Interest on Member Contributions**

a) Credited

1) Interest credited on the member's individual account on and after July 1, 1981 shall be computed once a year at the rate of 6.5% per annum compounded annually on the balance at the beginning of each fiscal year and no consideration shall be given to the current fiscal year's contributions in such computation.

2) The amount of any benefit payable by the System shall, if interest credited to member's account is a part of the benefit, include interest credited to the member's account through the end of the fiscal year immediately preceding the date on which the benefit is paid.

b) Charged Interest

 Interest charged to a member establishing periods of service on and after January 1, 1984 shall be at the rate of 6.5% per annum compounded annually, except that the rate of 5% per annum compounded annually will be charged for:

1) The repayment of refunded contributions paid to the member prior to January 1, 1984, or

2) Members establishing service credit on an installment basis provided the signed installment agreement is received prior to January 1, 1984.

(Source: Amended at 8 Ill. Reg. 4144, effective March 26, 1984)