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LRB093 20772 LRD 47691 a

1 AMENDMENT TO HOUSE BILL 4575

2 AMENDMENT NO. _____. Amend House Bill 4575 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 13-301, 13-302, 13-305, 13-306, 13-308,
6 13-309, 13-310, 13-311, 13-314, 13-402, 13-403, 13-502,
7 13-601, and 13-603 and adding Section 13-309.1 as follows:

8 (40 ILCS 5/13-301) (from Ch. 108 1/2, par. 13-301)

9 Sec. 13-301. Retirement annuity; eligibility. Any employee
10 who withdraws from service and meets the age and service
11 requirements and other conditions set forth in subsections (a),
12 (b), (c) or (d) hereof is entitled to receive a retirement
13 annuity.

14 (a) Withdrawal on or after age 60. Any employee, upon
15 withdrawal from service on or after attainment of age 60 and
16 having at least 5 years of service, is entitled to a retirement
17 annuity.

18 (b) Withdrawal on or after attainment of minimum retirement
19 qualifications and prior to age 60.

20 (1) Any employee, upon withdrawal from service on or
21 after attainment of age 55 (age 50 if the employee first
22 entered service before June 13, 1997) but prior to age 60
23 and having at least 10 years of service, is entitled to a
24 retirement annuity as of the date of withdrawal or, at the

1 option of the employee, at any time thereafter.

2 (2) Any employee who withdraws on or after attainment
3 of age 55 (age 50 if the employee first entered service
4 before June 13, 1997) and prior to age 60 having at least 5
5 years but less than 10 years of service is entitled to a
6 retirement annuity upon attainment of age 62, subject to
7 the other requirements of this Article.

8 (3) Any employee who withdraws from service on or after
9 attainment of age 50 but prior to age 60 and is eligible
10 for early retirement without discount under the Rule of 80
11 as provided in subsection (c) of Section 13-302 is entitled
12 to a retirement annuity at the time of withdrawal.

13 (c) Withdrawal prior to minimum retirement age. Any
14 employee, upon withdrawal from service prior to age 55 (age 50
15 if the employee first entered service before June 13, 1997) and
16 having at least 10 years of service, shall become entitled to a
17 retirement annuity upon attainment of age 55 (age 50 if the
18 employee first entered service before June 13, 1997) or, at the
19 option of the employee, at any time thereafter, subject to the
20 other requirements of this Article.

21 (d) Withdrawal while disabled. Any employee having at least
22 5 years of service who has received ordinary disability
23 benefits on or after January 1, 1986 for the maximum period of
24 time hereinafter prescribed, and who continues to be disabled
25 and withdraws from service, shall be entitled to a retirement
26 annuity. In the case of an employee who enters service after
27 the effective date of this amendatory Act of the 93rd General
28 Assembly, the required 5 years of service is exclusive of
29 service credit described in Section 13-313. The age and service
30 conditions as to eligibility for such annuity shall be waived
31 as to the employee, but the early retirement discount under
32 Section 13-302(b) shall apply. If the employee is under age 55
33 on the date of withdrawal, the retirement annuity shall be
34 computed by assuming that the employee is then age 55 and then

1 reduced to its actuarial equivalent at his attained age on that
2 date according to applicable mortality tables and interest
3 rates. The retirement annuity shall not be payable for any
4 period prior to the employee's attainment of age 55 during
5 which the employee is able to return to gainful employment.
6 Upon the employee's death while in receipt of a retirement
7 annuity, a surviving spouse or minor children shall be entitled
8 to receive a surviving spouse's annuity or child's annuity
9 subject to the conditions hereinafter prescribed in Sections
10 13-305 through 13-308.

11 (Source: P.A. 92-599, eff. 6-28-02.)

12 (40 ILCS 5/13-302) (from Ch. 108 1/2, par. 13-302)

13 Sec. 13-302. Computation of retirement annuity.

14 (a) Computation of annuity. An employee who withdraws from
15 service on or after July 1, 1989 and who has met the age and
16 service requirements and other conditions for eligibility set
17 forth in Section 13-301 of this Article is entitled to receive
18 a retirement annuity for life equal to 2.2% of average final
19 salary for each of the first 20 years of service, and 2.4% of
20 average final salary for each year of service in excess of 20.
21 The retirement annuity shall not exceed 80% of average final
22 salary.

23 (b) Early retirement discount. If an employee retires prior
24 to attainment of age 60 with less than 30 years of service, the
25 annuity computed above shall be reduced by 1/2 of 1% for each
26 full month between the date the annuity begins and attainment
27 of age 60, or each full month by which the employee's service
28 is less than 30 years, whichever is less. However, where the
29 employee first enters service after June 13, 1997 and does not
30 have at least 10 years of service exclusive of credit under
31 Article 20, the annuity computed above shall be reduced by 1/2
32 of 1% for each full month between the date the annuity begins
33 and attainment of age 60.

1 (c) Rule of 80 - Early retirement without discount. For an
2 employee who retires on or after January 1, 2003 but on or
3 before December 31, 2007, if the employee is eligible for a
4 retirement annuity under Section 13-301 and has at least 10
5 years of service exclusive of credit under Article 20 and if at
6 the date of withdrawal the employee's age when added to the
7 number of years of his or her creditable service equals at
8 least 80, the early retirement discount in subsection (b) of
9 this Section does not apply. For purposes of this Rule of 80,
10 portions of years shall be considered in whole months.

11 An employee who has terminated employment with the employer
12 under this Article prior to the effective date of this
13 amendatory Act of the 92nd General Assembly and subsequently
14 re-enters service must remain in service with the employer
15 under this Article for at least 2 years after re-entry during
16 the period beginning on January 1, 2003 and ending on December
17 31, 2007 to be entitled to early retirement without discount
18 under this subsection (c).

19 In the case of an employee who retires under the terms of
20 Article 20, eligibility for early retirement without discount
21 under this subsection (c) shall be based upon the employee's
22 age and service credit at the time of withdrawal from the final
23 fund.

24 (c-1) Early retirement without discount; retirement after
25 June 29, 1997 and before January 1, 2003. An employee who (i)
26 has attained age 55 (age 50 if the employee first entered
27 service before June 13, 1997), (ii) has at least 10 years of
28 service exclusive of credit under Article 20, (iii) retires
29 after June 29, 1997 and before January 1, 2003, and (iv)
30 retires within 6 months of the last day for which retirement
31 contributions were required, may elect at the time of
32 application to make a one-time employee contribution to the
33 Fund and thereby avoid the early retirement reduction specified
34 in subsection (b). The exercise of the election shall also

1 obligate the employer to make a one-time nonrefundable
2 contribution to the Fund.

3 The one-time employee and employer contributions shall be a
4 percentage of the retiring employee's highest full-time annual
5 salary, calculated as the total amount of salary included in
6 the highest 26 consecutive pay periods as used in the average
7 final salary calculation, and based on the employee's age and
8 service at retirement. The employee rate shall be 7% multiplied
9 by the lesser of the following 2 numbers: (1) the number of
10 years, or portion thereof, that the employee is less than age
11 60; or (2) the number of years, or portion thereof, that the
12 employee's service is less than 30 years. The employer
13 contribution shall be at the rate of 20% for each year, or
14 portion thereof, that the participant is less than age 60.

15 Upon receipt of the application, the Board shall determine
16 the corresponding employee and employer contributions. The
17 annuity shall not be payable under this subsection until both
18 the required contributions have been received by the Fund.
19 However, the date the contributions are received shall not be
20 considered in determining the effective date of retirement.

21 The number of employees who may retire under this Section
22 in any year may be limited at the option of the District to a
23 specified percentage of those eligible, not lower than 30%,
24 with the right to participate to be allocated among those
25 applying on the basis of seniority in the service of the
26 employer.

27 An employee who has terminated employment and subsequently
28 re-enters service shall not be entitled to early retirement
29 without discount under this subsection unless the employee
30 continues in service for at least 4 years after re-entry.

31 (d) Annual increase. Except for employees retiring and
32 receiving a term annuity, an employee who retires on or after
33 July 1, 1985 but before July 12, 2001, shall, upon the first
34 payment date following the first anniversary of the date of

1 retirement, have the monthly annuity increased by 3% of the
2 amount of the monthly annuity fixed at the date of retirement.
3 Except for employees retiring and receiving a term annuity, an
4 employee who retires on or after July 12, 2001 shall, on the
5 first day of the month in which the first anniversary of the
6 date of retirement occurs, have the monthly annuity increased
7 by 3% of the amount of the monthly annuity fixed at the date of
8 retirement. The monthly annuity shall be increased by an
9 additional 3% on the same date each year thereafter. Beginning
10 January 1, 1993, all annual increases payable under this
11 subsection (or any predecessor provision, regardless of the
12 date of retirement) shall be calculated at the rate of 3% of
13 the monthly annuity payable at the time of the increase,
14 including any increases previously granted under this Article.

15 Any employee who (i) retired before July 1, 1985 with at
16 least 10 years of creditable service, (ii) is receiving a
17 retirement annuity under this Article, other than a term
18 annuity, and (iii) has not received any annual increase under
19 this subsection, shall begin receiving the annual increases
20 provided under this subsection (d) beginning on the next
21 annuity payment date following June 13, 1997.

22 (e) Minimum retirement annuity. Beginning January 1, 1993,
23 the minimum monthly retirement annuity shall be \$500 for any
24 annuitant having at least 10 years of service under this
25 Article, other than a term annuitant or an annuitant who began
26 receiving the annuity before attaining age 60. Any such
27 annuitant who is receiving a monthly annuity of less than \$500
28 shall have the annuity increased to \$500 on that date.

29 Beginning January 1, 1993, the minimum monthly retirement
30 annuity shall be \$250 for any annuitant (other than a term or
31 reciprocal annuitant or an annuitant under subsection (d) of
32 Section 13-301) having less than 10 years of service under this
33 Article, and for any annuitant (other than a term annuitant)
34 having at least 10 years of service under this Article who

1 began receiving the annuity before attaining age 60. Any such
2 annuitant who is receiving a monthly annuity of less than \$250
3 shall have the annuity increased to \$250 on that date.

4 Beginning August 1, 2001 ~~on the first day of the month~~
5 ~~following the month in which this amendatory Act of the 92nd~~
6 ~~General Assembly takes effect~~ (and without regard to whether
7 the annuitant was in service on or after that effective date),
8 the minimum monthly retirement annuity for any annuitant having
9 at least 10 years of service, other than an annuitant whose
10 annuity is subject to an early retirement discount, shall be
11 \$500 plus \$25 for each year of service in excess of 10, not to
12 exceed \$750 for an annuitant with 20 or more years of service.
13 In the case of a reciprocal annuity, this minimum shall apply
14 only if the annuitant has at least 10 years of service under
15 this Article, and the amount of the minimum annuity shall be
16 reduced by the sum of all the reciprocal annuities payable to
17 the annuitant by other participating systems under Article 20
18 of this Code.

19 Notwithstanding any other provision of this subsection,
20 beginning on the first annuity payment date following July 12,
21 2001, an employee who retired before August 23, 1989 with at
22 least 10 years of service under this Article but before
23 attaining age 60 (regardless of whether the retirement annuity
24 was subject to an early retirement discount) shall be entitled
25 to the same minimum monthly retirement annuity under this
26 subsection as an employee who retired with at least 10 years of
27 service under this Article and after attaining age 60.

28 Notwithstanding any other provision of this subsection,
29 beginning on the first day of the month following the month in
30 which this amendatory Act of the 93rd General Assembly takes
31 effect (and without regard to whether the annuitant was in
32 service on or after that effective date), an employee who
33 retired on or after August 23, 1989 with at least 10 years of
34 service under this Article but before attaining age 60

1 (regardless of whether the retirement annuity was subject to an
2 early retirement discount), shall be entitled to the same
3 minimum monthly retirement annuity under this subsection as an
4 employee who retired with at least 10 years of service under
5 this Article and after attaining age 60.

6 (Source: P.A. 92-53, eff. 7-12-01; 92-599, eff. 6-28-02.)

7 (40 ILCS 5/13-305) (from Ch. 108 1/2, par. 13-305)

8 Sec. 13-305. Surviving spouse's annuity; eligibility. A
9 surviving spouse who was married to an employee on the date of
10 the employee's death while in service, or was married to an
11 employee on the date of withdrawal from service and remained
12 married to that employee until the employee's death, shall be
13 entitled to a surviving spouse's annuity payable for life.
14 However, the annuity shall not be payable to the surviving
15 spouse of (1) an employee who withdraws from service before
16 attaining the minimum retirement age unless the deceased
17 employee had at least 55 with less than 10 years of service, or
18 at least less than 5 years of service if the employee was
19 eligible for an annuity upon attainment of age 62 pursuant to
20 Section 13-301(b) or had been receiving a retirement annuity
21 pursuant to Section 13-301(d), or (2) an employee not described
22 in item (1) who first enters service on or after the effective
23 date of this amendatory Act of 1997 and who has been employed
24 as an employee for (i) less than 36 months from the date of the
25 employee's original entry into service or (ii) less than 12
26 months from the employee's date of latest re-entry into
27 service; except as otherwise provided in Section 13-306(a) for
28 an employee whose death arises out of or in the course of the
29 employee's service to the employer.

30 A dissolution of marriage after retirement shall not divest
31 the employee's spouse of the entitlement to a surviving
32 spouse's annuity upon the subsequent death of the employee,
33 provided that the surviving spouse and the deceased employee

1 had been married to each other for a period of not less than 10
2 continuous years on the date of retirement.

3 (Source: P.A. 90-12, eff. 6-13-97.)

4 (40 ILCS 5/13-306) (from Ch. 108 1/2, par. 13-306)

5 Sec. 13-306. Computation of surviving spouse's annuity.

6 (a) Computation of the annuity. The surviving spouse's
7 annuity shall be equal to 60% of the retirement annuity earned
8 and accrued to the credit of the deceased employee, whether
9 death occurs while in service or after withdrawal, plus 1% for
10 each year of total service of the employee to a maximum of 85%;
11 provided, however, that if the employee's death arises out of
12 and in the course of the employee's service to the employer and
13 is compensable under either the Illinois Workers' Compensation
14 Act or Illinois Workers' Occupational Diseases Act, the
15 surviving spouse's annuity is payable regardless of the
16 employee's length of service and shall be not less than 50% of
17 the employee's salary at the date of death.

18 For any death in service the early retirement discount
19 required under Section 13-302(b) shall not be applied in
20 computing the retirement annuity upon which is based the
21 surviving spouse's annuity.

22 For any death after withdrawal and prior to application for
23 annuity benefits, the early retirement discount required under
24 Section 13-302(b) shall be applied in computing the retirement
25 annuity upon which the surviving spouse's annuity is based. The
26 maximum age discount applied to the employee's retirement
27 annuity shall not exceed 60%.

28 Further, the annuity for a surviving spouse of a withdrawn
29 employee who was eligible for an annuity upon attainment of age
30 62 pursuant to Section 13-301(b) but who died prior to age 60
31 shall be based upon an employee annuity that has been reduced
32 by 1/2% for each full month between the date the surviving
33 spouse's annuity begins and attainment of age 60.

1 (b) Reciprocal service. For any employee or annuitant who
2 retires on or after July 1, 1985 and whose death occurs after
3 January 1, 1991, having at least 15 years of service with the
4 employer under this Article, and who was eligible at the time
5 of death or elected at the time of retirement to have his or
6 her retirement annuity calculated as provided in Section 20-131
7 of this Code, the surviving spouse benefit shall be calculated
8 as of the date of the employee's death as indicated in
9 subsection (a) as a percentage of the employee's total benefit
10 as if all service had been with the employer. That benefit
11 shall then be reduced by the amounts payable by each of the
12 reciprocal funds as of the date of death so that the total
13 surviving spouse benefit at that date will be equal to the
14 benefit which would have been payable had all service been with
15 the employer under this Article.

16 (c) Discount for age differential. The annuity for a
17 surviving spouse shall be discounted by 0.25% for each full
18 month that the spouse is younger than the employee as of the
19 date of withdrawal from service or death in service to a
20 maximum discount of 60% of the surviving spouse annuity as
21 calculated under subsections (a), (b), and (e) of this Section.
22 The discount shall be reduced by 10% for each full year the
23 marriage has been in continuous effect as of the date of
24 withdrawal or death in service. There shall be no discount if
25 the marriage has been in continuous effect for 10 full years or
26 more at the time of withdrawal or death in service.

27 (d) Annual increase. Effective August 23, 1989, on the
28 first day of each calendar month in which there occurs an
29 anniversary of the employee's date of retirement or date of
30 death, whichever occurred first, the surviving spouse's
31 annuity, other than a term annuity under Section 13-307, shall
32 be increased by an amount equal to 3% of the amount of the
33 annuity. Beginning January 1, 1993, all annual increases
34 payable under this subsection (or any predecessor provision of

1 this Article) shall be calculated at the rate of 3% of the
2 monthly annuity payable at the time of the increase, including
3 any increases previously granted under this Article.

4 Beginning January 1, 1993, surviving spouse annuitants
5 whose deceased spouse died, retired or withdrew from service
6 before August 23, 1989 with at least 10 years of service under
7 this Article shall be eligible for the annual increases
8 provided under this subsection.

9 (e) Minimum surviving spouse's annuity.

10 (1) Beginning January 1, 1993, the minimum monthly
11 surviving spouse's annuity shall be \$500 for any annuitant
12 whose deceased spouse had at least 10 years of service
13 under this Article, other than a surviving spouse who is a
14 term annuitant or whose deceased spouse began receiving a
15 retirement annuity under this Article before attainment of
16 age 60. Any such surviving spouse annuitant who is
17 receiving a monthly annuity of less than \$500 shall have
18 the annuity increased to \$500 on that date.

19 Beginning January 1, 1993, the minimum monthly
20 surviving spouse's annuity shall be \$250 for any annuitant
21 (other than a term or reciprocal annuitant or an annuitant
22 survivor under subsection (d) of Section 13-301) whose
23 deceased spouse had less than 10 years of service under
24 this Article, and for any annuitant (other than a term
25 annuitant) whose deceased spouse had at least 10 years of
26 service under this Article and began receiving a retirement
27 annuity under this Article before attainment of age 60. Any
28 such surviving spouse annuitant who is receiving a monthly
29 annuity of less than \$250 shall have the annuity increased
30 to \$250 on that date.

31 (2) Beginning August 1, 2001 ~~on the first day of the~~
32 ~~month following the month in which this amendatory Act of~~
33 ~~the 92nd General Assembly takes effect~~ (and without regard
34 to whether the deceased spouse was in service on or after

1 that ~~effective~~ date), the minimum monthly surviving
2 spouse's annuity for any annuitant whose deceased spouse
3 had at least 10 years of service shall be the greater of
4 the following:

5 (A) An amount equal to \$500, plus \$25 for each year
6 of the deceased spouse's service in excess of 10, not
7 to exceed \$750 for an annuitant whose deceased spouse
8 had 20 or more years of service. This subdivision (A)
9 is not applicable if the deceased spouse received a
10 retirement annuity that was subject to an early
11 retirement discount.

12 (B) An amount equal to (i) 50% of the retirement
13 annuity earned and accrued to the credit of the
14 deceased spouse at the time of death, plus (ii) the
15 amount of any annual increases applicable to the
16 surviving spouse's annuity (including the amount of
17 any reversionary annuity) under subsection (d) before
18 ~~July 12, 2001 the effective date of this amendatory Act~~
19 ~~of the 92nd General Assembly~~. In any case in which a
20 refund of excess contributions for the surviving
21 spouse annuity has been paid by the Fund and the
22 surviving spouse annuity is increased due to the
23 application of this subdivision (B), the amount of that
24 refund shall be recovered by the Fund as an offset
25 against the amount of the increase in annuity arising
26 from the application of this subdivision (B).

27 In the case of a reciprocal annuity, the minimum
28 annuity calculated under this subdivision (e)(2) shall
29 apply only if the deceased spouse of the annuitant had
30 at least 10 years of service under this Article, and
31 the amount of the minimum annuity shall be reduced by
32 the sum of all the reciprocal annuities payable to the
33 annuitant by other participating systems under Article
34 20 of this Code.

1 The minimum annuity calculated under this
2 subdivision (e) (2) is in addition to the amount of any
3 reversionary annuity that may be payable.

4 (3) Beginning August 1, 2001 ~~on the first day of the~~
5 ~~month following the month in which this amendatory Act of~~
6 ~~the 92nd General Assembly takes effect~~ (and without regard
7 to whether the deceased spouse was in service on or after
8 that ~~effective~~ date), any surviving spouse who is receiving
9 a term annuity under Section 13-307 or any predecessor
10 provision of this Article may have that term annuity
11 recalculated and converted to a minimum surviving spouse
12 annuity under this subsection (e).

13 (4) Notwithstanding any other provision of this
14 subsection, beginning August 1, 2001 ~~on the first annuity~~
15 ~~payment date following the effective date of this~~
16 ~~amendatory Act of the 92nd General Assembly~~, an annuitant
17 whose deceased spouse retired before August 23, 1989 with
18 at least 10 years of service under this Article but before
19 attaining age 60 (regardless of whether the retirement
20 annuity was subject to an early retirement discount) shall
21 be entitled to the same minimum monthly surviving spouse's
22 annuity under this subsection as an annuitant whose
23 deceased spouse retired with at least 10 years of service
24 under this Article and after attaining age 60. Further
25 notwithstanding any other provision of this subsection,
26 beginning on the first day of the month following the month
27 in which this amendatory Act of the 93rd General Assembly
28 takes effect, an annuitant whose deceased spouse retired on
29 or after August 23, 1989 with at least 10 years of service
30 under this Article but before attaining age 60 (regardless
31 of whether the retirement annuity was subject to an early
32 retirement discount) shall be entitled to the same minimum
33 monthly surviving spouse's annuity under this subsection
34 as an annuitant whose deceased spouse retired with at least

1 10 years of service under this Article and after attaining
2 age 60.

3 (5) The minimum annuity provided under this subsection
4 (e) shall be subject to the age discount provided under
5 subsection (c) of this Section.

6 (Source: P.A. 92-53, eff. 7-12-01.)

7 (40 ILCS 5/13-308) (from Ch. 108 1/2, par. 13-308)
8 Sec. 13-308. Child's annuity.

9 (a) Eligibility. A child's annuity shall be provided for
10 each unmarried child under the age of 18 years (under the age
11 of 23 years in the case of a full-time student) whose employee
12 parent dies while in service, or whose deceased parent is an
13 annuitant or former employee with at least 10 years of
14 creditable service who did not take a refund of employee
15 contributions. Eligibility for benefits to unmarried children
16 over the age of 18 but under the age of 23 begins no earlier
17 than the first day of the month following the month in which
18 this amendatory Act of the 93rd General Assembly takes effect.

19 For purposes of this Section, "employee" includes a former
20 employee, and "child" means the issue of an employee, or a
21 child adopted by an employee if the proceedings for adoption
22 were instituted at least one year prior to the employee's
23 death.

24 Payments shall cease when a child attains the age of 18
25 years (age of 23 years in the case of a full-time student) or
26 marries, whichever first occurs. The annuity shall not be
27 payable unless the employee has been employed as an employee
28 for at least 36 months from the date of the employee's original
29 entry into service (at least 24 months in the case of an
30 employee who first entered service before June 13, ~~the~~
31 ~~effective date of this amendatory Act of 1997)~~ and at least 12
32 months from the date of the employee's latest re-entry into
33 service; provided, however, that if death arises out of and in

1 the course of service to the employer and is compensable under
2 either the Illinois Workers' Compensation Act or Illinois
3 Workers' Occupational Diseases Act, the annuity is payable
4 regardless of the employee's length of service.

5 (b) Amount. A child's annuity shall be \$500 per month for
6 one child and \$350 per month for each additional child, up to a
7 maximum of \$2,500 per month for all children of the employee,
8 as provided in this Section, if a parent of the child is
9 living. The child's annuity shall be \$1,000 per month for one
10 child and \$500 per month for each additional child, up to a
11 maximum of \$2,500 for all children of the employee, when
12 neither parent is alive. The total amount payable to all
13 children of the employee shall be divided equally among those
14 children. Any child's annuity which commenced prior to July 12,
15 2001 ~~the effective date of this amendatory Act of the 92nd~~
16 ~~General Assembly~~ shall be increased upon the first day of the
17 month following the month in which that effective date occurs,
18 to the amount set forth herein.

19 (c) Payment. Until a child attains the age of 18 years, a
20 child's annuity shall be paid to the child's parent or other
21 person who shall be providing for the child without requiring
22 formal letters of guardianship, unless another person shall be
23 appointed by a court of law as guardian.

24 (Source: P.A. 92-53, eff. 7-12-01.)

25 (40 ILCS 5/13-309) (from Ch. 108 1/2, par. 13-309)

26 Sec. 13-309. Duty disability benefit.

27 (a) Any employee who becomes disabled, which disability is
28 the result of an injury or illness compensable under the
29 Illinois Workers' Compensation Act or the Illinois Workers'
30 Occupational Diseases Act, is entitled to a duty disability
31 benefit during the period of disability for which the employee
32 does not receive any part of salary, or any part of a
33 retirement annuity under this Article; except that in the case

1 of an employee who first enters service on or after June 13,
2 ~~the effective date of this amendatory Act of 1997~~ and becomes
3 disabled before the effective date of this amendatory Act of
4 the 93rd General Assembly, a duty disability benefit is not
5 payable for the first 3 days of disability that would otherwise
6 be payable under this Section if the disability does not
7 continue for at least 11 additional days. The changes made to
8 this Section by this amendatory Act of the 93rd General
9 Assembly are prospective only and do not entitle an employee to
10 a duty disability benefit for the first 3 days of any
11 disability that occurred before that effective date and did not
12 continue for at least 11 days. This benefit shall be 75% of
13 salary at the date disability begins. However, if the
14 disability in any measure resulted from any physical defect or
15 disease which existed at the time such injury was sustained or
16 such illness commenced, the duty disability benefit shall be
17 50% of salary.

18 Unless the employer acknowledges that the disability is a
19 result of injury or illness compensable under the Workers'
20 Compensation Act or the Workers' Occupational Diseases Act, the
21 duty disability benefit shall not be payable until the issue of
22 compensability under those Acts is finally adjudicated. The
23 period of disability shall be as determined by the Illinois
24 Industrial Commission or acknowledged by the employer.

25 The first payment shall be made not later than one month
26 after the benefit is granted, and subsequent payments shall be
27 made at least monthly. The Board shall by rule prescribe for
28 the payment of such benefits on the basis of the amount of
29 salary lost during the period of disability.

30 (b) The benefit shall be allowed only if the following
31 requirements are met by the employee:

32 (1) Application is made to the Board within 90 days
33 from the date disability begins;

34 (2) A medical report is submitted by at least one

1 licensed and practicing physician as part of the employee's
2 application; and

3 (3) The employee is examined by at least one licensed
4 and practicing physician appointed by the Board and found
5 to be in a disabled physical condition, and shall be
6 re-examined at least annually thereafter during the
7 continuance of disability. The employee need not be
8 re-examined by a licensed and practicing physician if the
9 attorney for the district certifies in writing that the
10 employee is entitled to receive compensation under the
11 Workers' Compensation Act or the Workers' Occupational
12 Diseases Act.

13 (c) The benefit shall terminate when:

14 (1) The employee returns to work or receives a
15 retirement annuity paid wholly or in part under this
16 Article;

17 (2) The disability ceases;

18 (3) The employee attains age 65, but if the employee
19 becomes disabled at age 60 or later, benefits may be
20 extended for a period of no more than 5 years after
21 disablement;

22 (4) The employee (i) refuses to submit to reasonable
23 examinations by physicians or other health professionals
24 appointed by the Board, (ii) fails or refuses to consent to
25 and sign an authorization allowing the Board to receive
26 copies of or to examine the employee's medical and hospital
27 records, or (iii) fails or refuses to provide complete
28 information regarding any other employment for
29 compensation he or she has received since becoming
30 disabled; or

31 (5) The employee willfully and continuously refuses to
32 follow medical advice and treatment to enable the employee
33 to return to work. However this provision does not apply to
34 an employee who relies in good faith on treatment by prayer

1 through spiritual means alone in accordance with the tenets
2 and practice of a recognized church or religious
3 denomination, by a duly accredited practitioner thereof.

4 In the case of a duty disability recipient who returns to
5 work, the employee must make application to the Retirement
6 Board within 2 years from the date the employee last received
7 duty disability benefits in order to become again entitled to
8 duty disability benefits based on the injury for which a duty
9 disability benefit was theretofore paid.

10 In the event that an interim disability benefit has been
11 received, the benefit paid under this Section shall be subject
12 to adjustment by the Board under Section 13-309.1.

13 (Source: P.A. 90-12, eff. 6-13-97; 91-887, eff. 7-6-00.)

14 (40 ILCS 5/13-309.1 new)

15 Sec. 13-309.1. Interim disability benefit.

16 (a) An employee who claims to be physically incapacitated
17 to perform the duties of his or her position shall receive an
18 interim disability benefit, provided that:

19 (1) the employer, being a separate entity from the
20 Retirement System governed by this Article, (i) has
21 formally denied all employer-paid temporary total
22 disability benefits under the Workers' Compensation Act or
23 the Workers' Occupational Diseases Act and an appeal of
24 that denial is pending before the Industrial Commission of
25 Illinois, or (ii) has granted and then terminated for any
26 reason an employer-paid temporary total disability benefit
27 and the employee has filed a petition for emergency hearing
28 under Section 19(b-1) of the Workers' Compensation Act or
29 Section 19(b-1) of the Workers' Occupational Diseases Act;
30 and

31 (2) application is made not later than (i) 3 months
32 after the date that the disability results in loss of pay,
33 (ii) 3 months after the date the employer has formally

1 denied or terminated the employer-paid temporary total
2 disability benefit, or (iii) in the case of termination of
3 an employer-paid temporary total disability benefit, 3
4 months after the effective date of this amendatory Act of
5 the 93rd General Assembly, whichever occurs last; and

6 (3) proper proof is received from one or more
7 physicians certifying that the employee is physically
8 incapacitated.

9 (b) In the case of a denial of benefits, the interim
10 disability benefit shall begin to accrue on the 1st day of
11 absence from work on account of disability, but the benefit
12 shall not become actually payable to the employee until the
13 payroll following the Board meeting at which the benefit is
14 granted. The employee must provide proof of filing a pending
15 appeal of that denial before the Industrial Commission of
16 Illinois.

17 In the case of termination of an employer-paid temporary
18 total disability benefit, the interim disability benefit under
19 this Section shall be calculated from the day following the
20 date of termination of the employer-paid benefit, but shall not
21 become payable to the employee until the payroll following the
22 Board meeting at which the benefit is granted. The employee
23 must provide proof of filing a petition for emergency hearing
24 under Section 19(b-1) of the Workers' Compensation Act or
25 Section 19(b-1) of the Workers' Occupational Diseases Act.

26 Only one interim benefit under this subsection may be
27 awarded per injury. If a terminated employer-paid temporary
28 total disability benefit is resumed or replaced with another
29 employer-paid disability benefit and the resumed or
30 replacement benefit is later terminated and the employee again
31 files a petition for emergency hearing under Section 19(b-1) of
32 the Workers' Compensation Act or Section 19(b-1) of the
33 Workers' Occupational Diseases Act, the employee may again
34 become eligible to receive an interim disability benefit under

1 this Section.

2 The benefit is not payable for any disability which begins
3 during any period of unpaid leave of absence. No benefit shall
4 be allowed for any period of disability prior to 30 days before
5 application is made, unless the Board finds good cause for the
6 delay in filing the application. The benefit shall not be paid
7 during any period for which the employee receives or is
8 entitled to receive any part of salary.

9 The benefit shall continue to accrue for no more than 3
10 months or until the first of the following events occurs:

11 (1) the disability ceases;

12 (2) the employee engages in gainful employment or
13 receives a retirement annuity paid wholly or in part under
14 this Article;

15 (3) a payment is made on the employee's claim pursuant
16 to a determination made by the employer under the Workers'
17 Compensation Act or the Workers' Occupational Diseases
18 Act;

19 (4) a final determination is made on the employee's
20 claim by the Industrial Commission of Illinois.

21 (5) the date on which the aggregate period for which
22 interim disability payments added to the period for which
23 ordinary disability benefits have been made becomes equal
24 to 25% of the employee's total period of creditable
25 service, not including the time for which he or she has
26 received an interim disability benefit or ordinary
27 disability benefit, and with a cumulative maximum of 5
28 years for ordinary disability and interim disability
29 benefits combined for purposes of this item (5) only;

30 (6) the employee (i) refuses to submit to reasonable
31 examinations by physicians or other health professionals
32 appointed by the Board, or (ii) fails or refuses to consent
33 to and sign an authorization allowing the Board to receive
34 copies of or to examine the employee's medical and hospital

1 records, or (iii) fails or refuses to provide complete
2 information regarding any other employment for
3 compensation he or she has received since becoming
4 disabled, or (iv) willfully and continuously refuses to
5 follow medical advice and treatment to enable the employee
6 to return to work.

7 (c) The interim disability benefit shall be 50% of the
8 employee's salary at the date of disability.

9 (d) The interim disability benefit provided under this
10 Section is intended as a temporary payment of duty disability
11 or ordinary disability benefit, whichever is appropriate, in
12 cases in which the character of the disability as either a duty
13 disability or an ordinary disability has not been finally
14 determined.

15 When an employer-paid disability benefit is paid or
16 resumed, the Board shall calculate the benefit that is payable
17 under Section 13-309 and shall deduct from the benefit payable
18 under Section 13-309 the amounts already paid under this
19 Section; those amounts shall then be treated as if they had
20 been paid under Section 13-309.

21 When a final determination of the character of the
22 disability has been made by the Industrial Commission of
23 Illinois, or by settlement between the parties to the disputed
24 claim, the Board shall calculate the benefit that is payable
25 under Section 13-309 or 13-310, whichever is applicable, and
26 shall deduct from such benefit the amounts already paid under
27 this Section; such amounts shall then be treated as if they had
28 been paid under Section 13-309 or 13-310.

29 (e) Any excess benefits paid under this Section shall be
30 subject to direct and immediate recovery by the Fund from
31 benefits payable under the Workers' Compensation Act or the
32 Workers' Occupational Diseases Act or from third parties as
33 provided in Section 13-311, or from any other benefits payable
34 either to the member or on his behalf under this Article. A

1 member who accepts benefits under this Section acknowledges and
2 authorizes these recovery rights of the System. In the event
3 that this Retirement System does not receive immediate recovery
4 according to this subsection (e), the employee must pay to the
5 Fund the excess benefit amount, plus interest at the annual
6 rate from time to time determined by the Board, compounded
7 annually from the date the benefit was paid to the employee by
8 the third party to the date of payment to this Retirement
9 System by the employee.

10 (f) The Board shall prescribe rules governing the filing of
11 claims for interim disability benefits, and the investigation,
12 control and supervision of those claims.

13 (g) References in this Section to employer-paid benefits
14 include benefits paid for by the Employer, either directly or
15 through a program of insurance or self-insurance; but the term
16 does not include benefits paid by the Fund under this Article.

17 (40 ILCS 5/13-310) (from Ch. 108 1/2, par. 13-310)

18 Sec. 13-310. Ordinary disability benefit.

19 (a) Any employee who becomes disabled as the result of any
20 cause other than injury or illness incurred in the performance
21 of duty for the employer or any other employer, or while
22 engaged in self-employment activities, shall be entitled to an
23 ordinary disability benefit. The eligible period for this
24 benefit shall be 25% of the employee's total actual service
25 prior to the date of disability with a cumulative maximum
26 period of 5 years.

27 (b) The benefit shall be allowed only if the employee files
28 an application in writing with the Board, and a medical report
29 is submitted by at least one licensed and practicing physician
30 as part of the employee's application.

31 The benefit is not payable for any disability which begins
32 during any period of unpaid leave of absence. No benefit shall
33 be allowed for any period of disability prior to 30 days before

1 application is made, unless the Board finds good cause for the
2 delay in filing the application. The benefit shall not be paid
3 during any period for which the employee receives or is
4 entitled to receive any part of salary.

5 The benefit is not payable for any disability which begins
6 during any period of absence from duty other than allowable
7 vacation time in any calendar year. An employee whose
8 disability begins during any such ineligible period of absence
9 from service may not receive benefits until the employee
10 recovers from the disability and is in service for at least 15
11 consecutive working days after such recovery.

12 In the case of an employee who first enters service on or
13 after June 13, 1997, ~~the effective date of this amendatory Act of~~
14 1997, an ordinary disability benefit is not payable for the
15 first 3 days of disability that would otherwise be payable
16 under this Section if the disability does not continue for at
17 least 11 additional days.

18 Beginning on the effective date of this amendatory Act of
19 the 93rd General Assembly, an employee who first entered
20 service on or after June 13, 1997 is also eligible for ordinary
21 disability benefits on the 31st day after the last day worked,
22 provided all sick leave is exhausted.

23 (c) The benefit shall be 50% of the employee's salary at
24 the date of disability, and shall terminate when the earliest
25 of the following occurs:

26 (1) The employee returns to work or receives a
27 retirement annuity paid wholly or in part under this
28 Article;

29 (2) The disability ceases;

30 (3) The employee willfully and continuously refuses to
31 follow medical advice and treatment to enable the employee
32 to return to work. However this provision does not apply to
33 an employee who relies in good faith on treatment by prayer
34 through spiritual means alone in accordance with the tenets

1 and practice of a recognized church or religious
2 denomination, by a duly accredited practitioner thereof;

3 (4) The employee (i) refuses to submit to a reasonable
4 physical examination within 30 days of application by a
5 physician appointed by the Board, (ii) in the case of
6 chronic alcoholism, the employee refuses to join a
7 rehabilitation program licensed by the Department of
8 Public Health of the State of Illinois and certified by the
9 Joint Commission on the Accreditation of Hospitals, (iii)
10 fails or refuses to consent to and sign an authorization
11 allowing the Board to receive copies of or to examine the
12 employee's medical and hospital records, or (iv) fails or
13 refuses to provide complete information regarding any
14 other employment for compensation he or she has received
15 since becoming disabled; or

16 (5) The eligible period for this benefit has been
17 exhausted.

18 The first payment of the benefit shall be made not later
19 than one month after the same has been granted, and subsequent
20 payments shall be made at intervals of not more than 30 days.

21 (d) In the event that an interim disability benefit has
22 been received, the benefit paid under this Section shall be
23 subject to adjustment by the Board under Section 13-309.1.

24 (Source: P.A. 90-12, eff. 6-13-97; 91-887, eff. 7-6-00.)

25 (40 ILCS 5/13-311) (from Ch. 108 1/2, par. 13-311)

26 Sec. 13-311. Credit for Workers' Compensation payments. If
27 an employee, or an employee's spouse or children, receives
28 compensation under any workers' compensation or occupational
29 diseases law, the benefit payable under this Article shall be
30 reduced by the amount of the compensation so received if the
31 amount is less than the annuity or benefit. If the compensation
32 exceeds the annuity or benefit, no payment of annuity or
33 benefit shall be made until the period of time has elapsed when

1 the annuity or benefit payable at the rates provided in this
2 Article equals the amount of such compensation. However, the
3 commutation of compensation to a lump sum basis as provided in
4 the workers' compensation or occupational diseases law shall
5 not increase the annuity or benefit provided under this
6 Article; the annuity or benefit to be paid hereunder shall be
7 based on the amount of compensation awarded under such laws
8 prior to commutation of such compensation. No interest shall be
9 considered in these calculations, except for benefits paid
10 under Section 13-309.1.

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

12 (40 ILCS 5/13-314) (from Ch. 108 1/2, par. 13-314)

13 Sec. 13-314. Alternative provisions for Water Reclamation
14 District commissioners.

15 (a) Transfer of credits. Any Water Reclamation District
16 commissioner elected by vote of the people and who has elected
17 to participate in this Fund may transfer to this Fund credits
18 and creditable service accumulated under any other pension fund
19 or retirement system established under Articles 2 through 18 of
20 this Code, upon payment to the Fund of (1) the amount by which
21 the employer and employee contributions that would have been
22 required if he had participated in this Fund during the period
23 for which credit is being transferred, plus interest, exceeds
24 the amounts actually transferred from such other fund or system
25 to this Fund, plus (2) interest thereon at 6% per year
26 compounded annually from the date of transfer to the date of
27 payment.

28 (b) Alternative annuity. Any participant commissioner may
29 elect to establish alternative credits for an alternative
30 annuity by electing in writing to make additional optional
31 contributions in accordance with this Section and procedures
32 established by the Board. Unless and until such time as the
33 U.S. Internal Revenue Service or the federal courts provide a

1 favorable ruling as described in Section 13-502(f), a ~~such~~
2 commissioner may discontinue making the additional optional
3 contributions by notifying the Fund in writing in accordance
4 with this Section and procedures established by the Board.

5 Additional optional contributions for the alternative
6 annuity shall be as follows:

7 (1) For service after the option is elected, an
8 additional contribution of 3% of salary shall be
9 contributed to the Fund on the same basis and under the
10 same conditions as contributions required under Section
11 13-502.

12 (2) For contributions on past service, the additional
13 contribution shall be 3% of the salary for the applicable
14 period of service, plus interest at the annual rate from
15 time to time as determined by the Board, compounded
16 annually from the date of service to the date of payment.
17 Contributions for service before the option is elected may
18 be made in a lump sum payment to the Fund or by
19 contributing to the Fund on the same basis and under the
20 same conditions as contributions required under Section
21 13-502. All payments for past service must be paid in full
22 before credit is given. No additional optional
23 contributions may be made for any period of service for
24 which credit has been previously forfeited by acceptance of
25 a refund, unless the refund is repaid in full with interest
26 at the rate specified in Section 13-603, from the date of
27 refund to the date of repayment.

28 In lieu of the retirement annuity otherwise payable under
29 this Article, any commissioner who has elected to participate
30 in the Fund and make additional optional contributions in
31 accordance with this Section, has attained age 55, and has at
32 least 6 years of service credit, may elect to have the
33 retirement annuity computed as follows: 3% of the participant's
34 average final salary as a commissioner for each of the first 8

1 years of service credit, plus 4% of such salary for each of the
2 next 4 years of service credit, plus 5% of such salary for each
3 year of service credit in excess of 12 years, subject to a
4 maximum of 80% of such salary. To the extent such commissioner
5 has made additional optional contributions with respect to only
6 a portion of years of service credit, the retirement annuity
7 will first be determined in accordance with this Section to the
8 extent such additional optional contributions were made, and
9 then in accordance with the remaining Sections of this Article
10 to the extent of years of service credit with respect to which
11 additional optional contributions were not made. The change in
12 minimum retirement age (from 60 to 55) made by this amendatory
13 Act of 1993 applies to persons who begin receiving a retirement
14 annuity under this Section on or after the effective date of
15 this amendatory Act, without regard to whether they are in
16 service on or after that date.

17 (c) Disability benefits. In lieu of the disability benefits
18 otherwise payable under this Article, any commissioner who (1)
19 has elected to participate in the Fund, and (2) has become
20 permanently disabled and as a consequence is unable to perform
21 the duties of office, and (3) was making optional contributions
22 in accordance with this Section at the time the disability was
23 incurred, may elect to receive a disability annuity calculated
24 in accordance with the formula in subsection (b). For the
25 purposes of this subsection, such commissioner shall be
26 considered permanently disabled only if: (i) disability occurs
27 while in service as a commissioner and is of such a nature as
28 to prevent the reasonable performance of the duties of office
29 at the time; and (ii) the Board has received a written
30 certification by at least 2 licensed physicians appointed by it
31 stating that such commissioner is disabled and that the
32 disability is likely to be permanent.

33 (d) Alternative survivor's benefits. In lieu of the
34 survivor's benefits otherwise payable under this Article, the

1 spouse or eligible child of any deceased commissioner who (1)
2 had elected to participate in the Fund, and (2) was either
3 making additional optional contributions on the date of death,
4 or was receiving an annuity calculated under this Section at
5 the time of death, may elect to receive an annuity beginning on
6 the date of the commissioner's death, provided that the spouse
7 and commissioner must have been married on the date of the last
8 termination of a service as commissioner and for a continuous
9 period of at least one year immediately preceding death.

10 The annuity shall be payable beginning on the date of the
11 commissioner's death if the spouse is then age 50 or over, or
12 beginning at age 50 if the age of the spouse is less than 50
13 years. If a minor unmarried child or children of the
14 commissioner, under age 18, also survive, and the child or
15 children are under the care of the eligible spouse, the annuity
16 shall begin as of the date of death of the commissioner without
17 regard to the spouse's age.

18 The annuity to a spouse shall be $66 \frac{2}{3}\%$ of the amount of
19 retirement annuity earned by the commissioner on the date of
20 death, subject to a minimum payment of 10% of salary, provided
21 that if an eligible spouse, regardless of age, has in his or
22 her care at the date of death of the commissioner any unmarried
23 child or children of the commissioner under age 18, the minimum
24 annuity shall be 30% of the commissioner's salary, plus 10% of
25 salary on account of each minor child of the commissioner,
26 subject to a combined total payment on account of a spouse and
27 minor children not to exceed 50% of the deceased commissioner's
28 salary. In the event there shall be no spouse of the
29 commissioner surviving, or should a spouse die while eligible
30 minor children still survive the commissioner, each such child
31 shall be entitled to an annuity equal to 20% of salary of the
32 commissioner subject to a combined total payment on account of
33 all such children not to exceed 50% of salary of the
34 commissioner. The salary to be used in the calculation of these

1 benefits shall be the same as that prescribed for determining a
2 retirement annuity as provided in subsection (b) of this
3 Section.

4 Upon the death of a commissioner occurring after
5 termination of a service or while in receipt of a retirement
6 annuity, the combined total payment to a spouse and minor
7 children, or to minor children alone if no eligible spouse
8 survives, shall be limited to 75% of the amount of retirement
9 annuity earned by the commissioner.

10 Adopted children shall have status as natural children of
11 the commissioner only if the proceedings for adoption were
12 commenced at least one year prior to the date of the
13 commissioner's death.

14 Marriage of a child or attainment of age 18, whichever
15 first occurs, shall render the child ineligible for further
16 consideration in the payment of annuity to a spouse or in the
17 increase in the amount thereof. Upon attainment of
18 ineligibility of the youngest minor child of the commissioner,
19 the annuity shall immediately revert to the amount payable upon
20 death of a commissioner leaving no minor children surviving. If
21 the spouse is under age 50 at such time, the annuity as revised
22 shall be deferred until such age is attained.

23 (e) Refunds. Refunds of additional optional contributions
24 shall be made on the same basis and under the same conditions
25 as provided under Section 13-601. Interest shall be credited on
26 the same basis and under the same conditions as for other
27 contributions.

28 Optional contributions shall be accounted for in a separate
29 Commission's Optional Contribution Reserve. Optional
30 contributions under this Section shall be included in the
31 amount of employee contributions used to compute the tax levy
32 under Section 13-503.

33 (f) Effective date. The effective date of this plan of
34 optional alternative benefits and contributions shall be the

1 date upon which approval was received from the U.S. Internal
2 Revenue Service. The plan of optional alternative benefits and
3 contributions shall not be available to any former employee
4 receiving an annuity from the Fund on the effective date,
5 unless said former employee re-enters service and renders at
6 least 3 years of additional service after the date of re-entry
7 as a commissioner.

8 (Source: P.A. 90-12, eff. 6-13-97; 91-887, eff. 7-6-00.)

9 (40 ILCS 5/13-402) (from Ch. 108 1/2, par. 13-402)

10 Sec. 13-402. Length of service. For the purpose of
11 computing the length of service for the retirement annuity,
12 surviving spouse's annuity, and child's annuity, and
13 calculating the minimum service requirement for payment of
14 military service under subsection (b) of Section 13-403,
15 service of 120 days in any one calendar year shall constitute
16 one year of service and service for any fractional part thereof
17 shall constitute an equal fractional part of one year of
18 service unless specifically provided otherwise. For all other
19 purposes under this Article, including but not limited to the
20 optional plans of additional benefits and contributions
21 provided under Sections 13-304, 13-304.1, and 13-314 of this
22 Article, 26 pay periods of service during any 12 consecutive
23 months shall constitute a year of service, and service rendered
24 for 50% or more of a single pay period shall constitute service
25 for the full pay period. Service of less than 50% of a single
26 pay period shall not be counted.

27 (Source: P.A. 93-334, eff. 7-24-03.)

28 (40 ILCS 5/13-403) (from Ch. 108 1/2, par. 13-403)

29 Sec. 13-403. Military service.

30 (a) Any employee who, after commencement of service with
31 the Employer, enlisted, was inducted or was otherwise ordered
32 to serve in the military forces of the United States pursuant

1 to any law, shall receive full service credit for the various
2 purposes of this Article as though the employee were in the
3 active service of the Employer during the period of military
4 service provided that:

5 (1) ~~beginning July 1, 1963,~~ such service credit shall
6 be granted ~~only~~ for military service for which the employee
7 volunteers or is inducted or called into military service
8 pursuant to a call of a duly constituted authority or a law
9 of the United States declaring a national emergency;

10 (2) the employee returns to the employ of the Employer
11 within 90 days after the termination of the national
12 emergency; and

13 (3) the total service credit for such military service
14 shall not exceed 5 years except that any employee who on
15 July 1, 1963 had accrued more than 5 years of such credit
16 shall be entitled to the total amount thereof.

17 (b) For a ten-year period following the effective date of
18 this amendatory Act of the 93rd General Assembly, a
19 contributing employee or commissioner meeting the minimum
20 service requirements provided under this subsection may
21 establish additional service credit for a period of up to 2
22 years of active military service in the United States Armed
23 Forces for which he or she does not qualify for credit under
24 subsection (a), provided that (1) the person was not
25 dishonorably discharged from the military service, and (2) the
26 amount of service credit established by the person under this
27 subsection (b), when added to the amount of any military
28 service credit granted to the person under subsection (a),
29 shall not exceed 5 years.

30 The minimum service requirement for a contributing
31 employee is 10 years of service credit as provided in Sections
32 13-401 and 13-402 of this Article and exclusive of Article 20.
33 The minimum service requirement for a contributing
34 commissioner is 5 years of service credit as provided in

1 Sections 13-401 and 13-402 of this Article and exclusive of
2 Article 20.

3 In order to establish military service credit under this
4 subsection (b), the applicant must submit a written application
5 to the Fund, including the applicant's discharge papers from
6 military service, and pay to the Fund (i) employee
7 contributions at the rates provided in this Article, based upon
8 the person's salary on the last date as a participating
9 employee prior to the military service or on the first date as
10 a participating employee after the military service, whichever
11 is greater, plus (ii) the current amount determined by the
12 board to be equal to the employer's normal cost of the benefits
13 accrued for such military service, plus (iii) regular interest
14 of 3% compounded annually on items (i) and (ii) from the date
15 of entry or re-entry as a participating employee following the
16 military service to the date of payment. Contributions must be
17 paid in full before the credit is granted. Credit established
18 under this subsection may be used for pension purposes only.

19 Notwithstanding any other provision of this Section, a
20 person may not establish creditable service under this Section
21 for any period for which the person receives credit under any
22 other public employee retirement system, unless the credit
23 under that other retirement system has been irrevocably
24 relinquished.

25 (Source: P.A. 93-334, eff. 7-24-03.)

26 (40 ILCS 5/13-502) (from Ch. 108 1/2, par. 13-502)

27 Sec. 13-502. Employee contributions; deductions from
28 salary.

29 (a) Retirement annuity and child's annuity. There shall be
30 deducted from each payment of salary an amount equal to 7 1/2%
31 of salary as the employee's contribution for the retirement
32 annuity, including annual increases therefore and child's
33 annuity.

1 (b) Surviving spouse's annuity. There shall be deducted
2 from each payment of salary an amount equal to 1 1/2% of salary
3 as the employee's contribution for the surviving spouse's
4 annuity and annual increases therefor.

5 (c) Pickup of employee contributions. The Employer may pick
6 up employee contributions required under subsections (a) and
7 (b) of this Section. If contributions are picked up they shall
8 be treated as Employer contributions in determining tax
9 treatment under the United States Internal Revenue Code, and
10 shall not be included as gross income of the employee until
11 such time as they are distributed. The Employer shall pay these
12 employee contributions from the same source of funds used in
13 paying salary to the employee. The Employer may pick up these
14 contributions by a reduction in the cash salary of the employee
15 or by an offset against a future salary increase or by a
16 combination of a reduction in salary and offset against a
17 future salary increase. If employee contributions are picked up
18 they shall be treated for all purposes of this Article 13,
19 including Sections 13-503 and 13-601, in the same manner and to
20 the same extent as employee contributions made prior to the
21 date picked up.

22 (d) Subject to the requirements of federal law, the
23 Employer shall pick up optional contributions that the employee
24 has elected to pay to the Fund under Section 13-304.1, and the
25 contributions so picked up shall be treated as employer
26 contributions for the purposes of determining federal tax
27 treatment. The Employer shall pick up the contributions by a
28 reduction in the cash salary of the employee and shall pay the
29 contributions from the same fund that is used to pay earnings
30 to the employee. The Employer shall, however, continue to
31 withhold federal and State income taxes based upon
32 contributions made under Section 13-304.1 until the Internal
33 Revenue Service or the federal courts rule that pursuant to
34 Section 414(h) of the U.S. Internal Revenue Code of 1986, as

1 amended, these contributions shall not be included as gross
2 income of the employee until such time as they are distributed
3 or made available.

4 (e) Each employee is deemed to consent and agree to the
5 deductions from compensation provided for in this Article.

6 (f) Subject to the requirements of federal law, the
7 Employer shall pick up contributions that a commissioner has
8 elected to pay to the Fund under Section 13-314, and the
9 contributions so picked up shall be treated as employer
10 contributions for the purposes of determining federal tax
11 treatment. The Employer shall pick up the contributions by a
12 reduction in the cash salary of the commissioner and shall pay
13 the contributions from the same fund as is used to pay earnings
14 to the commissioner. The Employer shall, however, continue to
15 withhold federal and State income taxes based upon
16 contributions made under Section 13-314 until the U.S. Internal
17 Revenue Service or the federal courts rule that pursuant to
18 Section 414(h) of the Internal Revenue Code of 1986, as
19 amended, these contributions shall not be included as gross
20 income of the employee until such time as they are distributed
21 or made available.

22 (Source: P.A. 92-599, eff. 6-28-02.)

23 (40 ILCS 5/13-601) (from Ch. 108 1/2, par. 13-601)

24 Sec. 13-601. Refunds.

25 (a) Withdrawal from service. Upon withdrawal from service,
26 an employee under age 55 (age 50 if the employee first entered
27 service before June 13, 1997), or an employee age 55 (age 50 if
28 the employee first entered service before June 13, 1997) or
29 over but less than 60 having less than 20 years of service, or
30 an employee age 60 or over having less than 5 years of service
31 shall be entitled, upon application, to a refund of total
32 contributions from salary deductions or amounts otherwise paid
33 under this Article by the employee. The refund shall not

1 include interest credited to the contributions. The Board may,
2 in its discretion, withhold payment of a refund for a period
3 not to exceed one year from the date of filing an application
4 for refund.

5 (b) Surviving spouse's annuity contributions. A refund of
6 all amounts deducted from salary or otherwise contributed by an
7 employee for the surviving spouse's annuity shall be paid upon
8 retirement to any employee who on the date of retirement is
9 either not married or is married but whose spouse is not
10 eligible for a surviving spouse's annuity paid wholly or in
11 part under this Article. The refund shall include interest on
12 each contribution at the rate of 3% per annum compounded
13 annually from the date of the contribution to the date of the
14 refund.

15 (c) When paid to children, estate or beneficiary. Whenever
16 the total accumulations, to the account of an employee from
17 employee contributions, including interest, have not been paid
18 to the employee and surviving spouse as a retirement or
19 spouse's annuity before the death of the survivor of the
20 employee and spouse, a refund shall be paid as follows: an
21 amount equal to the excess of such amounts over the amounts
22 paid on such annuities without interest on either such amount,
23 shall be paid to the children of the employee, in equal parts
24 to each, unless the employee has directed in writing, signed by
25 him before an officer authorized to administer oaths, and filed
26 with the Board before the employee's death, that any such
27 amount shall be refunded and paid to any one or more of such
28 children; and if there are not children, such other beneficiary
29 or beneficiaries as might be designated by the employee. If
30 there are no such children or designation of beneficiary, the
31 refund shall be paid to the personal representative of the
32 employee's estate.

33 If a personal representative of the estate has not been
34 appointed within 90 days from the date on which a refund became

1 payable, the refund may be applied, in the discretion of the
2 Board, toward the payment of the employee's or the surviving
3 spouse's burial expenses. Any remaining balance shall be paid
4 to the heirs of the employee according to the law of descent
5 and distribution of the State of Illinois.

6 If a reversionary annuity becomes payable under Section
7 13-303, the refund provided in this section shall not be paid
8 until the death of the reversionary annuitant and the refund
9 otherwise payable under this section shall be then further
10 reduced by the amount of the reversionary annuity paid.

11 (d) In lieu of annuity. Notwithstanding the provisions set
12 forth in subsection (a) of this section, whenever an employee's
13 or surviving spouse's annuity will be less than \$200 per month,
14 the employee or surviving spouse, as the case may be, may elect
15 to receive a refund of accumulated employee contributions;
16 provided, however, that if the election is made by a surviving
17 spouse the refund shall be reduced by any amounts theretofore
18 paid to the employee in the form of an annuity.

19 (e) Forfeiture of rights. An employee or surviving spouse
20 who receives a refund forfeits the right to receive an annuity
21 or any other benefit payable under this Article except that if
22 the refund is to a surviving spouse, any child or children of
23 the employee shall not be deprived of the right to receive a
24 child's annuity as provided in Section 13-308 of this Article,
25 and the payment of a child's annuity shall not reduce the
26 amount refundable to the surviving spouse.

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

28 (40 ILCS 5/13-603) (from Ch. 108 1/2, par. 13-603)

29 Sec. 13-603. Restoration of rights. If an employee who has
30 received a refund subsequently re-enters the service and
31 renders one year of contributing service from the date of such
32 re-entry, the employee shall be entitled to have restored all
33 accumulation and service credits previously forfeited by

1 making a repayment of the refund, including interest from the
2 date of the refund to the date of repayment at a rate equal to
3 the higher of 8% per annum or the actuarial investment return
4 assumption used in the Fund's most recent Annual Actuarial
5 Statement. Repayment may be made either directly to the Fund or
6 in a manner similar to that provided for the contributions
7 required under Section 13-502. The service credits represented
8 thereby, or any part thereof, shall not become effective unless
9 the full amount due has been paid by the employee, including
10 interest. The repayment must be made in full no later than 90
11 days following the date of the employee's final withdrawal from
12 service. If the employee fails to make a full repayment, any
13 partial amounts paid by the employee shall be refunded without
14 interest ~~if the employee dies in service or withdraws.~~

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

16 Section 90. The State Mandates Act is amended by adding
17 Section 8.28 as follows:

18 (30 ILCS 805/8.28 new)

19 Sec. 8.28. Exempt mandate. Notwithstanding Sections 6 and 8
20 of this Act, no reimbursement by the State is required for the
21 implementation of any mandate created by this amendatory Act of
22 the 93rd General Assembly.

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