



Sen. James A. DeLeo

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LRB096 08595 AMC 25709 a

1 AMENDMENT TO HOUSE BILL 1291

2 AMENDMENT NO. _____. Amend House Bill 1291 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 3-110, 5-212, 7-139, 9-179.1, 13-403, and
6 15-113.3 and by adding Sections 5-214.3, 6-210.4, and 8-230.11
7 as follows:

8 (40 ILCS 5/3-110) (from Ch. 108 1/2, par. 3-110)

9 Sec. 3-110. Creditable service.

10 (a) "Creditable service" is the time served by a police
11 officer as a member of a regularly constituted police force of
12 a municipality. In computing creditable service furloughs
13 without pay exceeding 30 days shall not be counted, but all
14 leaves of absence for illness or accident, regardless of
15 length, and all periods of disability retirement for which a
16 police officer has received no disability pension payments

1 under this Article shall be counted.

2 (a-5) Up to 3 years of time during which the police officer
3 receives a disability pension under Section 3-114.1, 3-114.2,
4 3-114.3, or 3-114.6 shall be counted as creditable service,
5 provided that (i) the police officer returns to active service
6 after the disability for a period at least equal to the period
7 for which credit is to be established and (ii) the police
8 officer makes contributions to the fund based on the rates
9 specified in Section 3-125.1 and the salary upon which the
10 disability pension is based. These contributions may be paid at
11 any time prior to the commencement of a retirement pension. The
12 police officer may, but need not, elect to have the
13 contributions deducted from the disability pension or to pay
14 them in installments on a schedule approved by the board. If
15 not deducted from the disability pension, the contributions
16 shall include interest at the rate of 6% per year, compounded
17 annually, from the date for which service credit is being
18 established to the date of payment. If contributions are paid
19 under this subsection (a-5) in excess of those needed to
20 establish the credit, the excess shall be refunded. This
21 subsection (a-5) applies to persons receiving a disability
22 pension under Section 3-114.1, 3-114.2, 3-114.3, or 3-114.6 on
23 the effective date of this amendatory Act of the 91st General
24 Assembly, as well as persons who begin to receive such a
25 disability pension after that date.

26 (b) Creditable service includes all periods of service in

1 the military, naval or air forces of the United States entered
2 upon while an active police officer of a municipality, provided
3 that upon applying for a permanent pension, and in accordance
4 with the rules of the board, the police officer pays into the
5 fund the amount the officer would have contributed if he or she
6 had been a regular contributor during such period, to the
7 extent that the municipality which the police officer served
8 has not made such contributions in the officer's behalf. The
9 total amount of such creditable service shall not exceed 5
10 years, except that any police officer who on July 1, 1973 had
11 more than 5 years of such creditable service shall receive the
12 total amount thereof.

13 (b-5) Creditable service includes all periods of service in
14 the military, naval, or air forces of the United States entered
15 upon before beginning service as an active police officer of a
16 municipality, provided that, in accordance with the rules of
17 the board, the police officer pays into the fund the amount the
18 police officer would have contributed if he or she had been a
19 regular contributor during such period, plus an amount
20 determined by the Board to be equal to the municipality's
21 normal cost of the benefit, plus interest calculated from the
22 date the employee last became a police officer under this
23 Article. The total amount of such creditable service shall not
24 exceed 2 years.

25 (c) Creditable service also includes service rendered by a
26 police officer while on leave of absence from a police

1 department to serve as an executive of an organization whose
2 membership consists of members of a police department, subject
3 to the following conditions: (i) the police officer is a
4 participant of a fund established under this Article with at
5 least 10 years of service as a police officer; (ii) the police
6 officer received no credit for such service under any other
7 retirement system, pension fund, or annuity and benefit fund
8 included in this Code; (iii) pursuant to the rules of the board
9 the police officer pays to the fund the amount he or she would
10 have contributed had the officer been an active member of the
11 police department; and (iv) the organization pays a
12 contribution equal to the municipality's normal cost for that
13 period of service.

14 (d) (1) Creditable service also includes periods of
15 service originally established in another police pension
16 fund under this Article or in the Fund established under
17 Article 7 of this Code for which (i) the contributions have
18 been transferred under Section 3-110.7 or Section 7-139.9
19 and (ii) any additional contribution required under
20 paragraph (2) of this subsection has been paid in full in
21 accordance with the requirements of this subsection (d).

22 (2) If the board of the pension fund to which
23 creditable service and related contributions are
24 transferred under Section 3-110.7 or 7-139.9 determines
25 that the amount transferred is less than the true cost to
26 the pension fund of allowing that creditable service to be

1 established, then in order to establish that creditable
2 service the police officer must pay to the pension fund,
3 within the payment period specified in paragraph (3) of
4 this subsection, an additional contribution equal to the
5 difference, as determined by the board in accordance with
6 the rules and procedures adopted under paragraph (6) of
7 this subsection.

8 (3) Except as provided in paragraph (4), the additional
9 contribution must be paid to the board (i) within 5 years
10 from the date of the transfer of contributions under
11 Section 3-110.7 or 7-139.9 and (ii) before the police
12 officer terminates service with the fund. The additional
13 contribution may be paid in a lump sum or in accordance
14 with a schedule of installment payments authorized by the
15 board.

16 (4) If the police officer dies in service before
17 payment in full has been made and before the expiration of
18 the 5-year payment period, the surviving spouse of the
19 officer may elect to pay the unpaid amount on the officer's
20 behalf within 6 months after the date of death, in which
21 case the creditable service shall be granted as though the
22 deceased police officer had paid the remaining balance on
23 the day before the date of death.

24 (5) If the additional contribution is not paid in full
25 within the required time, the creditable service shall not
26 be granted and the police officer (or the officer's

1 surviving spouse or estate) shall be entitled to receive a
2 refund of (i) any partial payment of the additional
3 contribution that has been made by the police officer and
4 (ii) those portions of the amounts transferred under
5 subdivision (a)(1) of Section 3-110.7 or subdivisions
6 (a)(1) and (a)(3) of Section 7-139.9 that represent
7 employee contributions paid by the police officer (but not
8 the accumulated interest on those contributions) and
9 interest paid by the police officer to the prior pension
10 fund in order to reinstate service terminated by acceptance
11 of a refund.

12 At the time of paying a refund under this item (5), the
13 pension fund shall also repay to the pension fund from
14 which the contributions were transferred under Section
15 3-110.7 or 7-139.9 the amount originally transferred under
16 subdivision (a)(2) of that Section, plus interest at the
17 rate of 6% per year, compounded annually, from the date of
18 the original transfer to the date of repayment. Amounts
19 repaid to the Article 7 fund under this provision shall be
20 credited to the appropriate municipality.

21 Transferred credit that is not granted due to failure
22 to pay the additional contribution within the required time
23 is lost; it may not be transferred to another pension fund
24 and may not be reinstated in the pension fund from which it
25 was transferred.

26 (6) The Public Employee Pension Fund Division of the

1 Department of Insurance shall establish by rule the manner
2 of making the calculation required under paragraph (2) of
3 this subsection, taking into account the appropriate
4 actuarial assumptions; the police officer's service, age,
5 and salary history; the level of funding of the pension
6 fund to which the credits are being transferred; and any
7 other factors that the Division determines to be relevant.
8 The rules may require that all calculations made under
9 paragraph (2) be reported to the Division by the board
10 performing the calculation, together with documentation of
11 the creditable service to be transferred, the amounts of
12 contributions and interest to be transferred, the manner in
13 which the calculation was performed, the numbers relied
14 upon in making the calculation, the results of the
15 calculation, and any other information the Division may
16 deem useful.

17 (e) (1) Creditable service also includes periods of
18 service originally established in the Fund established
19 under Article 7 of this Code for which the contributions
20 have been transferred under Section 7-139.11.

21 (2) If the board of the pension fund to which
22 creditable service and related contributions are
23 transferred under Section 7-139.11 determines that the
24 amount transferred is less than the true cost to the
25 pension fund of allowing that creditable service to be
26 established, then the amount of creditable service the

1 police officer may establish under this subsection (e)
2 shall be reduced by an amount equal to the difference, as
3 determined by the board in accordance with the rules and
4 procedures adopted under paragraph (3) of this subsection.

5 (3) The Public Pension Division of the Department of
6 Financial and Professional Regulation shall establish by
7 rule the manner of making the calculation required under
8 paragraph (2) of this subsection, taking into account the
9 appropriate actuarial assumptions; the police officer's
10 service, age, and salary history; the level of funding of
11 the pension fund to which the credits are being
12 transferred; and any other factors that the Division
13 determines to be relevant. The rules may require that all
14 calculations made under paragraph (2) be reported to the
15 Division by the board performing the calculation, together
16 with documentation of the creditable service to be
17 transferred, the amounts of contributions and interest to
18 be transferred, the manner in which the calculation was
19 performed, the numbers relied upon in making the
20 calculation, the results of the calculation, and any other
21 information the Division may deem useful.

22 (4) Until January 1, 2010, a police officer who
23 transferred service from the Fund established under
24 Article 7 of this Code under the provisions of Public Act
25 94-356 may establish additional credit, but only for the
26 amount of the service credit reduction in that transfer, as

1 calculated under paragraph (3) of this subsection (e). This
2 credit may be established upon payment by the police
3 officer of an amount to be determined by the board, equal
4 to (1) the amount that would have been contributed as
5 employee and employer contributions had all of the service
6 been as an employee under this Article, plus interest
7 thereon at the rate of 6% per year, compounded annually
8 from the date of service to the date of transfer, less (2)
9 the total amount transferred from the Article 7 Fund, plus
10 (3) interest on the difference at the rate of 6% per year,
11 compounded annually, from the date of the transfer to the
12 date of payment. The additional service credit is allowed
13 under this amendatory Act of the 95th General Assembly
14 notwithstanding the provisions of Article 7 terminating
15 all transferred credits on the date of transfer.

16 (Source: P.A. 94-356, eff. 7-29-05; 95-812, eff. 8-13-08.)

17 (40 ILCS 5/5-212) (from Ch. 108 1/2, par. 5-212)

18 Sec. 5-212. Computation of service. In computing the
19 service rendered by a policeman prior to the effective date,
20 the following periods shall be counted, in addition to all
21 periods during where he performed the duties of his position,
22 as periods of service for annuity purposes only: all periods of
23 (a) vacation; (b) leave of absence with whole or part pay; (c)
24 leave of absence without pay on account of disability; and (d)
25 leave of absence during which the policeman was engaged in the

1 military or naval service of the United States of America.
2 Service credit shall not be allowed for a policeman in receipt
3 of a pension on account of disability from any pension fund
4 superseded by this fund.

5 In computing the service rendered by a policeman on or
6 after the effective date, the following periods shall be
7 counted, in addition to all periods during which he performed
8 the duties of his position, as periods of service for annuity
9 purposes only: all periods of (a) vacation; (b) leave of
10 absence with whole or part pay; (c) leave of absence during
11 which the policeman was engaged in the military or naval
12 service of the United States of America; (d) time that the
13 policeman was engaged in the military or naval service of the
14 United States of America, during which he was passed over on
15 any eligible list posted from an entrance examination, due to
16 the fact that he was in such military or naval service at the
17 time he was called for appointment to the Police Department, to
18 be computed from the date he was passed over on any eligible
19 list and would have been first sworn in as a policeman had he
20 not been engaged in the military or naval service of the United
21 States of America, until the date of his discharge from such
22 military or naval service; provided that such policeman shall
23 pay into this Fund the same amount that would have been
24 deducted from his salary had he been a policeman during the
25 aforementioned portion of such military or naval service; (e)
26 disability for which the policeman receives any disability

1 benefit; (f) disability for which the policeman receives whole
2 or part pay; ~~and~~ (g) service for which credits and creditable
3 service have been transferred to this Fund under Section
4 9-121.1, 14-105.1 or 15-134.3 of this Code; and (h) periods of
5 service in the military, naval, or air forces of the United
6 States entered upon before beginning service as an active
7 policeman of a municipality as provided in Section 5-214.3.

8 In computing service on or after the effective date for
9 ordinary disability benefit, all periods described in the
10 preceding paragraph, except any such period for which a
11 policeman receives ordinary disability benefit, shall be
12 counted as periods of service.

13 In computing service for any of the purposes of this
14 Article, no credit shall be given for any period during which a
15 policeman was not rendering active service because of his
16 discharge from the service, unless proceedings to test the
17 legality of the discharge are filed in a court of competent
18 jurisdiction within one year from the date of discharge and a
19 final judgment is entered therein declaring the discharge
20 illegal.

21 No overtime or extra service shall be included in computing
22 service of a policeman and not more than one year or a
23 fractional part thereof of service shall be allowed for service
24 rendered during any calendar year.

25 In computing service for any of the purposes of this
26 Article, credit shall be given for any periods during which a

1 policeman who is a member of the General Assembly is on leave
2 of absence or is otherwise authorized to be absent from duty to
3 enable him or her to perform legislative duties,
4 notwithstanding any reduction in salary for such periods and
5 notwithstanding that the contributions paid by the policeman
6 were based on a reduced salary rather than the full amount of
7 salary attached to his or her career service rank.

8 (Source: P.A. 92-52, eff. 7-12-01.)

9 (40 ILCS 5/5-214.3 new)

10 Sec. 5-214.3. Credit for military service. A policeman may
11 establish creditable service under this Article for all periods
12 of service in the military, naval, or air forces of the United
13 States entered upon before beginning service as an active
14 policeman of a municipality, provided that the policeman pays
15 into the fund the amount the policeman would have contributed
16 if he or she had been a regular contributor during such period,
17 plus an amount determined by the Board to be equal to the
18 municipality's normal cost of the benefit, plus interest
19 calculated from the date the employee last became a policeman
20 under this Article. The total amount of such creditable service
21 shall not exceed 2 years.

22 (40 ILCS 5/6-210.4 new)

23 Sec. 6-210.4. Creditable service for pre-employment
24 military service. An active fireman may establish a maximum of

1 24 months of additional service credit attributed to service in
2 the armed forces of the United States that was served prior to
3 employment by the city as a firefighter by applying in writing
4 to the fund and, after substantiation of any such requested
5 service, making contributions to the fund equal to (i) the
6 employee contributions that would have been required had the
7 service been rendered as a member, plus (ii) an amount
8 determined by the fund to be equal to the employer's normal
9 cost of the benefits accrued for that military service, plus
10 (iii) interest at the actuarially assumed rate provided in the
11 Fund's most recent annual actuarial valuation, compounded
12 annually from the first date of membership in the fund to the
13 date of payment on items (i) and (ii).

14 This Section applies only to firemen in service on or after
15 its effective date.

16 (40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)

17 Sec. 7-139. Credits and creditable service to employees.

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

22 1. For prior service: Each participating employee who
23 is an employee of a participating municipality or
24 participating instrumentality on the effective date shall
25 be granted creditable service, but no credits under

1 paragraph 2 of this subsection (a), for periods of prior
2 service for which credit has not been received under any
3 other pension fund or retirement system established under
4 this Code, as follows:

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

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

1 may be made at any time while the employee is still in
2 service.

3 A municipality that (i) has at least 35 employees; (ii)
4 is located in a county with at least 2,000,000 inhabitants;
5 and (iii) maintains an independent defined benefit pension
6 plan for the benefit of its eligible employees may restrict
7 creditable service in whole or in part for periods of prior
8 service with the employer if the governing body of the
9 municipality adopts an irrevocable resolution to restrict
10 that creditable service and files the resolution with the
11 board before the municipality's effective date of
12 participation.

13 Any person who has withdrawn from the service of a
14 participating municipality or participating
15 instrumentality prior to the effective date, who reenters
16 the service of the same municipality or participating
17 instrumentality after the effective date and becomes a
18 participating employee is entitled to creditable service
19 for prior service as otherwise provided in this subdivision
20 (a)(1) only if he or she renders 2 years of service as a
21 participating employee after the effective date.
22 Application for such service must be made while in a
23 participating status. The salary rate to be used in the
24 calculation of the required employee contribution, if any,
25 shall be the employee's salary rate at the time of first
26 reentering service with the employer after the employer's

1 effective date of participation.

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

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

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

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

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

26 3. For periods of temporary and total and permanent

1 disability benefits, each employee receiving disability
2 benefits shall be granted creditable service for the period
3 during which disability benefits are payable. Normal and
4 survivor credits, based upon the rate of earnings applied
5 for disability benefits, shall also be granted if such
6 credits would result in a higher benefit to any such
7 employee or his beneficiary.

8 4. For authorized leave of absence without pay: A
9 participating employee shall be granted credits and
10 creditable service for periods of authorized leave of
11 absence without pay under the following conditions:

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

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

21 c. Credits and creditable service shall be granted
22 for leave of absence only if such leave is approved by
23 the governing body of the municipality, including
24 approval of the estimated cost thereof to the
25 municipality as determined by the fund, and employee
26 contributions, plus interest at the effective rate

1 applicable for each year from the end of the period of
2 leave to date of payment, have been paid to the fund in
3 accordance with Section 7-173. The contributions shall
4 be computed upon the assumption earnings continued
5 during the period of leave at the rate in effect when
6 the leave began.

7 d. Benefits under the provisions of Sections
8 7-141, 7-146, 7-150 and 7-163 shall become payable to
9 employees on authorized leave of absence, or their
10 designated beneficiary, only if such leave of absence
11 is creditable hereunder, and if the employee has at
12 least one year of creditable service other than the
13 service granted for leave of absence. Any employee
14 contributions due may be deducted from any benefits
15 payable.

16 e. No credits or creditable service shall be
17 allowed for leave of absence without pay during any
18 period of prior service.

19 5. For military service: Except as provided in
20 paragraph 5.2, the ~~The~~ governing body of a municipality or
21 participating instrumentality may elect to allow
22 creditable service to participating employees who leave
23 their employment to serve in the armed forces of the United
24 States for all periods of such service, provided that the
25 person returns to active employment within 90 days after
26 completion of full time active duty, but no creditable

1 service shall be allowed such person for any period that
2 can be used in the computation of a pension or any other
3 pay or benefit, other than pay for active duty, for service
4 in any branch of the armed forces of the United States. If
5 necessary to the computation of any benefit, the board
6 shall establish municipality credits for participating
7 employees under this paragraph on the assumption that the
8 employee received earnings at the rate received at the time
9 he left the employment to enter the armed forces. A
10 participating employee in the armed forces shall not be
11 considered an employee during such period of service and no
12 additional death and no disability benefits are payable for
13 death or disability during such period.

14 Any participating employee who left his employment
15 with a municipality or participating instrumentality to
16 serve in the armed forces of the United States and who
17 again became a participating employee within 90 days after
18 completion of full time active duty by entering the service
19 of a different municipality or participating
20 instrumentality, which has elected to allow creditable
21 service for periods of military service under the preceding
22 paragraph, shall also be allowed creditable service for his
23 period of military service on the same terms that would
24 apply if he had been employed, before entering military
25 service, by the municipality or instrumentality which
26 employed him after he left the military service and the

1 employer costs arising in relation to such grant of
2 creditable service shall be charged to and paid by that
3 municipality or instrumentality.

4 Notwithstanding the foregoing, any participating
5 employee shall be entitled to creditable service as
6 required by any federal law relating to re-employment
7 rights of persons who served in the United States Armed
8 Services. Such creditable service shall be granted upon
9 payment by the member of an amount equal to the employee
10 contributions which would have been required had the
11 employee continued in service at the same rate of earnings
12 during the military leave period, plus interest at the
13 effective rate.

14 5.1. In addition to any creditable service established
15 under paragraph 5 of this subsection (a) and except as
16 provided in paragraph 5.2, creditable service may be
17 granted for up to 48 months of service in the armed forces
18 of the United States.

19 In order to receive creditable service for military
20 service under this paragraph 5.1, a participating employee
21 must (1) apply to the Fund in writing and provide evidence
22 of the military service that is satisfactory to the Board;
23 (2) obtain the written approval of the current employer;
24 and (3) make contributions to the Fund equal to (i) the
25 employee contributions that would have been required had
26 the service been rendered as a member, plus (ii) an amount

1 determined by the board to be equal to the employer's
2 normal cost of the benefits accrued for that military
3 service, plus (iii) interest on items (i) and (ii) from the
4 date of first membership in the Fund to the date of
5 payment. The required interest shall be calculated at the
6 regular interest rate.

7 The changes made to this paragraph 5.1 by Public Acts
8 95-483 and 95-486 apply only to participating employees in
9 service on or after August 28, 2007 (the effective date of
10 those Public Acts).

11 5.2. Beginning on the effective date of this amendatory
12 Act of the 96th General Assembly, a person employed on or
13 after the effective date of this amendatory Act by a
14 municipality or participating instrumentality to perform
15 police duties shall be granted creditable service for
16 military service described under paragraphs 5 and 5.1 upon
17 satisfaction of any requirements contained in those
18 paragraphs.

19 6. For out-of-state service: Creditable service shall
20 be granted for service rendered to an out-of-state local
21 governmental body under the following conditions: The
22 employee had participated and has irrevocably forfeited
23 all rights to benefits in the out-of-state public employees
24 pension system; the governing body of his participating
25 municipality or instrumentality authorizes the employee to
26 establish such service; the employee has 2 years current

1 service with this municipality or participating
2 instrumentality; the employee makes a payment of
3 contributions, which shall be computed at 8% (normal) plus
4 2% (survivor) times length of service purchased times the
5 average rate of earnings for the first 2 years of service
6 with the municipality or participating instrumentality
7 whose governing body authorizes the service established
8 plus interest at the effective rate on the date such
9 credits are established, payable from the date the employee
10 completes the required 2 years of current service to date
11 of payment. In no case shall more than 120 months of
12 creditable service be granted under this provision.

13 7. For retroactive service: Any employee who could have
14 but did not elect to become a participating employee, or
15 who should have been a participant in the Municipal Public
16 Utilities Annuity and Benefit Fund before that fund was
17 superseded, may receive creditable service for the period
18 of service not to exceed 50 months; however, a current or
19 former elected or appointed official of a participating
20 municipality may establish credit under this paragraph 7
21 for more than 50 months of service as an official of that
22 municipality, if the excess over 50 months is approved by
23 resolution of the governing body of the affected
24 municipality filed with the Fund before January 1, 2002.

25 Any employee who is a participating employee on or
26 after September 24, 1981 and who was excluded from

1 participation by the age restrictions removed by Public Act
2 82-596 may receive creditable service for the period, on or
3 after January 1, 1979, excluded by the age restriction and,
4 in addition, if the governing body of the participating
5 municipality or participating instrumentality elects to
6 allow creditable service for all employees excluded by the
7 age restriction prior to January 1, 1979, for service
8 during the period prior to that date excluded by the age
9 restriction. Any employee who was excluded from
10 participation by the age restriction removed by Public Act
11 82-596 and who is not a participating employee on or after
12 September 24, 1981 may receive creditable service for
13 service after January 1, 1979. Creditable service under
14 this paragraph shall be granted upon payment of the
15 employee contributions which would have been required had
16 he participated, with interest at the effective rate for
17 each year from the end of the period of service established
18 to date of payment.

19 8. For accumulated unused sick leave: A participating
20 employee who is applying for a retirement annuity shall be
21 entitled to creditable service for that portion of the
22 employee's accumulated unused sick leave for which payment
23 is not received, as follows:

24 a. Sick leave days shall be limited to those
25 accumulated under a sick leave plan established by a
26 participating municipality or participating

1 instrumentality which is available to all employees or
2 a class of employees.

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

12 c. The creditable service granted shall be
13 considered solely for the purpose of computing the
14 amount of the retirement annuity and shall not be used
15 to establish any minimum service period required by any
16 provision of the Illinois Pension Code, the effective
17 date of the retirement annuity, or the final rate of
18 earnings.

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

23 e. Employee contributions shall not be required
24 for creditable service under this subdivision 8.

25 f. Each participating municipality and
26 participating instrumentality with which an employee

1 has service within 60 days of the effective date of his
2 retirement annuity shall certify to the board the
3 number of accumulated unpaid sick leave days credited
4 to the employee at the time of termination of service.

5 9. For service transferred from another system:
6 Credits and creditable service shall be granted for service
7 under Article 3, 4, 5, 8, 14, or 16 of this Act, to any
8 active member of this Fund, and to any inactive member who
9 has been a county sheriff, upon transfer of such credits
10 pursuant to Section 3-110.3, 4-108.3, 5-235, 8-226.7,
11 14-105.6, or 16-131.4, and payment by the member of the
12 amount by which (1) the employer and employee contributions
13 that would have been required if he had participated in
14 this Fund as a sheriff's law enforcement employee during
15 the period for which credit is being transferred, plus
16 interest thereon at the effective rate for each year,
17 compounded annually, from the date of termination of the
18 service for which credit is being transferred to the date
19 of payment, exceeds (2) the amount actually transferred to
20 the Fund. Such transferred service shall be deemed to be
21 service as a sheriff's law enforcement employee for the
22 purposes of Section 7-142.1.

23 10. For service transferred from an Article 3 system
24 under Section 3-110.8: Credits and creditable service
25 shall be granted for service under Article 3 of this Act as
26 provided in Section 3-110.8, to any active member of this

1 Fund upon transfer of such credits pursuant to Section
2 3-110.8. If the amount by which (1) the employer and
3 employee contributions that would have been required if he
4 had participated in this Fund during the period for which
5 credit is being transferred, plus interest thereon at the
6 effective rate for each year, compounded annually, from the
7 date of termination of the service for which credit is
8 being transferred to the date of payment, exceeds (2) the
9 amount actually transferred to the Fund, then the amount of
10 creditable service established under this paragraph 10
11 shall be reduced by a corresponding amount in accordance
12 with the rules and procedures established under this
13 paragraph 10.

14 The board shall establish by rule the manner of making
15 the calculation required under this paragraph 10, taking
16 into account the appropriate actuarial assumptions; the
17 member's service, age, and salary history; the level of
18 funding of the employer; and any other factors that the
19 board determines to be relevant.

20 Until January 1, 2010, members who transferred service
21 from an Article 3 system under the provisions of Public Act
22 94-356 may establish additional credit in this Fund, but
23 only up to the amount of the service credit reduction in
24 that transfer, as calculated under the actuarial
25 assumptions. This credit may be established upon payment by
26 the member of an amount to be determined by the board,

1 equal to (1) the amount that would have been contributed as
2 employee and employer contributions had all the service
3 been as an employee under this Article, plus interest
4 thereon compounded annually from the date of service to the
5 date of transfer, less (2) the total amount transferred
6 from the Article 3 system, plus (3) interest on the
7 difference at the effective rate for each year, compounded
8 annually, from the date of the transfer to the date of
9 payment. The additional service credit is allowed under
10 this amendatory Act of the 95th General Assembly
11 notwithstanding the provisions of Article 3 terminating
12 all transferred credits on the date of transfer.

13 (b) Creditable service - amount:

14 1. One month of creditable service shall be allowed for
15 each month for which a participating employee made
16 contributions as required under Section 7-173, or for which
17 creditable service is otherwise granted hereunder. Not
18 more than 1 month of service shall be credited and counted
19 for 1 calendar month, and not more than 1 year of service
20 shall be credited and counted for any calendar year. A
21 calendar month means a nominal month beginning on the first
22 day thereof, and a calendar year means a year beginning
23 January 1 and ending December 31.

24 2. A seasonal employee shall be given 12 months of
25 creditable service if he renders the number of months of
26 service normally required by the position in a 12-month

1 period and he remains in service for the entire 12-month
2 period. Otherwise a fractional year of service in the
3 number of months of service rendered shall be credited.

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

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

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

1 (Source: P.A. 95-483, eff. 8-28-07; 95-486, eff. 8-28-07;
2 95-504, eff. 8-28-07; 95-812, eff. 8-13-08; 95-876, eff.
3 8-21-08.)

4 (40 ILCS 5/8-230.11 new)

5 Sec. 8-230.11. Service credit for military service. An
6 employee of the municipality serving as a police officer may
7 establish service credit under this Article for all periods of
8 service in the military, naval, or air forces of the United
9 States entered upon before beginning service as an active
10 police officer of a municipality, provided that the policeman
11 pays into the fund the amount the police officer would have
12 contributed if he or she had been a regular contributor during
13 such period, plus an amount determined by the Board to be equal
14 to the municipality's normal cost of the benefit, plus interest
15 calculated from the date the employee last became a police
16 officer under this Article. The total amount of such service
17 credit shall not exceed 2 years.

18 (40 ILCS 5/9-179.1) (from Ch. 108 1/2, par. 9-179.1)

19 Sec. 9-179.1. Military service.

20 (a) A contributing employee as of January 1, 1993 with at
21 least 25 years of service credit may apply for creditable
22 service for up to 2 years of military service whether or not
23 the military service followed service as a county employee. The
24 military service need not have been served in wartime, but the

1 employee must not have been dishonorably discharged. To
2 establish this creditable service the applicant must pay to the
3 Fund, while in the service of the county, an amount determined
4 by the Fund to represent the employee contributions for the
5 creditable service established, based on the employee's rate of
6 compensation on his or her last day as a contributor before the
7 military service, or on his or her first day as a contributor
8 after the military service, whichever is greater, plus interest
9 at the effective rate from the date of discharge to the date of
10 payment. If a person who has established any credit under this
11 Section applies for or receives any early retirement incentive
12 under Section 9-134.2, the credit under this Section shall be
13 forfeited and the amount paid to the Fund under this Section
14 shall be refunded.

15 (b) A contributing employee employed by the county as a
16 police officer on or after the effective date of this
17 amendatory Act of the 96th General Assembly may establish
18 creditable service for up to 2 years of military service
19 whether or not the military service followed service as a
20 county employee. The military service need not have been served
21 in wartime, but the employee must not have been dishonorably
22 discharged. To establish this creditable service the applicant
23 must pay to the Fund, while in the service of the county, an
24 amount determined by the Fund to represent the employee
25 contributions for the creditable service established, based on
26 the employee's rate of compensation on his or her last day as a

1 contributor before the military service, or on his or her first
2 day as a contributor after the military service, whichever is
3 greater, plus an amount determined by the Fund to be equal to
4 the county's normal cost of the benefit, plus interest at the
5 effective rate from the date of discharge to the date of
6 payment.

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

8 (40 ILCS 5/13-403) (from Ch. 108 1/2, par. 13-403)

9 Sec. 13-403. Military service.

10 (a) Any employee who, after commencement of service with
11 the Employer, enlisted, was inducted or was otherwise ordered
12 to serve in the military forces of the United States pursuant
13 to any law, shall receive full service credit for the various
14 purposes of this Article as though the employee were in the
15 active service of the Employer during the period of military
16 service provided that:

17 (1) such service credit shall be granted for military
18 service for which the employee volunteers or is inducted or
19 called into military service pursuant to a call of a duly
20 constituted authority or a law of the United States
21 declaring a national emergency;

22 (2) the employee returns to the employ of the Employer
23 within 90 days after the termination of the national
24 emergency; and

25 (3) the total service credit for such military service

1 shall not exceed 5 years except that any employee who on
2 July 1, 1963 had accrued more than 5 years of such credit
3 shall be entitled to the total amount thereof.

4 (b) For a ten-year period following July 24, 2003, a
5 contributing employee or commissioner who is not a police
6 officer meeting the minimum service requirements provided
7 under this subsection may establish additional service credit
8 for a period of up to 2 years of active military service in the
9 United States Armed Forces for which he or she does not qualify
10 for credit under subsection (a), provided that (1) the person
11 was not dishonorably discharged from the military service, and
12 (2) the amount of service credit established by the person
13 under this subsection (b), when added to the amount of any
14 military service credit granted to the person under subsection
15 (a), shall not exceed 5 years.

16 A contributing employee who is a police officer and who
17 meets the minimum service requirements provided under this
18 subsection (b) may establish additional service credit for a
19 period of up to 2 years of active military service in the
20 United States Armed Forces for which he or she does not qualify
21 for credit under subsection (a), provided that (1) the person
22 was not dishonorably discharged from the military service, and
23 (2) the amount of service credit established by the person
24 under this subsection (b), when added to the amount of any
25 military service credit granted to the person under subsection
26 (a), shall not exceed 5 years.

1 The minimum service requirement for a contributing
2 employee is 10 years of service credit as provided in Sections
3 13-401 and 13-402 of this Article and exclusive of Article 20.
4 The minimum service requirement for a contributing
5 commissioner is 5 years of service credit as provided in
6 Sections 13-401 and 13-402 of this Article and exclusive of
7 Article 20.

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

24 Notwithstanding any other provision of this Section, a
25 person may not establish creditable service under this Section
26 for any period for which the person receives credit under any

1 other public employee retirement system, unless the credit
2 under that other retirement system has been irrevocably
3 relinquished.

4 (Source: P.A. 93-334, eff. 7-24-03; 94-621, eff. 8-18-05.)

5 (40 ILCS 5/15-113.3) (from Ch. 108 1/2, par. 15-113.3)

6 Sec. 15-113.3. Service for periods of military service.

7 "Service for periods of military service": For a person who is
8 not a police officer, those ~~Those~~ periods, not exceeding 5
9 years, during which a person served in the armed forces of the
10 United States, of which all but 2 years must have immediately
11 followed a period of employment with an employer under this
12 System or the State Employees' Retirement System of Illinois;
13 provided that the person received a discharge other than
14 dishonorable and again became an employee under this System
15 within one year after discharge. However, for the up to 2 years
16 of military service not immediately following employment, the
17 applicant must make contributions to the System equal to (1) 8%
18 of the employee's basic compensation on the last date as a
19 participating employee prior to such military service, or on
20 the first date as a participating employee after such military
21 service, whichever is greater, plus (2) an amount determined by
22 the board to be equal to the employer's normal cost of the
23 benefits accrued for such military service, plus (3) interest
24 on items (1) and (2) at the effective rate from the later of
25 the date of first membership in the System or the date of

1 conclusion of military service to the date of payment. The
2 change in the required contribution for purchased military
3 credit made by this amendatory Act of 1993 does not entitle any
4 person to a refund of contributions already paid. The
5 contributions paid under this Section are not normal
6 contributions as defined in Section 15-114 or additional
7 contributions as defined in Section 15-115.

8 For a police officer, those periods, not exceeding 5 years,
9 during which a person served in the armed forces of the United
10 States, of which all but 2 years must have immediately followed
11 a period of employment with an employer under this System or
12 the State Employees' Retirement System of Illinois; provided
13 that the person received a discharge other than dishonorable
14 and again became an employee under this System within one year
15 after discharge. However, for the up to 2 years of military
16 service not immediately following employment, the applicant
17 must make contributions to the System equal to (1) 8% of the
18 employee's basic compensation on the last date as a
19 participating employee prior to such military service, or on
20 the first date as a participating employee after such military
21 service, whichever is greater, plus (2) an amount determined by
22 the board to be equal to the employer's normal cost of the
23 benefits accrued for such military service, plus (3) interest
24 on items (1) and (2) at the effective rate from the later of
25 the date of first membership in the System or the date of
26 conclusion of military service to the date of payment. The

1 contributions paid under this Section are not normal
2 contributions as defined in Section 15-114 or additional
3 contributions as defined in Section 15-115.

4 The changes to this Section made by this amendatory Act of
5 1991 shall apply not only to persons who on or after its
6 effective date are in service under the System, but also to
7 persons whose employment terminated prior to that date, whether
8 or not the person is an annuitant on that date. In the case of
9 an annuitant who applies for credit allowable under this
10 Section for a period of military service that did not
11 immediately follow employment, and who has made the required
12 contributions for such credit, the annuity shall be
13 recalculated to include the additional service credit, with the
14 increase taking effect on the date the System received written
15 notification of the annuitant's intent to purchase the credit,
16 if payment of all the required contributions is made within 60
17 days of such notice, or else on the first annuity payment date
18 following the date of payment of the required contributions. In
19 calculating the automatic annual increase for an annuity that
20 has been recalculated under this Section, the increase
21 attributable to the additional service allowable under this
22 amendatory Act of 1991 shall be included in the calculation of
23 automatic annual increases accruing after the effective date of
24 the recalculation.

25 (Source: P.A. 93-347, eff. 7-24-03.)

1 Section 90. The State Mandates Act is amended by adding
2 Section 8.33 as follows:

3 (30 ILCS 805/8.33 new)

4 Sec. 8.33. Exempt mandate. Notwithstanding Sections 6 and 8
5 of this Act, no reimbursement by the State is required for the
6 implementation of any mandate created by this amendatory Act of
7 the 96th General Assembly.

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