



Sen. Don Harmon

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LRB096 09343 AMC 27184 a

1 AMENDMENT TO HOUSE BILL 2643

2 AMENDMENT NO. _____. Amend House Bill 2643 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Public Labor Relations Act is
5 amended by changing Section 15 and by adding Section 28 as
6 follows:

7 (5 ILCS 315/15) (from Ch. 48, par. 1615)

8 Sec. 15. Act Takes Precedence.

9 (a) In case of any conflict between the provisions of this
10 Act and any other law (other than Section 5 of the State
11 Employees Group Insurance Act of 1971 and other than the
12 changes made to the Illinois Pension Code by this amendatory
13 Act of the 96th General Assembly), executive order or
14 administrative regulation relating to wages, hours and
15 conditions of employment and employment relations, the
16 provisions of this Act or any collective bargaining agreement

1 negotiated thereunder shall prevail and control. Nothing in
2 this Act shall be construed to replace or diminish the rights
3 of employees established by Sections 28 and 28a of the
4 Metropolitan Transit Authority Act, Sections 2.15 through 2.19
5 of the Regional Transportation Authority Act. The provisions of
6 this Act are subject to Section 5 of the State Employees Group
7 Insurance Act of 1971 and the changes made to the Illinois
8 Pension Code by this amendatory Act of the 96th General
9 Assembly. Nothing in this Act shall be construed to replace the
10 necessity of complaints against a sworn peace officer, as
11 defined in Section 2(a) of the Uniform Peace Officer
12 Disciplinary Act, from having a complaint supported by a sworn
13 affidavit.

14 (b) Except as provided in subsection (a) above, any
15 collective bargaining contract between a public employer and a
16 labor organization executed pursuant to this Act shall
17 supersede any contrary statutes, charters, ordinances, rules
18 or regulations relating to wages, hours and conditions of
19 employment and employment relations adopted by the public
20 employer or its agents. Any collective bargaining agreement
21 entered into prior to the effective date of this Act shall
22 remain in full force during its duration.

23 (c) It is the public policy of this State, pursuant to
24 paragraphs (h) and (i) of Section 6 of Article VII of the
25 Illinois Constitution, that the provisions of this Act are the
26 exclusive exercise by the State of powers and functions which

1 might otherwise be exercised by home rule units. Such powers
2 and functions may not be exercised concurrently, either
3 directly or indirectly, by any unit of local government,
4 including any home rule unit, except as otherwise authorized by
5 this Act.

6 (d) Any disputes that are brought on behalf of any employer
7 or employee or exclusive bargaining representative subject to
8 this Act arising from the changes made to the Illinois Pension
9 Code by this amendatory Act of the 96th General Assembly shall
10 be subject to the exclusive jurisdiction of the Illinois Labor
11 Relations Board, and the Circuit Courts shall have no
12 jurisdiction, except to hear disputes arising directly under
13 the Constitution of the United States of America or the
14 Illinois Constitution.

15 (Source: P.A. 95-331, eff. 8-21-07.)

16 (5 ILCS 315/28 new)

17 Sec. 28. Labor. Notwithstanding the existence of any other
18 provision in this Act or any other law, collective bargaining
19 between any employer whose employees are affected by the
20 changes made to the Illinois Pension Code by this amendatory
21 Act of the 96th General Assembly and the exclusive bargaining
22 representative of such employees may include decisions
23 concerning the changes made to the Illinois Pension Code by
24 this amendatory Act of the 96th General Assembly, including,
25 but not limited to, changes and benefits of retirement systems

1 covered by the Illinois Pension Code. These subjects are
2 permissive subjects of bargaining between an employer and an
3 exclusive representative of its employees and, for the purpose
4 of the this Act, are within the sole discretion of the employer
5 to decide to bargain, provided that the employer is required to
6 bargain over the impact of a decision concerning such subject
7 on the bargaining unit upon request by the exclusive
8 representative. During this bargaining, the employer shall not
9 be precluded from implementing its decision. If, after a
10 reasonable period of bargaining, a dispute or impasse exists
11 between the employer and the exclusive representative, then the
12 dispute or impasse shall be resolved exclusively as set forth
13 in this Act.

14 Section 10. The Illinois Pension Code is amended by adding
15 Sections 2-300, 2-305, 2-310, 2-315, 2-320, 2-325, 2-330,
16 2-335, 2-340, 14-300, 14-305, 14-310, 14-315, 14-320, 14-325,
17 14-330, 14-335, 14-340, 15-300, 15-305, 15-310, 15-315,
18 15-320, 15-325, 15-330, 15-335, 15-340, 16-300, 16-305,
19 16-310, 16-315, 16-320, 16-325, 16-330, 16-335, 16-340,
20 18-300, 18-305, 18-310, 18-315, 18-320, 18-325, 18-330,
21 18-335, and 18-340 as follows:

22 (40 ILCS 5/2-300 new)

23 Sec. 2-300. Provisions applicable to later entrants.

24 (a) The provisions of this Article following this Section

1 apply only to members who first become members on or after
2 January 1, 2010, who are referred to as "later entrants" or who
3 are otherwise considered "later entrants" in accordance with
4 the following Sections of this Article.

5 (b) Except as provided in subsection (c) of this Section,
6 the Sections of this Article before this Section do not apply
7 to members who first become members on or after January 1,
8 2010.

9 (c) The following Sections are also applicable to members
10 who first become members on or after January 1, 2010: Sections
11 2-101, 2-102, 2-103, 2-104, 2-105, 2-106, 2-109, 2-111, 2-112,
12 2-113, 2-114, 2-116, 2-117, 2-117.3, 2-121.2, 2-121.3, 2-124
13 through 2-160, and 2-162.

14 (d) To the extent that the Sections enumerated in
15 subsection (c) of this Section conflict with the Sections
16 following this Section, the Sections following this Section
17 shall control.

18 (e) To the extent that the applicable Sections are included
19 under subsection (c) of this Section, later entrants are
20 entitled to disability benefits under this Article.

21 (f) "Participant" shall include later entrants who elect to
22 participate, but shall not include former members who elect to
23 participate under Section 2-117.1.

24 (40 ILCS 5/2-305 new)

25 Sec. 2-305. Creditable service for later entrants.

1 (a) A member may only establish creditable service for his
2 or her service as a member under this Article. Except as
3 otherwise provided in this Section, a member may not establish
4 creditable service for any other service.

5 (b) A member may establish creditable service, without
6 making contributions, for periods of military service, as
7 defined in Section 2-109, provided that the person received a
8 discharge other than dishonorable, was a member within 6 months
9 prior to military service, and returned to service as a member
10 under this System within one year after discharge.

11 A member may purchase up to 2 years of military service not
12 immediately following service as a member under this System, by
13 paying to the System (1) employee contributions based on the
14 member's salary upon the first date as a member after the
15 military service, plus (2) an amount determined by the board to
16 be equal to the employer's normal cost of the benefit, plus (3)
17 interest on items (1) and (2) at the actuarially assumed rate,
18 compounded annually, from the first date as a member after such
19 military service to the date of payment.

20 The total amount of creditable military service for any
21 member during his or her entire term of service shall not
22 exceed 5 years.

23 (c) A member may establish service credit for up to 2 years
24 of periods spent on authorized leave of absence from service
25 due to pregnancy or adoption by paying to the System (1)
26 employee contributions based upon the member's salary upon

1 becoming a member under this Article, (2) an amount determined
2 by the board to be equal to the employer's normal cost of the
3 benefit, and (3) interest on items (1) and (2) at the
4 actuarially assumed rate from the date of first membership in
5 the System to the date of payment.

6 (40 ILCS 5/2-310 new)

7 Sec. 2-310. Retirement annuity; conditions for
8 eligibility; later entrants. A member may claim his or her
9 retirement annuity upon attainment of (1) the full (normal)
10 retirement age as provided in the federal Social Security Act
11 with at least 10 years of service credit or (2) age 62 with at
12 least 35 years of service credit.

13 A member may claim a reduced retirement annuity under
14 subsection (c) of Section 2-315 if he or she is at least 62
15 years of age and has at least 10 years of service.

16 The annuity shall begin with the first full calendar month
17 following the date of withdrawal.

18 (40 ILCS 5/2-315 new)

19 Sec. 2-315. Retirement life annuity; amount; later
20 entrants.

21 (a) With respect to later entrants:

22 (1) "Final average salary" means the monthly salary
23 obtained by dividing the total salary of a participant
24 during the period of: (A) the 96 consecutive months of

1 service within the last 120 months of service in which the
2 total salary was the highest or (B) the total period of
3 service, if less than 96 months, by the number of months of
4 service in such period; provided that for the purposes of a
5 retirement annuity the average salary for the last 12
6 months of the 96 months shall not exceed the final average
7 salary by more than 25%.

8 In no event shall the monthly salary used to determine
9 final average salary exceed (i) the Social Security Covered
10 Wage Base for the given month of service or (ii) \$12,500,
11 whichever is less; provided, however, that the \$12,500
12 maximum shall be adjusted annually after the effective date
13 of this amendatory Act of the 96th General Assembly, by (1)
14 3% or (2) one-half of the percentage increase, if any, in
15 the Consumer Price Index for All Urban Consumers, whichever
16 is less.

17 The earnings limitations contained in this item (1)
18 apply to earnings under any other participating system
19 under the Retirement Systems Reciprocal Act that are
20 considered in calculating a proportional annuity under
21 this Article.

22 (2) "Salary" means:

23 (A) For members of the General Assembly, the total
24 salary paid to the member by the State for one year of
25 service, including the additional amounts, if any,
26 paid to the member as an officer, committee chair, or

1 minority spokesperson pursuant to Section 1 of General
2 Assembly Compensation Act. "Salary" shall not include
3 any compensation or allowance for mileage, food, or
4 lodging.

5 (B) For all other members specified in Section
6 2-105, the total salary paid to the member for one year
7 of service. "Salary" shall not include any
8 compensation or allowance for mileage, food, or
9 lodging.

10 However, in the event that federal tax law results in
11 any participant receiving imputed income, such imputed
12 income shall not be included in salary for the purposes of
13 this Article.

14 (b) The retirement life annuity shall be 2% of final
15 average salary for each year of service, but in no event shall
16 exceed 70% of final average salary.

17 (c) For a member retiring after attaining age 62 with less
18 than 35 years of service credit, the retirement life annuity
19 shall be reduced by one-half of 1% for each month that the
20 member's age is under the full (normal) retirement age as
21 provided in the federal Social Security Act.

22 (40 ILCS 5/2-320 new)

23 Sec. 2-320. Alternative forms of annuities for later
24 entrants. A participant may choose any of the following types
25 of annuities in lieu of receiving the full annuity provided in

1 Section 2-315:

2 (1) Joint and 50% survivor annuity. Under this form of
3 payment, the participant receives a reduced monthly
4 payment for his or her lifetime with a payment equal to 50%
5 of the reduced amount payable to the participant paid to
6 the participant's designated beneficiary for the
7 beneficiary's lifetime if the beneficiary survives the
8 participant.

9 (2) Joint and 75% survivor annuity. Under this form of
10 payment, the participant receives a reduced monthly
11 payment for his or her lifetime with a payment equal to 75%
12 of the reduced amount payable to the participant paid to
13 the participant's designated beneficiary for the
14 beneficiary's lifetime if the beneficiary survives the
15 participant.

16 (3) Joint and 100% survivor annuity. Under this form of
17 payment, the participant receives a reduced monthly
18 payment for his or her lifetime with a payment equal to
19 100% of the reduced amount payable to the participant paid
20 to the participant's designated beneficiary for the
21 beneficiary's lifetime if the beneficiary survives the
22 participant.

23 (4) Single life annuity with 60, 120, or 180 months of
24 guaranteed payments. Under this option, the participant
25 receives a reduced monthly payment for his or her lifetime.
26 If the participant dies before receiving at least the

1 number of guaranteed monthly payments, then the
2 participant's beneficiary or estate receives the remaining
3 guaranteed number of monthly payments.

4 The Board must determine the participant's optional form of
5 annuity provided under this Section by taking into account the
6 appropriate actuarial assumptions, including without
7 limitation the participant's and beneficiary's age; applicable
8 mortality tables; and any other factors that the Board
9 determines to be relevant. For this purpose, the participant's
10 joint and survivor annuity should result in no significant
11 increase to the System's unfunded actuarial accrued liability
12 determined as of the most recent actuarial valuation compared
13 to the System's actuarial liability if the participant opted
14 for a retirement life annuity under Section 2-315, based on the
15 same assumptions and methods used to develop and report the
16 System's actuarial accrued liability and actuarial value of
17 assets under Statement No. 25 of Governmental Accounting
18 Standards Board or any subsequent applicable Statement.

19 (40 ILCS 5/2-325 new)

20 Sec. 2-325. Automatic annual increases for later entrants.
21 Notwithstanding any other provision of this Article, a person
22 receiving a retirement or survivor annuity under Section 2-315
23 or 2-320 shall, on the first anniversary of retirement, but not
24 before attaining age 67, and annually thereafter, have his or
25 her annuity increased by (1) 3% or (2) one-half of the

1 percentage increase, if any, in the Consumer Price Index for
2 All Urban Consumers measured from the July 1 two years prior to
3 the January 1 of the year during which the increase is being
4 granted to the June 30 preceding the year during which the
5 increase is being granted, whichever is less, of the originally
6 granted annuity.

7 (40 ILCS 5/2-330 new)

8 Sec. 2-330. Contributions by participants; later entrants.

9 (a) Each participant shall contribute 7% of each payment of
10 salary received by him or her for service as a member toward
11 the cost of his or her retirement annuity. In no event shall
12 contributions be deducted from salary in excess of (1) the
13 Social Security Covered Wage Base for the given calendar year
14 or (2) \$150,000, whichever is less.

15 (b) Contributions shall be in the form of a deduction from
16 salary and shall be made notwithstanding that the net salary
17 paid to the member shall be reduced thereby below the minimum
18 prescribed by law or regulation. Each member is deemed to
19 consent and agree to the deductions from compensation provided
20 for in this Article.

21 (c) These contributions shall be picked up in the manner
22 provided in Section 2-126.1.

23 (40 ILCS 5/2-335 new)

24 Sec. 2-335. Refunds; later entrants.

1 (a) A participant who ceases to be a member, other than an
2 annuitant, shall, upon written request, receive a refund of his
3 or her total contributions, plus interest at (1) 3% or (2)
4 one-half of the percentage increase, if any, in the Consumer
5 Price Index for All Urban Consumers measured from the July 1
6 two years prior to the January 1 of the year during which the
7 interest is being credited to the June 30 preceding the year
8 during which the interest is being credited, whichever is less,
9 per year, not compounded.

10 (b) Upon re-entry into service as a member, a former
11 participant may reestablish any creditable service forfeited
12 by acceptance of a refund by paying to the System the full
13 amount refunded, plus interest at the actuarially assumed rate,
14 not compounded, from the date of payment of the refund to the
15 date of repayment.

16 (c) Participants covered by the provisions of this Section
17 shall be deemed later entrants only if the date of their
18 initial participation was on or after January 1, 2010.

19 (40 ILCS 5/2-340 new)

20 Sec. 2-340. Re-entry after retirement; later entrants.

21 (a) An annuitant who re-enters service as a member shall
22 become a participant on the date of re-entry, unless he or she
23 elects not to participate under Section 2-117, and retirement
24 annuity payments shall cease at that time. The participant
25 shall resume contributions to the system on the date of

1 re-entry at the rates then in effect and shall begin to accrue
2 additional service credit.

3 (b) Upon subsequent retirement, the participant shall be
4 entitled to a retirement annuity consisting of: (1) the amount
5 of retirement annuity previously granted and terminated by
6 re-entry into service and (2) the amount of additional
7 retirement annuity earned during the additional service.

8 (c) In computing the retirement annuity under subsection
9 (b) of this Section, the time that the member was on retirement
10 shall not interrupt the continuity of service for the
11 computation of final average compensation and the additional
12 membership service shall be considered, together with service
13 rendered before the previous retirement, in establishing final
14 average compensation.

15 (d) Participants covered by the provisions of this Section
16 shall be deemed later entrants only if the date of their
17 initial participation was on or after January 1, 2010.

18 (40 ILCS 5/14-300 new)

19 Sec. 14-300. Provisions applicable to later entrants.

20 (a) The provisions of this Article following this Section
21 apply only to members who first become members on or after
22 January 1, 2010, who are referred to as "later entrants" or who
23 are otherwise considered "later entrants" in accordance with
24 the following Sections of this Article.

25 (b) Except as provided in subsection (c) of this Section,

1 the Sections of this Article before this Section do not apply
2 to members who first become members on or after January 1,
3 2010.

4 (c) The following Sections are also applicable to employees
5 who first become employees on or after January 1, 2010:
6 Sections 14-101, 14-102, 14-103, 14-103.01, 14-103.02,
7 14-103.03, 14-103.04, 14-103.05, 14-103.06, 14-103.07,
8 14-103.08, 14-103.09, 14-103.11, 14-103.13, 14-103.15,
9 14-103.16, 14-103.17, 14-103.18, 14-103.19, 14-103.21,
10 14-103.22, 14-103.23, 14-103.24, 14-103.25, 14-103.26,
11 14-103.27, 14-103.28, 14-103.29, 14-103.32, 14-103.33,
12 14-103.34, 14-103.35, 14-103.36, 14-103.37, 14-103.38,
13 14-103.39, 14-104.4, 14-104.7, 14-121.1, 14-123, 14-123.1,
14 14-124, 14-125, 14-125.1, 14-126, 14-127, 14-128, 14-129,
15 14-131, 14-132, 14-132.2, and 14-133.1 and Sections 14-134
16 through 14-152.2.

17 (d) To the extent that the Sections enumerated in
18 subsection (c) of this Section conflict with the Sections
19 following this Section, the Sections following this Section
20 shall control.

21 (e) To the extent that the applicable Sections are included
22 under subsection (c) of this Section, later entrants are
23 entitled to disability benefits under this Article.

24 (40 ILCS 5/14-305 new)

25 Sec. 14-305. Creditable service for later entrants.

1 (a) Creditable service under this Article is subject to the
2 following conditions:

3 (1) A member may only establish creditable service for
4 his or her membership service, as defined in Section
5 14-103.13. Except as otherwise provided in this Section, a
6 member may not establish creditable service for any other
7 service.

8 (2) A member may not convert any unused sick leave or
9 vacation into creditable service under this Article.

10 (b) A member may establish creditable service, without
11 making contributions, for periods of military service, as
12 defined in Section 14-103.16, provided that the person received
13 a discharge other than dishonorable, was a member within 6
14 months prior to military service, and returned to service as a
15 member under this System within one year after discharge.

16 A member may purchase up to 2 years of military service not
17 immediately following service as a member under this System, by
18 paying to the System (1) employee contributions based on the
19 member's salary upon the first date as a member after the
20 military service, plus (2) an amount determined by the board to
21 be equal to the employer's normal cost of the benefit, plus (3)
22 interest on items (1) and (2) at the actuarially assumed rate,
23 compounded annually, from the first date as a member after such
24 military service to the date of payment.

25 The total amount of creditable military service for any
26 member during his or her entire term of service shall not

1 exceed 5 years.

2 (c) A member may establish service credit for up to 2 years
3 of periods spent on authorized leave of absence from service
4 due to pregnancy or adoption by paying to the System (1)
5 employee contributions based upon the member's salary upon
6 becoming a member under this Article, (2) an amount determined
7 by the board to be equal to the employer's normal cost of the
8 benefit, and (3) interest on items (1) and (2) at the
9 actuarially assumed rate from the date of first membership in
10 the System to the date of payment.

11 (40 ILCS 5/14-310 new)

12 Sec. 14-310. Retirement annuity; conditions for
13 eligibility; later entrants. A member may claim his or her
14 retirement annuity upon attainment of (1) the full (normal)
15 retirement age as provided in the federal Social Security Act
16 with at least 10 years of service credit or (2) age 62 with at
17 least 35 years of service credit.

18 A member may claim a reduced retirement annuity under
19 subsection (c) of Section 14-315 if he or she is at least 62
20 years of age and has at least 10 years of service.

21 The annuity shall begin with the first full calendar month
22 following the date of withdrawal.

23 (40 ILCS 5/14-315 new)

24 Sec. 14-315. Retirement life annuity; amount; later

1 entrants.

2 (a) With respect to later entrants:

3 (1) "Final average compensation" means the monthly
4 compensation obtained by dividing the total compensation
5 of an employee during the period of: (A) the 96 consecutive
6 months of service within the last 120 months of service in
7 which the total compensation was the highest or (B) the
8 total period of service, if less than 96 months, by the
9 number of months of service in such period; provided that
10 for the purposes of a retirement annuity the average
11 compensation for the last 12 months of the 96 months shall
12 not exceed the final average compensation by more than 25%.

13 In no event shall the monthly compensation used to
14 determined final average compensation exceed (i) the
15 Social Security Covered Wage Base for the given month of
16 service or (ii) \$12,500, whichever is less; provided,
17 however, that the \$12,500 maximum shall be adjusted
18 annually after the effective date of this amendatory Act of
19 the 96th General Assembly, by (1) 3% or (2) one-half of the
20 percentage increase, if any, in the Consumer Price Index
21 for All Urban Consumers, whichever is less.

22 (2) "Compensation" means a member's base compensation
23 for regularly scheduled services rendered for an employer,
24 but does not include bonuses, expense reimbursements,
25 taxable or non-taxable fringe benefits, imputed income,
26 lump-sum payments for cashouts of vacation, unused sick or

1 personal leave, severance pay, deferred compensation, or
2 any other similar amounts.

3 (b) The retirement life annuity shall be (1) 1.5% of final
4 average compensation for each year of service for covered
5 employees up to a maximum of 52.5% of final average
6 compensation or (2) 2% of final average compensation for each
7 year of service for noncovered employees up to a maximum of 70%
8 of final average compensation.

9 (c) For a member retiring after attaining age 62 with less
10 than 35 years of service credit, the retirement life annuity
11 shall be reduced by one-half of 1% for each month that the
12 member's age is under the full (normal) retirement age as
13 provided in the federal Social Security Act.

14 (40 ILCS 5/14-320 new)

15 Sec. 14-320. Alternative forms of annuities for later
16 entrants. A member may choose any of the following types of
17 annuities in lieu of receiving the full annuity provided in
18 Section 14-315:

19 (1) Joint and 50% survivor annuity. Under this form of
20 payment, the member receives a reduced monthly payment for
21 his or her lifetime with a payment equal to 50% of the
22 reduced amount payable to the member paid to the member's
23 designated beneficiary for the beneficiary's lifetime if
24 the beneficiary survives the member.

25 (2) Joint and 75% survivor annuity. Under this form of

1 payment, the member receives a reduced monthly payment for
2 his or her lifetime with a payment equal to 75% of the
3 reduced amount payable to the member paid to the member's
4 designated beneficiary for the beneficiary's lifetime if
5 the beneficiary survives the member.

6 (3) Joint and 100% survivor annuity. Under this form of
7 payment, the member receives a reduced monthly payment for
8 his or her lifetime with a payment equal to 100% of the
9 reduced amount payable to the member paid to the member's
10 designated beneficiary for the beneficiary's lifetime if
11 the beneficiary survives the member.

12 (4) Single life annuity with 60, 120, or 180 months of
13 guaranteed payments. Under this option, the member
14 receives a reduced monthly payment for his or her lifetime.
15 If the member dies before receiving at least the number of
16 guaranteed monthly payments, then the member's beneficiary
17 or estate receives the remaining guaranteed number of
18 monthly payments.

19 The Board must determine the participant's optional form of
20 annuity provided under this Section by taking into account the
21 appropriate actuarial assumptions, including without
22 limitation the participant's and beneficiary's age; applicable
23 mortality tables; and any other factors that the Board
24 determines to be relevant. For this purpose, the participant's
25 joint and survivor annuity should result in no significant
26 increase to the System's unfunded actuarial accrued liability

1 determined as of the most recent actuarial valuation compared
2 to the System's actuarial liability if the participant opted
3 for a retirement life annuity under Section 14-315, based on
4 the same assumptions and methods used to develop and report the
5 System's actuarial accrued liability and actuarial value of
6 assets under Statement No. 25 of Governmental Accounting
7 Standards Board or any subsequent applicable Statement.

8 (40 ILCS 5/14-325 new)

9 Sec. 14-325. Automatic annual increases for later
10 entrants. Notwithstanding any other provision of this Article,
11 a person receiving a retirement or survivor annuity under
12 Section 14-315 or 14-320 shall, on the first anniversary of
13 retirement, but not before attaining age 67, and annually
14 thereafter, have his or her annuity increased by (1) 3% or (2)
15 one-half of the percentage increase, if any, in the Consumer
16 Price Index for All Urban Consumers measured from the July 1
17 two years prior to the January 1 of the year during which the
18 increase is being granted to the June 30 preceding the year
19 during which the increase is being granted, whichever is less,
20 of the originally granted annuity.

21 (40 ILCS 5/14-330 new)

22 Sec. 14-330. Contributions by members; later entrants.
23 (a) Each employee shall contribute the following
24 percentage of each payment of salary received by him or her for

1 service as an employee toward the cost of his or her retirement
2 annuity:

3 (1) Covered employees, 3%.

4 (2) Noncovered employees, 7%.

5 (b) Contributions shall be in the form of a deduction from
6 compensation and shall be made notwithstanding that the net
7 compensation paid to the employee shall be reduced thereby
8 below the minimum prescribed by law or regulation. Each member
9 is deemed to consent and agree to the deductions from
10 compensation provided for in this Article.

11 (c) These contributions shall be picked up in the manner
12 provided in Section 14-133.1.

13 (d) In no event shall contributions be deducted from salary
14 in excess of (1) the Social Security Covered Wage Base for the
15 given calendar year or (2) \$150,000, whichever is less.

16 (40 ILCS 5/14-335 new)

17 Sec. 14-335. Refunds; later entrants.

18 (a) A member who ceases to be an employee, other than an
19 annuitant, shall, upon written request made at least 30 days
20 following withdrawal as an employee, receive a refund of his or
21 her total contributions, plus interest at (1) 3% or (2)
22 one-half of the percentage increase, if any, in the Consumer
23 Price Index for All Urban Consumers measured from the July 1
24 two years prior to the January 1 of the year during which the
25 interest is being credited to the June 30 preceding the year

1 during which the interest is being credited, whichever is less,
2 per year, not compounded.

3 (b) Upon re-entry into service as a member and completion
4 of 2 years of creditable service, a former member may
5 reestablish any creditable service forfeited by acceptance of a
6 refund by paying to the System the full amount refunded, plus
7 interest at actuarially assumed rate, not compounded, from the
8 date of payment of the refund to the date of repayment.

9 (c) Members covered by the provisions of this Section shall
10 be deemed later entrants only if the date of their initial
11 membership was on or after January 1, 2010.

12 (40 ILCS 5/14-340 new)

13 Sec. 14-340. Re-entry after retirement; later entrants.

14 (a) An annuitant who re-enters service as a member shall
15 become a member on the date of re-entry and retirement annuity
16 payments shall cease at that time. The employee shall resume
17 contributions to the system on the date of re-entry at the
18 rates then in effect and shall begin to accrue additional
19 service credit.

20 (b) Upon subsequent retirement, the employee shall be
21 entitled to a retirement annuity consisting of: (1) the amount
22 of retirement annuity previously granted and terminated by
23 re-entry into service and (2) the amount of additional
24 retirement annuity earned during the additional service.

25 (c) In computing the retirement annuity under subsection

1 (b) of this Section, the time that the member was on retirement
2 shall not interrupt the continuity of service for the
3 computation of final average compensation and the additional
4 membership service shall be considered, together with service
5 rendered before the previous retirement, in establishing final
6 average compensation.

7 (d) Members covered by the provisions of this Section shall
8 be deemed later entrants only if the date of their initial
9 membership was on or after January 1, 2010.

10 (40 ILCS 5/15-300 new)

11 Sec. 15-300. Provisions applicable to later entrants.

12 (a) The provisions of this Article following this Section
13 apply only to employees who first become employees on or after
14 January 1, 2010, who are referred to as "later entrants" or who
15 are otherwise considered "later entrants" in accordance with
16 the following Sections of this Article.

17 (b) Except as provided in subsection (c) of this Section,
18 the Sections of this Article before this Section do not apply
19 to employees who first become employees on or after January 1,
20 2010.

21 (c) The following Sections are also applicable to employees
22 who first become employees on or after January 1, 2010:
23 Sections 15-101, 15-102, 15-103, 15-103.2, 15-103.3, 15-104,
24 15-105, 15-106, 15-107, 15-108, 15-109, 15-110, 15-111,
25 15-113, 15-113.1, 15-118, 15-119, 15-120, 15-124, 15-126,

1 15-126.1, 15-127, 15-129, 15-130, 15-132.2, 15-133, 15-134,
2 15-134.5, 15-136.4, 15-150, 15-151, 15-152, 15-153, 15-153.1,
3 15-153.2, 15-153.3, 15-155, 15-156, 15-157.1, 15-158.2,
4 15-158.3, and 15-158.4 and Sections 15-159 through 15-198.

5 (d) To the extent that the Sections enumerated in
6 subsection (c) of this Section conflict with the Sections
7 following this Section, the Sections following this Section
8 shall control.

9 (e) To the extent that the applicable Sections are included
10 under subsection (c) of this Section, later entrants are
11 entitled to disability benefits under this Article.

12 (40 ILCS 5/15-305 new)

13 Sec. 15-305. Creditable service for later entrants.

14 (a) Creditable service under this Article is subject to the
15 following conditions:

16 (1) A participant may only establish creditable
17 service for his or her service for employment with an
18 employer, as defined in Section 15-106. Except as otherwise
19 provided in this Section, a participant may not establish
20 creditable service for any other service.

21 (2) A participant may not convert any unused sick leave
22 or vacation into creditable service under this Article.

23 (3) Creditable service shall not include periods
24 during which a person was employed less than one-half time
25 with an employer, as defined in Section 15-106.

1 (b) A participant may establish creditable service,
2 without making contributions, for periods of military service,
3 provided that the person received a discharge other than
4 dishonorable, was a participant within 6 months prior to
5 military service, and returned to service as a participant
6 under this System within one year after discharge.

7 A participant may purchase up to 2 years of military
8 service not immediately following service as a participant
9 under this System, by paying to the System (1) employee
10 contributions based on the participant's salary upon the first
11 date as a participant after the military service, plus (2) an
12 amount determined by the board to be equal to the employer's
13 normal cost of the benefit, plus (3) interest on items (1) and
14 (2) at the actuarially assumed rate, compounded annually, from
15 the first date as a participant after such military service to
16 the date of payment.

17 The total amount of creditable military service for any
18 participant during his or her entire term of service shall not
19 exceed 5 years.

20 For the purposes of this subsection (b), "military service"
21 means periods during which a person served in the armed forces
22 of the United States for which the person received a discharge
23 other than dishonorable.

24 (c) A participant may establish service credit for up to 2
25 years of periods spent on authorized leave of absence from
26 service due to pregnancy or adoption by paying to the System

1 (1) employee contributions based upon the participant's salary
2 upon becoming a participant under this Article, (2) an amount
3 determined by the board to be equal to the employer's normal
4 cost of the benefit, and (3) interest on items (1) and (2) at
5 the actuarially assumed rate from the date of first
6 participation in the System to the date of payment.

7 (40 ILCS 5/15-310 new)

8 Sec. 15-310. Retirement annuity; conditions for
9 eligibility; later entrants. A participant may claim his or her
10 retirement annuity upon attainment of (1) the full (normal)
11 retirement age as provided in the federal Social Security Act
12 with at least 10 years of service credit or (2) age 62 with at
13 least 35 years of service credit. If the participant who has
14 not yet claimed his or her annuity is not an employee of an
15 employer participating in this System or in a participating
16 System as defined in Article 20 of this Code on April 1 of the
17 calendar year next following the calendar year in which the
18 participant attains age 70 1/2, then the annuity payment period
19 shall begin on that date.

20 A participant may claim a reduced retirement annuity under
21 subsection (c) of Section 15-315 if he or she is at least 62
22 years of age and has at least 10 years of service.

23 The annuity shall begin with the first full calendar month
24 following the date of withdrawal.

1 (40 ILCS 5/15-315 new)

2 Sec. 15-315. Retirement life annuity; amount; employer
3 contribution; later entrants.

4 (a) With respect to later entrants:

5 (1) "Final average rate of earnings" means the monthly
6 rate of earnings obtained by dividing the total rate of
7 earnings of an employee during the period of: (A) the 96
8 consecutive months of service within the last 120 months of
9 service in which the total rate of earnings was the highest
10 or (B) the total period of service, if less than 96 months,
11 by the number of months of service in such period; provided
12 that for the purposes of a retirement annuity the average
13 rate of earnings for the last 12 months of the 96 months
14 shall not exceed the final average rate of earnings by more
15 than 25%.

16 In no event shall the monthly rate of earnings used to
17 determined final average rate of earnings exceed (i) the
18 Social Security Covered Wage Base for the given month of
19 service or (ii) \$12,500, whichever is less; provided,
20 however, that the \$12,500 maximum shall be adjusted
21 annually after the effective date of this amendatory Act of
22 the 96th General Assembly, by (1) 3% or (2) one-half of the
23 percentage increase, if any, in the Consumer Price Index
24 for All Urban Consumers, whichever is less.

25 (2) "Earnings" means a participant's base earnings and
26 does not include any overtime or bonuses.

1 (b) The retirement life annuity shall be 2% of final
2 average rate of earnings for each year of service, but in no
3 event shall exceed 70% of final average rate of earnings.

4 (c) For a participant retiring after attaining age 62 with
5 less than 35 years of service credit, the retirement life
6 annuity shall be reduced by one-half of 1% for each month that
7 the participant's age is under the full (normal) retirement age
8 as provided in the federal Social Security Act.

9 (40 ILCS 5/15-320 new)

10 Sec. 15-320. Alternative forms of annuities for later
11 entrants.

12 (a) A participant may choose any of the following types of
13 annuities in lieu of receiving the full annuity provided in
14 Section 15-315:

15 (1) Joint and 50% survivor annuity. Under this form of
16 payment, the participant receives a reduced monthly
17 payment for his or her lifetime with a payment equal to 50%
18 of the reduced amount payable to the participant paid to
19 the participant's designated beneficiary for the
20 beneficiary's lifetime if the beneficiary survives the
21 participant.

22 (2) Joint and 75% survivor annuity. Under this form of
23 payment, the participant receives a reduced monthly
24 payment for his or her lifetime with a payment equal to 75%
25 of the reduced amount payable to the participant paid to

1 the participant's designated beneficiary for the
2 beneficiary's lifetime if the beneficiary survives the
3 participant.

4 (3) Joint and 100% survivor annuity. Under this form of
5 payment, the participant receives a reduced monthly
6 payment for his or her lifetime with a payment equal to
7 100% of the reduced amount payable to the participant paid
8 to the participant's designated beneficiary for the
9 beneficiary's lifetime if the beneficiary survives the
10 participant.

11 (4) Single life annuity with 60, 120, or 180 months of
12 guaranteed payments. Under this option, the participant
13 receives a reduced monthly payment for his or her lifetime.
14 If the participant dies before receiving at least the
15 number of guaranteed monthly payments, then the
16 participant's beneficiary or estate receives the remaining
17 guaranteed number of monthly payments.

18 (b) In lieu of the annuities under Section 15-315 and
19 subsection (a) of this Section, a participant may choose the
20 portable benefit package under Section 15-136.4 or the
21 self-managed plan under Section 15-158.2.

22 (c) The Board must determine the participant's optional
23 form of annuity provided under this Section by taking into
24 account the appropriate actuarial assumptions, including
25 without limitation the participant's and beneficiary's age;
26 applicable mortality tables; and any other factors that the

1 Board determines to be relevant. For this purpose, the
2 participant's joint and survivor annuity should result in no
3 significant increase to the System's unfunded actuarial
4 accrued liability determined as of the most recent actuarial
5 valuation compared to the System's actuarial liability if the
6 participant opted for a retirement life annuity under Section
7 15-315, based on the same assumptions and methods used to
8 develop and report the System's actuarial accrued liability and
9 actuarial value of assets under Statement No. 25 of
10 Governmental Accounting Standards Board or any subsequent
11 applicable Statement.

12 (40 ILCS 5/15-325 new)

13 Sec. 15-325. Automatic annual increases for later
14 entrants. Notwithstanding any other provision of this Article,
15 a person receiving a retirement or survivor annuity under
16 Section 15-315 or 15-320 shall, on the first anniversary of
17 retirement, but not before attaining age 67, and annually
18 thereafter, have his or her annuity increased by (1) 3% or (2)
19 one-half of the percentage increase, if any, in the Consumer
20 Price Index for All Urban Consumers measured from the July 1
21 two years prior to the January 1 of the year during which the
22 increase is being granted to the June 30 preceding the year
23 during which the increase is being granted, whichever is less,
24 of the originally granted annuity.

1 (40 ILCS 5/15-330 new)

2 Sec. 15-330. Contributions by participants; later
3 entrants.

4 (a) Each employee shall contribute 7% of each payment of
5 salary received by him or her for service as an employee toward
6 the cost of his or her retirement annuity.

7 (b) Contributions shall be in the form of a deduction from
8 earnings and shall be made notwithstanding that the net
9 earnings paid to the employee shall be reduced thereby below
10 the minimum prescribed by law or regulation. Each participant
11 is deemed to consent and agree to the deductions from earnings
12 provided for in this Article.

13 (c) These contributions shall be picked up in the manner
14 provided in Section 15-157.1.

15 (d) In no event shall contributions be deducted from salary
16 in excess of (1) the Social Security Covered Wage Base for the
17 given calendar year or (2) \$150,000, whichever is less.

18 (40 ILCS 5/15-335 new)

19 Sec. 15-335. Refunds; later entrants.

20 (a) A participant who ceases to be an employee, other than
21 an annuitant, shall, upon written request made at least 120
22 days following withdrawal as a member, receive a refund of his
23 or her total contributions, plus interest at (1) 3% or (2)
24 one-half of the percentage increase, if any, in the Consumer
25 Price Index for All Urban Consumers measured from the July 1

1 two years prior to the January 1 of the year during which the
2 interest is being credited to the June 30 preceding the year
3 during which the interest is being credited, whichever is less,
4 per year, not compounded, except that not more than one such
5 refund application may be made during any academic year.

6 (b) Upon re-entry into service as an employee and
7 completion of 2 years of creditable service, a former
8 participant may reestablish any creditable service forfeited
9 by acceptance of a refund by paying to the System the full
10 amount refunded, plus interest at the actuarially assumed rate,
11 not compounded, from the date of payment of the refund to the
12 date of repayment.

13 (c) Participants covered by the provisions of this Section
14 shall be deemed later entrants only if the date of their
15 initial participation was on or after January 1, 2010.

16 (40 ILCS 5/15-340 new)

17 Sec. 15-340. Re-entry after retirement; later entrants.

18 (a) An annuitant who re-enters service as an employee shall
19 become a participant on the date of re-entry and retirement
20 annuity payments shall cease at that time. The employee shall
21 resume contributions to the system on the date of re-entry at
22 the rates then in effect and shall begin to accrue additional
23 service credit.

24 (b) Upon subsequent retirement, the employee shall be
25 entitled to a retirement annuity consisting of: (1) the amount

1 of retirement annuity previously granted and terminated by
2 re-entry into service and (2) the amount of additional
3 retirement annuity earned during the additional service.

4 (c) In computing the retirement annuity under subsection
5 (b) of this Section, the time that the employee was on
6 retirement shall not interrupt the continuity of service for
7 the computation of final average rate of earnings and the
8 additional service shall be considered, together with service
9 rendered before the previous retirement, in establishing final
10 average rate of earnings.

11 (d) Participants covered by the provisions of this Section
12 shall be deemed later entrants only if the date of their
13 initial participation was on or after January 1, 2010.

14 (40 ILCS 5/16-300 new)

15 Sec. 16-300. Provisions applicable to later entrants.

16 (a) The provisions of this Article following this Section
17 apply only to teachers who first become teachers on or after
18 January 1, 2010, who are referred to as "later entrants" or who
19 are otherwise considered "later entrants" in accordance with
20 the following Sections of this Article..

21 (b) Except as provided in subsection (c) of this Section,
22 the Sections of this Article before this Section do not apply
23 to teachers who first become teachers on or after January 1,
24 2010.

25 (c) The following Sections are also applicable to teachers

1 who first become teachers on or after January 1, 2010: Sections
2 16-101, 16-102, 16-103, 16-104, 16-105, 16-106, 16-106.1,
3 16-106.2, 16-106.3, 16-107, 16-109, 16-110, 16-111.1, 16-113,
4 16-114, 16-118, 16-121, 16-122, 16-122.1, 16-123, 16-130,
5 16-142.3, 16-149, 16-149.1, 16-149.2, 16-149.3, 16-149.4,
6 16-149.5, 16-149.6, 16-150.1, and 16-152.1 and Sections
7 16-153.5 through 16-203.

8 (d) To the extent that the Sections enumerated in
9 subsection (c) of this Section conflict with the Sections
10 following this Section, the Sections following this Section
11 shall control.

12 (e) To the extent that the applicable Sections are included
13 under subsection (c) of this Section, later entrants are
14 entitled to disability benefits under this Article.

15 (40 ILCS 5/16-305 new)

16 Sec. 16-305. Creditable service for later entrants.

17 (a) Creditable service under this Article is subject to the
18 following conditions:

19 (1) A member may only establish creditable service for
20 his or her service for employment as a teacher, as defined
21 in Section 16-106. Except as otherwise provided in this
22 Section, a member may not establish creditable service for
23 any other service.

24 (2) A member may not convert any unused sick leave or
25 vacation into creditable service under this Article.

1 (b) A member may establish creditable service, without
2 making contributions, for periods of military service,
3 provided that the person received a discharge other than
4 dishonorable, was a member within 6 months prior to military
5 service, and returned to service as a member under this System
6 within one year after discharge.

7 A member may purchase up to 2 years of military service not
8 immediately following service as a member under this System, by
9 paying to the System (1) employee contributions based on the
10 member's salary upon the first date as a member after the
11 military service, plus (2) an amount determined by the board to
12 be equal to the employer's normal cost of the benefit, plus (3)
13 interest on items (1) and (2) at the actuarially assumed rate,
14 compounded annually, from the first date as a member after such
15 military service to the date of payment.

16 The total amount of creditable military service for any
17 member during his or her entire term of service shall not
18 exceed 5 years.

19 For the purposes of this subsection (b), "military service"
20 means periods a person spent in active service with the
21 military forces of the United States for which the person
22 received a discharge other than dishonorable.

23 (c) A member may establish service credit for up to 2 years
24 of periods spent on authorized leave of absence from service
25 due to pregnancy or adoption by paying to the System (1)
26 employee contributions based upon the member's salary upon

1 becoming a member under this Article, (2) an amount determined
2 by the board to be equal to the employer's normal cost of the
3 benefit, and (3) interest on items (1) and (2) at the
4 actuarially assumed rate from the date of first membership in
5 the System to the date of payment.

6 (40 ILCS 5/16-310 new)

7 Sec. 16-310. Retirement annuity; conditions for
8 eligibility; later entrants. A member may claim his or her
9 retirement annuity upon attainment of (1) the full (normal)
10 retirement age as provided in the federal Social Security Act
11 with at least 10 years of service credit or (2) age 62 with at
12 least 35 years of service credit.

13 A member may claim a reduced retirement annuity under
14 subsection (c) of Section 16-315 if he or she is at least 62
15 years of age and has at least 10 years of service.

16 The annuity shall begin with the first full calendar month
17 following the date of withdrawal.

18 (40 ILCS 5/16-315 new)

19 Sec. 16-315. Retirement life annuity; amount; employer
20 contribution; later entrants.

21 (a) With respect to later entrants:

22 (1) "Final average salary" means the monthly salary
23 obtained by dividing the total salary of a member during
24 the period of: (A) the 8 years of service within the last

1 10 years of service in which the total salary was the
2 highest or (B) the total period of service, if less than 8
3 years, by the number of months of service in such period;
4 provided that for the purposes of a retirement annuity the
5 average salary for the last year of the 8 years shall not
6 exceed the final average salary by more than 25%.

7 In no event shall the monthly salary used to determine
8 final average salary exceed (i) the Social Security Covered
9 Wage Base for the given month of service or (ii) \$12,500,
10 whichever is less; provided, however, that the \$12,500
11 maximum shall be adjusted annually after the effective date
12 of this amendatory Act of the 96th General Assembly, by (1)
13 3% or (2) one-half of the percentage increase, if any, in
14 the Consumer Price Index for All Urban Consumers, whichever
15 is less.

16 (2) "Salary" means a member's base salary and does not
17 include any overtime or bonuses.

18 (b) The retirement life annuity shall be 2% of final
19 average salary for each year of service, but in no event shall
20 exceed 70% of final average salary.

21 (c) For a member retiring after attaining age 62 with less
22 than 35 years of service credit, the retirement life annuity
23 shall be reduced by one-half of 1% for each month that the
24 member's age is under the full (normal) retirement age as
25 provided in the federal Social Security Act.

1 (40 ILCS 5/16-320 new)

2 Sec. 16-320. Alternative forms of annuities for later
3 entrants. A member may choose any of the following types of
4 annuities in lieu of receiving the full annuity provided in
5 Section 16-315:

6 (1) Joint and 50% survivor annuity. Under this form of
7 payment, the member receives a reduced monthly payment for
8 his or her lifetime with a payment equal to 50% of the
9 reduced amount payable to the member paid to the member's
10 designated beneficiary for the beneficiary's lifetime if
11 the beneficiary survives the member.

12 (2) Joint and 75% survivor annuity. Under this form of
13 payment, the member receives a reduced monthly payment for
14 his or her lifetime with a payment equal to 75% of the
15 reduced amount payable to the member paid to the member's
16 designated beneficiary for the beneficiary's lifetime if
17 the beneficiary survives the member.

18 (3) Joint and 100% survivor annuity. Under this form of
19 payment, the member receives a reduced monthly payment for
20 his or her lifetime with a payment equal to 100% of the
21 reduced amount payable to the member paid to the member's
22 designated beneficiary for the beneficiary's lifetime if
23 the beneficiary survives the member.

24 (4) Single life annuity with 60, 120, or 180 months of
25 guaranteed payments. Under this option, the member
26 receives a reduced monthly payment for his or her lifetime.

1 If the member dies before receiving at least the number of
2 guaranteed monthly payments, then the member's beneficiary
3 or estate receives the remaining guaranteed number of
4 monthly payments.

5 The Board must determine the participant's optional form of
6 annuity provided under this Section by taking into account the
7 appropriate actuarial assumptions, including without
8 limitation the participant's and beneficiary's age and
9 applicable mortality tables. For this purpose, the
10 participant's joint and survivor annuity should result in no
11 significant increase to the System's unfunded actuarial
12 accrued liability determined as of the most recent actuarial
13 valuation compared to the System's actuarial liability if the
14 participant opted for a retirement life annuity under Section
15 16-315, based on the same assumptions and methods used to
16 develop and report the System's actuarial accrued liability and
17 actuarial value of assets under Statement No. 25 of
18 Governmental Accounting Standards Board or any subsequent
19 applicable Statement.

20 (40 ILCS 5/16-325 new)

21 Sec. 16-325. Automatic annual increases for later
22 entrants. Notwithstanding any other provision of this Article,
23 a person receiving a retirement or survivor annuity under
24 Section 16-315 or 16-320 shall, on the first anniversary of
25 retirement, but not before attaining age 67, and annually

1 thereafter, have his or her annuity increased by (1) 3% or (2)
2 one-half of the percentage increase, if any, in the Consumer
3 Price Index for All Urban Consumers measured from the July 1
4 two years prior to the January 1 of the year during which the
5 increase is being granted to the June 30 preceding the year
6 during which the increase is being granted, whichever is less,
7 of the originally granted annuity.

8 (40 ILCS 5/16-330 new)

9 Sec. 16-330. Contributions by teachers; later entrants.

10 (a) Each teacher shall contribute 7% of each payment of
11 salary received by him or her for service as a teacher toward
12 the cost of his or her retirement annuity.

13 (b) Contributions shall be in the form of a deduction from
14 salary and shall be made notwithstanding that the net salary
15 paid to the teacher shall be reduced thereby below the minimum
16 prescribed by law or regulation. Each member is deemed to
17 consent and agree to the deductions from salary provided for in
18 this Article.

19 (c) These contributions shall be picked up in the manner
20 provided in Section 16-152.1.

21 (d) In no event shall contributions be deducted from salary
22 in excess of (1) the Social Security Covered Wage Base for the
23 given calendar year or (2) \$150,000, whichever is less.

24 (40 ILCS 5/16-335 new)

1 Sec. 16-335. Refunds; later entrants.

2 (a) A member who ceases to be a teacher, other than an
3 annuitant, shall, upon written request made at least 4 months
4 after ceasing to teach, receive a refund of his or her total
5 contributions, plus interest at (1) 3% or (2) one-half of the
6 percentage increase, if any, in the Consumer Price Index for
7 All Urban Consumers measured from the July 1 two years prior to
8 the January 1 of the year during which the interest is being
9 credited to the June 30 preceding the year during which the
10 interest is being credited, whichever is less, per year, not
11 compounded.

12 (b) Upon re-entry into service as a teacher and completion
13 of one year of creditable service, a former member may
14 reestablish any creditable service forfeited by acceptance of a
15 refund by paying to the System the full amount refunded, plus
16 interest at the actuarially assumed rate, not compounded, from
17 the date of payment of the refund to the date of repayment.

18 (c) Participants covered by the provisions of this Section
19 shall be deemed later entrants only if the date of their
20 initial participation was on or after January 1, 2010.

21 (40 ILCS 5/16-340 new)

22 Sec. 16-340. Re-entry after retirement; later entrants.

23 (a) An annuitant who re-enters service as a teacher shall
24 become a member on the date of re-entry and retirement annuity
25 payments shall cease at that time. The teacher shall resume

1 contributions to the system on the date of re-entry at the
2 rates then in effect and shall begin to accrue additional
3 service credit.

4 (b) Upon subsequent retirement, the teacher shall be
5 entitled to a retirement annuity consisting of: (1) the amount
6 of retirement annuity previously granted and terminated by
7 re-entry into service and (2) the amount of additional
8 retirement annuity earned during the additional service.

9 (c) In computing the retirement annuity under subsection
10 (b) of this Section, the time that the teacher was on
11 retirement shall not interrupt the continuity of service for
12 the computation of final average salary and the additional
13 service shall be considered, together with service rendered
14 before the previous retirement, in establishing final average
15 salary.

16 (d) Participants covered by the provisions of this Section
17 shall be deemed later entrants only if the date of their
18 initial participation was on or after January 1, 2010.

19 (40 ILCS 5/18-300 new)

20 Sec. 18-300. Provisions applicable to later entrants.

21 (a) The provisions of this Article following this Section
22 apply only to judges who first become judges on or after
23 January 1, 2010, who are referred to as "later entrants" or who
24 are otherwise considered "later entrants" in accordance with
25 the following Sections of this Article.

1 (b) Except as provided in subsection (c) of this Section,
2 the Sections of this Article before this Section do not apply
3 to judges who first become judges on or after January 1, 2010.

4 (c) The following Sections are also applicable to judges
5 who first become judges on or after January 1, 2010: Sections
6 18-101, 18-102, 18-103, 18-104, 18-105, 18-106, 18-107,
7 18-108, 18-109, 18-110, 18-111, 18-112, 18-112.5, 18-113,
8 18-114, 18-115, 18-116, 18-118, 18-119, 18-120, 18-120.1,
9 18-121, 18-126, 18-126.1, 18-127, 18-128.2, 18-128.3, 18-131,
10 and 18-132 and Sections 18-133.1 through 18-169.

11 (d) To the extent that the Sections enumerated in
12 subsection (c) of this Section conflict with the Sections
13 following this Section, the Sections following this Section
14 shall control.

15 (e) To the extent that the applicable Sections are included
16 under subsection (c) of this Section, later entrants are
17 entitled to disability benefits under this Article.

18 (40 ILCS 5/18-305 new)

19 Sec. 18-305. Creditable service for later entrants.

20 (a) A participant may only establish creditable service for
21 his or her service for employment as a judge, as defined in
22 Section 18-108. Except as otherwise provided in this Section, a
23 participant may not establish creditable service for any other
24 service.

25 (b) A participant may establish creditable service,

1 without making contributions, for periods of military service,
2 provided that the person received a discharge other than
3 dishonorable, was a participant within 6 months prior to
4 military service, and returned to service as a participant
5 under this System within one year after discharge.

6 A participant may purchase up to 2 years of military
7 service not immediately following service as a participant
8 under this System, by paying to the System (1) employee
9 contributions based on the participant's salary upon the first
10 date as a participant after the military service, plus (2) an
11 amount determined by the board to be equal to the employer's
12 normal cost of the benefit, plus (3) interest on items (1) and
13 (2) at the actuarially assumed rate, compounded annually, from
14 the first date as a participant after such military service to
15 the date of payment.

16 The total amount of creditable military service for any
17 participant during his or her entire term of service shall not
18 exceed 5 years.

19 For the purposes of this subsection (b), "military service"
20 means periods a person spent in active service with the
21 military forces of the United States for which the person
22 received a discharge other than dishonorable.

23 (c) A participant may establish service credit for up to 2
24 years of periods spent on authorized leave of absence from
25 service due to pregnancy or adoption by paying to the System
26 (1) employee contributions based upon the participant's salary

1 upon becoming a participant under this Article, (2) an amount
2 determined by the board to be equal to the employer's normal
3 cost of the benefit, and (3) interest on items (1) and (2) at
4 the actuarially assumed rate from the date of first
5 participation in the System to the date of payment.

6 (40 ILCS 5/18-310 new)

7 Sec. 18-310. Retirement annuity; conditions for
8 eligibility; later entrants. A participant may claim his or her
9 retirement annuity upon attainment of (1) the full (normal)
10 retirement age as provided in the federal Social Security Act
11 with at least 10 years of service credit or (2) age 62 with at
12 least 35 years of service credit.

13 A participant may claim a reduced retirement annuity under
14 subsection (c) of Section 18-315 if he or she is at least 62
15 years of age and has at least 10 years of service.

16 The annuity shall begin with the first full calendar month
17 following the date of withdrawal.

18 (40 ILCS 5/18-315 new)

19 Sec. 18-315. Retirement life annuity; amount; employer
20 contribution; later entrants.

21 (a) With respect to later entrants:

22 (1) "Final average salary" means the monthly salary
23 obtained by dividing the total salary of a participant
24 during the period of: (A) the 96 consecutive months of

1 service within the last 120 months of service in which the
2 total salary was the highest or (B) the total period of
3 service, if less than 96 months, by the number of months of
4 service in such period; provided that for the purposes of a
5 retirement annuity the average salary for the last 12
6 months of the 96 months shall not exceed the final average
7 salary by more than 25%.

8 In no event shall the monthly salary used to determine
9 final average salary exceed (i) the Social Security Covered
10 Wage Base for the given month of service or (ii) \$12,500,
11 whichever is less; provided, however, that the \$12,500
12 maximum shall be adjusted annually after the effective date
13 of this amendatory Act of the 96th General Assembly, by (1)
14 3% or (2) one-half of the percentage increase, if any, in
15 the Consumer Price Index for All Urban Consumers, whichever
16 is less.

17 (2) "Salary" means a participant's base salary and does
18 not include any overtime or bonuses.

19 (b) The retirement life annuity shall be 2% of final
20 average salary for each year of service, but in no event shall
21 exceed 70% of final average salary.

22 (c) For a participant retiring after attaining age 62 with
23 less than 35 years of service credit, the retirement life
24 annuity shall be reduced by one-half of 1% for each month that
25 the participant's age is under the full (normal) retirement age
26 as provided in the federal Social Security Act.

1 (40 ILCS 5/18-320 new)

2 Sec. 18-320. Alternative forms of annuities for later
3 entrants. A participant may choose any of the following types
4 of annuities in lieu of receiving the full annuity provided in
5 Section 18-315:

6 (1) Joint and 50% survivor annuity. Under this form of
7 payment, the participant receives a reduced monthly
8 payment for his or her lifetime with a payment equal to 50%
9 of the reduced amount payable to the participant paid to
10 the participant's designated beneficiary for the
11 beneficiary's lifetime if the beneficiary survives the
12 participant.

13 (2) Joint and 75% survivor annuity. Under this form of
14 payment, the participant receives a reduced monthly
15 payment for his or her lifetime with a payment equal to 75%
16 of the reduced amount payable to the participant paid to
17 the participant's designated beneficiary for the
18 beneficiary's lifetime if the beneficiary survives the
19 participant.

20 (3) Joint and 100% survivor annuity. Under this form of
21 payment, the participant receives a reduced monthly
22 payment for his or her lifetime with a payment equal to
23 100% of the reduced amount payable to the participant paid
24 to the participant's designated beneficiary for the
25 beneficiary's lifetime if the beneficiary survives the

1 participant.

2 (4) Single life annuity with 60, 120, or 180 months of
3 guaranteed payments. Under this option, the participant
4 receives a reduced monthly payment for his or her lifetime.
5 If the participant dies before receiving at least the
6 number of guaranteed monthly payments, then the
7 participant's beneficiary or estate receives the remaining
8 guaranteed number of monthly payments.

9 The Board must determine the participant's optional form of
10 annuity provided under this Section by taking into account the
11 appropriate actuarial assumptions, including without
12 limitation the participant's and beneficiary's age; applicable
13 mortality tables; and any other factors that the Board
14 determines to be relevant. For this purpose, the participant's
15 joint and survivor annuity should result in no significant
16 increase to the System's unfunded actuarial accrued liability
17 determined as of the most recent actuarial valuation compared
18 to the System's actuarial liability if the participant opted
19 for a retirement life annuity under Section 18-315, based on
20 the same assumptions and methods used to develop and report the
21 System's actuarial accrued liability and actuarial value of
22 assets under Statement No. 25 of Governmental Accounting
23 Standards Board or any subsequent applicable Statement.

24 (40 ILCS 5/18-325 new)

25 Sec. 18-325. Automatic annual increases for later

1 entrants. Notwithstanding any other provision of this Article,
2 a person receiving a retirement or survivor annuity under
3 Section 18-315 or 18-320 shall, on the first anniversary of
4 retirement, but not before attaining age 67, and annually
5 thereafter, have his or her annuity increased by (1) 3% or (2)
6 one-half of the percentage increase, if any, in the Consumer
7 Price Index for All Urban Consumers measured from the July 1
8 two years prior to the January 1 of the year during which the
9 increase is being granted to the June 30 preceding the year
10 during which the increase is being granted, whichever is less,
11 of the originally granted annuity.

12 (40 ILCS 5/18-330 new)

13 Sec. 18-330. Contributions by judges; later entrants.

14 (a) Each judge shall contribute 7% of each payment of
15 salary received by him or her for service as a judge toward the
16 cost of his or her retirement annuity.

17 (b) Contributions shall be in the form of a deduction from
18 salary and shall be made notwithstanding that the net salary
19 paid to the judge shall be reduced thereby below the minimum
20 prescribed by law or regulation. Each participant is deemed to
21 consent and agree to the deductions from salary provided for in
22 this Article.

23 (c) These contributions shall be picked up in the manner
24 provided in Section 18-133.1.

25 (d) In no event shall contributions be deducted from salary

1 in excess of (1) the Social Security Covered Wage Base for the
2 given calendar year or (2) \$150,000, whichever is less.

3 (40 ILCS 5/18-335 new)

4 Sec. 18-335. Refunds; later entrants.

5 (a) A participant who ceases to be a judge, other than an
6 annuitant, shall, upon written request, receive a refund of his
7 or her total contributions, plus interest at (1) 3% or (2)
8 one-half of the percentage increase, if any, in the Consumer
9 Price Index for All Urban Consumers measured from the July 1
10 two years prior to the January 1 of the year during which the
11 interest is being credited to the June 30 preceding the year
12 during which the interest is being credited, whichever is less,
13 per year, not compounded.

14 (b) Upon re-entry into service as a judge, a former
15 participant may reestablish any creditable service forfeited
16 by acceptance of a refund by paying to the System the full
17 amount refunded, plus interest at the actuarially assumed rate,
18 not compounded, from the date of payment of the refund to the
19 date of repayment.

20 (c) Participants covered by the provisions of this Section
21 shall be deemed later entrants only if the date of their
22 initial participation was on or after January 1, 2010.

23 (40 ILCS 5/18-340 new)

24 Sec. 18-340. Re-entry after retirement; later entrants.

1 (a) An annuitant who re-enters service as a judge shall
2 become a participant on the date of re-entry and retirement
3 annuity payments shall cease at that time. The judge shall
4 resume contributions to the system on the date of re-entry at
5 the rates then in effect and shall begin to accrue additional
6 service credit.

7 (b) Upon subsequent retirement, the judge shall be entitled
8 to a retirement annuity consisting of: (1) the amount of
9 retirement annuity previously granted and terminated by
10 re-entry into service and (2) the amount of additional
11 retirement annuity earned during the additional service.

12 (c) In computing the retirement annuity under subsection
13 (b) of this Section, the time that the judge was on retirement
14 shall not interrupt the continuity of service for the
15 computation of final average salary and the additional service
16 shall be considered, together with service rendered before the
17 previous retirement, in establishing final average salary.

18 (d) Participants covered by the provisions of this Section
19 shall be deemed later entrants only if the date of their
20 initial participation was on or after January 1, 2010.

21 Section 15. The Illinois Educational Labor Relations Act is
22 amended by changing Section 17 and by adding Section 22 as
23 follows:

24 (115 ILCS 5/17) (from Ch. 48, par. 1717)

1 Sec. 17. Effect on other laws. Except as provided in this
2 Section, in ~~in~~ case of any conflict between the provisions of
3 this Act and any other law, executive order or administrative
4 regulation, the provisions of this Act shall prevail and
5 control.

6 However, the changes made to the Illinois Pension Code by
7 this amendatory Act of the 96th General Assembly shall prevail
8 and control over any conflicting provision in this Act and any
9 collective bargaining agreement negotiated pursuant thereto,
10 and any other law, executive order, or administrative
11 regulation. Any disputes that are brought on behalf of any
12 employer or employee or exclusive bargaining representative
13 subject to this Act arising from the changes made to the
14 Illinois Pension Code by this amendatory Act of the 96th
15 General Assembly shall be subject to the exclusive jurisdiction
16 of the Illinois Educational Labor Relations Board, and the
17 Circuit Courts shall have no jurisdiction, except to hear
18 disputes arising directly under the Constitution of the United
19 States of America or the Illinois Constitution.

20 Nothing in this Act shall be construed to replace or
21 diminish the rights of employees established by Section 36d of
22 "An Act to create the State Universities Civil Service System",
23 approved May 11, 1905, as amended or modified.

24 (Source: P.A. 83-1014.)

1 Sec. 22. Illinois Pension Code. Notwithstanding the
2 existence of any other provision in this Act or any other law,
3 collective bargaining between any employer whose employees are
4 affected by the changes made to the Illinois Pension Code by
5 this amendatory Act of the 96th General Assembly and the
6 exclusive bargaining representative of such employees may
7 include decisions concerning the changes made to the Illinois
8 Pension Code by this amendatory Act of the 96th General
9 Assembly, including, but not limited to, changes and benefits
10 of retirement systems covered by the Illinois Pension Code.
11 These subjects are permissive subjects of bargaining between an
12 employer and an exclusive representative of its employees and,
13 for the purpose of this Act, are within the sole discretion of
14 the employer to decide to bargain, provided that the employer
15 is required to bargain over the impact of a decision concerning
16 such subject on the bargaining unit upon request by the
17 exclusive representative. During this bargaining, the employer
18 shall not be precluded from implementing its decision. If,
19 after a reasonable period of bargaining, a dispute or impasse
20 exists between the employer and the exclusive representative,
21 then the dispute or impasse shall be resolved exclusively as
22 set forth in this Act.

23 Section 97. Severability. The provisions of this Act are
24 severable under Section 1.31 of the Statute on Statutes.

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