

SB2526



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB2526

Introduced 2/26/2021, by Sen. Donald P. DeWitte

SYNOPSIS AS INTRODUCED:

See Index

Amends the General Assembly, State Employees, State Universities, Downstate Teachers, and Judges Articles of the Illinois Pension Code. Requires each System to prepare and implement a defined contribution plan by July 1, 2023 that aggregates State and employee contributions in individual participant accounts that are used for payouts after retirement. Provides that persons who first become participants on or after July 1, 2023 shall participate in the defined contribution plan in lieu of the defined benefit plan. Makes related changes in the State Employees Group Insurance Act of 1971. Effective immediately.

LRB102 03842 RPS 13856 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

A BILL FOR

1 AN ACT concerning 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 State Employees Group Insurance Act of 1971
5 is amended by changing Sections 3 and 10 as follows:

6 (5 ILCS 375/3) (from Ch. 127, par. 523)

7 Sec. 3. Definitions. Unless the context otherwise
8 requires, the following words and phrases as used in this Act
9 shall have the following meanings. The Department may define
10 these and other words and phrases separately for the purpose
11 of implementing specific programs providing benefits under
12 this Act.

13 (a) "Administrative service organization" means any
14 person, firm or corporation experienced in the handling of
15 claims which is fully qualified, financially sound and capable
16 of meeting the service requirements of a contract of
17 administration executed with the Department.

18 (b) "Annuitant" means (1) an employee who retires, or has
19 retired, on or after January 1, 1966 on an immediate annuity
20 under the provisions of Article ~~Articles~~ 2 (including an
21 employee who, in lieu of receiving an annuity under that
22 Article, has retired under the defined contribution plan
23 established under Section 2-165.5 of that Article), 14

1 (including an employee who has elected to receive an
2 alternative retirement cancellation payment under Section
3 14-108.5 of the Illinois Pension Code in lieu of an annuity; an
4 employee who, in lieu of receiving an annuity under that
5 Article, has retired under the defined contribution plan
6 established under Section 14-155.5 of that Article; or an
7 employee who meets the criteria for retirement, but in lieu of
8 receiving an annuity under that Article has elected to receive
9 an accelerated pension benefit payment under Section 14-147.5
10 of that Article), or 15 (including an employee who has retired
11 under the optional retirement program established under
12 Section 15-158.2 or the defined contribution plan established
13 under Section 15-200.5 of the Illinois Pension Code or who
14 meets the criteria for retirement but in lieu of receiving an
15 annuity under that Article has elected to receive an
16 accelerated pension benefit payment under Section 15-185.5 of
17 the Article), paragraphs (2), (3), or (5) of Section 16-106
18 (including an employee who meets the criteria for retirement,
19 but in lieu of receiving an annuity under that Article has
20 elected to receive an accelerated pension benefit payment
21 under Section 16-190.5 of the Illinois Pension Code or an
22 employee who, in lieu of receiving an annuity under that
23 Article, has retired under the defined contribution plan
24 established under Section 16-205.5 of the Illinois Pension
25 Code), or Article 18 (including an employee who, in lieu of
26 receiving an annuity under that Article, has retired under the

1 defined contribution plan established under Section 18-121.5
2 of that Article) of the Illinois Pension Code; (2) any person
3 who was receiving group insurance coverage under this Act as
4 of March 31, 1978 by reason of his status as an annuitant, even
5 though the annuity in relation to which such coverage was
6 provided is a proportional annuity based on less than the
7 minimum period of service required for a retirement annuity in
8 the system involved; (3) any person not otherwise covered by
9 this Act who has retired as a participating member under
10 Article 2 of the Illinois Pension Code but is ineligible for
11 the retirement annuity under Section 2-119 of the Illinois
12 Pension Code; (4) the spouse of any person who is receiving a
13 retirement annuity under Article 18 of the Illinois Pension
14 Code and who is covered under a group health insurance program
15 sponsored by a governmental employer other than the State of
16 Illinois and who has irrevocably elected to waive his or her
17 coverage under this Act and to have his or her spouse
18 considered as the "annuitant" under this Act and not as a
19 "dependent"; or (5) an employee who retires, or has retired,
20 from a qualified position, as determined according to rules
21 promulgated by the Director, under a qualified local
22 government, a qualified rehabilitation facility, a qualified
23 domestic violence shelter or service, or a qualified child
24 advocacy center. (For definition of "retired employee", see
25 (p) post).

26 (b-5) (Blank).

1 (b-6) (Blank).

2 (b-7) (Blank).

3 (c) "Carrier" means (1) an insurance company, a
4 corporation organized under the Limited Health Service
5 Organization Act or the Voluntary Health Services Plans ~~Plan~~
6 Act, a partnership, or other nongovernmental organization,
7 which is authorized to do group life or group health insurance
8 business in Illinois, or (2) the State of Illinois as a
9 self-insurer.

10 (d) "Compensation" means salary or wages payable on a
11 regular payroll by the State Treasurer on a warrant of the
12 State Comptroller out of any State, trust or federal fund, or
13 by the Governor of the State through a disbursing officer of
14 the State out of a trust or out of federal funds, or by any
15 Department out of State, trust, federal or other funds held by
16 the State Treasurer or the Department, to any person for
17 personal services currently performed, and ordinary or
18 accidental disability benefits under Articles 2, 14, 15
19 (including ordinary or accidental disability benefits under
20 the optional retirement program established under Section
21 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
22 Article 18 of the Illinois Pension Code, for disability
23 incurred after January 1, 1966, or benefits payable under the
24 Workers' Compensation or Occupational Diseases Act or benefits
25 payable under a sick pay plan established in accordance with
26 Section 36 of the State Finance Act. "Compensation" also means

1 salary or wages paid to an employee of any qualified local
2 government, qualified rehabilitation facility, qualified
3 domestic violence shelter or service, or qualified child
4 advocacy center.

5 (e) "Commission" means the State Employees Group Insurance
6 Advisory Commission authorized by this Act. Commencing July 1,
7 1984, "Commission" as used in this Act means the Commission on
8 Government Forecasting and Accountability as established by
9 the Legislative Commission Reorganization Act of 1984.

10 (f) "Contributory", when referred to as contributory
11 coverage, shall mean optional coverages or benefits elected by
12 the member toward the cost of which such member makes
13 contribution, or which are funded in whole or in part through
14 the acceptance of a reduction in earnings or the foregoing of
15 an increase in earnings by an employee, as distinguished from
16 noncontributory coverage or benefits which are paid entirely
17 by the State of Illinois without reduction of the member's
18 salary.

19 (g) "Department" means any department, institution, board,
20 commission, officer, court or any agency of the State
21 government receiving appropriations and having power to
22 certify payrolls to the Comptroller authorizing payments of
23 salary and wages against such appropriations as are made by
24 the General Assembly from any State fund, or against trust
25 funds held by the State Treasurer and includes boards of
26 trustees of the retirement systems created by Articles 2, 14,

1 15, 16, and 18 of the Illinois Pension Code. "Department" also
2 includes the Illinois Comprehensive Health Insurance Board,
3 the Board of Examiners established under the Illinois Public
4 Accounting Act, and the Illinois Finance Authority.

5 (h) "Dependent", when the term is used in the context of
6 the health and life plan, means a member's spouse and any child
7 (1) from birth to age 26 including an adopted child, a child
8 who lives with the member from the time of the placement for
9 adoption until entry of an order of adoption, a stepchild or
10 adjudicated child, or a child who lives with the member if such
11 member is a court appointed guardian of the child or (2) age 19
12 or over who has a mental or physical disability from a cause
13 originating prior to the age of 19 (age 26 if enrolled as an
14 adult child dependent). For the health plan only, the term
15 "dependent" also includes (1) any person enrolled prior to the
16 effective date of this Section who is dependent upon the
17 member to the extent that the member may claim such person as a
18 dependent for income tax deduction purposes and (2) any person
19 who has received after June 30, 2000 an organ transplant and
20 who is financially dependent upon the member and eligible to
21 be claimed as a dependent for income tax purposes. A member
22 requesting to cover any dependent must provide documentation
23 as requested by the Department of Central Management Services
24 and file with the Department any and all forms required by the
25 Department.

26 (i) "Director" means the Director of the Illinois

1 Department of Central Management Services.

2 (j) "Eligibility period" means the period of time a member
3 has to elect enrollment in programs or to select benefits
4 without regard to age, sex or health.

5 (k) "Employee" means and includes each officer or employee
6 in the service of a department who (1) receives his
7 compensation for service rendered to the department on a
8 warrant issued pursuant to a payroll certified by a department
9 or on a warrant or check issued and drawn by a department upon
10 a trust, federal or other fund or on a warrant issued pursuant
11 to a payroll certified by an elected or duly appointed officer
12 of the State or who receives payment of the performance of
13 personal services on a warrant issued pursuant to a payroll
14 certified by a Department and drawn by the Comptroller upon
15 the State Treasurer against appropriations made by the General
16 Assembly from any fund or against trust funds held by the State
17 Treasurer, and (2) is employed full-time or part-time in a
18 position normally requiring actual performance of duty during
19 not less than 1/2 of a normal work period, as established by
20 the Director in cooperation with each department, except that
21 persons elected by popular vote will be considered employees
22 during the entire term for which they are elected regardless
23 of hours devoted to the service of the State, and (3) except
24 that "employee" does not include any person who is not
25 eligible by reason of such person's employment to participate
26 in one of the State retirement systems under Articles 2, 14, 15

1 (either the regular Article 15 system or the optional
2 retirement program established under Section 15-158.2), or 18,
3 or under paragraph (2), (3), or (5) of Section 16-106, of the
4 Illinois Pension Code, but such term does include persons who
5 are employed during the 6 month qualifying period under
6 Article 14 of the Illinois Pension Code. Such term also
7 includes any person who (1) after January 1, 1966, is
8 receiving ordinary or accidental disability benefits under
9 Articles 2, 14, 15 (including ordinary or accidental
10 disability benefits under the optional retirement program
11 established under Section 15-158.2), paragraphs (2), (3), or
12 (5) of Section 16-106, or Article 18 of the Illinois Pension
13 Code, for disability incurred after January 1, 1966, (2)
14 receives total permanent or total temporary disability under
15 the Workers' Compensation Act or Occupational Disease Act as a
16 result of injuries sustained or illness contracted in the
17 course of employment with the State of Illinois, or (3) is not
18 otherwise covered under this Act and has retired as a
19 participating member under Article 2 of the Illinois Pension
20 Code but is ineligible for the retirement annuity under
21 Section 2-119 of the Illinois Pension Code. However, a person
22 who satisfies the criteria of the foregoing definition of
23 "employee" except that such person is made ineligible to
24 participate in the State Universities Retirement System by
25 clause (4) of subsection (a) of Section 15-107 of the Illinois
26 Pension Code is also an "employee" for the purposes of this

1 Act. "Employee" also includes any person receiving or eligible
2 for benefits under a sick pay plan established in accordance
3 with Section 36 of the State Finance Act. "Employee" also
4 includes (i) each officer or employee in the service of a
5 qualified local government, including persons appointed as
6 trustees of sanitary districts regardless of hours devoted to
7 the service of the sanitary district, (ii) each employee in
8 the service of a qualified rehabilitation facility, (iii) each
9 full-time employee in the service of a qualified domestic
10 violence shelter or service, and (iv) each full-time employee
11 in the service of a qualified child advocacy center, as
12 determined according to rules promulgated by the Director.

13 (1) "Member" means an employee, annuitant, retired
14 employee or survivor. In the case of an annuitant or retired
15 employee who first becomes an annuitant or retired employee on
16 or after January 13, 2012 (the effective date of Public Act
17 97-668) ~~this amendatory Act of the 97th General Assembly~~, the
18 individual must meet the minimum vesting requirements of the
19 applicable retirement system in order to be eligible for group
20 insurance benefits under that system. In the case of a
21 survivor who first becomes a survivor on or after January 13,
22 2012 (the effective date of Public Act 97-668) ~~this amendatory~~
23 ~~Act of the 97th General Assembly~~, the deceased employee,
24 annuitant, or retired employee upon whom the annuity is based
25 must have been eligible to participate in the group insurance
26 system under the applicable retirement system in order for the

1 survivor to be eligible for group insurance benefits under
2 that system.

3 (m) "Optional coverages or benefits" means those coverages
4 or benefits available to the member on his or her voluntary
5 election, and at his or her own expense.

6 (n) "Program" means the group life insurance, health
7 benefits and other employee benefits designed and contracted
8 for by the Director under this Act.

9 (o) "Health plan" means a health benefits program offered
10 by the State of Illinois for persons eligible for the plan.

11 (p) "Retired employee" means any person who would be an
12 annuitant as that term is defined herein but for the fact that
13 such person retired prior to January 1, 1966. Such term also
14 includes any person formerly employed by the University of
15 Illinois in the Cooperative Extension Service who would be an
16 annuitant but for the fact that such person was made
17 ineligible to participate in the State Universities Retirement
18 System by clause (4) of subsection (a) of Section 15-107 of the
19 Illinois Pension Code.

20 (q) "Survivor" means a person receiving an annuity as a
21 survivor of an employee or of an annuitant. "Survivor" also
22 includes: (1) the surviving dependent of a person who
23 satisfies the definition of "employee" except that such person
24 is made ineligible to participate in the State Universities
25 Retirement System by clause (4) of subsection (a) of Section
26 15-107 of the Illinois Pension Code; (2) the surviving

1 dependent of any person formerly employed by the University of
2 Illinois in the Cooperative Extension Service who would be an
3 annuitant except for the fact that such person was made
4 ineligible to participate in the State Universities Retirement
5 System by clause (4) of subsection (a) of Section 15-107 of the
6 Illinois Pension Code; (3) the surviving dependent of a person
7 who was an annuitant under this Act by virtue of receiving an
8 alternative retirement cancellation payment under Section
9 14-108.5 of the Illinois Pension Code; and (4) a person who
10 would be receiving an annuity as a survivor of an annuitant
11 except that the annuitant elected on or after June 4, 2018 to
12 receive an accelerated pension benefit payment under Section
13 14-147.5, 15-185.5, or 16-190.5 of the Illinois Pension Code
14 in lieu of receiving an annuity.

15 (q-2) "SERS" means the State Employees' Retirement System
16 of Illinois, created under Article 14 of the Illinois Pension
17 Code.

18 (q-3) "SURS" means the State Universities Retirement
19 System, created under Article 15 of the Illinois Pension Code.

20 (q-4) "TRS" means the Teachers' Retirement System of the
21 State of Illinois, created under Article 16 of the Illinois
22 Pension Code.

23 (q-5) (Blank).

24 (q-6) (Blank).

25 (q-7) (Blank).

26 (r) "Medical services" means the services provided within

1 the scope of their licenses by practitioners in all categories
2 licensed under the Medical Practice Act of 1987.

3 (s) "Unit of local government" means any county,
4 municipality, township, school district (including a
5 combination of school districts under the Intergovernmental
6 Cooperation Act), special district or other unit, designated
7 as a unit of local government by law, which exercises limited
8 governmental powers or powers in respect to limited
9 governmental subjects, any not-for-profit association with a
10 membership that primarily includes townships and township
11 officials, that has duties that include provision of research
12 service, dissemination of information, and other acts for the
13 purpose of improving township government, and that is funded
14 wholly or partly in accordance with Section 85-15 of the
15 Township Code; any not-for-profit corporation or association,
16 with a membership consisting primarily of municipalities, that
17 operates its own utility system, and provides research,
18 training, dissemination of information, or other acts to
19 promote cooperation between and among municipalities that
20 provide utility services and for the advancement of the goals
21 and purposes of its membership; the Southern Illinois
22 Collegiate Common Market, which is a consortium of higher
23 education institutions in Southern Illinois; the Illinois
24 Association of Park Districts; and any hospital provider that
25 is owned by a county that has 100 or fewer hospital beds and
26 has not already joined the program. "Qualified local

1 government" means a unit of local government approved by the
2 Director and participating in a program created under
3 subsection (i) of Section 10 of this Act.

4 (t) "Qualified rehabilitation facility" means any
5 not-for-profit organization that is accredited by the
6 Commission on Accreditation of Rehabilitation Facilities or
7 certified by the Department of Human Services (as successor to
8 the Department of Mental Health and Developmental
9 Disabilities) to provide services to persons with disabilities
10 and which receives funds from the State of Illinois for
11 providing those services, approved by the Director and
12 participating in a program created under subsection (j) of
13 Section 10 of this Act.

14 (u) "Qualified domestic violence shelter or service" means
15 any Illinois domestic violence shelter or service and its
16 administrative offices funded by the Department of Human
17 Services (as successor to the Illinois Department of Public
18 Aid), approved by the Director and participating in a program
19 created under subsection (k) of Section 10.

20 (v) "TRS benefit recipient" means a person who:

21 (1) is not a "member" as defined in this Section; and

22 (2) is receiving a monthly benefit or retirement
23 annuity under Article 16 of the Illinois Pension Code or
24 would be receiving such monthly benefit or retirement
25 annuity except that the benefit recipient elected on or
26 after June 4, 2018 to receive an accelerated pension

1 benefit payment under Section 16-190.5 of the Illinois
2 Pension Code in lieu of receiving an annuity; and

3 (3) either (i) has at least 8 years of creditable
4 service under Article 16 of the Illinois Pension Code, or
5 (ii) was enrolled in the health insurance program offered
6 under that Article on January 1, 1996, or (iii) is the
7 survivor of a benefit recipient who had at least 8 years of
8 creditable service under Article 16 of the Illinois
9 Pension Code or was enrolled in the health insurance
10 program offered under that Article on June 21, 1995 (the
11 effective date of Public Act 89-25) ~~this amendatory Act of~~
12 ~~1995~~, or (iv) is a recipient or survivor of a recipient of
13 a disability benefit under Article 16 of the Illinois
14 Pension Code.

15 (w) "TRS dependent beneficiary" means a person who:

16 (1) is not a "member" or "dependent" as defined in
17 this Section; and

18 (2) is a TRS benefit recipient's: (A) spouse, (B)
19 dependent parent who is receiving at least half of his or
20 her support from the TRS benefit recipient, or (C)
21 natural, step, adjudicated, or adopted child who is (i)
22 under age 26, (ii) was, on January 1, 1996, participating
23 as a dependent beneficiary in the health insurance program
24 offered under Article 16 of the Illinois Pension Code, or
25 (iii) age 19 or over who has a mental or physical
26 disability from a cause originating prior to the age of 19

1 (age 26 if enrolled as an adult child).

2 "TRS dependent beneficiary" does not include, as indicated
3 under paragraph (2) of this subsection (w), a dependent of the
4 survivor of a TRS benefit recipient who first becomes a
5 dependent of a survivor of a TRS benefit recipient on or after
6 January 13, 2012 (the effective date of Public Act 97-668)
7 ~~this amendatory Act of the 97th General Assembly~~ unless that
8 dependent would have been eligible for coverage as a dependent
9 of the deceased TRS benefit recipient upon whom the survivor
10 benefit is based.

11 (x) "Military leave" refers to individuals in basic
12 training for reserves, special/advanced training, annual
13 training, emergency call up, activation by the President of
14 the United States, or any other training or duty in service to
15 the United States Armed Forces.

16 (y) (Blank).

17 (z) "Community college benefit recipient" means a person
18 who:

19 (1) is not a "member" as defined in this Section; and

20 (2) is receiving a monthly survivor's annuity or
21 retirement annuity under Article 15 of the Illinois
22 Pension Code or would be receiving such monthly survivor's
23 annuity or retirement annuity except that the benefit
24 recipient elected on or after June 4, 2018 to receive an
25 accelerated pension benefit payment under Section 15-185.5
26 of the Illinois Pension Code in lieu of receiving an

1 annuity; and

2 (3) either (i) was a full-time employee of a community
3 college district or an association of community college
4 boards created under the Public Community College Act
5 (other than an employee whose last employer under Article
6 15 of the Illinois Pension Code was a community college
7 district subject to Article VII of the Public Community
8 College Act) and was eligible to participate in a group
9 health benefit plan as an employee during the time of
10 employment with a community college district (other than a
11 community college district subject to Article VII of the
12 Public Community College Act) or an association of
13 community college boards, or (ii) is the survivor of a
14 person described in item (i).

15 (aa) "Community college dependent beneficiary" means a
16 person who:

17 (1) is not a "member" or "dependent" as defined in
18 this Section; and

19 (2) is a community college benefit recipient's: (A)
20 spouse, (B) dependent parent who is receiving at least
21 half of his or her support from the community college
22 benefit recipient, or (C) natural, step, adjudicated, or
23 adopted child who is (i) under age 26, or (ii) age 19 or
24 over and has a mental or physical disability from a cause
25 originating prior to the age of 19 (age 26 if enrolled as
26 an adult child).

1 "Community college dependent beneficiary" does not
2 include, as indicated under paragraph (2) of this subsection
3 (aa), a dependent of the survivor of a community college
4 benefit recipient who first becomes a dependent of a survivor
5 of a community college benefit recipient on or after January
6 13, 2012 (the effective date of Public Act 97-668) ~~this~~
7 ~~amendatory Act of the 97th General Assembly~~ unless that
8 dependent would have been eligible for coverage as a dependent
9 of the deceased community college benefit recipient upon whom
10 the survivor annuity is based.

11 (bb) "Qualified child advocacy center" means any Illinois
12 child advocacy center and its administrative offices funded by
13 the Department of Children and Family Services, as defined by
14 the Children's Advocacy Center Act (55 ILCS 80/), approved by
15 the Director and participating in a program created under
16 subsection (n) of Section 10.

17 (cc) "Placement for adoption" means the assumption and
18 retention by a member of a legal obligation for total or
19 partial support of a child in anticipation of adoption of the
20 child. The child's placement with the member terminates upon
21 the termination of such legal obligation.

22 (Source: P.A. 100-355, eff. 1-1-18; 100-587, eff. 6-4-18;
23 101-242, eff. 8-9-19; revised 9-19-19.)

24 (5 ILCS 375/10) (from Ch. 127, par. 530)

25 Sec. 10. Contributions by the State and members.

1 (a) The State shall pay the cost of basic non-contributory
2 group life insurance and, subject to member paid contributions
3 set by the Department or required by this Section and except as
4 provided in this Section, the basic program of group health
5 benefits on each eligible member, except a member, not
6 otherwise covered by this Act, who has retired as a
7 participating member under Article 2 of the Illinois Pension
8 Code but is ineligible for the retirement annuity under
9 Section 2-119 of the Illinois Pension Code, and part of each
10 eligible member's and retired member's premiums for health
11 insurance coverage for enrolled dependents as provided by
12 Section 9. The State shall pay the cost of the basic program of
13 group health benefits only after benefits are reduced by the
14 amount of benefits covered by Medicare for all members and
15 dependents who are eligible for benefits under Social Security
16 or the Railroad Retirement system or who had sufficient
17 Medicare-covered government employment, except that such
18 reduction in benefits shall apply only to those members and
19 dependents who (1) first become eligible for such Medicare
20 coverage on or after July 1, 1992; or (2) are
21 Medicare-eligible members or dependents of a local government
22 unit which began participation in the program on or after July
23 1, 1992; or (3) remain eligible for, but no longer receive
24 Medicare coverage which they had been receiving on or after
25 July 1, 1992. The Department may determine the aggregate level
26 of the State's contribution on the basis of actual cost of

1 medical services adjusted for age, sex or geographic or other
2 demographic characteristics which affect the costs of such
3 programs.

4 The cost of participation in the basic program of group
5 health benefits for the dependent or survivor of a living or
6 deceased retired employee who was formerly employed by the
7 University of Illinois in the Cooperative Extension Service
8 and would be an annuitant but for the fact that he or she was
9 made ineligible to participate in the State Universities
10 Retirement System by clause (4) of subsection (a) of Section
11 15-107 of the Illinois Pension Code shall not be greater than
12 the cost of participation that would otherwise apply to that
13 dependent or survivor if he or she were the dependent or
14 survivor of an annuitant under the State Universities
15 Retirement System.

16 (a-1) (Blank).

17 (a-2) (Blank).

18 (a-3) (Blank).

19 (a-4) (Blank).

20 (a-5) (Blank).

21 (a-6) (Blank).

22 (a-7) (Blank).

23 (a-8) Any annuitant, survivor, or retired employee may
24 waive or terminate coverage in the program of group health
25 benefits. Any such annuitant, survivor, or retired employee
26 who has waived or terminated coverage may enroll or re-enroll

1 in the program of group health benefits only during the annual
2 benefit choice period, as determined by the Director; except
3 that in the event of termination of coverage due to nonpayment
4 of premiums, the annuitant, survivor, or retired employee may
5 not re-enroll in the program.

6 (a-8.5) Beginning on the effective date of this amendatory
7 Act of the 97th General Assembly, the Director of Central
8 Management Services shall, on an annual basis, determine the
9 amount that the State shall contribute toward the basic
10 program of group health benefits on behalf of annuitants
11 (including individuals who (i) participated in the General
12 Assembly Retirement System, the State Employees' Retirement
13 System of Illinois, the State Universities Retirement System,
14 the Teachers' Retirement System of the State of Illinois, or
15 the Judges Retirement System of Illinois and (ii) qualify as
16 annuitants under subsection (b) of Section 3 of this Act),
17 survivors (including individuals who (i) receive an annuity as
18 a survivor of an individual who participated in the General
19 Assembly Retirement System, the State Employees' Retirement
20 System of Illinois, the State Universities Retirement System,
21 the Teachers' Retirement System of the State of Illinois, or
22 the Judges Retirement System of Illinois and (ii) qualify as
23 survivors under subsection (q) of Section 3 of this Act), and
24 retired employees (as defined in subsection (p) of Section 3
25 of this Act). The remainder of the cost of coverage for each
26 annuitant, survivor, or retired employee, as determined by the

1 Director of Central Management Services, shall be the
2 responsibility of that annuitant, survivor, or retired
3 employee.

4 Contributions required of annuitants, survivors, and
5 retired employees shall be the same for all retirement systems
6 and shall also be based on whether an individual has made an
7 election under Section 15-135.1 of the Illinois Pension Code.
8 Contributions may be based on annuitants', survivors', or
9 retired employees' Medicare eligibility, but may not be based
10 on Social Security eligibility.

11 (a-9) No later than May 1 of each calendar year, the
12 Director of Central Management Services shall certify in
13 writing to the Executive Secretary of the State Employees'
14 Retirement System of Illinois the amounts of the Medicare
15 supplement health care premiums and the amounts of the health
16 care premiums for all other retirees who are not Medicare
17 eligible.

18 A separate calculation of the premiums based upon the
19 actual cost of each health care plan shall be so certified.

20 The Director of Central Management Services shall provide
21 to the Executive Secretary of the State Employees' Retirement
22 System of Illinois such information, statistics, and other
23 data as he or she may require to review the premium amounts
24 certified by the Director of Central Management Services.

25 The Department of Central Management Services, or any
26 successor agency designated to procure healthcare contracts

1 pursuant to this Act, is authorized to establish funds,
2 separate accounts provided by any bank or banks as defined by
3 the Illinois Banking Act, or separate accounts provided by any
4 savings and loan association or associations as defined by the
5 Illinois Savings and Loan Act of 1985 to be held by the
6 Director, outside the State treasury, for the purpose of
7 receiving the transfer of moneys from the Local Government
8 Health Insurance Reserve Fund. The Department may promulgate
9 rules further defining the methodology for the transfers. Any
10 interest earned by moneys in the funds or accounts shall inure
11 to the Local Government Health Insurance Reserve Fund. The
12 transferred moneys, and interest accrued thereon, shall be
13 used exclusively for transfers to administrative service
14 organizations or their financial institutions for payments of
15 claims to claimants and providers under the self-insurance
16 health plan. The transferred moneys, and interest accrued
17 thereon, shall not be used for any other purpose including,
18 but not limited to, reimbursement of administration fees due
19 the administrative service organization pursuant to its
20 contract or contracts with the Department.

21 (a-10) To the extent that participation, benefits, or
22 premiums under this Act are based on a person's service credit
23 under an Article of the Illinois Pension Code, service credit
24 terminated in exchange for an accelerated pension benefit
25 payment under Section 14-147.5, 15-185.5, or 16-190.5 of that
26 Code shall be included in determining a person's service

1 credit for the purposes of this Act.

2 (a-15) For purposes of determining State contributions
3 under this Section, service established under a defined
4 contribution plan under Section 2-165.5, 14-155.5, 15-200.5,
5 16-205.5, or 18-121.5 of the Illinois Pension Code shall be
6 included in determining an employee's creditable service.

7 (b) State employees who become eligible for this program
8 on or after January 1, 1980 in positions normally requiring
9 actual performance of duty not less than 1/2 of a normal work
10 period but not equal to that of a normal work period, shall be
11 given the option of participating in the available program. If
12 the employee elects coverage, the State shall contribute on
13 behalf of such employee to the cost of the employee's benefit
14 and any applicable dependent supplement, that sum which bears
15 the same percentage as that percentage of time the employee
16 regularly works when compared to normal work period.

17 (c) The basic non-contributory coverage from the basic
18 program of group health benefits shall be continued for each
19 employee not in pay status or on active service by reason of
20 (1) leave of absence due to illness or injury, (2) authorized
21 educational leave of absence or sabbatical leave, or (3)
22 military leave. This coverage shall continue until expiration
23 of authorized leave and return to active service, but not to
24 exceed 24 months for leaves under item (1) or (2). This
25 24-month limitation and the requirement of returning to active
26 service shall not apply to persons receiving ordinary or

1 accidental disability benefits or retirement benefits through
2 the appropriate State retirement system or benefits under the
3 Workers' Compensation or Occupational Disease Act.

4 (d) The basic group life insurance coverage shall
5 continue, with full State contribution, where such person is
6 (1) absent from active service by reason of disability arising
7 from any cause other than self-inflicted, (2) on authorized
8 educational leave of absence or sabbatical leave, or (3) on
9 military leave.

10 (e) Where the person is in non-pay status for a period in
11 excess of 30 days or on leave of absence, other than by reason
12 of disability, educational or sabbatical leave, or military
13 leave, such person may continue coverage only by making
14 personal payment equal to the amount normally contributed by
15 the State on such person's behalf. Such payments and coverage
16 may be continued: (1) until such time as the person returns to
17 a status eligible for coverage at State expense, but not to
18 exceed 24 months or (2) until such person's employment or
19 annuitant status with the State is terminated (exclusive of
20 any additional service imposed pursuant to law).

21 (f) The Department shall establish by rule the extent to
22 which other employee benefits will continue for persons in
23 non-pay status or who are not in active service.

24 (g) The State shall not pay the cost of the basic
25 non-contributory group life insurance, program of health
26 benefits and other employee benefits for members who are

1 survivors as defined by paragraphs (1) and (2) of subsection
2 (q) of Section 3 of this Act. The costs of benefits for these
3 survivors shall be paid by the survivors or by the University
4 of Illinois Cooperative Extension Service, or any combination
5 thereof. However, the State shall pay the amount of the
6 reduction in the cost of participation, if any, resulting from
7 the amendment to subsection (a) made by this amendatory Act of
8 the 91st General Assembly.

9 (h) Those persons occupying positions with any department
10 as a result of emergency appointments pursuant to Section 8b.8
11 of the Personnel Code who are not considered employees under
12 this Act shall be given the option of participating in the
13 programs of group life insurance, health benefits and other
14 employee benefits. Such persons electing coverage may
15 participate only by making payment equal to the amount
16 normally contributed by the State for similarly situated
17 employees. Such amounts shall be determined by the Director.
18 Such payments and coverage may be continued until such time as
19 the person becomes an employee pursuant to this Act or such
20 person's appointment is terminated.

21 (i) Any unit of local government within the State of
22 Illinois may apply to the Director to have its employees,
23 annuitants, and their dependents provided group health
24 coverage under this Act on a non-insured basis. To
25 participate, a unit of local government must agree to enroll
26 all of its employees, who may select coverage under either the

1 State group health benefits plan or a health maintenance
2 organization that has contracted with the State to be
3 available as a health care provider for employees as defined
4 in this Act. A unit of local government must remit the entire
5 cost of providing coverage under the State group health
6 benefits plan or, for coverage under a health maintenance
7 organization, an amount determined by the Director based on an
8 analysis of the sex, age, geographic location, or other
9 relevant demographic variables for its employees, except that
10 the unit of local government shall not be required to enroll
11 those of its employees who are covered spouses or dependents
12 under this plan or another group policy or plan providing
13 health benefits as long as (1) an appropriate official from
14 the unit of local government attests that each employee not
15 enrolled is a covered spouse or dependent under this plan or
16 another group policy or plan, and (2) at least 50% of the
17 employees are enrolled and the unit of local government remits
18 the entire cost of providing coverage to those employees,
19 except that a participating school district must have enrolled
20 at least 50% of its full-time employees who have not waived
21 coverage under the district's group health plan by
22 participating in a component of the district's cafeteria plan.
23 A participating school district is not required to enroll a
24 full-time employee who has waived coverage under the
25 district's health plan, provided that an appropriate official
26 from the participating school district attests that the

1 full-time employee has waived coverage by participating in a
2 component of the district's cafeteria plan. For the purposes
3 of this subsection, "participating school district" includes a
4 unit of local government whose primary purpose is education as
5 defined by the Department's rules.

6 Employees of a participating unit of local government who
7 are not enrolled due to coverage under another group health
8 policy or plan may enroll in the event of a qualifying change
9 in status, special enrollment, special circumstance as defined
10 by the Director, or during the annual Benefit Choice Period. A
11 participating unit of local government may also elect to cover
12 its annuitants. Dependent coverage shall be offered on an
13 optional basis, with the costs paid by the unit of local
14 government, its employees, or some combination of the two as
15 determined by the unit of local government. The unit of local
16 government shall be responsible for timely collection and
17 transmission of dependent premiums.

18 The Director shall annually determine monthly rates of
19 payment, subject to the following constraints:

20 (1) In the first year of coverage, the rates shall be
21 equal to the amount normally charged to State employees
22 for elected optional coverages or for enrolled dependents
23 coverages or other contributory coverages, or contributed
24 by the State for basic insurance coverages on behalf of
25 its employees, adjusted for differences between State
26 employees and employees of the local government in age,

1 sex, geographic location or other relevant demographic
2 variables, plus an amount sufficient to pay for the
3 additional administrative costs of providing coverage to
4 employees of the unit of local government and their
5 dependents.

6 (2) In subsequent years, a further adjustment shall be
7 made to reflect the actual prior years' claims experience
8 of the employees of the unit of local government.

9 In the case of coverage of local government employees
10 under a health maintenance organization, the Director shall
11 annually determine for each participating unit of local
12 government the maximum monthly amount the unit may contribute
13 toward that coverage, based on an analysis of (i) the age, sex,
14 geographic location, and other relevant demographic variables
15 of the unit's employees and (ii) the cost to cover those
16 employees under the State group health benefits plan. The
17 Director may similarly determine the maximum monthly amount
18 each unit of local government may contribute toward coverage
19 of its employees' dependents under a health maintenance
20 organization.

21 Monthly payments by the unit of local government or its
22 employees for group health benefits plan or health maintenance
23 organization coverage shall be deposited in the Local
24 Government Health Insurance Reserve Fund.

25 The Local Government Health Insurance Reserve Fund is
26 hereby created as a nonappropriated trust fund to be held

1 outside the State Treasury, with the State Treasurer as
2 custodian. The Local Government Health Insurance Reserve Fund
3 shall be a continuing fund not subject to fiscal year
4 limitations. The Local Government Health Insurance Reserve
5 Fund is not subject to administrative charges or charge-backs,
6 including but not limited to those authorized under Section 8h
7 of the State Finance Act. All revenues arising from the
8 administration of the health benefits program established
9 under this Section shall be deposited into the Local
10 Government Health Insurance Reserve Fund. Any interest earned
11 on moneys in the Local Government Health Insurance Reserve
12 Fund shall be deposited into the Fund. All expenditures from
13 this Fund shall be used for payments for health care benefits
14 for local government and rehabilitation facility employees,
15 annuitants, and dependents, and to reimburse the Department or
16 its administrative service organization for all expenses
17 incurred in the administration of benefits. No other State
18 funds may be used for these purposes.

19 A local government employer's participation or desire to
20 participate in a program created under this subsection shall
21 not limit that employer's duty to bargain with the
22 representative of any collective bargaining unit of its
23 employees.

24 (j) Any rehabilitation facility within the State of
25 Illinois may apply to the Director to have its employees,
26 annuitants, and their eligible dependents provided group

1 health coverage under this Act on a non-insured basis. To
2 participate, a rehabilitation facility must agree to enroll
3 all of its employees and remit the entire cost of providing
4 such coverage for its employees, except that the
5 rehabilitation facility shall not be required to enroll those
6 of its employees who are covered spouses or dependents under
7 this plan or another group policy or plan providing health
8 benefits as long as (1) an appropriate official from the
9 rehabilitation facility attests that each employee not
10 enrolled is a covered spouse or dependent under this plan or
11 another group policy or plan, and (2) at least 50% of the
12 employees are enrolled and the rehabilitation facility remits
13 the entire cost of providing coverage to those employees.
14 Employees of a participating rehabilitation facility who are
15 not enrolled due to coverage under another group health policy
16 or plan may enroll in the event of a qualifying change in
17 status, special enrollment, special circumstance as defined by
18 the Director, or during the annual Benefit Choice Period. A
19 participating rehabilitation facility may also elect to cover
20 its annuitants. Dependent coverage shall be offered on an
21 optional basis, with the costs paid by the rehabilitation
22 facility, its employees, or some combination of the 2 as
23 determined by the rehabilitation facility. The rehabilitation
24 facility shall be responsible for timely collection and
25 transmission of dependent premiums.

26 The Director shall annually determine quarterly rates of

1 payment, subject to the following constraints:

2 (1) In the first year of coverage, the rates shall be
3 equal to the amount normally charged to State employees
4 for elected optional coverages or for enrolled dependents
5 coverages or other contributory coverages on behalf of its
6 employees, adjusted for differences between State
7 employees and employees of the rehabilitation facility in
8 age, sex, geographic location or other relevant
9 demographic variables, plus an amount sufficient to pay
10 for the additional administrative costs of providing
11 coverage to employees of the rehabilitation facility and
12 their dependents.

13 (2) In subsequent years, a further adjustment shall be
14 made to reflect the actual prior years' claims experience
15 of the employees of the rehabilitation facility.

16 Monthly payments by the rehabilitation facility or its
17 employees for group health benefits shall be deposited in the
18 Local Government Health Insurance Reserve Fund.

19 (k) Any domestic violence shelter or service within the
20 State of Illinois may apply to the Director to have its
21 employees, annuitants, and their dependents provided group
22 health coverage under this Act on a non-insured basis. To
23 participate, a domestic violence shelter or service must agree
24 to enroll all of its employees and pay the entire cost of
25 providing such coverage for its employees. The domestic
26 violence shelter shall not be required to enroll those of its

1 employees who are covered spouses or dependents under this
2 plan or another group policy or plan providing health benefits
3 as long as (1) an appropriate official from the domestic
4 violence shelter attests that each employee not enrolled is a
5 covered spouse or dependent under this plan or another group
6 policy or plan and (2) at least 50% of the employees are
7 enrolled and the domestic violence shelter remits the entire
8 cost of providing coverage to those employees. Employees of a
9 participating domestic violence shelter who are not enrolled
10 due to coverage under another group health policy or plan may
11 enroll in the event of a qualifying change in status, special
12 enrollment, or special circumstance as defined by the Director
13 or during the annual Benefit Choice Period. A participating
14 domestic violence shelter may also elect to cover its
15 annuitants. Dependent coverage shall be offered on an optional
16 basis, with employees, or some combination of the 2 as
17 determined by the domestic violence shelter or service. The
18 domestic violence shelter or service shall be responsible for
19 timely collection and transmission of dependent premiums.

20 The Director shall annually determine rates of payment,
21 subject to the following constraints:

22 (1) In the first year of coverage, the rates shall be
23 equal to the amount normally charged to State employees
24 for elected optional coverages or for enrolled dependents
25 coverages or other contributory coverages on behalf of its
26 employees, adjusted for differences between State

1 employees and employees of the domestic violence shelter
2 or service in age, sex, geographic location or other
3 relevant demographic variables, plus an amount sufficient
4 to pay for the additional administrative costs of
5 providing coverage to employees of the domestic violence
6 shelter or service and their dependents.

7 (2) In subsequent years, a further adjustment shall be
8 made to reflect the actual prior years' claims experience
9 of the employees of the domestic violence shelter or
10 service.

11 Monthly payments by the domestic violence shelter or
12 service or its employees for group health insurance shall be
13 deposited in the Local Government Health Insurance Reserve
14 Fund.

15 (1) A public community college or entity organized
16 pursuant to the Public Community College Act may apply to the
17 Director initially to have only annuitants not covered prior
18 to July 1, 1992 by the district's health plan provided health
19 coverage under this Act on a non-insured basis. The community
20 college must execute a 2-year contract to participate in the
21 Local Government Health Plan. Any annuitant may enroll in the
22 event of a qualifying change in status, special enrollment,
23 special circumstance as defined by the Director, or during the
24 annual Benefit Choice Period.

25 The Director shall annually determine monthly rates of
26 payment subject to the following constraints: for those

1 community colleges with annuitants only enrolled, first year
2 rates shall be equal to the average cost to cover claims for a
3 State member adjusted for demographics, Medicare
4 participation, and other factors; and in the second year, a
5 further adjustment of rates shall be made to reflect the
6 actual first year's claims experience of the covered
7 annuitants.

8 (l-5) The provisions of subsection (l) become inoperative
9 on July 1, 1999.

10 (m) The Director shall adopt any rules deemed necessary
11 for implementation of this amendatory Act of 1989 (Public Act
12 86-978).

13 (n) Any child advocacy center within the State of Illinois
14 may apply to the Director to have its employees, annuitants,
15 and their dependents provided group health coverage under this
16 Act on a non-insured basis. To participate, a child advocacy
17 center must agree to enroll all of its employees and pay the
18 entire cost of providing coverage for its employees. The child
19 advocacy center shall not be required to enroll those of its
20 employees who are covered spouses or dependents under this
21 plan or another group policy or plan providing health benefits
22 as long as (1) an appropriate official from the child advocacy
23 center attests that each employee not enrolled is a covered
24 spouse or dependent under this plan or another group policy or
25 plan and (2) at least 50% of the employees are enrolled and the
26 child advocacy center remits the entire cost of providing

1 coverage to those employees. Employees of a participating
2 child advocacy center who are not enrolled due to coverage
3 under another group health policy or plan may enroll in the
4 event of a qualifying change in status, special enrollment, or
5 special circumstance as defined by the Director or during the
6 annual Benefit Choice Period. A participating child advocacy
7 center may also elect to cover its annuitants. Dependent
8 coverage shall be offered on an optional basis, with the costs
9 paid by the child advocacy center, its employees, or some
10 combination of the 2 as determined by the child advocacy
11 center. The child advocacy center shall be responsible for
12 timely collection and transmission of dependent premiums.

13 The Director shall annually determine rates of payment,
14 subject to the following constraints:

15 (1) In the first year of coverage, the rates shall be
16 equal to the amount normally charged to State employees
17 for elected optional coverages or for enrolled dependents
18 coverages or other contributory coverages on behalf of its
19 employees, adjusted for differences between State
20 employees and employees of the child advocacy center in
21 age, sex, geographic location, or other relevant
22 demographic variables, plus an amount sufficient to pay
23 for the additional administrative costs of providing
24 coverage to employees of the child advocacy center and
25 their dependents.

26 (2) In subsequent years, a further adjustment shall be

1 made to reflect the actual prior years' claims experience
2 of the employees of the child advocacy center.

3 Monthly payments by the child advocacy center or its
4 employees for group health insurance shall be deposited into
5 the Local Government Health Insurance Reserve Fund.

6 (Source: P.A. 100-587, eff. 6-4-18.)

7 Section 10. The Illinois Pension Code is amended by
8 changing Sections 1-160, 1-161, 2-117, 2-162, 14-103.41,
9 14-104.3, 14-152.1, 15-108.2, 15-198, 16-106.41, 16-203,
10 18-124, 18-125, 18-125.1, 18-127, 18-128.01, 18-133, 18-169,
11 20-121, 20-123, 20-124, and 20-125 and by adding Sections
12 2-105.3, 2-165.5, 14-155.5, 15-108.3, 15-200.5, 16-205.5,
13 18-110.1, and 18-121.5 as follows:

14 (40 ILCS 5/1-160)

15 Sec. 1-160. Provisions applicable to new hires.

16 (a) The provisions of this Section apply to a person who,
17 on or after January 1, 2011, first becomes a member or a
18 participant under any reciprocal retirement system or pension
19 fund established under this Code, other than a retirement
20 system or pension fund established under Article 2, 3, 4, 5, 6,
21 15 or 18 of this Code, notwithstanding any other provision of
22 this Code to the contrary, but do not apply to any self-managed
23 plan established under this Code, to any person with respect
24 to service as a sheriff's law enforcement employee under

1 Article 7, or to any participant of the retirement plan
2 established under Section 22-101. Notwithstanding anything to
3 the contrary in this Section, for purposes of this Section, a
4 person who participated in a retirement system under Article
5 15 prior to January 1, 2011 shall be deemed a person who first
6 became a member or participant prior to January 1, 2011 under
7 any retirement system or pension fund subject to this Section.
8 The changes made to this Section by Public Act 98-596 are a
9 clarification of existing law and are intended to be
10 retroactive to January 1, 2011 (the effective date of Public
11 Act 96-889), notwithstanding the provisions of Section 1-103.1
12 of this Code.

13 This Section does not apply to a person who first becomes a
14 noncovered employee under Article 14 on or after the
15 implementation date of the plan created under Section 1-161
16 for that Article, unless that person elects under subsection
17 (b) of Section 1-161 to instead receive the benefits provided
18 under this Section and the applicable provisions of that
19 Article.

20 This Section does not apply to a person who first becomes a
21 member or participant under Article 16 on or after the
22 implementation date of the plan created under Section 1-161
23 for that Article, unless that person elects under subsection
24 (b) of Section 1-161 to instead receive the benefits provided
25 under this Section and the applicable provisions of that
26 Article.

1 This Section does not apply to a person who elects under
2 subsection (c-5) of Section 1-161 to receive the benefits
3 under Section 1-161.

4 This Section does not apply to a person who first becomes a
5 member or participant of an affected pension fund on or after 6
6 months after the resolution or ordinance date, as defined in
7 Section 1-162, unless that person elects under subsection (c)
8 of Section 1-162 to receive the benefits provided under this
9 Section and the applicable provisions of the Article under
10 which he or she is a member or participant.

11 This Section does not apply to a person who participates
12 in a defined contribution plan established under Section
13 14-155.5, 15-200.5, or 16-205.5.

14 (b) "Final average salary" means the average monthly (or
15 annual) salary obtained by dividing the total salary or
16 earnings calculated under the Article applicable to the member
17 or participant during the 96 consecutive months (or 8
18 consecutive years) of service within the last 120 months (or
19 10 years) of service in which the total salary or earnings
20 calculated under the applicable Article was the highest by the
21 number of months (or years) of service in that period. For the
22 purposes of a person who first becomes a member or participant
23 of any retirement system or pension fund to which this Section
24 applies on or after January 1, 2011, in this Code, "final
25 average salary" shall be substituted for the following:

26 (1) In Article 7 (except for service as sheriff's law

1 enforcement employees), "final rate of earnings".

2 (2) In Articles 8, 9, 10, 11, and 12, "highest average
3 annual salary for any 4 consecutive years within the last
4 10 years of service immediately preceding the date of
5 withdrawal".

6 (3) In Article 13, "average final salary".

7 (4) In Article 14, "final average compensation".

8 (5) In Article 17, "average salary".

9 (6) In Section 22-207, "wages or salary received by
10 him at the date of retirement or discharge".

11 (b-5) Beginning on January 1, 2011, for all purposes under
12 this Code (including without limitation the calculation of
13 benefits and employee contributions), the annual earnings,
14 salary, or wages (based on the plan year) of a member or
15 participant to whom this Section applies shall not exceed
16 \$106,800; however, that amount shall annually thereafter be
17 increased by the lesser of (i) 3% of that amount, including all
18 previous adjustments, or (ii) one-half the annual unadjusted
19 percentage increase (but not less than zero) in the consumer
20 price index-u for the 12 months ending with the September
21 preceding each November 1, including all previous adjustments.

22 For the purposes of this Section, "consumer price index-u"
23 means the index published by the Bureau of Labor Statistics of
24 the United States Department of Labor that measures the
25 average change in prices of goods and services purchased by
26 all urban consumers, United States city average, all items,

1 1982-84 = 100. The new amount resulting from each annual
2 adjustment shall be determined by the Public Pension Division
3 of the Department of Insurance and made available to the
4 boards of the retirement systems and pension funds by November
5 1 of each year.

6 (c) A member or participant is entitled to a retirement
7 annuity upon written application if he or she has attained age
8 67 (beginning January 1, 2015, age 65 with respect to service
9 under Article 12 of this Code that is subject to this Section)
10 and has at least 10 years of service credit and is otherwise
11 eligible under the requirements of the applicable Article.

12 A member or participant who has attained age 62 (beginning
13 January 1, 2015, age 60 with respect to service under Article
14 12 of this Code that is subject to this Section) and has at
15 least 10 years of service credit and is otherwise eligible
16 under the requirements of the applicable Article may elect to
17 receive the lower retirement annuity provided in subsection
18 (d) of this Section.

19 (c-5) A person who first becomes a member or a participant
20 subject to this Section on or after July 6, 2017 (the effective
21 date of Public Act 100-23), notwithstanding any other
22 provision of this Code to the contrary, is entitled to a
23 retirement annuity under Article 8 or Article 11 upon written
24 application if he or she has attained age 65 and has at least
25 10 years of service credit and is otherwise eligible under the
26 requirements of Article 8 or Article 11 of this Code,

1 whichever is applicable.

2 (d) The retirement annuity of a member or participant who
3 is retiring after attaining age 62 (beginning January 1, 2015,
4 age 60 with respect to service under Article 12 of this Code
5 that is subject to this Section) with at least 10 years of
6 service credit shall be reduced by one-half of 1% for each full
7 month that the member's age is under age 67 (beginning January
8 1, 2015, age 65 with respect to service under Article 12 of
9 this Code that is subject to this Section).

10 (d-5) The retirement annuity payable under Article 8 or
11 Article 11 to an eligible person subject to subsection (c-5)
12 of this Section who is retiring at age 60 with at least 10
13 years of service credit shall be reduced by one-half of 1% for
14 each full month that the member's age is under age 65.

15 (d-10) Each person who first became a member or
16 participant under Article 8 or Article 11 of this Code on or
17 after January 1, 2011 and prior to the effective date of this
18 amendatory Act of the 100th General Assembly shall make an
19 irrevocable election either:

20 (i) to be eligible for the reduced retirement age
21 provided in subsections (c-5) and (d-5) of this Section,
22 the eligibility for which is conditioned upon the member
23 or participant agreeing to the increases in employee
24 contributions for age and service annuities provided in
25 subsection (a-5) of Section 8-174 of this Code (for
26 service under Article 8) or subsection (a-5) of Section

1 11-170 of this Code (for service under Article 11); or
2 (ii) to not agree to item (i) of this subsection
3 (d-10), in which case the member or participant shall
4 continue to be subject to the retirement age provisions in
5 subsections (c) and (d) of this Section and the employee
6 contributions for age and service annuity as provided in
7 subsection (a) of Section 8-174 of this Code (for service
8 under Article 8) or subsection (a) of Section 11-170 of
9 this Code (for service under Article 11).

10 The election provided for in this subsection shall be made
11 between October 1, 2017 and November 15, 2017. A person
12 subject to this subsection who makes the required election
13 shall remain bound by that election. A person subject to this
14 subsection who fails for any reason to make the required
15 election within the time specified in this subsection shall be
16 deemed to have made the election under item (ii).

17 (e) Any retirement annuity or supplemental annuity shall
18 be subject to annual increases on the January 1 occurring
19 either on or after the attainment of age 67 (beginning January
20 1, 2015, age 65 with respect to service under Article 12 of
21 this Code that is subject to this Section and beginning on the
22 effective date of this amendatory Act of the 100th General
23 Assembly, age 65 with respect to service under Article 8 or
24 Article 11 for eligible persons who: (i) are subject to
25 subsection (c-5) of this Section; or (ii) made the election
26 under item (i) of subsection (d-10) of this Section) or the

1 first anniversary of the annuity start date, whichever is
2 later. Each annual increase shall be calculated at 3% or
3 one-half the annual unadjusted percentage increase (but not
4 less than zero) in the consumer price index-u for the 12 months
5 ending with the September preceding each November 1, whichever
6 is less, of the originally granted retirement annuity. If the
7 annual unadjusted percentage change in the consumer price
8 index-u for the 12 months ending with the September preceding
9 each November 1 is zero or there is a decrease, then the
10 annuity shall not be increased.

11 For the purposes of Section 1-103.1 of this Code, the
12 changes made to this Section by this amendatory Act of the
13 100th General Assembly are applicable without regard to
14 whether the employee was in active service on or after the
15 effective date of this amendatory Act of the 100th General
16 Assembly.

17 (f) The initial survivor's or widow's annuity of an
18 otherwise eligible survivor or widow of a retired member or
19 participant who first became a member or participant on or
20 after January 1, 2011 shall be in the amount of 66 2/3% of the
21 retired member's or participant's retirement annuity at the
22 date of death. In the case of the death of a member or
23 participant who has not retired and who first became a member
24 or participant on or after January 1, 2011, eligibility for a
25 survivor's or widow's annuity shall be determined by the
26 applicable Article of this Code. The initial benefit shall be

1 66 2/3% of the earned annuity without a reduction due to age. A
2 child's annuity of an otherwise eligible child shall be in the
3 amount prescribed under each Article if applicable. Any
4 survivor's or widow's annuity shall be increased (1) on each
5 January 1 occurring on or after the commencement of the
6 annuity if the deceased member died while receiving a
7 retirement annuity or (2) in other cases, on each January 1
8 occurring after the first anniversary of the commencement of
9 the annuity. Each annual increase shall be calculated at 3% or
10 one-half the annual unadjusted percentage increase (but not
11 less than zero) in the consumer price index-u for the 12 months
12 ending with the September preceding each November 1, whichever
13 is less, of the originally granted survivor's annuity. If the
14 annual unadjusted percentage change in the consumer price
15 index-u for the 12 months ending with the September preceding
16 each November 1 is zero or there is a decrease, then the
17 annuity shall not be increased.

18 (g) The benefits in Section 14-110 apply only if the
19 person is a State policeman, a fire fighter in the fire
20 protection service of a department, a conservation police
21 officer, an investigator for the Secretary of State, an arson
22 investigator, a Commerce Commission police officer,
23 investigator for the Department of Revenue or the Illinois
24 Gaming Board, a security employee of the Department of
25 Corrections or the Department of Juvenile Justice, or a
26 security employee of the Department of Innovation and

1 Technology, as those terms are defined in subsection (b) and
2 subsection (c) of Section 14-110. A person who meets the
3 requirements of this Section is entitled to an annuity
4 calculated under the provisions of Section 14-110, in lieu of
5 the regular or minimum retirement annuity, only if the person
6 has withdrawn from service with not less than 20 years of
7 eligible creditable service and has attained age 60,
8 regardless of whether the attainment of age 60 occurs while
9 the person is still in service.

10 (h) If a person who first becomes a member or a participant
11 of a retirement system or pension fund subject to this Section
12 on or after January 1, 2011 is receiving a retirement annuity
13 or retirement pension under that system or fund and becomes a
14 member or participant under any other system or fund created
15 by this Code and is employed on a full-time basis, except for
16 those members or participants exempted from the provisions of
17 this Section under subsection (a) of this Section, then the
18 person's retirement annuity or retirement pension under that
19 system or fund shall be suspended during that employment. Upon
20 termination of that employment, the person's retirement
21 annuity or retirement pension payments shall resume and be
22 recalculated if recalculation is provided for under the
23 applicable Article of this Code.

24 If a person who first becomes a member of a retirement
25 system or pension fund subject to this Section on or after
26 January 1, 2012 and is receiving a retirement annuity or

1 retirement pension under that system or fund and accepts on a
2 contractual basis a position to provide services to a
3 governmental entity from which he or she has retired, then
4 that person's annuity or retirement pension earned as an
5 active employee of the employer shall be suspended during that
6 contractual service. A person receiving an annuity or
7 retirement pension under this Code shall notify the pension
8 fund or retirement system from which he or she is receiving an
9 annuity or retirement pension, as well as his or her
10 contractual employer, of his or her retirement status before
11 accepting contractual employment. A person who fails to submit
12 such notification shall be guilty of a Class A misdemeanor and
13 required to pay a fine of \$1,000. Upon termination of that
14 contractual employment, the person's retirement annuity or
15 retirement pension payments shall resume and, if appropriate,
16 be recalculated under the applicable provisions of this Code.

17 (i) (Blank).

18 (j) In the case of a conflict between the provisions of
19 this Section and any other provision of this Code, the
20 provisions of this Section shall control.

21 (Source: P.A. 100-23, eff. 7-6-17; 100-201, eff. 8-18-17;
22 100-563, eff. 12-8-17; 100-611, eff. 7-20-18; 100-1166, eff.
23 1-4-19; 101-610, eff. 1-1-20.)

24 (40 ILCS 5/1-161)

25 Sec. 1-161. Optional benefits for certain Tier 2 members

1 under Articles 14, 15, and 16.

2 (a) Notwithstanding any other provision of this Code to
3 the contrary, the provisions of this Section apply to a person
4 who first becomes a member or a participant under Article 14,
5 15, or 16 on or after the implementation date under this
6 Section for the applicable Article and who does not make the
7 election under subsection (b) or (c), whichever applies. The
8 provisions of this Section also apply to a person who makes the
9 election under subsection (c-5). However, the provisions of
10 this Section do not apply to any participant in a self-managed
11 plan or a defined contribution plan established under Section
12 14-155.5, 15-200.5, or 16-205.5, nor to a covered employee
13 under Article 14.

14 As used in this Section and Section 1-160, the
15 "implementation date" under this Section means the earliest
16 date upon which the board of a retirement system authorizes
17 members of that system to begin participating in accordance
18 with this Section, as determined by the board of that
19 retirement system. Each of the retirement systems subject to
20 this Section shall endeavor to make such participation
21 available as soon as possible after the effective date of this
22 Section and shall establish an implementation date by board
23 resolution.

24 (b) In lieu of the benefits provided under this Section, a
25 member or participant, except for a participant under Article
26 15, may irrevocably elect the benefits under Section 1-160 and

1 the benefits otherwise applicable to that member or
2 participant. The election must be made within 30 days after
3 becoming a member or participant. Each retirement system shall
4 establish procedures for making this election.

5 (c) A participant under Article 15 may irrevocably elect
6 the benefits otherwise provided to a Tier 2 member under
7 Article 15. The election must be made within 30 days after
8 becoming a member. The retirement system under Article 15
9 shall establish procedures for making this election.

10 (c-5) A non-covered participant under Article 14 to whom
11 Section 1-160 applies, a Tier 2 member under Article 15, or a
12 participant under Article 16 to whom Section 1-160 applies may
13 irrevocably elect to receive the benefits under this Section
14 in lieu of the benefits under Section 1-160 or the benefits
15 otherwise available to a Tier 2 member under Article 15,
16 whichever is applicable. Each retirement System shall
17 establish procedures for making this election.

18 (d) "Final average salary" means the average monthly (or
19 annual) salary obtained by dividing the total salary or
20 earnings calculated under the Article applicable to the member
21 or participant during the last 120 months (or 10 years) of
22 service in which the total salary or earnings calculated under
23 the applicable Article was the highest by the number of months
24 (or years) of service in that period. For the purposes of a
25 person to whom this Section applies, in this Code, "final
26 average salary" shall be substituted for "final average

1 compensation" in Article 14.

2 (e) Beginning on the implementation date, for all purposes
3 under this Code (including without limitation the calculation
4 of benefits and employee contributions), the annual earnings,
5 salary, compensation, or wages (based on the plan year) of a
6 member or participant to whom this Section applies shall not
7 at any time exceed the federal Social Security Wage Base then
8 in effect.

9 (f) A member or participant is entitled to a retirement
10 annuity upon written application if he or she has attained the
11 normal retirement age determined by the Social Security
12 Administration for that member or participant's year of birth,
13 but no earlier than 67 years of age, and has at least 10 years
14 of service credit and is otherwise eligible under the
15 requirements of the applicable Article.

16 (g) The amount of the retirement annuity to which a member
17 or participant is entitled shall be computed by multiplying
18 1.25% for each year of service credit by his or her final
19 average salary.

20 (h) Any retirement annuity or supplemental annuity shall
21 be subject to annual increases on the first anniversary of the
22 annuity start date. Each annual increase shall be one-half the
23 annual unadjusted percentage increase (but not less than zero)
24 in the consumer price index-w for the 12 months ending with the
25 September preceding each November 1 of the originally granted
26 retirement annuity. If the annual unadjusted percentage change

1 in the consumer price index-w for the 12 months ending with the
2 September preceding each November 1 is zero or there is a
3 decrease, then the annuity shall not be increased.

4 For the purposes of this Section, "consumer price index-w"
5 means the index published by the Bureau of Labor Statistics of
6 the United States Department of Labor that measures the
7 average change in prices of goods and services purchased by
8 Urban Wage Earners and Clerical Workers, United States city
9 average, all items, 1982-84 = 100. The new amount resulting
10 from each annual adjustment shall be determined by the Public
11 Pension Division of the Department of Insurance and made
12 available to the boards of the retirement systems and pension
13 funds by November 1 of each year.

14 (i) The initial survivor's or widow's annuity of an
15 otherwise eligible survivor or widow of a retired member or
16 participant to whom this Section applies shall be in the
17 amount of 66 2/3% of the retired member's or participant's
18 retirement annuity at the date of death. In the case of the
19 death of a member or participant who has not retired and to
20 whom this Section applies, eligibility for a survivor's or
21 widow's annuity shall be determined by the applicable Article
22 of this Code. The benefit shall be 66 2/3% of the earned
23 annuity without a reduction due to age. A child's annuity of an
24 otherwise eligible child shall be in the amount prescribed
25 under each Article if applicable.

26 (j) In lieu of any other employee contributions, except

1 for the contribution to the defined contribution plan under
2 subsection (k) of this Section, each employee shall contribute
3 6.2% of his her or salary to the retirement system. However,
4 the employee contribution under this subsection shall not
5 exceed the amount of the total normal cost of the benefits for
6 all members making contributions under this Section (except
7 for the defined contribution plan under subsection (k) of this
8 Section), expressed as a percentage of payroll and certified
9 on or before January 15 of each year by the board of trustees
10 of the retirement system. If the board of trustees of the
11 retirement system certifies that the 6.2% employee
12 contribution rate exceeds the normal cost of the benefits
13 under this Section (except for the defined contribution plan
14 under subsection (k) of this Section), then on or before
15 December 1 of that year, the board of trustees shall certify
16 the amount of the normal cost of the benefits under this
17 Section (except for the defined contribution plan under
18 subsection (k) of this Section), expressed as a percentage of
19 payroll, to the State Actuary and the Commission on Government
20 Forecasting and Accountability, and the employee contribution
21 under this subsection shall be reduced to that amount
22 beginning July 1 of that year. Thereafter, if the normal cost
23 of the benefits under this Section (except for the defined
24 contribution plan under subsection (k) of this Section),
25 expressed as a percentage of payroll and certified on or
26 before January 1 of each year by the board of trustees of the

1 retirement system, exceeds 6.2% of salary, then on or before
2 January 15 of that year, the board of trustees shall certify
3 the normal cost to the State Actuary and the Commission on
4 Government Forecasting and Accountability, and the employee
5 contributions shall revert back to 6.2% of salary beginning
6 January 1 of the following year.

7 (k) In accordance with each retirement system's
8 implementation date, each retirement system under Article 14,
9 15, or 16 shall prepare and implement a defined contribution
10 plan for members or participants who are subject to this
11 Section. The defined contribution plan developed under this
12 subsection shall be a plan that aggregates employer and
13 employee contributions in individual participant accounts
14 which, after meeting any other requirements, are used for
15 payouts after retirement in accordance with this subsection
16 and any other applicable laws.

17 (1) Each member or participant shall contribute a
18 minimum of 4% of his or her salary to the defined
19 contribution plan.

20 (2) For each participant in the defined contribution
21 plan who has been employed with the same employer for at
22 least one year, employer contributions shall be paid into
23 that participant's accounts at a rate expressed as a
24 percentage of salary. This rate may be set for individual
25 employees, but shall be no higher than 6% of salary and
26 shall be no lower than 2% of salary.

1 (3) Employer contributions shall vest when those
2 contributions are paid into a member's or participant's
3 account.

4 (4) The defined contribution plan shall provide a
5 variety of options for investments. These options shall
6 include investments handled by the Illinois State Board of
7 Investment as well as private sector investment options.

8 (5) The defined contribution plan shall provide a
9 variety of options for payouts to retirees and their
10 survivors.

11 (6) To the extent authorized under federal law and as
12 authorized by the retirement system, the defined
13 contribution plan shall allow former participants in the
14 plan to transfer or roll over employee and employer
15 contributions, and the earnings thereon, into other
16 qualified retirement plans.

17 (7) Each retirement system shall reduce the employee
18 contributions credited to the member's defined
19 contribution plan account by an amount determined by that
20 retirement system to cover the cost of offering the
21 benefits under this subsection and any applicable
22 administrative fees.

23 (8) No person shall begin participating in the defined
24 contribution plan until it has attained qualified plan
25 status and received all necessary approvals from the U.S.
26 Internal Revenue Service.

1 (1) In the case of a conflict between the provisions of
2 this Section and any other provision of this Code, the
3 provisions of this Section shall control.

4 (Source: P.A. 100-23, eff. 7-6-17.)

5 (40 ILCS 5/2-105.3 new)

6 Sec. 2-105.3. Tier 1 participant; Tier 2 participant;
7 defined contribution plan participant. "Tier 1 participant": A
8 participant who first became a participant before January 1,
9 2011.

10 "Tier 2 participant": A participant who first became a
11 participant on or after January 1, 2011 but before July 1,
12 2023.

13 "Defined contribution plan participant": A person who
14 first becomes a participant on or after July 1, 2023.

15 (40 ILCS 5/2-162)

16 (Text of Section WITHOUT the changes made by P.A. 98-599,
17 which has been held unconstitutional)

18 Sec. 2-162. Application and expiration of new benefit
19 increases.

20 (a) As used in this Section, "new benefit increase" means
21 an increase in the amount of any benefit provided under this
22 Article, or an expansion of the conditions of eligibility for
23 any benefit under this Article, that results from an amendment
24 to this Code that takes effect after the effective date of this

1 amendatory Act of the 94th General Assembly. "New benefit
2 increase", however, does not include any benefit increase
3 resulting from the changes made to this Article by this
4 amendatory Act of the 102nd General Assembly.

5 (b) Notwithstanding any other provision of this Code or
6 any subsequent amendment to this Code, every new benefit
7 increase is subject to this Section and shall be deemed to be
8 granted only in conformance with and contingent upon
9 compliance with the provisions of this Section.

10 (c) The Public Act enacting a new benefit increase must
11 identify and provide for payment to the System of additional
12 funding at least sufficient to fund the resulting annual
13 increase in cost to the System as it accrues.

14 Every new benefit increase is contingent upon the General
15 Assembly providing the additional funding required under this
16 subsection. The Commission on Government Forecasting and
17 Accountability shall analyze whether adequate additional
18 funding has been provided for the new benefit increase and
19 shall report its analysis to the Public Pension Division of
20 the Department of Financial and Professional Regulation. A new
21 benefit increase created by a Public Act that does not include
22 the additional funding required under this subsection is null
23 and void. If the Public Pension Division determines that the
24 additional funding provided for a new benefit increase under
25 this subsection is or has become inadequate, it may so certify
26 to the Governor and the State Comptroller and, in the absence

1 of corrective action by the General Assembly, the new benefit
2 increase shall expire at the end of the fiscal year in which
3 the certification is made.

4 (d) Every new benefit increase shall expire 5 years after
5 its effective date or on such earlier date as may be specified
6 in the language enacting the new benefit increase or provided
7 under subsection (c). This does not prevent the General
8 Assembly from extending or re-creating a new benefit increase
9 by law.

10 (e) Except as otherwise provided in the language creating
11 the new benefit increase, a new benefit increase that expires
12 under this Section continues to apply to persons who applied
13 and qualified for the affected benefit while the new benefit
14 increase was in effect and to the affected beneficiaries and
15 alternate payees of such persons, but does not apply to any
16 other person, including without limitation a person who
17 continues in service after the expiration date and did not
18 apply and qualify for the affected benefit while the new
19 benefit increase was in effect.

20 (Source: P.A. 94-4, eff. 6-1-05.)

21 (40 ILCS 5/2-165.5 new)

22 Sec. 2-165.5. Defined contribution plan.

23 (a) As used in this Section, "defined benefit plan" means
24 the retirement plan available under this Article to Tier 1 or
25 Tier 2 participants.

1 (b) By July 1, 2023, the System shall prepare and
2 implement a defined contribution plan. The defined
3 contribution plan developed under this Section shall be a plan
4 that aggregates State and employee contributions in individual
5 participant accounts that, after meeting any other
6 requirements, are used for payouts after retirement in
7 accordance with this Section and any other applicable laws.

8 (1) In lieu of participating in the defined benefit
9 plan, a defined contribution plan participant shall
10 participate in the defined contribution plan under this
11 Section.

12 (2) A participant in the defined contribution plan
13 shall pay employee contributions at a rate determined by
14 the participant, but not less than 3% of salary and not
15 more than a percentage of salary determined by the Board
16 in accordance with the requirements of State and federal
17 law.

18 (3) State contributions shall be paid into the
19 accounts of all participants in the defined contribution
20 plan at a uniform rate, expressed as a percentage of
21 salary and determined for each year. This rate shall be no
22 higher than 7.6% of salary and shall be no lower than 3% of
23 salary. The State shall adjust this rate annually.

24 (4) The defined contribution plan shall require 5
25 years of participation in the defined contribution plan
26 before vesting in State contributions. If the participant

1 fails to vest in them, the State contributions, and the
2 earnings thereon, shall be forfeited.

3 (5) The defined contribution plan shall provide a
4 variety of options for investments. These options shall
5 include investments handled by the Illinois State Board of
6 Investment as well as private sector investment options.

7 (6) The defined contribution plan shall provide a
8 variety of options for payouts to participants in the
9 defined contribution plan who are no longer active in the
10 System and their survivors.

11 (7) To the extent authorized under federal law and as
12 authorized by the System, the plan shall allow former
13 participants in the plan to transfer or roll over employee
14 and vested State contributions, and the earnings thereon,
15 from the defined contribution plan into other qualified
16 retirement plans.

17 (8) The System shall reduce the employee contributions
18 credited to the participant's defined contribution plan
19 account by an amount determined by the System to cover the
20 cost of offering these benefits and any applicable
21 administrative fees.

22 (c) The System may coordinate with the Department of
23 Central Management Services and other retirement systems
24 administering a defined contribution plan in accordance with
25 this amendatory Act of the 102nd General Assembly to provide
26 information concerning the impact of the defined contribution

1 plan set forth in this Section.

2 (d) Notwithstanding any other provision of this Section,
3 no person shall begin participating in the defined
4 contribution plan until it has attained qualified plan status
5 and received all necessary approvals from the U.S. Internal
6 Revenue Service.

7 (e) The System shall report on its progress under this
8 Section, including the available details of the defined
9 contribution plan to the Governor and the General Assembly on
10 or before January 15, 2023.

11 (f) The Illinois State Board of Investment shall be the
12 plan sponsor for the defined contribution plan established
13 under this Section.

14 (g) The intent of this amendatory Act of the 102nd General
15 Assembly is to ensure that the State's normal cost of
16 participation in the defined contribution plan is similar, and
17 if possible equal, to the State's normal cost of participation
18 in the defined benefit plan, unless a lower State's normal
19 cost is necessary to ensure cost neutrality.

20 (40 ILCS 5/14-103.41)

21 Sec. 14-103.41. Tier 1 member; Tier 2 member; defined
22 contribution plan member. "Tier 1 member": A member of this
23 System who first became a member or participant before January
24 1, 2011 under any reciprocal retirement system or pension fund
25 established under this Code other than a retirement system or

1 pension fund established under Article 2, 3, 4, 5, 6, or 18 of
2 this Code.

3 "Tier 2 member": A member of this System who (1) first
4 becomes a member under this Article on or after January 1, 2011
5 but before July 1, 2023 and (2) is not a Tier 1 member.

6 "Defined contribution plan member": A member of this
7 System who (i) first becomes a member under this Article on or
8 after July 1, 2023 and (ii) is not a Tier 1 member.

9 (Source: P.A. 100-587, eff. 6-4-18.)

10 (40 ILCS 5/14-152.1)

11 Sec. 14-152.1. Application and expiration of new benefit
12 increases.

13 (a) As used in this Section, "new benefit increase" means
14 an increase in the amount of any benefit provided under this
15 Article, or an expansion of the conditions of eligibility for
16 any benefit under this Article, that results from an amendment
17 to this Code that takes effect after June 1, 2005 (the
18 effective date of Public Act 94-4). "New benefit increase",
19 however, does not include any benefit increase resulting from
20 the changes made to Article 1 or this Article by Public Act
21 96-37, Public Act 100-23, Public Act 100-587, Public Act
22 100-611, Public Act 101-10, Public Act 101-610, or this
23 amendatory Act of the 102nd General Assembly ~~or this~~
24 ~~amendatory Act of the 101st General Assembly.~~

25 (b) Notwithstanding any other provision of this Code or

1 any subsequent amendment to this Code, every new benefit
2 increase is subject to this Section and shall be deemed to be
3 granted only in conformance with and contingent upon
4 compliance with the provisions of this Section.

5 (c) The Public Act enacting a new benefit increase must
6 identify and provide for payment to the System of additional
7 funding at least sufficient to fund the resulting annual
8 increase in cost to the System as it accrues.

9 Every new benefit increase is contingent upon the General
10 Assembly providing the additional funding required under this
11 subsection. The Commission on Government Forecasting and
12 Accountability shall analyze whether adequate additional
13 funding has been provided for the new benefit increase and
14 shall report its analysis to the Public Pension Division of
15 the Department of Insurance. A new benefit increase created by
16 a Public Act that does not include the additional funding
17 required under this subsection is null and void. If the Public
18 Pension Division determines that the additional funding
19 provided for a new benefit increase under this subsection is
20 or has become inadequate, it may so certify to the Governor and
21 the State Comptroller and, in the absence of corrective action
22 by the General Assembly, the new benefit increase shall expire
23 at the end of the fiscal year in which the certification is
24 made.

25 (d) Every new benefit increase shall expire 5 years after
26 its effective date or on such earlier date as may be specified

1 in the language enacting the new benefit increase or provided
2 under subsection (c). This does not prevent the General
3 Assembly from extending or re-creating a new benefit increase
4 by law.

5 (e) Except as otherwise provided in the language creating
6 the new benefit increase, a new benefit increase that expires
7 under this Section continues to apply to persons who applied
8 and qualified for the affected benefit while the new benefit
9 increase was in effect and to the affected beneficiaries and
10 alternate payees of such persons, but does not apply to any
11 other person, including, without limitation, a person who
12 continues in service after the expiration date and did not
13 apply and qualify for the affected benefit while the new
14 benefit increase was in effect.

15 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
16 100-611, eff. 7-20-18; 101-10, eff. 6-5-19; 101-81, eff.
17 7-12-19; 101-610, eff. 1-1-20.)

18 (40 ILCS 5/14-155.5 new)

19 Sec. 14-155.5. Defined contribution plan.

20 (a) As used in this Section, "defined benefit plan" means
21 the retirement plan available under this Article to Tier 1 or
22 Tier 2 members.

23 (b) By July 1, 2023, the System shall prepare and
24 implement a defined contribution plan. The defined
25 contribution plan developed under this Section shall be a plan

1 that aggregates State and employee contributions in individual
2 participant accounts that, after meeting any other
3 requirements, are used for payouts after retirement in
4 accordance with this Section and any other applicable laws.

5 (1) In lieu of participating in the defined benefit
6 plan, a defined contribution plan member shall participate
7 in the defined contribution plan under this Section.

8 (2) A participant in the defined contribution plan
9 shall pay employee contributions at a rate determined by
10 the participant, but not less than 3% of compensation and
11 not more than a percentage of compensation determined by
12 the board in accordance with the requirements of State and
13 federal law.

14 (3) State contributions shall be paid into the
15 accounts of all participants in the defined contribution
16 plan at a uniform rate, expressed as a percentage of
17 compensation and determined for each year. This rate shall
18 be no higher than 7.6% of compensation and shall be no
19 lower than 3% of compensation. The State shall adjust this
20 rate annually.

21 (4) The defined contribution plan shall require 5
22 years of participation in the defined contribution plan
23 before vesting in State contributions. If the participant
24 fails to vest in them, the State contributions, and the
25 earnings thereon, shall be forfeited.

26 (5) The defined contribution plan may provide for

1 participants in the plan to be eligible for the defined
2 disability benefits available to other participants under
3 this Article. If it does, the System shall reduce the
4 employee contributions credited to the member's defined
5 contribution plan account by an amount determined by the
6 System to cover the cost of offering such benefits.

7 (6) The defined contribution plan shall provide a
8 variety of options for investments. These options shall
9 include investments handled by the Illinois State Board of
10 Investment as well as private sector investment options.

11 (7) The defined contribution plan shall provide a
12 variety of options for payouts to participants in the
13 defined contribution plan who are no longer active in the
14 System and their survivors.

15 (8) To the extent authorized under federal law and as
16 authorized by the System, the plan shall allow former
17 participants in the plan to transfer or roll over employee
18 and vested State contributions, and the earnings thereon,
19 from the defined contribution plan into other qualified
20 retirement plans.

21 (9) The System shall reduce the employee contributions
22 credited to the member's defined contribution plan account
23 by an amount determined by the System to cover the cost of
24 offering these benefits and any applicable administrative
25 fees.

26 (c) The System may coordinate with the Department of

1 Central Management Services and other retirement systems
2 administering a defined contribution plan in accordance with
3 this amendatory Act of the 102nd General Assembly to provide
4 information concerning the impact of the defined contribution
5 plan set forth in this Section.

6 (d) Notwithstanding any other provision of this Section,
7 no person shall begin participating in the defined
8 contribution plan until it has attained qualified plan status
9 and received all necessary approvals from the U.S. Internal
10 Revenue Service.

11 (e) The System shall report on its progress under this
12 Section to the Governor and the General Assembly on or before
13 January 15, 2023.

14 (f) The Illinois State Board of Investment shall be the
15 plan sponsor for the defined contribution plan established
16 under this Section.

17 (g) The intent of this amendatory Act of the 102nd General
18 Assembly is to ensure that the State's normal cost of
19 participation in the defined contribution plan is similar, and
20 if possible equal, to the State's normal cost of participation
21 in the defined benefit plan, unless a lower State's normal
22 cost is necessary to ensure cost neutrality.

23 (40 ILCS 5/15-108.2)

24 Sec. 15-108.2. Tier 2 member. "Tier 2 member": A person
25 who first becomes a participant under this Article on or after

1 January 1, 2011 and before the implementation date, as defined
2 under subsection (a) of Section 1-161, determined by the
3 Board, other than a person in the self-managed plan
4 established under Section 15-158.2 or a person who makes the
5 election under subsection (c) of Section 1-161, unless the
6 person is otherwise a Tier 1 member. "Tier 2 member" does not
7 include a defined contribution plan member. The changes made
8 to this Section by this amendatory Act of the 98th General
9 Assembly are a correction of existing law and are intended to
10 be retroactive to the effective date of Public Act 96-889,
11 notwithstanding the provisions of Section 1-103.1 of this
12 Code.

13 (Source: P.A. 100-23, eff. 7-6-17; 100-563, eff. 12-8-17.)

14 (40 ILCS 5/15-108.3 new)

15 Sec. 15-108.3. Defined contribution plan member. "Defined
16 contribution plan member": A person who (1) first becomes a
17 participant under this Article on or after July 1, 2023, (2)
18 does not participate in the self-managed plan established
19 under Section 15-158.2, and (3) is not a Tier 1 member.

20 (40 ILCS 5/15-198)

21 Sec. 15-198. Application and expiration of new benefit
22 increases.

23 (a) As used in this Section, "new benefit increase" means
24 an increase in the amount of any benefit provided under this

1 Article, or an expansion of the conditions of eligibility for
2 any benefit under this Article, that results from an amendment
3 to this Code that takes effect after June 1, 2005 (the
4 effective date of Public Act 94-4). "New benefit increase",
5 however, does not include any benefit increase resulting from
6 the changes made to Article 1 or this Article by Public Act
7 100-23, Public Act 100-587, Public Act 100-769, Public Act
8 101-10, Public Act 101-610, or this amendatory Act of the
9 102nd General Assembly ~~or this amendatory Act of the 101st~~
10 ~~General Assembly.~~

11 (b) Notwithstanding any other provision of this Code or
12 any subsequent amendment to this Code, every new benefit
13 increase is subject to this Section and shall be deemed to be
14 granted only in conformance with and contingent upon
15 compliance with the provisions of this Section.

16 (c) The Public Act enacting a new benefit increase must
17 identify and provide for payment to the System of additional
18 funding at least sufficient to fund the resulting annual
19 increase in cost to the System as it accrues.

20 Every new benefit increase is contingent upon the General
21 Assembly providing the additional funding required under this
22 subsection. The Commission on Government Forecasting and
23 Accountability shall analyze whether adequate additional
24 funding has been provided for the new benefit increase and
25 shall report its analysis to the Public Pension Division of
26 the Department of Insurance. A new benefit increase created by

1 a Public Act that does not include the additional funding
2 required under this subsection is null and void. If the Public
3 Pension Division determines that the additional funding
4 provided for a new benefit increase under this subsection is
5 or has become inadequate, it may so certify to the Governor and
6 the State Comptroller and, in the absence of corrective action
7 by the General Assembly, the new benefit increase shall expire
8 at the end of the fiscal year in which the certification is
9 made.

10 (d) Every new benefit increase shall expire 5 years after
11 its effective date or on such earlier date as may be specified
12 in the language enacting the new benefit increase or provided
13 under subsection (c). This does not prevent the General
14 Assembly from extending or re-creating a new benefit increase
15 by law.

16 (e) Except as otherwise provided in the language creating
17 the new benefit increase, a new benefit increase that expires
18 under this Section continues to apply to persons who applied
19 and qualified for the affected benefit while the new benefit
20 increase was in effect and to the affected beneficiaries and
21 alternate payees of such persons, but does not apply to any
22 other person, including, without limitation, a person who
23 continues in service after the expiration date and did not
24 apply and qualify for the affected benefit while the new
25 benefit increase was in effect.

26 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;

1 100-769, eff. 8-10-18; 101-10, eff. 6-5-19; 101-81, eff.
2 7-12-19; 101-610, eff. 1-1-20.)

3 (40 ILCS 5/15-200.5 new)

4 Sec. 15-200.5. Defined contribution plan.

5 (a) As used in this Section, "defined benefit plan" means
6 the traditional benefit package or the portable benefit
7 package available under this Article to Tier 1 or Tier 2
8 members.

9 (b) By July 1, 2023, the System shall prepare and
10 implement a defined contribution plan. The defined
11 contribution plan developed under this Section shall be a plan
12 that aggregates State and employee contributions in individual
13 participant accounts that, after meeting any other
14 requirements, are used for payouts after retirement in
15 accordance with this Section and any other applicable laws.

16 (1) In lieu of participating in the defined benefit
17 plan, a defined contribution plan member shall participate
18 in the defined contribution plan under this Section.

19 (2) A participant in the defined contribution plan
20 shall pay employee contributions at a rate determined by
21 the participant, but not less than 3% of earnings and not
22 more than a percentage of earnings determined by the Board
23 in accordance with the requirements of State and federal
24 law.

25 (3) State contributions shall be paid into the

1 accounts of all participants in the defined contribution
2 plan at a uniform rate, expressed as a percentage of
3 earnings and determined for each year. This rate shall be
4 no higher than 7.6% of earnings and shall be no lower than
5 3% of earnings. The State shall adjust this rate annually.

6 (4) The defined contribution plan shall require 5
7 years of participation in the defined contribution plan
8 before vesting in State contributions. If the participant
9 fails to vest in them, the State contributions, and the
10 earnings thereon, shall be forfeited.

11 (5) The defined contribution plan may provide for
12 participants in the plan to be eligible for the defined
13 disability benefits available to other participants under
14 this Article. If it does, the System shall reduce the
15 employee contributions credited to the member's defined
16 contribution plan account by an amount determined by the
17 System to cover the cost of offering such benefits.

18 (6) The defined contribution plan shall provide a
19 variety of options for investments. These options shall
20 include investments handled by the System as well as
21 private sector investment options.

22 (7) The defined contribution plan shall provide a
23 variety of options for payouts to participants in the
24 defined contribution plan who are no longer active in the
25 System and their survivors.

26 (8) To the extent authorized under federal law and as

1 authorized by the System, the plan shall allow former
2 participants in the plan to transfer or roll over employee
3 and vested State contributions, and the earnings thereon,
4 from the defined contribution plan into other qualified
5 retirement plans.

6 (9) The System shall reduce the employee contributions
7 credited to the member's defined contribution plan account
8 by an amount determined by the System to cover the cost of
9 offering these benefits and any applicable administrative
10 fees.

11 (c) The System may coordinate with the Department of
12 Central Management Services and other retirement systems
13 administering a defined contribution plan in accordance with
14 this amendatory Act of the 102nd General Assembly to provide
15 information concerning the impact of the defined contribution
16 plan set forth in this Section.

17 (d) Notwithstanding any other provision of this Section,
18 no person shall begin participating in the defined
19 contribution plan until it has attained qualified plan status
20 and received all necessary approvals from the U.S. Internal
21 Revenue Service.

22 (e) The System shall report on its progress under this
23 Section to the Governor and the General Assembly on or before
24 January 15, 2023.

25 (f) The intent of this amendatory Act of the 102nd General
26 Assembly is to ensure that the State's normal cost of

1 participation in the defined contribution plan is similar, and
2 if possible equal, to the State's normal cost of participation
3 in the defined benefit plan, unless a lower State's normal
4 cost is necessary to ensure cost neutrality.

5 (40 ILCS 5/16-106.41)

6 Sec. 16-106.41. Tier 1 member; Tier 2 member; defined
7 contribution plan member. "Tier 1 member": A member under this
8 Article who first became a member or participant before
9 January 1, 2011 under any reciprocal retirement system or
10 pension fund established under this Code other than a
11 retirement system or pension fund established under Article 2,
12 3, 4, 5, 6, or 18 of this Code.

13 "Tier 2 member": A member of this System who (1) first
14 becomes a member under this Article on or after January 1, 2011
15 but before July 1, 2023 and (2) is not a Tier 1 member.

16 "Defined contribution plan member": A member of this
17 System who (i) first becomes a member under this Article on or
18 after July 1, 2023 and (ii) is not a Tier 1 member.

19 (Source: P.A. 100-587, eff. 6-4-18.)

20 (40 ILCS 5/16-203)

21 Sec. 16-203. Application and expiration of new benefit
22 increases.

23 (a) As used in this Section, "new benefit increase" means
24 an increase in the amount of any benefit provided under this

1 Article, or an expansion of the conditions of eligibility for
2 any benefit under this Article, that results from an amendment
3 to this Code that takes effect after June 1, 2005 (the
4 effective date of Public Act 94-4). "New benefit increase",
5 however, does not include any benefit increase resulting from
6 the changes made to Article 1 or this Article by Public Act
7 95-910, Public Act 100-23, Public Act 100-587, Public Act
8 100-743, ~~or~~ Public Act 100-769, Public Act 101-10, Public Act
9 101-49, or this amendatory Act of the 102nd General Assembly
10 ~~or this amendatory Act of the 101st General Assembly.~~

11 (b) Notwithstanding any other provision of this Code or
12 any subsequent amendment to this Code, every new benefit
13 increase is subject to this Section and shall be deemed to be
14 granted only in conformance with and contingent upon
15 compliance with the provisions of this Section.

16 (c) The Public Act enacting a new benefit increase must
17 identify and provide for payment to the System of additional
18 funding at least sufficient to fund the resulting annual
19 increase in cost to the System as it accrues.

20 Every new benefit increase is contingent upon the General
21 Assembly providing the additional funding required under this
22 subsection. The Commission on Government Forecasting and
23 Accountability shall analyze whether adequate additional
24 funding has been provided for the new benefit increase and
25 shall report its analysis to the Public Pension Division of
26 the Department of Insurance. A new benefit increase created by

1 a Public Act that does not include the additional funding
2 required under this subsection is null and void. If the Public
3 Pension Division determines that the additional funding
4 provided for a new benefit increase under this subsection is
5 or has become inadequate, it may so certify to the Governor and
6 the State Comptroller and, in the absence of corrective action
7 by the General Assembly, the new benefit increase shall expire
8 at the end of the fiscal year in which the certification is
9 made.

10 (d) Every new benefit increase shall expire 5 years after
11 its effective date or on such earlier date as may be specified
12 in the language enacting the new benefit increase or provided
13 under subsection (c). This does not prevent the General
14 Assembly from extending or re-creating a new benefit increase
15 by law.

16 (e) Except as otherwise provided in the language creating
17 the new benefit increase, a new benefit increase that expires
18 under this Section continues to apply to persons who applied
19 and qualified for the affected benefit while the new benefit
20 increase was in effect and to the affected beneficiaries and
21 alternate payees of such persons, but does not apply to any
22 other person, including, without limitation, a person who
23 continues in service after the expiration date and did not
24 apply and qualify for the affected benefit while the new
25 benefit increase was in effect.

26 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;

1 100-743, eff. 8-10-18; 100-769, eff. 8-10-18; 101-10, eff.
2 6-5-19; 101-49, eff. 7-12-19; 101-81, eff. 7-12-19; revised
3 8-13-19.)

4 (40 ILCS 5/16-205.5 new)

5 Sec. 16-205.5. Defined contribution plan.

6 (a) As used in this Section, "defined benefit plan" means
7 the retirement plan available under this Article to Tier 1 or
8 Tier 2 members.

9 (b) By July 1, 2023, the System shall prepare and
10 implement a defined contribution plan. The defined
11 contribution plan developed under this Section shall be a plan
12 that aggregates State and employee contributions in individual
13 participant accounts that, after meeting any other
14 requirements, are used for payouts after retirement in
15 accordance with this Section and any other applicable laws.

16 (1) In lieu of participating in the defined benefit
17 plan, a defined contribution plan member shall participate
18 in the defined contribution plan under this Section.

19 (2) A participant in the defined contribution plan
20 shall pay employee contributions at a rate determined by
21 the participant, but not less than 3% of salary and not
22 more than a percentage of salary determined by the Board
23 in accordance with the requirements of State and federal
24 law.

25 (3) State contributions shall be paid into the

1 accounts of all participants in the defined contribution
2 plan at a uniform rate, expressed as a percentage of
3 salary and determined for each year. This rate shall be no
4 higher than 7.6% of salary and shall be no lower than 3% of
5 salary. The State shall adjust this rate annually.

6 (4) The defined contribution plan shall require 5
7 years of participation in the defined contribution plan
8 before vesting in State contributions. If the participant
9 fails to vest in them, the State contributions, and the
10 earnings thereon, shall be forfeited.

11 (5) The defined contribution plan may provide for
12 participants in the plan to be eligible for the defined
13 disability benefits available to other participants under
14 this Article. If it does, the System shall reduce the
15 employee contributions credited to the member's defined
16 contribution plan account by an amount determined by the
17 System to cover the cost of offering such benefits.

18 (6) The defined contribution plan shall provide a
19 variety of options for investments. These options shall
20 include investments in a fund created by the System and
21 managed in accordance with legal and fiduciary standards,
22 as well as investment options otherwise available.

23 (7) The defined contribution plan shall provide a
24 variety of options for payouts to participants in the
25 defined contribution plan who are no longer active in the
26 System and their survivors.

1 (8) To the extent authorized under federal law and as
2 authorized by the System, the plan shall allow former
3 participants in the plan to transfer or roll over employee
4 and vested State contributions, and the earnings thereon,
5 from the defined contribution plan into other qualified
6 retirement plans.

7 (9) The System shall reduce the employee contributions
8 credited to the member's defined contribution plan account
9 by an amount determined by the System to cover the cost of
10 offering these benefits and any applicable administrative
11 fees.

12 (c) The System may coordinate with the Department of
13 Central Management Services and other retirement systems
14 administering a defined contribution plan in accordance with
15 this amendatory Act of the 102nd General Assembly to provide
16 information concerning the impact of the defined contribution
17 plan set forth in this Section.

18 (d) Notwithstanding any other provision of this Section,
19 no person shall begin participating in the defined
20 contribution plan until it has attained qualified plan status
21 and received all necessary approvals from the U.S. Internal
22 Revenue Service.

23 (e) The System shall report on its progress under this
24 Section to the Governor and the General Assembly on or before
25 January 15, 2023.

26 (f) The intent of this amendatory Act of the 102nd General

1 Assembly is to ensure that the State's normal cost of
2 participation in the defined contribution plan is similar, and
3 if possible equal, to the State's normal cost of participation
4 in the defined benefit plan, unless a lower State's normal
5 cost is necessary to ensure cost neutrality.

6 (40 ILCS 5/18-110.1 new)

7 Sec. 18-110.1. Tier 1 participant; Tier 2 participant;
8 defined contribution plan participant. "Tier 1 participant":
9 A participant who first became a participant of this System
10 before January 1, 2011.

11 "Tier 2 participant": A participant who first becomes a
12 participant of this System on or after January 1, 2011 but
13 before July 1, 2023.

14 "Defined contribution plan participant": A participant who
15 first becomes a participant on or after July 1, 2023.

16 (40 ILCS 5/18-121.5 new)

17 Sec. 18-121.5. Defined contribution plan.

18 (a) As used in this Section, "defined benefit plan" means
19 the retirement plan available under this Article to Tier 1 or
20 Tier 2 participants.

21 (b) By July 1, 2023, the System shall prepare and
22 implement a defined contribution plan. The defined
23 contribution plan developed under this Section shall be a plan
24 that aggregates State and employee contributions in individual

1 participant accounts that, after meeting any other
2 requirements, are used for payouts after retirement in
3 accordance with this Section and any other applicable laws.

4 (1) In lieu of participating in the defined benefit
5 plan, a defined contribution plan participant shall
6 participate in the defined contribution plan under this
7 Section.

8 (2) A participant in the defined contribution plan
9 shall pay employee contributions at a rate determined by
10 the participant, but not less than 3% of salary and not
11 more than a percentage of salary determined by the Board
12 in accordance with the requirements of State and federal
13 law.

14 (3) State contributions shall be paid into the
15 accounts of all participants in the defined contribution
16 plan at a uniform rate, expressed as a percentage of
17 salary and determined for each year. This rate shall be no
18 higher than 7.6% of salary and shall be no lower than 3% of
19 salary. The State shall adjust this rate annually.

20 (4) The defined contribution plan shall require 5
21 years of participation in the defined contribution plan
22 before vesting in State contributions. If the participant
23 fails to vest in them, the State contributions, and the
24 earnings thereon, shall be forfeited.

25 (5) The defined contribution plan may provide for
26 participants in the plan to be eligible for defined

1 disability benefits. If it does, the System shall reduce
2 the employee contributions credited to the participant's
3 defined contribution plan account by an amount determined
4 by the System to cover the cost of offering such benefits.

5 (6) The defined contribution plan shall provide a
6 variety of options for investments. These options shall
7 include investments handled by the Illinois State Board of
8 Investment as well as private sector investment options.

9 (7) The defined contribution plan shall provide a
10 variety of options for payouts to participants in the
11 defined contribution plan who are no longer active in the
12 System and their survivors.

13 (7) To the extent authorized under federal law and as
14 authorized by the System, the plan shall allow former
15 participants in the plan to transfer or roll over employee
16 and vested State contributions, and the earnings thereon,
17 from the defined contribution plan into other qualified
18 retirement plans.

19 (8) The System shall reduce the employee contributions
20 credited to the participant's defined contribution plan
21 account by an amount determined by the System to cover the
22 cost of offering these benefits and any applicable
23 administrative fees.

24 (c) The System may coordinate with the Department of
25 Central Management Services and other retirement systems
26 administering a defined contribution plan in accordance with

1 this amendatory Act of the 102nd General Assembly to provide
2 information concerning the impact of the defined contribution
3 plan set forth in this Section.

4 (d) Notwithstanding any other provision of this Section,
5 no person shall begin participating in the defined
6 contribution plan until it has attained qualified plan status
7 and received all necessary approvals from the U.S. Internal
8 Revenue Service.

9 (e) The System shall report on its progress under this
10 Section to the Governor and the General Assembly on or before
11 January 15, 2023.

12 (f) The Illinois State Board of Investment shall be the
13 plan sponsor for the defined contribution plan established
14 under this Section.

15 (g) The intent of this amendatory Act of the 102nd General
16 Assembly is to ensure that the State's normal cost of
17 participation in the defined contribution plan is similar, and
18 if possible equal, to the State's normal cost of participation
19 in the defined benefit plan, unless a lower State's normal
20 cost is necessary to ensure cost neutrality.

21 (40 ILCS 5/18-124) (from Ch. 108 1/2, par. 18-124)

22 Sec. 18-124. Retirement annuities - conditions for
23 eligibility.

24 (a) This subsection (a) applies to a Tier 1 participant
25 ~~who first serves as a judge before the effective date of this~~

1 ~~amendatory Act of the 96th General Assembly.~~

2 A participant whose employment as a judge is terminated,
3 regardless of age or cause is entitled to a retirement annuity
4 beginning on the date specified in a written application
5 subject to the following:

6 (1) the date the annuity begins is subsequent to the
7 date of final termination of employment, or the date 30
8 days prior to the receipt of the application by the board
9 for annuities based on disability, or one year before the
10 receipt of the application by the board for annuities
11 based on attained age;

12 (2) the participant is at least age 55, or has become
13 permanently disabled and as a consequence is unable to
14 perform the duties of his or her office;

15 (3) the participant has at least 10 years of service
16 credit except that a participant terminating service after
17 June 30 1975, with at least 6 years of service credit,
18 shall be entitled to a retirement annuity at age 62 or
19 over;

20 (4) the participant is not receiving or entitled to
21 receive, at the date of retirement, any salary from an
22 employer for service currently performed.

23 (b) This subsection (b) applies to a Tier 2 participant
24 ~~who first serves as a judge on or after the effective date of~~
25 ~~this amendatory Act of the 96th General Assembly.~~

26 A participant who has at least 8 years of creditable

1 service is entitled to a retirement annuity when he or she has
2 attained age 67.

3 A member who has attained age 62 and has at least 8 years
4 of service credit may elect to receive the lower retirement
5 annuity provided in subsection (d) of Section 18-125 of this
6 Code.

7 (Source: P.A. 96-889, eff. 1-1-11.)

8 (40 ILCS 5/18-125) (from Ch. 108 1/2, par. 18-125)

9 Sec. 18-125. Retirement annuity amount.

10 (a) The annual retirement annuity for a participant who
11 terminated service as a judge prior to July 1, 1971 shall be
12 based on the law in effect at the time of termination of
13 service.

14 (b) Except as provided in subsection (b-5), effective July
15 1, 1971, the retirement annuity for any participant in service
16 on or after such date shall be 3 1/2% of final average salary,
17 as defined in this Section, for each of the first 10 years of
18 service, and 5% of such final average salary for each year of
19 service in excess of 10.

20 For purposes of this Section, final average salary for a
21 Tier 1 participant who first serves as a judge before August
22 10, 2009 (the effective date of Public Act 96-207) shall be:

23 (1) the average salary for the last 4 years of
24 credited service as a judge for a participant who
25 terminates service before July 1, 1975.

1 (2) for a participant who terminates service after
2 June 30, 1975 and before July 1, 1982, the salary on the
3 last day of employment as a judge.

4 (3) for any participant who terminates service after
5 June 30, 1982 and before January 1, 1990, the average
6 salary for the final year of service as a judge.

7 (4) for a participant who terminates service on or
8 after January 1, 1990 but before July 14, 1995 (the
9 effective date of Public Act 89-136), the salary on the
10 last day of employment as a judge.

11 (5) for a participant who terminates service on or
12 after July 14, 1995 (the effective date of Public Act
13 89-136), the salary on the last day of employment as a
14 judge, or the highest salary received by the participant
15 for employment as a judge in a position held by the
16 participant for at least 4 consecutive years, whichever is
17 greater.

18 However, in the case of a participant who elects to
19 discontinue contributions as provided in subdivision (a)(2) of
20 Section 18-133, the time of such election shall be considered
21 the last day of employment in the determination of final
22 average salary under this subsection.

23 For a Tier 1 participant who first serves as a judge on or
24 after August 10, 2009 (the effective date of Public Act
25 96-207) ~~and before January 1, 2011 (the effective date of~~
26 ~~Public Act 96-889)~~, final average salary shall be the average

1 monthly salary obtained by dividing the total salary of the
2 participant during the period of: (1) the 48 consecutive
3 months of service within the last 120 months of service in
4 which the total compensation was the highest, or (2) the total
5 period of service, if less than 48 months, by the number of
6 months of service in that period.

7 The maximum retirement annuity for any participant shall
8 be 85% of final average salary.

9 (b-5) Notwithstanding any other provision of this Article,
10 for a Tier 2 participant ~~who first serves as a judge on or~~
11 ~~after January 1, 2011 (the effective date of Public Act~~
12 ~~96-889)~~, the annual retirement annuity is 3% of the
13 participant's final average salary for each year of service.
14 The maximum retirement annuity payable shall be 60% of the
15 participant's final average salary.

16 For a Tier 2 participant ~~who first serves as a judge on or~~
17 ~~after January 1, 2011 (the effective date of Public Act~~
18 ~~96-889)~~, final average salary shall be the average monthly
19 salary obtained by dividing the total salary of the judge
20 during the 96 consecutive months of service within the last
21 120 months of service in which the total salary was the highest
22 by the number of months of service in that period; however,
23 beginning January 1, 2011, the annual salary may not exceed
24 \$106,800, except that that amount shall annually thereafter be
25 increased by the lesser of (i) 3% of that amount, including all
26 previous adjustments, or (ii) the annual unadjusted percentage

1 increase (but not less than zero) in the consumer price
2 index-u for the 12 months ending with the September preceding
3 each November 1. "Consumer price index-u" means the index
4 published by the Bureau of Labor Statistics of the United
5 States Department of Labor that measures the average change in
6 prices of goods and services purchased by all urban consumers,
7 United States city average, all items, 1982-84 = 100. The new
8 amount resulting from each annual adjustment shall be
9 determined by the Public Pension Division of the Department of
10 Insurance and made available to the Board by November 1st of
11 each year.

12 (c) The retirement annuity for a participant who retires
13 prior to age 60 with less than 28 years of service in the
14 System shall be reduced $1/2$ of 1% for each month that the
15 participant's age is under 60 years at the time the annuity
16 commences. However, for a participant who retires on or after
17 December 10, 1999 (the effective date of Public Act 91-653),
18 the percentage reduction in retirement annuity imposed under
19 this subsection shall be reduced by $5/12$ of 1% for every month
20 of service in this System in excess of 20 years, and therefore
21 a participant with at least 26 years of service in this System
22 may retire at age 55 without any reduction in annuity.

23 The reduction in retirement annuity imposed by this
24 subsection shall not apply in the case of retirement on
25 account of disability.

26 (d) Notwithstanding any other provision of this Article,

1 for a Tier 2 participant ~~who first serves as a judge on or~~
2 ~~after January 1, 2011 (the effective date of Public Act~~
3 ~~96-889)~~ and who is retiring after attaining age 62, the
4 retirement annuity shall be reduced by 1/2 of 1% for each month
5 that the participant's age is under age 67 at the time the
6 annuity commences.

7 (Source: P.A. 100-201, eff. 8-18-17.)

8 (40 ILCS 5/18-125.1) (from Ch. 108 1/2, par. 18-125.1)

9 Sec. 18-125.1. Automatic increase in retirement annuity. A
10 participant who retires from service after June 30, 1969,
11 shall, in January of the year next following the year in which
12 the first anniversary of retirement occurs, and in January of
13 each year thereafter, have the amount of his or her originally
14 granted retirement annuity increased as follows: for each year
15 up to and including 1971, 1 1/2%; for each year from 1972
16 through 1979 inclusive, 2%; and for 1980 and each year
17 thereafter, 3%.

18 Notwithstanding any other provision of this Article, a
19 retirement annuity for a Tier 2 participant ~~who first serves~~
20 ~~as a judge on or after January 1, 2011 (the effective date of~~
21 ~~Public Act 96-889)~~ shall be increased in January of the year
22 next following the year in which the first anniversary of
23 retirement occurs, but in no event prior to age 67, and in
24 January of each year thereafter, by an amount equal to 3% or
25 the annual percentage increase in the consumer price index-u

1 as determined by the Public Pension Division of the Department
2 of Insurance under subsection (b-5) of Section 18-125,
3 whichever is less, of the retirement annuity then being paid.

4 This Section is not applicable to a participant who
5 retires before he or she has made contributions at the rate
6 prescribed in Section 18-133 for automatic increases for not
7 less than the equivalent of one full year, unless such a
8 participant arranges to pay the system the amount required to
9 bring the total contributions for the automatic increase to
10 the equivalent of one year's contribution based upon his or
11 her last year's salary.

12 This Section is applicable to all participants (other than
13 defined contribution plan participants who do not have any
14 service credit as a Tier 1 or Tier 2 participant) in service
15 after June 30, 1969 unless a participant has elected, prior to
16 September 1, 1969, in a written direction filed with the board
17 not to be subject to the provisions of this Section. Any
18 participant in service on or after July 1, 1992 shall have the
19 option of electing prior to April 1, 1993, in a written
20 direction filed with the board, to be covered by the
21 provisions of the 1969 amendatory Act. Such participant shall
22 be required to make the aforesaid additional contributions
23 with compound interest at 4% per annum.

24 Any participant who has become eligible to receive the
25 maximum rate of annuity and who resumes service as a judge
26 after receiving a retirement annuity under this Article shall

1 have the amount of his or her retirement annuity increased by
2 3% of the originally granted annuity amount for each year of
3 such resumed service, beginning in January of the year next
4 following the date of such resumed service, upon subsequent
5 termination of such resumed service.

6 Beginning January 1, 1990, all automatic annual increases
7 payable under this Section shall be calculated as a percentage
8 of the total annuity payable at the time of the increase,
9 including previous increases granted under this Article.

10 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

11 (40 ILCS 5/18-127) (from Ch. 108 1/2, par. 18-127)

12 Sec. 18-127. Retirement annuity - suspension on
13 reemployment.

14 (a) A participant receiving a retirement annuity who is
15 regularly employed for compensation by an employer other than
16 a county, in any capacity, shall have his or her retirement
17 annuity payments suspended during such employment. Upon
18 termination of such employment, retirement annuity payments at
19 the previous rate shall be resumed.

20 If such a participant resumes service as a judge, he or she
21 shall receive credit for any additional service. Upon
22 subsequent retirement, his or her retirement annuity shall be
23 the amount previously granted, plus the amount earned by the
24 additional judicial service under the provisions in effect
25 during the period of such additional service. However, if the

1 participant was receiving the maximum rate of annuity at the
2 time of re-employment, he or she may elect, in a written
3 direction filed with the board, not to receive any additional
4 service credit during the period of re-employment. In such
5 case, contributions shall not be required during the period of
6 re-employment. Any such election shall be irrevocable.

7 (b) Beginning January 1, 1991, any participant receiving a
8 retirement annuity who accepts temporary employment from an
9 employer other than a county for a period not exceeding 75
10 working days in any calendar year shall not be deemed to be
11 regularly employed for compensation or to have resumed service
12 as a judge for the purposes of this Article. A day shall be
13 considered a working day if the annuitant performs on it any of
14 his duties under the temporary employment agreement.

15 (c) Except as provided in subsection (a), beginning
16 January 1, 1993, retirement annuities shall not be subject to
17 suspension upon resumption of employment for an employer, and
18 any retirement annuity that is then so suspended shall be
19 reinstated on that date.

20 (d) The changes made in this Section by this amendatory
21 Act of 1993 shall apply to judges no longer in service on its
22 effective date, as well as to judges serving on or after that
23 date.

24 (e) A participant receiving a retirement annuity under
25 this Article who serves as a part-time employee in any of the
26 following positions: Legislative Inspector General, Special

1 Legislative Inspector General, employee of the Office of the
2 Legislative Inspector General, Executive Director of the
3 Legislative Ethics Commission, or staff of the Legislative
4 Ethics Commission, but has not elected to participate in the
5 Article 14 System with respect to that service, shall not be
6 deemed to be regularly employed for compensation by an
7 employer other than a county, nor to have resumed service as a
8 judge, on the basis of that service, and the retirement
9 annuity payments and other benefits of that person under this
10 Code shall not be suspended, diminished, or otherwise impaired
11 solely as a consequence of that service. This subsection (e)
12 applies without regard to whether the person is in service as a
13 judge under this Article on or after the effective date of this
14 amendatory Act of the 93rd General Assembly. In this
15 subsection, a "part-time employee" is a person who is not
16 required to work at least 35 hours per week.

17 (f) A participant receiving a retirement annuity under
18 this Article who has made an election under Section 1-123 and
19 who is serving either as legal counsel in the Office of the
20 Governor or as Chief Deputy Attorney General shall not be
21 deemed to be regularly employed for compensation by an
22 employer other than a county, nor to have resumed service as a
23 judge, on the basis of that service, and the retirement
24 annuity payments and other benefits of that person under this
25 Code shall not be suspended, diminished, or otherwise impaired
26 solely as a consequence of that service. This subsection (f)

1 applies without regard to whether the person is in service as a
2 judge under this Article on or after the effective date of this
3 amendatory Act of the 93rd General Assembly.

4 (g) Notwithstanding any other provision of this Article,
5 if a Tier 2 participant ~~person who first becomes a participant~~
6 ~~under this System on or after January 1, 2011 (the effective~~
7 ~~date of this amendatory Act of the 96th General Assembly)~~ is
8 receiving a retirement annuity under this Article and becomes
9 a member or participant under this Article or any other
10 Article of this Code and is employed on a full-time basis, then
11 the person's retirement annuity under this System shall be
12 suspended during that employment. Upon termination of that
13 employment, the person's retirement annuity shall resume and,
14 if appropriate, be recalculated under the applicable
15 provisions of this Article.

16 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

17 (40 ILCS 5/18-128.01) (from Ch. 108 1/2, par. 18-128.01)

18 Sec. 18-128.01. Amount of survivor's annuity.

19 (a) Upon the death of an annuitant, his or her surviving
20 spouse shall be entitled to a survivor's annuity of 66 2/3% of
21 the annuity the annuitant was receiving immediately prior to
22 his or her death, inclusive of annual increases in the
23 retirement annuity to the date of death.

24 (b) Upon the death of an active participant, his or her
25 surviving spouse shall receive a survivor's annuity of 66 2/3%

1 of the annuity earned by the participant as of the date of his
2 or her death, determined without regard to whether the
3 participant had attained age 60 as of that time, or 7 1/2% of
4 the last salary of the decedent, whichever is greater.

5 (c) Upon the death of a participant who had terminated
6 service with at least 10 years of service, his or her surviving
7 spouse shall be entitled to a survivor's annuity of 66 2/3% of
8 the annuity earned by the deceased participant at the date of
9 death.

10 (d) Upon the death of an annuitant, active participant, or
11 participant who had terminated service with at least 10 years
12 of service, each surviving child under the age of 18 or
13 disabled as defined in Section 18-128 shall be entitled to a
14 child's annuity in an amount equal to 5% of the decedent's
15 final salary, not to exceed in total for all such children the
16 greater of 20% of the decedent's last salary or 66 2/3% of the
17 annuity received or earned by the decedent as provided under
18 subsections (a) and (b) of this Section. This child's annuity
19 shall be paid whether or not a survivor's annuity was elected
20 under Section 18-123.

21 (e) The changes made in the survivor's annuity provisions
22 by Public Act 82-306 shall apply to the survivors of a deceased
23 participant or annuitant whose death occurs on or after August
24 21, 1981.

25 (f) Beginning January 1, 1990, every survivor's annuity
26 shall be increased (1) on each January 1 occurring on or after

1 the commencement of the annuity if the deceased member died
2 while receiving a retirement annuity, or (2) in other cases,
3 on each January 1 occurring on or after the first anniversary
4 of the commencement of the annuity, by an amount equal to 3% of
5 the current amount of the annuity, including any previous
6 increases under this Article. Such increases shall apply
7 without regard to whether the deceased member was in service
8 on or after the effective date of this amendatory Act of 1991,
9 but shall not accrue for any period prior to January 1, 1990.

10 (g) Notwithstanding any other provision of this Article,
11 the initial survivor's annuity for a survivor of a Tier 2
12 participant ~~who first serves as a judge after January 1, 2011~~
13 ~~(the effective date of Public Act 96-889)~~ shall be in the
14 amount of 66 2/3% of the annuity received or earned by the
15 decedent, and shall be increased (1) on each January 1
16 occurring on or after the commencement of the annuity if the
17 deceased participant died while receiving a retirement
18 annuity, or (2) in other cases, on each January 1 occurring on
19 or after the first anniversary of the commencement of the
20 annuity, but in no event prior to age 67, by an amount equal to
21 3% or the annual unadjusted percentage increase in the
22 consumer price index-u as determined by the Public Pension
23 Division of the Department of Insurance under subsection (b-5)
24 of Section 18-125, whichever is less, of the survivor's
25 annuity then being paid.

26 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

1 (40 ILCS 5/18-133) (from Ch. 108 1/2, par. 18-133)

2 Sec. 18-133. Financing; employee contributions.

3 (a) Effective July 1, 1967, each participant is required
4 to contribute 7 1/2% of each payment of salary toward the
5 retirement annuity. Such contributions shall continue during
6 the entire time the participant is in service, with the
7 following exceptions:

8 (1) Contributions for the retirement annuity are not
9 required on salary received after 18 years of service by
10 persons who were participants before January 2, 1954.

11 (2) A participant who continues to serve as a judge
12 after becoming eligible to receive the maximum rate of
13 annuity may elect, through a written direction filed with
14 the Board, to discontinue contributing to the System. Any
15 such option elected by a judge shall be irrevocable unless
16 prior to January 1, 2000, and while continuing to serve as
17 judge, the judge (A) files with the Board a letter
18 cancelling the direction to discontinue contributing to
19 the System and requesting that such contributing resume,
20 and (B) pays into the System an amount equal to the total
21 of the discontinued contributions plus interest thereon at
22 5% per annum. Service credits earned in any other
23 "participating system" as defined in Article 20 of this
24 Code shall be considered for purposes of determining a
25 judge's eligibility to discontinue contributions under

1 this subdivision (a)(2).

2 (3) A participant who (i) has attained age 60, (ii)
3 continues to serve as a judge after becoming eligible to
4 receive the maximum rate of annuity, and (iii) has not
5 elected to discontinue contributing to the System under
6 subdivision (a)(2) of this Section (or has revoked any
7 such election) may elect, through a written direction
8 filed with the Board, to make contributions to the System
9 based only on the amount of the increases in salary
10 received by the judge on or after the date of the election,
11 rather than the total salary received. If a judge who is
12 making contributions to the System on the effective date
13 of this amendatory Act of the 91st General Assembly makes
14 an election to limit contributions under this subdivision
15 (a)(3) within 90 days after that effective date, the
16 election shall be deemed to become effective on that
17 effective date and the judge shall be entitled to receive
18 a refund of any excess contributions paid to the System
19 during that 90-day period; any other election under this
20 subdivision (a)(3) becomes effective on the first of the
21 month following the date of the election. An election to
22 limit contributions under this subdivision (a)(3) is
23 irrevocable. Service credits earned in any other
24 participating system as defined in Article 20 of this Code
25 shall be considered for purposes of determining a judge's
26 eligibility to make an election under this subdivision

1 (a) (3).

2 (b) Beginning July 1, 1969, each participant is required
3 to contribute 1% of each payment of salary towards the
4 automatic increase in annuity provided in Section 18-125.1.
5 However, such contributions need not be made by any
6 participant who has elected prior to September 15, 1969, not
7 to be subject to the automatic increase in annuity provisions.

8 (c) Effective July 13, 1953, each married participant
9 subject to the survivor's annuity provisions is required to
10 contribute 2 1/2% of each payment of salary, whether or not he
11 or she is required to make any other contributions under this
12 Section. Such contributions shall be made concurrently with
13 the contributions made for annuity purposes.

14 (d) Notwithstanding any other provision of this Article,
15 the required contributions for a Tier 2 participant ~~who first~~
16 ~~becomes a participant on or after January 1, 2011~~ shall not
17 exceed the contributions that would be due under this Article
18 if that participant's highest salary for annuity purposes were
19 \$106,800, plus any increase in that amount under Section
20 18-125.

21 (Source: P.A. 96-1490, eff. 1-1-11.)

22 (40 ILCS 5/18-169)

23 Sec. 18-169. Application and expiration of new benefit
24 increases.

25 (a) As used in this Section, "new benefit increase" means

1 an increase in the amount of any benefit provided under this
2 Article, or an expansion of the conditions of eligibility for
3 any benefit under this Article, that results from an amendment
4 to this Code that takes effect after the effective date of this
5 amendatory Act of the 94th General Assembly. "New benefit
6 increase", however, does not include any benefit increase
7 resulting from the changes made by this amendatory Act of the
8 102nd General Assembly.

9 (b) Notwithstanding any other provision of this Code or
10 any subsequent amendment to this Code, every new benefit
11 increase is subject to this Section and shall be deemed to be
12 granted only in conformance with and contingent upon
13 compliance with the provisions of this Section.

14 (c) The Public Act enacting a new benefit increase must
15 identify and provide for payment to the System of additional
16 funding at least sufficient to fund the resulting annual
17 increase in cost to the System as it accrues.

18 Every new benefit increase is contingent upon the General
19 Assembly providing the additional funding required under this
20 subsection. The Commission on Government Forecasting and
21 Accountability shall analyze whether adequate additional
22 funding has been provided for the new benefit increase and
23 shall report its analysis to the Public Pension Division of
24 the Department of Financial and Professional Regulation. A new
25 benefit increase created by a Public Act that does not include
26 the additional funding required under this subsection is null

1 and void. If the Public Pension Division determines that the
2 additional funding provided for a new benefit increase under
3 this subsection is or has become inadequate, it may so certify
4 to the Governor and the State Comptroller and, in the absence
5 of corrective action by the General Assembly, the new benefit
6 increase shall expire at the end of the fiscal year in which
7 the certification is made.

8 (d) Every new benefit increase shall expire 5 years after
9 its effective date or on such earlier date as may be specified
10 in the language enacting the new benefit increase or provided
11 under subsection (c). This does not prevent the General
12 Assembly from extending or re-creating a new benefit increase
13 by law.

14 (e) Except as otherwise provided in the language creating
15 the new benefit increase, a new benefit increase that expires
16 under this Section continues to apply to persons who applied
17 and qualified for the affected benefit while the new benefit
18 increase was in effect and to the affected beneficiaries and
19 alternate payees of such persons, but does not apply to any
20 other person, including without limitation a person who
21 continues in service after the expiration date and did not
22 apply and qualify for the affected benefit while the new
23 benefit increase was in effect.

24 (Source: P.A. 94-4, eff. 6-1-05.)

1 (Text of Section WITHOUT the changes made by P.A. 98-599,
2 which has been held unconstitutional)

3 Sec. 20-121. Calculation of proportional retirement
4 annuities.

5 (a) Upon retirement of the employee, a proportional
6 retirement annuity shall be computed by each participating
7 system in which pension credit has been established on the
8 basis of pension credits under each system. The computation
9 shall be in accordance with the formula or method prescribed
10 by each participating system which is in effect at the date of
11 the employee's latest withdrawal from service covered by any
12 of the systems in which he has pension credits which he elects
13 to have considered under this Article. However, the amount of
14 any retirement annuity payable under the self-managed plan
15 established under Section 15-158.2 of this Code depends solely
16 on the value of the participant's vested account balances and
17 is not subject to any proportional adjustment under this
18 Section.

19 (a-5) For persons who participate in a defined
20 contribution plan established under Article 2, 14, 15, 16, or
21 18 of this Code to whom the provisions of this Article apply,
22 the pension credits established under the defined contribution
23 plan may be considered in determining eligibility for or the
24 amount of the defined benefit retirement annuity that is
25 payable by any other participating system.

26 (b) Combined pension credit under all retirement systems

1 subject to this Article shall be considered in determining
2 whether the minimum qualification has been met and the formula
3 or method of computation which shall be applied, except as may
4 be otherwise provided with respect to vesting in State or
5 employer contributions in a defined contribution plan. If a
6 system has a step-rate formula for calculation of the
7 retirement annuity, pension credits covering previous service
8 which have been established under another system shall be
9 considered in determining which range or ranges of the
10 step-rate formula are to be applicable to the employee.

11 (c) Interest on pension credit shall continue to
12 accumulate in accordance with the provisions of the law
13 governing the retirement system in which the same has been
14 established during the time an employee is in the service of
15 another employer, on the assumption such employee, for
16 interest purposes for pension credit, is continuing in the
17 service covered by such retirement system.

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

19 (40 ILCS 5/20-123) (from Ch. 108 1/2, par. 20-123)

20 (Text of Section WITHOUT the changes made by P.A. 98-599,
21 which has been held unconstitutional)

22 Sec. 20-123. Survivor's annuity. The provisions governing
23 a retirement annuity shall be applicable to a survivor's
24 annuity. Appropriate credits shall be established for
25 survivor's annuity purposes in those participating systems

1 which provide survivor's annuities, according to the same
2 conditions and subject to the same limitations and
3 restrictions herein prescribed for a retirement annuity. If a
4 participating system has no survivor's annuity benefit, or if
5 the survivor's annuity benefit under that system is waived,
6 pension credit established in that system shall not be
7 considered in determining eligibility for or the amount of the
8 survivor's annuity which may be payable by any other
9 participating system.

10 For persons who participate in the self-managed plan
11 established under Section 15-158.2 or the portable benefit
12 package established under Section 15-136.4, pension credit
13 established under Article 15 may be considered in determining
14 eligibility for or the amount of the survivor's annuity that
15 is payable by any other participating system, but pension
16 credit established in any other system shall not result in any
17 right to a survivor's annuity under the Article 15 system.

18 For persons who participate in a defined contribution plan
19 established under Article 2, 14, 15, 16, or 18 of this Code to
20 whom the provisions of this Article apply, the pension credits
21 established under the defined contribution plan may be
22 considered in determining eligibility for or the amount of the
23 defined benefit survivor's annuity that is payable by any
24 other participating system, but pension credits established in
25 any other system shall not result in any right to or increase
26 in the value of a survivor's annuity under the defined

1 contribution plan, which depends solely on the options chosen
2 and the value of the participant's vested account balances and
3 is not subject to any proportional adjustment under this
4 Section.

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

6 (40 ILCS 5/20-124) (from Ch. 108 1/2, par. 20-124)

7 (Text of Section WITHOUT the changes made by P.A. 98-599,
8 which has been held unconstitutional)

9 Sec. 20-124. Maximum benefits.

10 (a) In no event shall the combined retirement or survivors
11 annuities exceed the highest annuity which would have been
12 payable by any participating system in which the employee has
13 pension credits, if all of his pension credits had been
14 validated in that system.

15 If the combined annuities should exceed the highest
16 maximum as determined in accordance with this Section, the
17 respective annuities shall be reduced proportionately
18 according to the ratio which the amount of each proportional
19 annuity bears to the aggregate of all such annuities.

20 (b) In the case of a participant in the self-managed plan
21 established under Section 15-158.2 of this Code to whom the
22 provisions of this Article apply:

23 (i) For purposes of calculating the combined
24 retirement annuity and the proportionate reduction, if
25 any, in a retirement annuity other than one payable under

1 the self-managed plan, the amount of the Article 15
2 retirement annuity shall be deemed to be the highest
3 annuity to which the annuitant would have been entitled if
4 he or she had participated in the traditional benefit
5 package as defined in Section 15-103.1 rather than the
6 self-managed plan.

7 (ii) For purposes of calculating the combined
8 survivor's annuity and the proportionate reduction, if
9 any, in a survivor's annuity other than one payable under
10 the self-managed plan, the amount of the Article 15
11 survivor's annuity shall be deemed to be the highest
12 survivor's annuity to which the survivor would have been
13 entitled if the deceased employee had participated in the
14 traditional benefit package as defined in Section 15-103.1
15 rather than the self-managed plan.

16 (iii) Benefits payable under the self-managed plan are
17 not subject to proportionate reduction under this Section.

18 (c) In the case of a participant in a defined contribution
19 plan established under Article 2, 14, 15, 16, or 18 of this
20 Code to whom the provisions of this Article apply:

21 (i) For purposes of calculating the combined
22 retirement annuity and the proportionate reduction, if
23 any, in a defined benefit retirement annuity, any benefit
24 payable under the defined contribution plan shall not be
25 considered.

26 (ii) For purposes of calculating the combined

1 survivor's annuity and the proportionate reduction, if
2 any, in a defined benefit survivor's annuity, any benefit
3 payable under the defined contribution plan shall not be
4 considered.

5 (iii) Benefits payable under a defined contribution
6 plan established under Article 2, 14, 15, 16, or 18 of this
7 Code are not subject to proportionate reduction under this
8 Section.

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

10 (40 ILCS 5/20-125) (from Ch. 108 1/2, par. 20-125)

11 (Text of Section WITHOUT the changes made by P.A. 98-599,
12 which has been held unconstitutional)

13 Sec. 20-125. Return to employment - suspension of
14 benefits. If a retired employee returns to employment which is
15 covered by a system from which he is receiving a proportional
16 annuity under this Article, his proportional annuity from all
17 participating systems shall be suspended during the period of
18 re-employment, except that this suspension does not apply to
19 any distributions payable under the self-managed plan
20 established under Section 15-158.2 of this Code or under a
21 defined contribution plan established under Article 2, 14, 15,
22 16, or 18 of this Code.

23 The provisions of the Article under which such employment
24 would be covered shall govern the determination of whether the
25 employee has returned to employment, and if applicable the

1 exemption of temporary employment or employment not exceeding
2 a specified duration or frequency, for all participating
3 systems from which the retired employee is receiving a
4 proportional annuity under this Article, notwithstanding any
5 contrary provisions in the other Articles governing such
6 systems.

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

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

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| 4 | 5 ILCS 375/10 | from Ch. 127, par. 530 |
| 5 | 40 ILCS 5/1-160 | |
| 6 | 40 ILCS 5/1-161 | |
| 7 | 40 ILCS 5/2-105.3 new | |
| 8 | 40 ILCS 5/2-162 | |
| 9 | 40 ILCS 5/2-165.5 new | |
| 10 | 40 ILCS 5/14-103.41 | |
| 11 | 40 ILCS 5/14-152.1 | |
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| 22 | 40 ILCS 5/18-124 | from Ch. 108 1/2, par. 18-124 |
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- 1 40 ILCS 5/18-128.01 from Ch. 108 1/2, par. 18-128.01
- 2 40 ILCS 5/18-133 from Ch. 108 1/2, par. 18-133
- 3 40 ILCS 5/18-169
- 4 40 ILCS 5/20-121 from Ch. 108 1/2, par. 20-121
- 5 40 ILCS 5/20-123 from Ch. 108 1/2, par. 20-123
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- 7 40 ILCS 5/20-125 from Ch. 108 1/2, par. 20-125