



Rep. William B. Black

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1 AMENDMENT TO HOUSE BILL 3181

2 AMENDMENT NO. _____. Amend House Bill 3181 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 16-127 and 16-128 and by adding Section
6 16-203.1 as follows:

7 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

8 Sec. 16-127. Computation of creditable service.

9 (a) Each member shall receive regular credit for all
10 service as a teacher from the date membership begins, for which
11 satisfactory evidence is supplied and all contributions have
12 been paid.

13 (b) The following periods of service shall earn optional
14 credit and each member shall receive credit for all such
15 service for which satisfactory evidence is supplied and all
16 contributions have been paid as of the date specified:

1 (1) Prior service as a teacher.

2 (2) Service in a capacity essentially similar or
3 equivalent to that of a teacher, in the public common
4 schools in school districts in this State not included
5 within the provisions of this System, or of any other
6 State, territory, dependency or possession of the United
7 States, or in schools operated by or under the auspices of
8 the United States, or under the auspices of any agency or
9 department of any other State, and service during any
10 period of professional speech correction or special
11 education experience for a public agency within this State
12 or any other State, territory, dependency or possession of
13 the United States, and service prior to February 1, 1951 as
14 a recreation worker for the Illinois Department of Public
15 Safety, for a period not exceeding the lesser of 2/5 of the
16 total creditable service of the member or 10 years. The
17 maximum service of 10 years which is allowable under this
18 paragraph shall be reduced by the service credit which is
19 validated by other retirement systems under paragraph (i)
20 of Section 15-113 and paragraph 1 of Section 17-133. Credit
21 granted under this paragraph may not be used in
22 determination of a retirement annuity or disability
23 benefits unless the member has at least 5 years of
24 creditable service earned subsequent to this employment
25 with one or more of the following systems: Teachers'
26 Retirement System of the State of Illinois, State

1 Universities Retirement System, and the Public School
2 Teachers' Pension and Retirement Fund of Chicago. Whenever
3 such service credit exceeds the maximum allowed for all
4 purposes of this Article, the first service rendered in
5 point of time shall be considered. The changes to this
6 subdivision (b)(2) made by Public Act 86-272 shall apply
7 not only to persons who on or after its effective date
8 (August 23, 1989) are in service as a teacher under the
9 System, but also to persons whose status as such a teacher
10 terminated prior to such effective date, whether or not
11 such person is an annuitant on that date.

12 (3) Any periods immediately following teaching
13 service, under this System or under Article 17, (or
14 immediately following service prior to February 1, 1951 as
15 a recreation worker for the Illinois Department of Public
16 Safety) spent in active service with the military forces of
17 the United States; periods spent in educational programs
18 that prepare for return to teaching sponsored by the
19 federal government following such active military service;
20 if a teacher returns to teaching service within one
21 calendar year after discharge or after the completion of
22 the educational program, a further period, not exceeding
23 one calendar year, between time spent in military service
24 or in such educational programs and the return to
25 employment as a teacher under this System; and a period of
26 up to 2 years of active military service not immediately

1 following employment as a teacher.

2 The changes to this Section and Section 16-128 relating
3 to military service made by P.A. 87-794 shall apply not
4 only to persons who on or after its effective date are in
5 service as a teacher under the System, but also to persons
6 whose status as a teacher terminated prior to that date,
7 whether or not the person is an annuitant on that date. In
8 the case of an annuitant who applies for credit allowable
9 under this Section for a period of military service that
10 did not immediately follow employment, and who has made the
11 required contributions for such credit, the annuity shall
12 be recalculated to include the additional service credit,
13 with the increase taking effect on the date the System
14 received written notification of the annuitant's intent to
15 purchase the credit, if payment of all the required
16 contributions is made within 60 days of such notice, or
17 else on the first annuity payment date following the date
18 of payment of the required contributions. In calculating
19 the automatic annual increase for an annuity that has been
20 recalculated under this Section, the increase attributable
21 to the additional service allowable under P.A. 87-794 shall
22 be included in the calculation of automatic annual
23 increases accruing after the effective date of the
24 recalculation.

25 Credit for military service shall be determined as
26 follows: if entry occurs during the months of July, August,

1 or September and the member was a teacher at the end of the
2 immediately preceding school term, credit shall be granted
3 from July 1 of the year in which he or she entered service;
4 if entry occurs during the school term and the teacher was
5 in teaching service at the beginning of the school term,
6 credit shall be granted from July 1 of such year. In all
7 other cases where credit for military service is allowed,
8 credit shall be granted from the date of entry into the
9 service.

10 The total period of military service for which credit
11 is granted shall not exceed 5 years for any member unless
12 the service: (A) is validated before July 1, 1964, and (B)
13 does not extend beyond July 1, 1963. Credit for military
14 service shall be granted under this Section only if not
15 more than 5 years of the military service for which credit
16 is granted under this Section is used by the member to
17 qualify for a military retirement allotment from any branch
18 of the armed forces of the United States. The changes to
19 this subdivision (b)(3) made by Public Act 86-272 shall
20 apply not only to persons who on or after its effective
21 date (August 23, 1989) are in service as a teacher under
22 the System, but also to persons whose status as such a
23 teacher terminated prior to such effective date, whether or
24 not such person is an annuitant on that date.

25 (4) Any periods served as a member of the General
26 Assembly.

1 (5) (i) Any periods for which a teacher, as defined in
2 Section 16-106, is granted a leave of absence, provided he
3 or she returns to teaching service creditable under this
4 System or the State Universities Retirement System
5 following the leave; (ii) periods during which a teacher is
6 involuntarily laid off from teaching, provided he or she
7 returns to teaching following the lay-off; (iii) periods
8 prior to July 1, 1983 during which a teacher ceased covered
9 employment due to pregnancy, provided that the teacher
10 returned to teaching service creditable under this System
11 or the State Universities Retirement System following the
12 pregnancy and submits evidence satisfactory to the Board
13 documenting that the employment ceased due to pregnancy;
14 and (iv) periods prior to July 1, 1983 during which a
15 teacher ceased covered employment for the purpose of
16 adopting an infant under 3 years of age or caring for a
17 newly adopted infant under 3 years of age, provided that
18 the teacher returned to teaching service creditable under
19 this System or the State Universities Retirement System
20 following the adoption and submits evidence satisfactory
21 to the Board documenting that the employment ceased for the
22 purpose of adopting an infant under 3 years of age or
23 caring for a newly adopted infant under 3 years of age.
24 However, total credit under this paragraph (5) may not
25 exceed 3 years.

26 Any qualified member or annuitant may apply for credit

1 under item (iii) or (iv) of this paragraph (5) without
2 regard to whether service was terminated before the
3 effective date of this amendatory Act of 1997. In the case
4 of an annuitant who establishes credit under item (iii) or
5 (iv), the annuity shall be recalculated to include the
6 additional service credit. The increase in annuity shall
7 take effect on the date the System receives written
8 notification of the annuitant's intent to purchase the
9 credit, if the required evidence is submitted and the
10 required contribution paid within 60 days of that
11 notification, otherwise on the first annuity payment date
12 following the System's receipt of the required evidence and
13 contribution. The increase in an annuity recalculated
14 under this provision shall be included in the calculation
15 of automatic annual increases in the annuity accruing after
16 the effective date of the recalculation.

17 Optional credit may be purchased under this subsection
18 (b) (5) for periods during which a teacher has been granted
19 a leave of absence pursuant to Section 24-13 of the School
20 Code. A teacher whose service under this Article terminated
21 prior to the effective date of P.A. 86-1488 shall be
22 eligible to purchase such optional credit. If a teacher who
23 purchases this optional credit is already receiving a
24 retirement annuity under this Article, the annuity shall be
25 recalculated as if the annuitant had applied for the leave
26 of absence credit at the time of retirement. The difference

1 between the entitled annuity and the actual annuity shall
2 be credited to the purchase of the optional credit. The
3 remainder of the purchase cost of the optional credit shall
4 be paid on or before April 1, 1992.

5 The change in this paragraph made by Public Act 86-273
6 shall be applicable to teachers who retire after June 1,
7 1989, as well as to teachers who are in service on that
8 date.

9 (6) Any days of unused and uncompensated accumulated
10 sick leave earned by a teacher. The service credit granted
11 under this paragraph shall be the ratio of the number of
12 unused and uncompensated accumulated sick leave days to 170
13 days, subject to a maximum of 2 years of service credit.
14 Prior to the member's retirement, each former employer
15 shall certify to the System the number of unused and
16 uncompensated accumulated sick leave days credited to the
17 member at the time of termination of service. The period of
18 unused sick leave shall not be considered in determining
19 the effective date of retirement. A member is not required
20 to make contributions in order to obtain service credit for
21 unused sick leave.

22 Credit for sick leave shall, at retirement, be granted
23 by the System for any retiring regional or assistant
24 regional superintendent of schools at the rate of 6 days
25 per year of creditable service or portion thereof
26 established while serving as such superintendent or

1 assistant superintendent.

2 (7) Periods prior to February 1, 1987 served as an
3 employee of the Illinois Mathematics and Science Academy
4 for which credit has not been terminated under Section
5 15-113.9 of this Code.

6 (8) Service as a substitute teacher for work performed
7 prior to July 1, 1990.

8 (9) Service as a part-time teacher for work performed
9 prior to July 1, 1990.

10 (10) Up to 2 years of employment with Southern Illinois
11 University - Carbondale from September 1, 1959 to August
12 31, 1961, or with Governors State University from September
13 1, 1972 to August 31, 1974, for which the teacher has no
14 credit under Article 15. To receive credit under this item
15 (10), a teacher must apply in writing to the Board and pay
16 the required contributions before May 1, 1993 and have at
17 least 12 years of service credit under this Article.

18 (11) Service in an amount not greater than 5 years for
19 employment by the New York School for the Deaf, a public
20 entity under the New York State Education Department, if
21 such employment occurred before January 1, 1975 and if the
22 contributions required under subsection (f) of Section
23 16-128 of this Code are made. The member shall be eligible
24 for service credit under this item (11) regardless of
25 whether the specified employment required a teaching
26 certificate. If credit for any portion of that service is

1 validated by any other retirement system operated under the
2 auspices of any agency or department of any other state,
3 then credit for that service shall be reduced
4 proportionately under this item (11).

5 (b-1) A member may establish optional credit for up to 2
6 years of service as a teacher or administrator employed by a
7 private school recognized by the Illinois State Board of
8 Education, provided that the teacher (i) was certified under
9 the law governing the certification of teachers at the time the
10 service was rendered, (ii) applies in writing on or after June
11 1, 2002 and on or before June 1, 2005, (iii) supplies
12 satisfactory evidence of the employment, (iv) completes at
13 least 10 years of contributing service as a teacher as defined
14 in Section 16-106, and (v) pays the contribution required in
15 subsection (d-5) of Section 16-128. The member may apply for
16 credit under this subsection and pay the required contribution
17 before completing the 10 years of contributing service required
18 under item (iv), but the credit may not be used until the item
19 (iv) contributing service requirement has been met.

20 (c) The service credits specified in this Section shall be
21 granted only if: (1) such service credits are not used for
22 credit in any other statutory tax-supported public employee
23 retirement system other than the federal Social Security
24 program; and (2) the member makes the required contributions as
25 specified in Section 16-128. Except as provided in subsection
26 (b-1) of this Section, the service credit shall be effective as

1 of the date the required contributions are completed.

2 Any service credits granted under this Section shall
3 terminate upon cessation of membership for any cause.

4 Credit may not be granted under this Section covering any
5 period for which an age retirement or disability retirement
6 allowance has been paid.

7 (Source: P.A. 92-867, eff. 1-3-03.)

8 (40 ILCS 5/16-128) (from Ch. 108 1/2, par. 16-128)

9 Sec. 16-128. Creditable service - required contributions.

10 (a) In order to receive the creditable service specified
11 under subsection (b) of Section 16-127, a member is required to
12 make the following contributions: (i) an amount equal to the
13 contributions which would have been required had such service
14 been rendered as a member under this System; (ii) for military
15 service not immediately following employment and for service
16 established under subdivision (b)(10) of Section 16-127, an
17 amount determined by the Board to be equal to the employer's
18 normal cost of the benefits accrued for such service; and (iii)
19 interest from the date the contributions would have been due
20 (or, in the case of a person establishing credit for military
21 service under subdivision (b)(3) of Section 16-127, the date of
22 first membership in the System, if that date is later) to the
23 date of payment, at the following rate of interest, compounded
24 annually: for periods prior to July 1, 1965, regular interest;
25 from July 1, 1965 to June 30, 1977, 4% per year; on and after

1 July 1, 1977, regular interest.

2 (b) In order to receive creditable service under paragraph
3 (2) of subsection (b) of Section 16-127 for those who were not
4 members on June 30, 1963, the minimum required contribution
5 shall be \$420 per year of service together with interest at 4%
6 per year compounded annually from July 1, preceding the date of
7 membership until June 30, 1977 and at regular interest
8 compounded annually thereafter to the date of payment.

9 (c) In determining the contribution required in order to
10 receive creditable service under paragraph (3) of subsection
11 (b) of Section 16-127, the salary rate for the remainder of the
12 school term in which a member enters military service shall be
13 assumed to be equal to the member's salary rate at the time of
14 entering military service. However, for military service not
15 immediately following employment, the salary rate on the last
16 date as a participating teacher prior to such military service,
17 or on the first date as a participating teacher after such
18 military service, whichever is greater, shall be assumed to be
19 equal to the member's salary rate at the time of entering
20 military service. For each school term thereafter, the member's
21 salary rate shall be assumed to be 5% higher than the salary
22 rate in the previous school term.

23 (d) In determining the contribution required in order to
24 receive creditable service under paragraph (5) of subsection
25 (b) of Section 16-127, a member's salary rate during the period
26 for which credit is being established shall be assumed to be

1 equal to the member's last salary rate immediately preceding
2 that period.

3 (d-5) For each year of service credit to be established
4 under subsection (b-1) of Section 16-127, a member is required
5 to contribute to the System (i) 16.5% of the annual salary rate
6 during the first year of full-time employment as a teacher
7 under this Article following the private school service, plus
8 (ii) interest thereon from the date of first full-time
9 employment as a teacher under this Article following the
10 private school service to the date of payment, compounded
11 annually, at the rate of 8.5% per year for periods before the
12 effective date of this amendatory Act of the 92nd General
13 Assembly, and for subsequent periods at a rate equal to the
14 System's actuarially assumed rate of return on investments.

15 (d-10) For service credit established under paragraph (6)
16 of subsection (b) of Section 16-127 for days granted by an
17 employer in excess of the member's normal annual sick leave
18 allotment, the employer is required to pay the normal cost of
19 benefits based upon such service credit. This subsection (d-10)
20 does not apply to sick leave granted to teachers under
21 contracts or collective bargaining agreements entered into,
22 amended, or renewed before June 1, 2005 (the effective date of
23 Public Act 94-4). The employer contributions required under
24 this subsection (d-10) shall be paid in the form of a lump sum
25 within 30 days after receipt of the bill after the teacher
26 begins receiving benefits under this Article.

1 (e) Except for contributions under subsection (d-10), the
2 contributions required under this Section may be made from the
3 date the statement for such creditable service is issued until
4 retirement date. All such required contributions must be made
5 before any retirement annuity is granted.

6 (f) For each year of service credit to be established under
7 item (11) of subsection (b) of Section 16-127, a member is
8 required to contribute to the System an amount equal to (i) the
9 employee contributions that would have been required by the
10 member if the service had been earned as a teacher under the
11 System, plus (ii) the employer's normal cost of the benefit had
12 the service been earned as a teacher under the System, plus
13 (iii) interest on items (i) and (ii) at the actuarially assumed
14 rate from the date of first employment as a teacher under this
15 Article following the date the specified out-of-state
16 employment occurred to the date of payment, compounded
17 annually.

18 (Source: P.A. 94-4, eff. 6-1-05; 94-1057, eff. 7-31-06.)

19 (40 ILCS 5/16-203.1 new)

20 Sec. 16-203.1. New benefit increases. The General Assembly
21 finds and declares that the amendment to Section 16-127 made by
22 this amendatory Act of the 96th General Assembly that allows
23 members to establish service credit for employment by the New
24 York School for the Deaf constitutes a new benefit increase
25 within the meaning of Section 16-203. Funding for this new

1 benefit increase will be provided by additional employee
2 contributions under subsection (f) of Section 16-128. In
3 accordance with subsection (d) of Section 16-203, this new
4 benefit increase shall expire 5 years after the effective date
5 of this amendatory Act of the 96th General Assembly."