

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing  
5 Sections 1-160, 2-108.1, 2-119, 2-119.01, 2-119.1, 2-121.1,  
6 2-122, 2-126, 8-168, 9-164, 9-220, 11-164, 13-601, 14-103.05,  
7 14-103.10, 15-112, 15-113.6, 15-134, 15-136.3, 15-146, 18-115,  
8 18-125, 18-125.1, 18-127, 18-128.01, and 18-133 as follows:

9 (40 ILCS 5/1-160)

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

11 (a) The provisions of this Section apply to a person who,  
12 on or after January 1, 2011, first becomes a member or an  
13 ~~employee and~~ a participant under any reciprocal retirement  
14 system or pension fund established under this Code, other than  
15 a retirement system or pension fund established under Article  
16 2, 3, 4, 5, 6, or 18 of this Code, ~~on or after the effective~~  
17 ~~date of this amendatory Act of the 96th General Assembly~~  
18 notwithstanding any other provision of this Code to the  
19 contrary, but do not apply to any self-managed plan established  
20 under this Code, to any person with respect to service as a  
21 sheriff's law enforcement employee under Article 7, or to any  
22 participant of the retirement plan established under Section  
23 22-101.

1 (b) "Final average salary" means the average monthly (or  
2 annual) salary obtained by dividing the total salary or  
3 earnings calculated under the Article applicable to ~~of~~ the  
4 member or participant during the 96 consecutive months (or 8  
5 consecutive years) of service within the last 120 months (or 10  
6 years) of service in which the total salary or earnings  
7 calculated under the applicable Article was the highest by the  
8 number of months (or years) of service in that period; ~~however,~~  
9 ~~the annual final average salary may not exceed \$106,800, as~~  
10 ~~automatically increased by the lesser of 3% or one half of the~~  
11 ~~annual increase in the consumer price index u during the~~  
12 ~~preceding 12-month calendar year.~~ For the purposes of a person  
13 who first becomes a member or participant ~~an employee~~ of any  
14 retirement system or pension fund to which this Section applies  
15 on or after January 1, 2011 ~~the effective date of this~~  
16 ~~amendatory Act of the 96th General Assembly,~~ in this Code,  
17 "final average salary" shall be substituted for the following:

18 (1) In Articles 7 (except for service as sheriff's law  
19 enforcement employees) and 15, "final rate of earnings".

20 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
21 annual salary for any 4 consecutive years within the last  
22 10 years of service immediately preceding the date of  
23 withdrawal".

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

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

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

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

3           (b-5) Beginning on January 1, 2011, for all purposes under  
4 this Code (including without limitation the calculation of  
5 benefits and employee contributions), the annual earnings,  
6 salary, or wages (based on the plan year) of a member or  
7 participant to whom this Section applies shall not exceed  
8 \$106,800; however, that amount shall annually thereafter be  
9 increased by the lesser of (i) 3% of that amount, including all  
10 previous adjustments, or (ii) one-half the annual unadjusted  
11 percentage increase (but not less than zero) in the consumer  
12 price index-u for the 12 months ending with the September  
13 preceding each November 1, including all previous adjustments.

14           For the purposes of this Section, "consumer price index-u"  
15 means the index published by the Bureau of Labor Statistics of  
16 the United States Department of Labor that measures the average  
17 change in prices of goods and services purchased by all urban  
18 consumers, United States city average, all items, 1982-84 =  
19 100. The new amount resulting from each annual adjustment shall  
20 be determined by the Public Pension Division of the Department  
21 of Insurance and made available to the boards of the retirement  
22 systems and pension funds by November 1 of each year.

23           (c) A member or participant is entitled to a retirement  
24 annuity upon ~~beginning on the date specified by the participant~~  
25 ~~in a written application only if, on that specified date,~~ he or  
26 she has attained age 67 and has at least 10 years of service

1 credit and is otherwise eligible under the requirements of the  
2 applicable Article.

3 A member or participant who has attained age 62 and has at  
4 least 10 years of service credit and is otherwise eligible  
5 under the requirements of the applicable Article may elect to  
6 receive the lower retirement annuity provided in subsection (d)  
7 of this Section.

8 (d) The retirement annuity of a member or participant who  
9 is retiring after attaining age 62 with at least 10 years of  
10 service credit shall be reduced by one-half of 1% for each full  
11 month that the member's age is under age 67.

12 (e) Any retirement annuity or supplemental annuity shall be  
13 subject to annual increases on the January 1 occurring either  
14 on or after the attainment of age 67 or the first anniversary  
15 of the annuity start date, whichever is later ~~upon (1)~~  
16 ~~attainment of age 67 or (2) the first anniversary of the~~  
17 ~~commencement of the annuity, whichever occurs later.~~ Each  
18 annual increase shall be calculated at 3% or one-half the  
19 annual unadjusted percentage increase (but not less than zero)  
20 in the consumer price index-u for the 12 months ending with the  
21 September preceding each November 1 ~~for the preceding calendar~~  
22 ~~year,~~ whichever is less, of the originally granted retirement  
23 annuity. If the annual unadjusted percentage change ~~increase~~ in  
24 the consumer price index-u for the 12 months ending with the  
25 September preceding each November 1 ~~calendar year~~ is zero or  
26 there is a decrease, then the annuity shall not be increased.

1 (f) The initial survivor's or widow's annuity of an  
2 otherwise eligible survivor or widow of a retired member or  
3 participant who first became a member or ~~becomes a~~ participant  
4 on or after January 1, 2011 ~~the effective date of this~~  
5 ~~amendatory Act of the 96th General Assembly~~ shall be in the  
6 amount of 66 2/3% of the retired member's or participant's  
7 ~~earned~~ retirement annuity at the date of death. In the case of  
8 the death of a member or participant who has not retired and  
9 who first became a member or participant on or after January 1,  
10 2011, eligibility for a survivor's or widow's annuity shall be  
11 determined by the applicable Article of this Code. The initial  
12 benefit shall be 66 2/3% of the earned annuity without a  
13 reduction due to age. A child's annuity of an otherwise  
14 eligible child shall be in the amount prescribed under each  
15 Article if applicable. Any survivor's or widow's annuity and  
16 shall be increased (1) on each January 1 occurring on or after  
17 the commencement of the annuity if the deceased member died  
18 while receiving a retirement annuity or (2) in other cases, on  
19 each January 1 occurring after the first anniversary of the  
20 commencement of the annuity. Each annual increase shall be  
21 calculated at 3% or one-half the annual unadjusted percentage  
22 increase (but not less than zero) in the consumer price index-u  
23 for the 12 months ending with the September preceding each  
24 November 1 ~~for the preceding calendar year~~, whichever is less,  
25 of the originally granted survivor's annuity. If the annual  
26 unadjusted percentage change ~~increase~~ in the consumer price

1 index-u for the 12 months ending with the September preceding  
2 each November 1 ~~calendar year~~ is zero or there is a decrease,  
3 then the annuity shall not be increased.

4 (g) The benefits in Section 14-110 apply only if the person  
5 is a State policeman, a fire fighter in the fire protection  
6 service of a department, or a security employee of the  
7 Department of Corrections or the Department of Juvenile  
8 Justice, as those terms are defined in subsection (b) of  
9 Section 14-110. A person who meets the requirements of this  
10 Section is entitled to an annuity calculated under the  
11 provisions of Section 14-110, in lieu of the regular or minimum  
12 retirement annuity, only if the person has withdrawn from  
13 service with not less than 20 years of eligible creditable  
14 service and has attained age 60, regardless of whether the  
15 attainment of age 60 occurs while the person is still in  
16 service.

17 (h) If a person who first becomes a member or a participant  
18 of a retirement system or pension fund subject to this Section  
19 on or after January 1, 2011 ~~the effective date of this~~  
20 ~~amendatory Act of the 96th General Assembly~~ is receiving a  
21 retirement annuity or retirement pension under that system or  
22 fund and becomes a member or participant under ~~accepts~~  
23 ~~employment in a position covered under the same Article or any~~  
24 other system or fund created by ~~Article of~~ this Code and is  
25 employed on a full-time basis, except for those members or  
26 participants exempted from the provisions of this Section under

1 subsection (a) of this Section, then the person's retirement  
2 annuity or retirement pension under that system or fund shall  
3 be suspended during that employment. Upon termination of that  
4 employment, the person's retirement annuity or retirement  
5 pension payments shall resume and, ~~if appropriate,~~ be  
6 recalculated if recalculation is provided for under the  
7 applicable Article provisions of this Code.

8 (i) Notwithstanding any other provision of this Section, a  
9 person who first becomes a participant of the retirement system  
10 established under Article 15 on or after January 1, 2011 ~~the~~  
11 ~~effective date of this amendatory Act of the 96th General~~  
12 ~~Assembly~~ shall have the option to enroll in the self-managed  
13 plan created under Section 15-158.2 of this Code.

14 (j) In the case of a conflict between the provisions of  
15 this Section and any other provision of this Code, the  
16 provisions of this Section shall control.

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

18 (40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)

19 (Text of Section after amendment by P.A. 96-889)

20 Sec. 2-108.1. Highest salary for annuity purposes.

21 (a) "Highest salary for annuity purposes" means whichever  
22 of the following is applicable to the participant:

23 For a participant who first becomes a participant of this  
24 System before August 10, 2009 (the effective date of Public Act  
25 96-207):

1           (1) For a participant who is a member of the General  
2 Assembly on his or her last day of service: the highest  
3 salary that is prescribed by law, on the participant's last  
4 day of service, for a member of the General Assembly who is  
5 not an officer; plus, if the participant was elected or  
6 appointed to serve as an officer of the General Assembly  
7 for 2 or more years and has made contributions as required  
8 under subsection (d) of Section 2-126, the highest  
9 additional amount of compensation prescribed by law, at the  
10 time of the participant's service as an officer, for  
11 members of the General Assembly who serve in that office.

12           (2) For a participant who holds one of the State  
13 executive offices specified in Section 2-105 on his or her  
14 last day of service: the highest salary prescribed by law  
15 for service in that office on the participant's last day of  
16 service.

17           (3) For a participant who is Clerk or Assistant Clerk  
18 of the House of Representatives or Secretary or Assistant  
19 Secretary of the Senate on his or her last day of service:  
20 the salary received for service in that capacity on the  
21 last day of service, but not to exceed the highest salary  
22 (including additional compensation for service as an  
23 officer) that is prescribed by law on the participant's  
24 last day of service for the highest paid officer of the  
25 General Assembly.

26           (4) For a participant who is a continuing participant



1 under Section 2-117.1 on his or her last day of service:  
2 the salary received for service in that capacity on the  
3 last day of service, but not to exceed the highest salary  
4 (including additional compensation for service as an  
5 officer) that is prescribed by law on the participant's  
6 last day of service for the highest paid officer of the  
7 General Assembly.

8 For a participant who first becomes a participant of this  
9 System on or after August 10, 2009 (the effective date of  
10 Public Act 96-207) and before January 1, 2011 (the effective  
11 date of Public Act 96-889) ~~this amendatory Act of the 96th~~  
12 ~~General Assembly~~, the average monthly salary obtained by  
13 dividing the total salary of the participant during the period  
14 of: (1) the 48 consecutive months of service within the last  
15 120 months of service in which the total compensation was the  
16 highest, or (2) the total period of service, if less than 48  
17 months, by the number of months of service in that period.

18 For a participant who first becomes a participant of this  
19 System on or after January 1, 2011 (the effective date of  
20 Public Act 96-889) ~~this amendatory Act of the 96th General~~  
21 ~~Assembly~~, the average monthly salary obtained by dividing the  
22 total salary of the participant during the 96 consecutive  
23 months of service within the last 120 months of service in  
24 which the total compensation was the highest by the number of  
25 months of service in that period; however, beginning January 1,  
26 2011, the highest salary for annuity purposes may not exceed

1 \$106,800, except that that amount shall annually thereafter be  
2 increased by the lesser of (i) 3% of that amount, including all  
3 previous adjustments, or (ii) the annual unadjusted percentage  
4 increase (but not less than zero) ~~the Social Security Covered~~  
5 Wage Base for 2010, and shall automatically be increased or  
6 decreased, as applicable, by a percentage equal to the  
7 percentage change in the consumer price index-u for the 12  
8 months ending with the September preceding each November 1  
9 during the preceding 12 month calendar year. "Consumer price  
10 index-u" means the index published by the Bureau of Labor  
11 Statistics of the United States Department of Labor that  
12 measures the average change in prices of goods and services  
13 purchased by all urban consumers, United States city average,  
14 all items, 1982-84 = 100. The new amount resulting from each  
15 annual adjustment shall be determined by the Public Pension  
16 Division of the Department of Insurance and made available to  
17 the Board by November 1 of each year.

18 (b) The earnings limitations of subsection (a) apply to  
19 earnings under any other participating system under the  
20 Retirement Systems Reciprocal Act that are considered in  
21 calculating a proportional annuity under this Article, except  
22 in the case of a person who first became a member of this  
23 System before August 22, 1994.

24 (c) In calculating the subsection (a) earnings limitation  
25 to be applied to earnings under any other participating system  
26 under the Retirement Systems Reciprocal Act for the purpose of

1 calculating a proportional annuity under this Article, the  
2 participant's last day of service shall be deemed to mean the  
3 last day of service in any participating system from which the  
4 person has applied for a proportional annuity under the  
5 Retirement Systems Reciprocal Act.

6 (Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11.)

7 (40 ILCS 5/2-119) (from Ch. 108 1/2, par. 2-119)

8 (Text of Section after amendment by P.A. 96-889)

9 Sec. 2-119. Retirement annuity - conditions for  
10 eligibility.

11 (a) A participant whose service as a member is terminated,  
12 regardless of age or cause, is entitled to a retirement annuity  
13 beginning on the date specified by the participant in a written  
14 application subject to the following conditions:

15 1. The date the annuity begins does not precede the  
16 date of final termination of service, or is not more than  
17 30 days before the receipt of the application by the board  
18 in the case of annuities based on disability or one year  
19 before the receipt of the application in the case of  
20 annuities based on attained age;

21 2. The participant meets one of the following  
22 eligibility requirements:

23 For a participant who first becomes a participant of  
24 this System before January 1, 2011 (the effective date of  
25 Public Act 96-889) ~~this amendatory Act of the 96th General~~

1 ~~Assembly:~~

2 (A) He or she has attained age 55 and has at least  
3 8 years of service credit;

4 (B) He or she has attained age 62 and terminated  
5 service after July 1, 1971 with at least 4 years of  
6 service credit; or

7 (C) He or she has completed 8 years of service and  
8 has become permanently disabled and as a consequence,  
9 is unable to perform the duties of his or her office.

10 For a participant who first becomes a participant of  
11 this System on or after January 1, 2011 (the effective date  
12 of Public Act 96-889) ~~this amendatory Act of the 96th~~  
13 ~~General Assembly~~, he or she has attained age 67 and has at  
14 least 8 years of service credit.

15 (a-5) A participant who first becomes a participant of this  
16 System on or after January 1, 2011 (the effective date of  
17 Public Act 96-889) ~~this amendatory Act of the 96th General~~  
18 ~~Assembly~~ who has attained age 62 and has at least 8 years of  
19 service credit may elect to receive the lower retirement  
20 annuity provided in paragraph (c) of Section 2-119.01 of this  
21 Code.

22 (b) A participant shall be considered permanently disabled  
23 only if: (1) disability occurs while in service and is of such  
24 a nature as to prevent him or her from reasonably performing  
25 the duties of his or her office at the time; and (2) the board  
26 has received a written certificate by at least 2 licensed

1 physicians appointed by the board stating that the member is  
2 disabled and that the disability is likely to be permanent.

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

4 (40 ILCS 5/2-119.01) (from Ch. 108 1/2, par. 2-119.01)

5 (Text of Section after amendment by P.A. 96-889)

6 Sec. 2-119.01. Retirement annuities - Amount.

7 (a) For a participant in service after June 30, 1977 who  
8 has not made contributions to this System after January 1,  
9 1982, the annual retirement annuity is 3% for each of the first  
10 8 years of service, plus 4% for each of the next 4 years of  
11 service, plus 5% for each year of service in excess of 12  
12 years, based on the participant's highest salary for annuity  
13 purposes. The maximum retirement annuity payable shall be 80%  
14 of the participant's highest salary for annuity purposes.

15 (b) For a participant in service after June 30, 1977 who  
16 has made contributions to this System on or after January 1,  
17 1982, the annual retirement annuity is 3% for each of the first  
18 4 years of service, plus 3 1/2% for each of the next 2 years of  
19 service, plus 4% for each of the next 2 years of service, plus  
20 4 1/2% for each of the next 4 years of service, plus 5% for each  
21 year of service in excess of 12 years, of the participant's  
22 highest salary for annuity purposes. The maximum retirement  
23 annuity payable shall be 85% of the participant's highest  
24 salary for annuity purposes.

25 (c) Notwithstanding any other provision of this Article,

1 for a participant who first becomes a participant on or after  
2 January 1, 2011 (the effective date of Public Act 96-889) ~~this~~  
3 ~~amendatory Act of the 96th General Assembly~~, the annual  
4 retirement annuity is 3% of the participant's highest salary  
5 for annuity purposes for each year of service. The maximum  
6 retirement annuity payable shall be 60% of the participant's  
7 highest salary for annuity purposes.

8 (d) Notwithstanding any other provision of this Article,  
9 for a participant who first becomes a participant on or after  
10 January 1, 2011 (the effective date of Public Act 96-889) ~~this~~  
11 ~~amendatory Act of the 96th General Assembly~~ and who is retiring  
12 after attaining age 62 with at least 8 years of service credit,  
13 the retirement annuity shall be reduced by one-half of 1% for  
14 each month that the member's age is under age 67.

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

16 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

17 (Text of Section after amendment by P.A. 96-889)

18 Sec. 2-119.1. Automatic increase in retirement annuity.

19 (a) A participant who retires after June 30, 1967, and who  
20 has not received an initial increase under this Section before  
21 the effective date of this amendatory Act of 1991, shall, in  
22 January or July next following the first anniversary of  
23 retirement, whichever occurs first, and in the same month of  
24 each year thereafter, but in no event prior to age 60, have the  
25 amount of the originally granted retirement annuity increased

1 as follows: for each year through 1971, 1 1/2%; for each year  
2 from 1972 through 1979, 2%; and for 1980 and each year  
3 thereafter, 3%. Annuitants who have received an initial  
4 increase under this subsection prior to the effective date of  
5 this amendatory Act of 1991 shall continue to receive their  
6 annual increases in the same month as the initial increase.

7 (b) Beginning January 1, 1990, for eligible participants  
8 who remain in service after attaining 20 years of creditable  
9 service, the 3% increases provided under subsection (a) shall  
10 begin to accrue on the January 1 next following the date upon  
11 which the participant (1) attains age 55, or (2) attains 20  
12 years of creditable service, whichever occurs later, and shall  
13 continue to accrue while the participant remains in service;  
14 such increases shall become payable on January 1 or July 1,  
15 whichever occurs first, next following the first anniversary of  
16 retirement. For any person who has service credit in the System  
17 for the entire period from January 15, 1969 through December  
18 31, 1992, regardless of the date of termination of service, the  
19 reference to age 55 in clause (1) of this subsection (b) shall  
20 be deemed to mean age 50.

21 This subsection (b) does not apply to any person who first  
22 becomes a member of the System after the effective date of this  
23 amendatory Act of the 93rd General Assembly.

24 (b-5) Notwithstanding any other provision of this Article,  
25 a participant who first becomes a participant on or after  
26 January 1, 2011 (the effective date of Public Act 96-889) ~~this~~

1 ~~amendatory Act of the 96th General Assembly~~ shall, in January  
2 or July next following the first anniversary of retirement,  
3 whichever occurs first, and in the same month of each year  
4 thereafter, but in no event prior to age 67, have the amount of  
5 the retirement annuity then being paid increased by 3% or the  
6 annual unadjusted percentage increase ~~change~~ in the Consumer  
7 Price Index for All Urban Consumers as determined by the Public  
8 Pension Division of the Department of Insurance under  
9 subsection (a) of Section 2-108.1, whichever is less.

10 (c) The foregoing provisions relating to automatic  
11 increases are not applicable to a participant who retires  
12 before having made contributions (at the rate prescribed in  
13 Section 2-126) for automatic increases for less than the  
14 equivalent of one full year. However, in order to be eligible  
15 for the automatic increases, such a participant may make  
16 arrangements to pay to the system the amount required to bring  
17 the total contributions for the automatic increase to the  
18 equivalent of one year's contributions based upon his or her  
19 last salary.

20 (d) A participant who terminated service prior to July 1,  
21 1967, with at least 14 years of service is entitled to an  
22 increase in retirement annuity beginning January, 1976, and to  
23 additional increases in January of each year thereafter.

24 The initial increase shall be 1 1/2% of the originally  
25 granted retirement annuity multiplied by the number of full  
26 years that the annuitant was in receipt of such annuity prior



1 to January 1, 1972, plus 2% of the originally granted  
2 retirement annuity for each year after that date. The  
3 subsequent annual increases shall be at the rate of 2% of the  
4 originally granted retirement annuity for each year through  
5 1979 and at the rate of 3% for 1980 and thereafter.

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

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

12 (40 ILCS 5/2-121.1) (from Ch. 108 1/2, par. 2-121.1)

13 (Text of Section after amendment by P.A. 96-889)

14 Sec. 2-121.1. Survivor's annuity - amount.

15 (a) A surviving spouse shall be entitled to 66 2/3% of the  
16 amount of retirement annuity to which the participant or  
17 annuitant was entitled on the date of death, without regard to  
18 whether the participant had attained age 55 prior to his or her  
19 death, subject to a minimum payment of 10% of salary. If a  
20 surviving spouse, regardless of age, has in his or her care at  
21 the date of death any eligible child or children of the  
22 participant, the survivor's annuity shall be the greater of the  
23 following: (1) 66 2/3% of the amount of retirement annuity to  
24 which the participant or annuitant was entitled on the date of  
25 death, or (2) 30% of the participant's salary increased by 10%

1 of salary on account of each such child, subject to a total  
2 payment for the surviving spouse and children of 50% of salary.  
3 If eligible children survive but there is no surviving spouse,  
4 or if the surviving spouse dies or becomes disqualified by  
5 remarriage while eligible children survive, each eligible  
6 child shall be entitled to an annuity of 20% of salary, subject  
7 to a maximum total payment for all such children of 50% of  
8 salary.

9 However, the survivor's annuity payable under this Section  
10 shall not be less than 100% of the amount of retirement annuity  
11 to which the participant or annuitant was entitled on the date  
12 of death, if he or she is survived by a dependent disabled  
13 child.

14 The salary to be used for determining these benefits shall  
15 be the salary used for determining the amount of retirement  
16 annuity as provided in Section 2-119.01.

17 (b) Upon the death of a participant after the termination  
18 of service or upon death of an annuitant, the maximum total  
19 payment to a surviving spouse and eligible children, or to  
20 eligible children alone if there is no surviving spouse, shall  
21 be 75% of the retirement annuity to which the participant or  
22 annuitant was entitled, unless there is a dependent disabled  
23 child among the survivors.

24 (c) When a child ceases to be an eligible child, the  
25 annuity to that child, or to the surviving spouse on account of  
26 that child, shall thereupon cease, and the annuity payable to

1 the surviving spouse or other eligible children shall be  
2 recalculated if necessary.

3 Upon the ineligibility of the last eligible child, the  
4 annuity shall immediately revert to the amount payable upon  
5 death of a participant or annuitant who leaves no eligible  
6 children. If the surviving spouse is then under age 50, the  
7 annuity as revised shall be deferred until the attainment of  
8 age 50.

9 (d) Beginning January 1, 1990, every survivor's annuity  
10 shall be increased (1) on each January 1 occurring on or after  
11 the commencement of the annuity if the deceased member died  
12 while receiving a retirement annuity, or (2) in other cases, on  
13 each January 1 occurring on or after the first anniversary of  
14 the commencement of the annuity, by an amount equal to 3% of  
15 the current amount of the annuity, including any previous  
16 increases under this Article. Such increases shall apply  
17 without regard to whether the deceased member was in service on  
18 or after the effective date of this amendatory Act of 1991, but  
19 shall not accrue for any period prior to January 1, 1990.

20 (d-5) Notwithstanding any other provision of this Article,  
21 the initial survivor's annuity of a survivor of a participant  
22 who first becomes a participant on or after January 1, 2011  
23 (the effective date of Public Act 96-889) ~~this amendatory Act~~  
24 ~~of the 96th General Assembly~~ shall be in the amount of 66 2/3%  
25 of the amount of the retirement annuity to which the  
26 participant or annuitant was entitled on the date of death and

1 shall be increased (1) on each January 1 occurring on or after  
2 the commencement of the annuity if the deceased member died  
3 while receiving a retirement annuity or (2) in other cases, on  
4 each January 1 occurring on or after the first anniversary of  
5 the commencement of the annuity, by an amount equal to 3% or  
6 the annual unadjusted percentage increase ~~change~~ in the  
7 Consumer Price Index for All Urban Consumers as determined by  
8 the Public Pension Division of the Department of Insurance  
9 under subsection (a) of Section 2-108.1, whichever is less, of  
10 the survivor's annuity then being paid.

11 (e) Notwithstanding any other provision of this Article,  
12 beginning January 1, 1990, the minimum survivor's annuity  
13 payable to any person who is entitled to receive a survivor's  
14 annuity under this Article shall be \$300 per month, without  
15 regard to whether or not the deceased participant was in  
16 service on the effective date of this amendatory Act of 1989.

17 (f) In the case of a proportional survivor's annuity  
18 arising under the Retirement Systems Reciprocal Act where the  
19 amount payable by the System on January 1, 1993 is less than  
20 \$300 per month, the amount payable by the System shall be  
21 increased beginning on that date by a monthly amount equal to  
22 \$2 for each full year that has expired since the annuity began.

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

24 (40 ILCS 5/2-122) (from Ch. 108 1/2, par. 2-122)

25 (Text of Section after amendment by P.A. 96-889)

1           Sec. 2-122. Re-entry after retirement. An annuitant who  
2 re-enters service as a member shall become a participant on the  
3 date of re-entry and retirement annuity payments shall cease at  
4 that time. The participant shall resume contributions to the  
5 system on the date of re-entry at the rates then in effect and  
6 shall begin to accrue additional service credit. He or she  
7 shall be entitled to all rights and privileges in the system,  
8 including death and disability benefits, subject to the  
9 limitations herein provided, except refund of retirement  
10 annuity contributions.

11           Upon subsequent retirement, the participant shall be  
12 entitled to a retirement annuity consisting of: (1) the amount  
13 of retirement annuity previously granted and terminated by  
14 re-entry into service; and (2) the amount of additional  
15 retirement annuity earned during the additional service based  
16 on the provisions in effect at the date of such subsequent  
17 retirement. However, the total retirement annuity shall not  
18 exceed the maximum retirement annuity applicable at the date of  
19 the participant's last retirement. If the salary of the  
20 participant following the latest re-entry into service is  
21 higher than that in effect at the date of the previous  
22 retirement and the participant restores to the system all  
23 amounts previously received as retirement annuity payments,  
24 upon subsequent retirement, the retirement annuity shall be  
25 recalculated for all service credited under the system as  
26 though the participant had not previously retired.

1           The repayment of retirement annuity payments must be made  
2 by the participant in a single sum or by a withholding from  
3 salary within a period of 6 years from date of re-entry and in  
4 any event before subsequent retirement. If previous annuity  
5 payments have not been repaid to the system at the date of  
6 death of the participant, any remaining balance must be fully  
7 repaid to the system before any further annuity shall be  
8 payable.

9           Such member, if unmarried at date of his last retirement,  
10 shall also be entitled to a refund of widow's and widower's  
11 annuity contributions, without interest, covering the period  
12 from the date of re-entry into service to the date of last  
13 retirement.

14           Notwithstanding any other provision of this Article, if a  
15 person who first becomes a participant under this System on or  
16 after January 1, 2011 (the effective date of Public Act 96-889)  
17 ~~this amendatory Act of the 96th General Assembly~~ is receiving a  
18 retirement annuity under this Article and becomes a member or  
19 participant ~~accepts employment in a position covered~~ under this  
20 Article or any other Article of this Code and is employed on a  
21 full-time basis, then the person's retirement annuity under  
22 this System shall be suspended during that employment. Upon  
23 termination of that employment, the person's retirement  
24 annuity shall resume and, if appropriate, be recalculated under  
25 the applicable provisions of this Article.

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

1 (40 ILCS 5/2-126) (from Ch. 108 1/2, par. 2-126)

2 Sec. 2-126. Contributions by participants.

3 (a) Each participant shall contribute toward the cost of  
4 his or her retirement annuity a percentage of each payment of  
5 salary received by him or her for service as a member as  
6 follows: for service between October 31, 1947 and January 1,  
7 1959, 5%; for service between January 1, 1959 and June 30,  
8 1969, 6%; for service between July 1, 1969 and January 10,  
9 1973, 6 1/2%; for service after January 10, 1973, 7%; for  
10 service after December 31, 1981, 8 1/2%.

11 (b) Beginning August 2, 1949, each male participant, and  
12 from July 1, 1971, each female participant shall contribute  
13 towards the cost of the survivor's annuity 2% of salary.

14 A participant who has no eligible survivor's annuity  
15 beneficiary may elect to cease making contributions for  
16 survivor's annuity under this subsection. A survivor's annuity  
17 shall not be payable upon the death of a person who has made  
18 this election, unless prior to that death the election has been  
19 revoked and the amount of the contributions that would have  
20 been paid under this subsection in the absence of the election  
21 is paid to the System, together with interest at the rate of 4%  
22 per year from the date the contributions would have been made  
23 to the date of payment.

24 (c) Beginning July 1, 1967, each participant shall  
25 contribute 1% of salary towards the cost of automatic increase

1 in annuity provided in Section 2-119.1. These contributions  
2 shall be made concurrently with contributions for retirement  
3 annuity purposes.

4 (d) In addition, each participant serving as an officer of  
5 the General Assembly shall contribute, for the same purposes  
6 and at the same rates as are required of a regular participant,  
7 on each additional payment received as an officer. If the  
8 participant serves as an officer for at least 2 but less than 4  
9 years, he or she shall contribute an amount equal to the amount  
10 that would have been contributed had the participant served as  
11 an officer for 4 years. Persons who serve as officers in the  
12 87th General Assembly but cannot receive the additional payment  
13 to officers because of the ban on increases in salary during  
14 their terms may nonetheless make contributions based on those  
15 additional payments for the purpose of having the additional  
16 payments included in their highest salary for annuity purposes;  
17 however, persons electing to make these additional  
18 contributions must also pay an amount representing the  
19 corresponding employer contributions, as calculated by the  
20 System.

21 (e) Notwithstanding any other provision of this Article,  
22 the required contribution of a participant who first becomes a  
23 participant on or after January 1, 2011 shall not exceed the  
24 contribution that would be due under this Article if that  
25 participant's highest salary for annuity purposes were  
26 \$106,800, plus any increases in that amount under Section



1 2-108.1.

2 (Source: P.A. 90-766, eff. 8-14-98.)

3 (40 ILCS 5/8-168) (from Ch. 108 1/2, par. 8-168)

4 Sec. 8-168. Refunds - Withdrawal before age 55 or age 62 or  
5 with less than 10 years of service.

6 1. An employee who first became a member before January 1,  
7 2011, without regard to length of service, who withdraws before  
8 age 55, and any employee with less than 10 years of service who  
9 withdraws before age 60, shall be entitled to a refund of the  
10 accumulated sums to his credit, as of the date of withdrawal,  
11 for age and service annuity and widow's annuity from amounts  
12 contributed by him, including interest credited and including  
13 amounts contributed for him for age and service and widow's  
14 annuity purposes by the city while receiving duty disability  
15 benefits; provided that such amounts contributed by the city  
16 after December 31, 1981, while the employee is receiving duty  
17 disability benefits, and amounts credited to the employee for  
18 annuity purposes by the fund after December 31, 2000, while the  
19 employee is receiving ordinary disability benefits, shall not  
20 be credited for refund purposes. If he is a present employee he  
21 shall also be entitled to a refund of the accumulations from  
22 any sums contributed by him, and applied to any municipal  
23 pension fund superseded by this fund.

24 An employee who first becomes a member on or after January  
25 1, 2011 who withdraws before age 62 without regard to length of

1 service, or who withdraws with less than 10 years of service  
2 regardless of age, shall be entitled to a refund of the total  
3 sum accumulated to his credit as of date of withdrawal for age  
4 and service annuity and widow's annuity provided that such  
5 amounts contributed by the city while the employee is receiving  
6 duty disability benefits and amounts credited to the employee  
7 for annuity purposes by the fund while the employee is  
8 receiving ordinary disability benefits shall not be credited  
9 for refund purposes.

10       2. Upon receipt of the refund, the employee surrenders and  
11 forfeits all rights to any annuity or other benefits, for  
12 himself and for any other persons who might have benefited  
13 through him; provided that he may have such period of service  
14 counted in computing the term of his service if he becomes an  
15 employee before age 65, excepting as limited by the provisions  
16 of paragraph (a) (3) of Section 8-232 of this Article relating  
17 to the basis of computing the term of service.

18       3. Any such employee shall retain such right to a refund of  
19 such amounts when he shall apply for same until he re-enters  
20 the service or until the amount of annuity shall have been  
21 fixed as provided in this Article. Thereafter, no such right  
22 shall exist in the case of any such employee.

23       4. Any such municipal employee who shall have served 10 or  
24 more years and who shall not withdraw the amounts aforesaid to  
25 which he shall have a right of refund shall have a right to  
26 annuity as stated in this Article.

1           5. Any such municipal employee who shall have served less  
2 than 10 years and who shall not withdraw the amounts to which  
3 he shall have a right to refund shall have a right to have all  
4 such amounts and all other amounts to his credit for annuity  
5 purposes on date of his withdrawal from service retained to his  
6 credit and improved by interest while he shall be out of the  
7 service at the rate of 3 1/2% or 3% per annum (whichever rate  
8 shall apply under the provisions of Section 8-155 of this  
9 Article) and used for annuity purposes for his benefit and the  
10 benefit of any person who may have any right to annuity through  
11 him because of his service, according to the provisions of this  
12 Article in the event that he shall subsequently re-enter the  
13 service and complete the number of years of service necessary  
14 to attain a right to annuity; but such sum shall be improved by  
15 interest to his credit while he shall be out of the service  
16 only until he shall have become 65 years of age.

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

18           (40 ILCS 5/9-164) (from Ch. 108 1/2, par. 9-164)

19           Sec. 9-164. Refunds - Withdrawal before age 55 or with less  
20 than 10 years of service.

21           (1) An employee, without regard to length of service, who  
22 withdraws before age 55 (age 62 for an employee who first  
23 becomes a member on or after January 1, 2011), and any employee  
24 with less than 10 years of service who withdraws before age 60,  
25 and any employee who first becomes a member on or after January

1 1, 2011 who withdraws with less than 10 years of service, shall  
2 be entitled to a refund of the total sums accumulated to his  
3 credit as of date of withdrawal for age and service annuity and  
4 widow's annuity resulting from amounts contributed by him or by  
5 the county in lieu of employee contributions during duty  
6 disability. If he is a present employee he shall also be  
7 entitled to a refund of the total sum accumulated from any sums  
8 contributed by him and applied to any county pension fund  
9 superseded by this fund. An employee withdrawing on or after  
10 January 1, 1984 may receive a refund only after he has been off  
11 the payroll for at least 30 days during which time he has  
12 received no salary.

13 (2) Upon receipt of the refund, the employee surrenders and  
14 forfeits all rights to any annuity or other benefits for  
15 himself and for any other persons who might have benefited  
16 through him; provided that he may have any such period of  
17 service counted in computing the term of his service - for age  
18 and service annuity purposes only - if he becomes an employee  
19 before age 65, excepting as limited by the provisions of this  
20 Article relating to the basis of computing the term of service.

21 (3) An employee who does not receive a refund shall have  
22 all amounts to his credit for annuity purposes on the date of  
23 his withdrawal improved by interest only until he becomes 65  
24 while out of service at the effective rate for his benefit and  
25 the benefit of any person who may have any right to annuity  
26 through him if he re-enters service and attains a right to

1 annuity.

2 (4) Any such employee shall retain such right to a refund  
3 of such amounts when he shall apply for same until he re-enters  
4 the service or until the amount of annuity shall have been  
5 fixed as provided in this Article. Thereafter, no such right  
6 shall exist in the case of any such employee.

7 (Source: P.A. 83-869.)

8 (40 ILCS 5/9-220) (from Ch. 108 1/2, par. 9-220)

9 Sec. 9-220. Basis of service credit.

10 (a) In computing the period of service of any employee for  
11 annuity purposes under Section 9-134, the following provisions  
12 shall govern:

13 (1) All periods prior to the effective date shall be  
14 computed in accordance with the provisions governing the  
15 computation of such service.

16 (2) Service on or after the effective date shall  
17 include:

18 (i) The actual period of time the employee  
19 contributes or has contributed to the fund for service  
20 rendered to age 65 plus the actual period of time after  
21 age 65 for which the employee performs the duties of  
22 his position or performs such duties and is given a  
23 county contribution for age and service annuity or  
24 minimum annuity purposes.

25 (ii) Leaves of absence from duty, or vacation, for

1           which an employee receives all or part of his salary.

2           (iii) Accumulated vacation or other time for which  
3           an employee who retires on or after November 1, 1990  
4           receives a lump sum payment at the time of retirement,  
5           provided that contributions were made to the fund at  
6           the time such lump sum payment was received. The  
7           service granted for the lump sum payment shall not  
8           change the employee's date of withdrawal for computing  
9           the effective date of the annuity.

10          (iv) Accumulated sick leave as of the date of the  
11          employee's withdrawal from service, not to exceed a  
12          total of 180 days, provided that the amount of such  
13          accumulated sick leave is certified by the County  
14          Comptroller to the Board and the employee pays an  
15          amount equal to 8.5% (9% for members of the County  
16          Police Department who are eligible to receive an  
17          annuity under Section 9-128.1) of the amount that would  
18          have been paid had such accumulated sick leave been  
19          paid at the employee's final rate of salary. Such  
20          payment shall be made within 30 days after the date of  
21          withdrawal and prior to receipt of the first annuity  
22          check. The service credit granted for such accumulated  
23          sick leave shall not change the employee's date of  
24          withdrawal for the purpose of computing the effective  
25          date of the annuity.

26          (v) Periods during which the employee has had

1 contributions for annuity purposes made for him in  
2 accordance with law while on military leave of absence  
3 during World War II.

4 (vi) Periods during which the employee receives a  
5 disability benefit under this Article.

6 (vii) For any person who first becomes a member on  
7 or after January 1, 2011, the actual period of time the  
8 employee contributes or has contributed to the fund for  
9 service rendered up to the limitation on salary in  
10 subsection (b-5) of Section 1-160 plus the actual  
11 period of time thereafter for which the employee  
12 performs the duties of his position and ceased  
13 contributing due to the salary limitation in  
14 subsection (b-5) of Section 1-160.

15 (3) The right to have certain periods of time  
16 considered as service as stated in paragraph (2) of Section  
17 9-164 shall not apply for annuity purposes unless the  
18 refunds shall have been repaid in accordance with this  
19 Article.

20 (4) All service shall be computed in whole calendar  
21 months, and at least 15 days of service in any one calendar  
22 month shall constitute one calendar month of service, and 1  
23 year of service shall be equal to the number of months,  
24 days or hours for which an appropriation was made in the  
25 annual appropriation ordinance for the position held by the  
26 employee.

1 (b) For all other annuity purposes of this Article the  
2 following schedule shall govern the computation of a year of  
3 service of an employee whose salary or wages is on the basis  
4 stated, and any fractional part of a year of service shall be  
5 determined according to said schedule:

6 Annual or Monthly Basis: Service during 4 months in any 1  
7 calendar year;

8 Weekly Basis: Service during any 17 weeks of any 1 calendar  
9 year, and service during any week shall constitute a week of  
10 service;

11 Daily Basis: Service during 100 days in any 1 calendar  
12 year, and service during any day shall constitute a day of  
13 service;

14 Hourly Basis: Service during 800 hours in any 1 calendar  
15 year, and service during any hour shall constitute an hour of  
16 service.

17 (Source: P.A. 86-1488; 87-794.)

18 (40 ILCS 5/11-164) (from Ch. 108 1/2, par. 11-164)

19 Sec. 11-164. Refunds - Withdrawal before age 55 or age 62  
20 or with less than 10 years of service.

21 (1) An employee who first became a member before January 1,  
22 2011, without regard to length of service, who withdraws before  
23 age 55, and any employee with less than 10 years of service who  
24 withdraws before age 60, shall be entitled to a refund of the  
25 total sum accumulated to his credit as of date of withdrawal



1 for age and service annuity and widow's annuity from amounts  
2 contributed by him or by the City in lieu of employee  
3 contributions during duty disability; provided that such  
4 amounts contributed by the city after December 31, 1983 while  
5 the employee is receiving duty disability benefits and amounts  
6 credited to the employee for annuity purposes by the fund after  
7 December 31, 2000 while the employee is receiving ordinary  
8 disability benefits shall not be credited for refund purposes.

9 An employee who first becomes a member on or after January  
10 1, 2011 who withdraws before age 62 without regard to length of  
11 service, or who withdraws with less than 10 years of service  
12 regardless of age, shall be entitled to a refund of the total  
13 sum accumulated to his credit as of date of withdrawal for age  
14 and service annuity and widow's annuity provided that such  
15 amounts contributed by the city while the employee is receiving  
16 duty disability benefits and amounts credited to the employee  
17 for annuity purposes by the fund while the employee is  
18 receiving ordinary disability benefits shall not be credited  
19 for refund purposes.

20 The board may in its discretion withhold payment of refund  
21 for a period not to exceed 6 months from the date of  
22 withdrawal. Interest at the effective rate shall be paid on any  
23 such refund withheld during such withheld period not to exceed  
24 6 months.

25 (2) Upon receipt of the refund, the employee surrenders and  
26 forfeits all rights to any annuity or other benefits, for

1 himself and for any other persons who might have benefited  
2 through him; provided that he may have such period of service  
3 counted in computing the term of his service for age and  
4 service annuity purposes only if he becomes an employee before  
5 age 65.

6 (3) An employee who does not receive a refund shall have  
7 all amounts to his credit for annuity purposes on the date of  
8 his withdrawal improved by interest only until he becomes age  
9 65, while out of service, at the effective rate, for his  
10 benefit and the benefit of any person who may have any right to  
11 annuity through him if he re-enters the service and attains a  
12 right to annuity.

13 (4) Any such employee shall retain such right to refund of  
14 such amounts when he shall apply for same, until he re-enters  
15 the service or until the amount of annuity to which he shall  
16 have a right shall have been fixed as provided in this Article.  
17 Thereafter, no such right shall exist in the case of any such  
18 employee.

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

20 (40 ILCS 5/13-601) (from Ch. 108 1/2, par. 13-601)

21 Sec. 13-601. Refunds.

22 (a) Withdrawal from service. Upon withdrawal from service,  
23 an employee who first became a member before January 1, 2011,  
24 who is under age 55 (age 50 if the employee first entered  
25 service before June 13, 1997), or an employee age 55 (age 50 if

1 the employee first entered service before June 13, 1997) or  
2 over but less than age 60 having less than 20 years of service,  
3 or an employee age 60 or over having less than 5 years of  
4 service shall be entitled, upon application, to a refund of  
5 total contributions from salary deductions or amounts  
6 otherwise paid under this Article by the employee. An employee  
7 who first becomes a member on or after January 1, 2011, who  
8 withdraws before age 62 regardless of length of service, or who  
9 withdraws with less than 10 years of service regardless of age  
10 is entitled to a refund of total contributions from salary  
11 deductions or amounts otherwise paid under this Article by the  
12 employee. The refund shall not include interest credited to the  
13 contributions. The Board may, in its discretion, withhold  
14 payment of a refund for a period not to exceed one year from  
15 the date of filing an application for refund.

16 (b) Surviving spouse's annuity contributions. A refund of  
17 all amounts deducted from salary or otherwise contributed by an  
18 employee for the surviving spouse's annuity shall be paid upon  
19 retirement to any employee who on the date of retirement is  
20 either not married or is married but whose spouse is not  
21 eligible for a surviving spouse's annuity paid wholly or in  
22 part under this Article. The refund shall include interest on  
23 each contribution at the rate of 3% per annum compounded  
24 annually from the date of the contribution to the date of the  
25 refund.

26 (c) Payment of Refunds After Death. Whenever any refund is

1 payable after the death of the employee or annuitant as  
2 provided for in this Article, the refund shall be paid as  
3 follows: to the employee's surviving spouse, but if there is no  
4 surviving spouse then in accordance with the employee's written  
5 designation of beneficiary filed with the Board on the  
6 prescribed form before the employee's death. If there is no  
7 such designation of beneficiary, then to the employee's  
8 surviving children in equal parts to each. If there are no such  
9 children, the refund shall be paid to the heirs of the employee  
10 according to the law of descent and distribution of the State  
11 of Illinois.

12 If a personal representative of the estate has not been  
13 appointed within 90 days from the date on which a refund became  
14 payable, the refund may be applied, in the discretion of the  
15 Board, toward the payment of the employee's or the surviving  
16 spouse's burial expenses. Any remaining balance shall be paid  
17 to the heirs of the employee according to the law of descent  
18 and distribution of the State of Illinois.

19 Whenever the total accumulations to the account of an  
20 employee from employee contributions other than the  
21 contribution for the cost of living increase, including  
22 interest to the employee's date of withdrawal, have not been  
23 paid to the employee and surviving spouse as a retirement or  
24 spouse's annuity before the death of the employee and spouse, a  
25 refund shall be paid as follows: an amount equal to the excess  
26 of such amounts over the amounts paid on such annuities without

1 interest on either such amount.

2 If a reversionary annuity becomes payable under Section  
3 13-303, the refund provided in this section shall not be paid  
4 until the death of the reversionary annuitant and the refund  
5 otherwise payable under this section shall be then further  
6 reduced by the amount of the reversionary annuity paid.

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

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

23 (Source: P.A. 95-586, eff. 8-31-07; 96-251, eff. 8-11-09.)

24 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)

25 Sec. 14-103.05. Employee.

1           (a) Any person employed by a Department who receives salary  
2 for personal services rendered to the Department on a warrant  
3 issued pursuant to a payroll voucher certified by a Department  
4 and drawn by the State Comptroller upon the State Treasurer,  
5 including an elected official described in subparagraph (d) of  
6 Section 14-104, shall become an employee for purpose of  
7 membership in the Retirement System on the first day of such  
8 employment.

9           A person entering service on or after January 1, 1972 and  
10 prior to January 1, 1984 shall become a member as a condition  
11 of employment and shall begin making contributions as of the  
12 first day of employment.

13           A person entering service on or after January 1, 1984  
14 shall, upon completion of 6 months of continuous service which  
15 is not interrupted by a break of more than 2 months, become a  
16 member as a condition of employment. Contributions shall begin  
17 the first of the month after completion of the qualifying  
18 period.

19           A person employed by the Chicago Metropolitan Agency for  
20 Planning on the effective date of this amendatory Act of the  
21 95th General Assembly who was a member of this System as an  
22 employee of the Chicago Area Transportation Study and makes an  
23 election under Section 14-104.13 to participate in this System  
24 for his or her employment with the Chicago Metropolitan Agency  
25 for Planning.

26           The qualifying period of 6 months of service is not

1 applicable to: (1) a person who has been granted credit for  
2 service in a position covered by the State Universities  
3 Retirement System, the Teachers' Retirement System of the State  
4 of Illinois, the General Assembly Retirement System, or the  
5 Judges Retirement System of Illinois unless that service has  
6 been forfeited under the laws of those systems; (2) a person  
7 entering service on or after July 1, 1991 in a noncovered  
8 position; ~~or~~ (3) a person to whom Section 14-108.2a or  
9 14-108.2b applies; or (4) a person to whom subsection (a-5) of  
10 this Section applies.

11 (a-5) A person entering service on or after December 1,  
12 2010 shall become a member as a condition of employment and  
13 shall begin making contributions as of the first day of  
14 employment. A person serving in the qualifying period on  
15 December 1, 2010 will become a member on December 1, 2010 and  
16 shall begin making contributions as of December 1, 2010.

17 (b) The term "employee" does not include the following:

18 (1) members of the State Legislature, and persons  
19 electing to become members of the General Assembly  
20 Retirement System pursuant to Section 2-105;

21 (2) incumbents of offices normally filled by vote of  
22 the people;

23 (3) except as otherwise provided in this Section, any  
24 person appointed by the Governor with the advice and  
25 consent of the Senate unless that person elects to  
26 participate in this system;

1           (3.1) any person serving as a commissioner of an ethics  
2           commission created under the State Officials and Employees  
3           Ethics Act unless that person elects to participate in this  
4           system with respect to that service as a commissioner;

5           (3.2) any person serving as a part-time employee in any  
6           of the following positions: Legislative Inspector General,  
7           Special Legislative Inspector General, employee of the  
8           Office of the Legislative Inspector General, Executive  
9           Director of the Legislative Ethics Commission, or staff of  
10          the Legislative Ethics Commission, regardless of whether  
11          he or she is in active service on or after July 8, 2004  
12          (the effective date of Public Act 93-685), unless that  
13          person elects to participate in this System with respect to  
14          that service; in this item (3.2), a "part-time employee" is  
15          a person who is not required to work at least 35 hours per  
16          week;

17          (3.3) any person who has made an election under Section  
18          1-123 and who is serving either as legal counsel in the  
19          Office of the Governor or as Chief Deputy Attorney General;

20          (4) except as provided in Section 14-108.2 or  
21          14-108.2c, any person who is covered or eligible to be  
22          covered by the Teachers' Retirement System of the State of  
23          Illinois, the State Universities Retirement System, or the  
24          Judges Retirement System of Illinois;

25          (5) an employee of a municipality or any other  
26          political subdivision of the State;



1           (6) any person who becomes an employee after June 30,  
2           1979 as a public service employment program participant  
3           under the Federal Comprehensive Employment and Training  
4           Act and whose wages or fringe benefits are paid in whole or  
5           in part by funds provided under such Act;

6           (7) enrollees of the Illinois Young Adult Conservation  
7           Corps program, administered by the Department of Natural  
8           Resources, authorized grantee pursuant to Title VIII of the  
9           "Comprehensive Employment and Training Act of 1973", 29 USC  
10          993, as now or hereafter amended;

11          (8) enrollees and temporary staff of programs  
12          administered by the Department of Natural Resources under  
13          the Youth Conservation Corps Act of 1970;

14          (9) any person who is a member of any professional  
15          licensing or disciplinary board created under an Act  
16          administered by the Department of Professional Regulation  
17          or a successor agency or created or re-created after the  
18          effective date of this amendatory Act of 1997, and who  
19          receives per diem compensation rather than a salary,  
20          notwithstanding that such per diem compensation is paid by  
21          warrant issued pursuant to a payroll voucher; such persons  
22          have never been included in the membership of this System,  
23          and this amendatory Act of 1987 (P.A. 84-1472) is not  
24          intended to effect any change in the status of such  
25          persons;

26          (10) any person who is a member of the Illinois Health

1 Care Cost Containment Council, and receives per diem  
2 compensation rather than a salary, notwithstanding that  
3 such per diem compensation is paid by warrant issued  
4 pursuant to a payroll voucher; such persons have never been  
5 included in the membership of this System, and this  
6 amendatory Act of 1987 is not intended to effect any change  
7 in the status of such persons;

8 (11) any person who is a member of the Oil and Gas  
9 Board created by Section 1.2 of the Illinois Oil and Gas  
10 Act, and receives per diem compensation rather than a  
11 salary, notwithstanding that such per diem compensation is  
12 paid by warrant issued pursuant to a payroll voucher; or

13 (12) a person employed by the State Board of Higher  
14 Education in a position with the Illinois Century Network  
15 as of June 30, 2004, who remains continuously employed  
16 after that date by the Department of Central Management  
17 Services in a position with the Illinois Century Network  
18 and participates in the Article 15 system with respect to  
19 that employment.

20 (c) An individual who represents or is employed as an  
21 officer or employee of a statewide labor organization that  
22 represents members of this System may participate in the System  
23 and shall be deemed an employee, provided that (1) the  
24 individual has previously earned creditable service under this  
25 Article, (2) the individual files with the System an  
26 irrevocable election to become a participant within 6 months

1 after the effective date of this amendatory Act of the 94th  
2 General Assembly, and (3) the individual does not receive  
3 credit for that employment under any other provisions of this  
4 Code. An employee under this subsection (c) is responsible for  
5 paying to the System both (i) employee contributions based on  
6 the actual compensation received for service with the labor  
7 organization and (ii) employer contributions based on the  
8 percentage of payroll certified by the board; all or any part  
9 of these contributions may be paid on the employee's behalf or  
10 picked up for tax purposes (if authorized under federal law) by  
11 the labor organization.

12 A person who is an employee as defined in this subsection  
13 (c) may establish service credit for similar employment prior  
14 to becoming an employee under this subsection by paying to the  
15 System for that employment the contributions specified in this  
16 subsection, plus interest at the effective rate from the date  
17 of service to the date of payment. However, credit shall not be  
18 granted under this subsection (c) for any such prior employment  
19 for which the applicant received credit under any other  
20 provision of this Code or during which the applicant was on a  
21 leave of absence.

22 (Source: P.A. 94-1111, eff. 2-27-07; 95-677, eff. 10-11-07.)

23 (40 ILCS 5/14-103.10) (from Ch. 108 1/2, par. 14-103.10)

24 Sec. 14-103.10. Compensation.

25 (a) For periods of service prior to January 1, 1978, the

1 full rate of salary or wages payable to an employee for  
2 personal services performed if he worked the full normal  
3 working period for his position, subject to the following  
4 maximum amounts: (1) prior to July 1, 1951, \$400 per month or  
5 \$4,800 per year; (2) between July 1, 1951 and June 30, 1957  
6 inclusive, \$625 per month or \$7,500 per year; (3) beginning  
7 July 1, 1957, no limitation.

8 In the case of service of an employee in a position  
9 involving part-time employment, compensation shall be  
10 determined according to the employees' earnings record.

11 (b) For periods of service on and after January 1, 1978,  
12 all remuneration for personal services performed defined as  
13 "wages" under the Social Security Enabling Act, including that  
14 part of such remuneration which is in excess of any maximum  
15 limitation provided in such Act, and including any benefits  
16 received by an employee under a sick pay plan in effect before  
17 January 1, 1981, but excluding lump sum salary payments:

- 18 (1) for vacation,  
19 (2) for accumulated unused sick leave,  
20 (3) upon discharge or dismissal,  
21 (4) for approved holidays.

22 (c) For periods of service on or after December 16, 1978,  
23 compensation also includes any benefits, other than lump sum  
24 salary payments made at termination of employment, which an  
25 employee receives or is eligible to receive under a sick pay  
26 plan authorized by law.

1 (d) For periods of service after September 30, 1985,  
2 compensation also includes any remuneration for personal  
3 services not included as "wages" under the Social Security  
4 Enabling Act, which is deducted for purposes of participation  
5 in a program established pursuant to Section 125 of the  
6 Internal Revenue Code or its successor laws.

7 (e) For members for which Section 1-160 applies for periods  
8 of service on and after January 1, 2011, all remuneration for  
9 personal services performed defined as "wages" under the Social  
10 Security Enabling Act, excluding remuneration that is in excess  
11 of the annual earnings, salary, or wages of a member or  
12 participant, as provided in subsection (b-5) of Section 1-160,  
13 but including any benefits received by an employee under a sick  
14 pay plan in effect before January 1, 1981. Compensation shall  
15 exclude lump sum salary payments:

16 (1) for vacation;

17 (2) for accumulated unused sick leave;

18 (3) upon discharge or dismissal; and

19 (4) for approved holidays.

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

21 (40 ILCS 5/15-112) (from Ch. 108 1/2, par. 15-112)

22 Sec. 15-112. Final rate of earnings.

23 "Final rate of earnings":

24 (a) This subsection (a) applies only to a person who first  
25 becomes a participant of any system before January 1, 2011.

1 For an employee who is paid on an hourly basis or who  
2 receives an annual salary in installments during 12 months of  
3 each academic year, the average annual earnings during the 48  
4 consecutive calendar month period ending with the last day of  
5 final termination of employment or the 4 consecutive academic  
6 years of service in which the employee's earnings were the  
7 highest, whichever is greater. For any other employee, the  
8 average annual earnings during the 4 consecutive academic years  
9 of service in which his or her earnings were the highest. For  
10 an employee with less than 48 months or 4 consecutive academic  
11 years of service, the average earnings during his or her entire  
12 period of service. The earnings of an employee with more than  
13 36 months of service prior to the date of becoming a  
14 participant are, for such period, considered equal to the  
15 average earnings during the last 36 months of such service.

16 (b) This subsection (b) applies to a person to whom  
17 subsection (a) does not apply.

18 For an employee who is paid on an hourly basis or who  
19 receives an annual salary in installments during 12 months of  
20 each academic year, the average annual earnings obtained by  
21 dividing by 8 the total earnings of the employee during the 96  
22 consecutive months in which the total earnings were the highest  
23 within the last 120 months prior to termination.

24 For any other employee, the average annual earnings during  
25 the 8 consecutive academic years within the 10 years prior to  
26 termination in which the employee's earnings were the highest.

1 For an employee with less than 96 consecutive months or 8  
2 consecutive academic years of service, whichever is necessary,  
3 the average earnings during his or her entire period of  
4 service.

5 (c) For an employee on leave of absence with pay, or on  
6 leave of absence without pay who makes contributions during  
7 such leave, earnings are assumed to be equal to the basic  
8 compensation on the date the leave began.

9 (d) For an employee on disability leave, earnings are  
10 assumed to be equal to the basic compensation on the date  
11 disability occurs or the average earnings during the 24 months  
12 immediately preceding the month in which disability occurs,  
13 whichever is greater.

14 (e) For a participant who retires on or after the effective  
15 date of this amendatory Act of 1997 with at least 20 years of  
16 service as a firefighter or police officer under this Article,  
17 the final rate of earnings shall be the annual rate of earnings  
18 received by the participant on his or her last day as a  
19 firefighter or police officer under this Article, if that is  
20 greater than the final rate of earnings as calculated under the  
21 other provisions of this Section.

22 (f) If a participant to whom subsection (a) of this Section  
23 applies is an employee for at least 6 months during the  
24 academic year in which his or her employment is terminated, the  
25 annual final rate of earnings shall be 25% of the sum of (1)  
26 the annual basic compensation for that year, and (2) the amount

1 earned during the 36 months immediately preceding that year, if  
2 this is greater than the final rate of earnings as calculated  
3 under the other provisions of this Section.

4 (g) In the determination of the final rate of earnings for  
5 an employee, that part of an employee's earnings for any  
6 academic year beginning after June 30, 1997, which exceeds the  
7 employee's earnings with that employer for the preceding year  
8 by more than 20 percent shall be excluded; in the event that an  
9 employee has more than one employer this limitation shall be  
10 calculated separately for the earnings with each employer. In  
11 making such calculation, only the basic compensation of  
12 employees shall be considered, without regard to vacation or  
13 overtime or to contracts for summer employment.

14 (h) The following are not considered as earnings in  
15 determining final rate of earnings: (1) severance or separation  
16 pay, (2) retirement pay, (3) payment for unused sick leave, and  
17 (4) payments from an employer for the period used in  
18 determining final rate of earnings for any purpose other than  
19 (i) services rendered, (ii) leave of absence or vacation  
20 granted during that period, and (iii) vacation of up to 56 work  
21 days allowed upon termination of employment; except that, if  
22 the benefit has been collectively bargained between the  
23 employer and the recognized collective bargaining agent  
24 pursuant to the Illinois Educational Labor Relations Act,  
25 payment received during a period of up to 2 academic years for  
26 unused sick leave may be considered as earnings in accordance



1 with the applicable collective bargaining agreement, subject  
2 to the 20% increase limitation of this Section. Any unused sick  
3 leave considered as earnings under this Section shall not be  
4 taken into account in calculating service credit under Section  
5 15-113.4.

6 (i) Intermittent periods of service shall be considered as  
7 consecutive in determining final rate of earnings.

8 (Source: P.A. 92-599, eff. 6-28-02; 93-347, eff. 7-24-03.)

9 (40 ILCS 5/15-113.6) (from Ch. 108 1/2, par. 15-113.6)

10 Sec. 15-113.6. Service for employment in public schools.  
11 "Service for employment in public schools": Includes those  
12 periods not exceeding the lesser of 10 years or 2/3 of the  
13 service granted under other Sections of this Article dealing  
14 with service credit, during which a person who entered the  
15 system after September 1, 1974 was employed full time by a  
16 public common school, public college and public university, or  
17 by an agency or instrumentality of any of the foregoing, of any  
18 state, territory, dependency or possession of the United States  
19 of America, including the Philippine Islands, or a school  
20 operated by or under the auspices of any agency or department  
21 of any other state, if the person (1) cannot qualify for a  
22 retirement pension or other benefit based upon employer  
23 contributions from another retirement system, exclusive of  
24 federal social security, based in whole or in part upon this  
25 employment, and (2) pays the lesser of (A) an amount equal to

1 8% of his or her annual basic compensation on the date of  
2 becoming a participating employee subsequent to this service  
3 multiplied by the number of years of such service, together  
4 with compound interest from the date participation begins to  
5 the date payment is received by the board at the rate of 6% per  
6 annum through August 31, 1982, and at the effective rates after  
7 that date, and (B) 50% of the actuarial value of the increase  
8 in the retirement annuity provided by this service, and (3)  
9 contributes for at least 5 years subsequent to this employment  
10 to one or more of the following systems: the State Universities  
11 Retirement System, the Teachers' Retirement System of the State  
12 of Illinois, and the Public School Teachers' Pension and  
13 Retirement Fund of Chicago.

14 The service granted under this Section shall not be  
15 considered in determining whether the person has the minimum of  
16 8 years of service required to qualify for a retirement annuity  
17 at age 55 or the 5 years of service required to qualify for a  
18 retirement annuity at age 62, as provided in Section 15-135, or  
19 the 10 years required by subsection (c) of Section 1-160 for a  
20 person who first becomes a participant on or after January 1,  
21 2011. The maximum allowable service of 10 years for this  
22 governmental employment shall be reduced by the service credit  
23 which is validated under paragraph (2) of subsection (b) of  
24 Section 16-127 and paragraph 1 of Section 17-133.

25 (Source: P.A. 95-83, eff. 8-13-07.)

1 (40 ILCS 5/15-134) (from Ch. 108 1/2, par. 15-134)

2 Sec. 15-134. Participant.

3 (a) Each person shall, as a condition of employment, become  
4 a participant and be subject to this Article on the date that  
5 he or she becomes an employee, makes an election to participate  
6 in, or otherwise becomes a participant in one of the retirement  
7 programs offered under this Article, whichever date is later.

8 An employee who becomes a participant shall continue to be  
9 a participant until he or she becomes an annuitant, dies or  
10 accepts a refund of contributions. For purposes of subsection  
11 (f) of Section 1-160, the term "participant" shall include a  
12 person receiving a retirement annuity.

13 (b) A person employed concurrently by 2 or more employers  
14 is eligible to participate in the system on compensation  
15 received from all employers.

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

17 (40 ILCS 5/15-136.3)

18 Sec. 15-136.3. Minimum retirement annuity.

19 (a) Beginning January 1, 1997, any person who is receiving  
20 a monthly retirement annuity under this Article which, after  
21 inclusion of (1) all one-time and automatic annual increases to  
22 which the person is entitled, (2) any supplemental annuity  
23 payable under Section 15-136.1, and (3) any amount deducted  
24 under Section 15-138 or 15-140 to provide a reversionary  
25 annuity, is less than the minimum monthly retirement benefit

1 amount specified in subsection (b) of this Section, shall be  
2 entitled to a monthly supplemental payment equal to the  
3 difference.

4 (b) For purposes of the calculation in subsection (a), the  
5 minimum monthly retirement benefit amount is the sum of \$25 for  
6 each year of service credit, up to a maximum of 30 years of  
7 service.

8 (c) This Section applies to all persons receiving a  
9 retirement annuity under this Article, without regard to  
10 whether or not employment terminated prior to the effective  
11 date of this Section. The annual increase provided in  
12 subsection (e) of Section 1-160 does not apply to any benefit  
13 provided under this Section.

14 (Source: P.A. 89-616, eff. 8-9-96.)

15 (40 ILCS 5/15-146) (from Ch. 108 1/2, par. 15-146)

16 Sec. 15-146. Survivors insurance benefits - Minimum  
17 amounts.

18 (a) The minimum total survivors annuity payable on account  
19 of the death of a participant shall be 50% of the retirement  
20 annuity which would have been provided under Rule 1, Rule 2,  
21 Rule 3, or Rule 5 of Section 15-136 upon the participant's  
22 attainment of the minimum age at which the penalty for early  
23 retirement would not be applicable or the date of the  
24 participant's death, whichever is later, on the basis of  
25 credits earned prior to the time of death.

1           (b) The minimum total survivors annuity payable on account  
2 of the death of an annuitant shall be 50% of the retirement  
3 annuity which is payable under Section 15-136 at the time of  
4 death or 50% of the disability retirement annuity payable under  
5 Section 15-153.2. This minimum survivors annuity shall apply to  
6 each participant and annuitant who dies after September 16,  
7 1979, whether or not his or her employee status terminates  
8 before or after that date.

9           (c) If an annuitant has elected a reversionary annuity, the  
10 retirement annuity referred to in this Section is that which  
11 would have been payable had such election not been filed.

12           (d) Beginning January 1, 2002, any person who is receiving  
13 a survivors annuity under this Article which, after inclusion  
14 of all one-time and automatic annual increases to which the  
15 person is entitled, is less than the sum of \$17.50 for each  
16 year (up to a maximum of 30 years) of the deceased member's  
17 service credit, shall be entitled to a monthly supplemental  
18 payment equal to the difference.

19           If 2 or more persons are receiving survivors annuities  
20 based on the same deceased member, the calculation of the  
21 supplemental payment under this subsection shall be based on  
22 the total of those annuities and divided pro rata. The  
23 supplemental payment is not subject to any limitation on the  
24 maximum amount of the annuity and shall not be included in the  
25 calculation of any automatic annual increase under Section  
26 15-145. The annual increase provided in subsection (f) of

1 Section 1-160 does not apply to any benefit provided under this  
2 subsection.

3 (Source: P.A. 91-887, eff. 7-6-00; 92-749, eff. 8-2-02.)

4 (40 ILCS 5/18-115) (from Ch. 108 1/2, par. 18-115)

5 Sec. 18-115. Beneficiary. "Beneficiary": A surviving  
6 spouse or children eligible for an annuity; or, if no eligible  
7 surviving spouse or children survives, the person or persons  
8 designated by the participant or annuitant in the last written  
9 designation on file with the Board; or, if no person so  
10 designated survives, or if no designation is on file, the  
11 estate of the participant or annuitant. If a special needs  
12 trust as described in Section 1396p(d)(4) of Title 42 of the  
13 United States Code, as amended from time to time, has been  
14 established for a disabled child, then the special needs trust  
15 may stand in lieu of the disabled adult child as a beneficiary  
16 for the purposes of this Article.

17 (Source: P.A. 83-1440.)

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

19 Sec. 18-125. Retirement annuity amount.

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

24 (b) Except as provided in subsection (b-5), effective July

1 1, 1971, the retirement annuity for any participant in service  
2 on or after such date shall be 3 1/2% of final average salary,  
3 as defined in this Section, for each of the first 10 years of  
4 service, and 5% of such final average salary for each year of  
5 service on excess of 10.

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

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

12 (2) for a participant who terminates service after June  
13 30, 1975 and before July 1, 1982, the salary on the last  
14 day of employment as a judge.

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

18 (4) for a participant who terminates service on or  
19 after January 1, 1990 but before the effective date of this  
20 amendatory Act of 1995, the salary on the last day of  
21 employment as a judge.

22 (5) for a participant who terminates service on or  
23 after the effective date of this amendatory Act of 1995,  
24 the salary on the last day of employment as a judge, or the  
25 highest salary received by the participant for employment  
26 as a judge in a position held by the participant for at

1           least 4 consecutive years, whichever is greater.

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

7           For a participant who first serves as a judge on or after  
8           August 10, 2009 (the effective date of Public Act 96-207) and  
9           before January 1, 2011 (the effective date of Public Act  
10          96-889) ~~this amendatory Act of the 96th General Assembly~~, final  
11          average salary shall be the average monthly salary obtained by  
12          dividing the total salary of the participant during the period  
13          of: (1) the 48 consecutive months of service within the last  
14          120 months of service in which the total compensation was the  
15          highest, or (2) the total period of service, if less than 48  
16          months, by the number of months of service in that period.

17          The maximum retirement annuity for any participant shall be  
18          85% of final average salary.

19          (b-5) Notwithstanding any other provision of this Article,  
20          for a participant who first serves as a judge on or after  
21          January 1, 2011 (the effective date of Public Act 96-889) ~~this~~  
22          ~~amendatory Act of the 96th General Assembly~~, the annual  
23          retirement annuity is 3% of the participant's final average  
24          salary for each year of service. The maximum retirement annuity  
25          payable shall be 60% of the participant's final average salary.

26          For a participant who first serves as a judge on or after



1 January 1, 2011 (the effective date of Public Act 96-889) ~~this~~  
2 ~~amendatory Act of the 96th General Assembly,~~ final average  
3 salary shall be the average monthly salary obtained by dividing  
4 the total salary of the judge during the 96 consecutive months  
5 of service within the last 120 months of service in which the  
6 total salary was the highest by the number of months of service  
7 in that period; however, beginning January 1, 2011, the annual  
8 ~~final average~~ salary may not exceed \$106,800, except that that  
9 amount shall annually thereafter be increased by the lesser of  
10 (i) 3% of that amount, including all previous adjustments, or  
11 (ii) the annual unadjusted percentage increase (but not less  
12 than zero) ~~the Social Security Covered Wage Base for 2010, and~~  
13 ~~shall automatically be increased or decreased, as applicable,~~  
14 ~~by a percentage equal to the percentage change in the consumer~~  
15 ~~price index-u for the 12 months ending with the September~~  
16 ~~preceding each November 1 during the preceding 12 month~~  
17 ~~calendar year.~~ "Consumer price index-u" means the index  
18 published by the Bureau of Labor Statistics of the United  
19 States Department of Labor that measures the average change in  
20 prices of goods and services purchased by all urban consumers,  
21 United States city average, all items, 1982-84 = 100. The new  
22 amount resulting from each annual adjustment shall be  
23 determined by the Public Pension Division of the Department of  
24 Insurance and made available to the Board by November 1st of  
25 each year.

26 (c) The retirement annuity for a participant who retires

1 prior to age 60 with less than 28 years of service in the  
2 System shall be reduced 1/2 of 1% for each month that the  
3 participant's age is under 60 years at the time the annuity  
4 commences. However, for a participant who retires on or after  
5 the effective date of this amendatory Act of the 91st General  
6 Assembly, the percentage reduction in retirement annuity  
7 imposed under this subsection shall be reduced by 5/12 of 1%  
8 for every month of service in this System in excess of 20  
9 years, and therefore a participant with at least 26 years of  
10 service in this System may retire at age 55 without any  
11 reduction in annuity.

12 The reduction in retirement annuity imposed by this  
13 subsection shall not apply in the case of retirement on account  
14 of disability.

15 (d) Notwithstanding any other provision of this Article,  
16 for a participant who first serves as a judge on or after  
17 January 1, 2011 (the effective date of Public Act 96-889) ~~this~~  
18 ~~amendatory Act of the 96th General Assembly~~ and who is retiring  
19 after attaining age 62, the retirement annuity shall be reduced  
20 by 1/2 of 1% for each month that the participant's age is under  
21 age 67 at the time the annuity commences.

22 (Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11;  
23 96-1000, eff. 7-2-10.)

24 (40 ILCS 5/18-125.1) (from Ch. 108 1/2, par. 18-125.1)

25 (Text of Section after amendment by P.A. 96-889)

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

10           Notwithstanding any other provision of this Article, a  
11 retirement annuity for a participant who first serves as a  
12 judge on or after January 1, 2011 (the effective date of Public  
13 Act 96-889) ~~this amendatory Act of the 96th General Assembly~~  
14 shall be increased in January of the year next following the  
15 year in which the first anniversary of retirement occurs, but  
16 in no event prior to age 67, and in January of each year  
17 thereafter, by an amount equal to 3% or the annual percentage  
18 increase ~~change~~ in the consumer price index-u as determined by  
19 the Public Pension Division of the Department of Insurance  
20 under subsection (b-5) of Section 18-125 ~~Consumer Price Index~~  
21 ~~for All Urban Consumers~~, whichever is less, of the retirement  
22 annuity then being paid.

23           This Section is not applicable to a participant who retires  
24 before he or she has made contributions at the rate prescribed  
25 in Section 18-133 for automatic increases for not less than the  
26 equivalent of one full year, unless such a participant arranges

1 to pay the system the amount required to bring the total  
2 contributions for the automatic increase to the equivalent of  
3 one year's contribution based upon his or her last year's  
4 salary.

5 This Section is applicable to all participants in service  
6 after June 30, 1969 unless a participant has elected, prior to  
7 September 1, 1969, in a written direction filed with the board  
8 not to be subject to the provisions of this Section. Any  
9 participant in service on or after July 1, 1992 shall have the  
10 option of electing prior to April 1, 1993, in a written  
11 direction filed with the board, to be covered by the provisions  
12 of the 1969 amendatory Act. Such participant shall be required  
13 to make the aforesaid additional contributions with compound  
14 interest at 4% per annum.

15 Any participant who has become eligible to receive the  
16 maximum rate of annuity and who resumes service as a judge  
17 after receiving a retirement annuity under this Article shall  
18 have the amount of his or her retirement annuity increased by  
19 3% of the originally granted annuity amount for each year of  
20 such resumed service, beginning in January of the year next  
21 following the date of such resumed service, upon subsequent  
22 termination of such resumed service.

23 Beginning January 1, 1990, all automatic annual increases  
24 payable under this Section shall be calculated as a percentage  
25 of the total annuity payable at the time of the increase,  
26 including previous increases granted under this Article.

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

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

3 (Text of Section after amendment by P.A. 96-889)

4 Sec. 18-127. Retirement annuity - suspension on  
5 reemployment.

6 (a) A participant receiving a retirement annuity who is  
7 regularly employed for compensation by an employer other than a  
8 county, in any capacity, shall have his or her retirement  
9 annuity payments suspended during such employment. Upon  
10 termination of such employment, retirement annuity payments at  
11 the previous rate shall be resumed.

12 If such a participant resumes service as a judge, he or she  
13 shall receive credit for any additional service. Upon  
14 subsequent retirement, his or her retirement annuity shall be  
15 the amount previously granted, plus the amount earned by the  
16 additional judicial service under the provisions in effect  
17 during the period of such additional service. However, if the  
18 participant was receiving the maximum rate of annuity at the  
19 time of re-employment, he or she may elect, in a written  
20 direction filed with the board, not to receive any additional  
21 service credit during the period of re-employment. In such  
22 case, contributions shall not be required during the period of  
23 re-employment. Any such election shall be irrevocable.

24 (b) Beginning January 1, 1991, any participant receiving a  
25 retirement annuity who accepts temporary employment from an

1 employer other than a county for a period not exceeding 75  
2 working days in any calendar year shall not be deemed to be  
3 regularly employed for compensation or to have resumed service  
4 as a judge for the purposes of this Article. A day shall be  
5 considered a working day if the annuitant performs on it any of  
6 his duties under the temporary employment agreement.

7 (c) Except as provided in subsection (a), beginning January  
8 1, 1993, retirement annuities shall not be subject to  
9 suspension upon resumption of employment for an employer, and  
10 any retirement annuity that is then so suspended shall be  
11 reinstated on that date.

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

16 (e) A participant receiving a retirement annuity under this  
17 Article who serves as a part-time employee in any of the  
18 following positions: Legislative Inspector General, Special  
19 Legislative Inspector General, employee of the Office of the  
20 Legislative Inspector General, Executive Director of the  
21 Legislative Ethics Commission, or staff of the Legislative  
22 Ethics Commission, but has not elected to participate in the  
23 Article 14 System with respect to that service, shall not be  
24 deemed to be regularly employed for compensation by an employer  
25 other than a county, nor to have resumed service as a judge, on  
26 the basis of that service, and the retirement annuity payments

1 and other benefits of that person under this Code shall not be  
2 suspended, diminished, or otherwise impaired solely as a  
3 consequence of that service. This subsection (e) applies  
4 without regard to whether the person is in service as a judge  
5 under this Article on or after the effective date of this  
6 amendatory Act of the 93rd General Assembly. In this  
7 subsection, a "part-time employee" is a person who is not  
8 required to work at least 35 hours per week.

9 (f) A participant receiving a retirement annuity under this  
10 Article who has made an election under Section 1-123 and who is  
11 serving either as legal counsel in the Office of the Governor  
12 or as Chief Deputy Attorney General shall not be deemed to be  
13 regularly employed for compensation by an employer other than a  
14 county, nor to have resumed service as a judge, on the basis of  
15 that service, and the retirement annuity payments and other  
16 benefits of that person under this Code shall not be suspended,  
17 diminished, or otherwise impaired solely as a consequence of  
18 that service. This subsection (f) applies without regard to  
19 whether the person is in service as a judge under this Article  
20 on or after the effective date of this amendatory Act of the  
21 93rd General Assembly.

22 (g) Notwithstanding any other provision of this Article, if  
23 a person who first becomes a participant under this System on  
24 or after January 1, 2011 (the effective date of this amendatory  
25 Act of the 96th General Assembly) is receiving a retirement  
26 annuity under this Article and becomes a member or participant

1 ~~accepts employment in a position covered~~ under this Article or  
2 any other Article of this Code and is employed on a full-time  
3 basis, then the person's retirement annuity under this System  
4 shall be suspended during that employment. Upon termination of  
5 that employment, the person's retirement annuity shall resume  
6 and, if appropriate, be recalculated under the applicable  
7 provisions of this Article.

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

9 (40 ILCS 5/18-128.01) (from Ch. 108 1/2, par. 18-128.01)

10 (Text of Section after amendment by P.A. 96-889)

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

12 (a) Upon the death of an annuitant, his or her surviving  
13 spouse shall be entitled to a survivor's annuity of 66 2/3% of  
14 the annuity the annuitant was receiving immediately prior to  
15 his or her death, inclusive of annual increases in the  
16 retirement annuity to the date of death.

17 (b) Upon the death of an active participant, his or her  
18 surviving spouse shall receive a survivor's annuity of 66 2/3%  
19 of the annuity earned by the participant as of the date of his  
20 or her death, determined without regard to whether the  
21 participant had attained age 60 as of that time, or 7 1/2% of  
22 the last salary of the decedent, whichever is greater.

23 (c) Upon the death of a participant who had terminated  
24 service with at least 10 years of service, his or her surviving  
25 spouse shall be entitled to a survivor's annuity of 66 2/3% of



1 the annuity earned by the deceased participant at the date of  
2 death.

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

14 (e) The changes made in the survivor's annuity provisions  
15 by Public Act 82-306 shall apply to the survivors of a deceased  
16 participant or annuitant whose death occurs on or after August  
17 21, 1981.

18 (f) Beginning January 1, 1990, every survivor's annuity  
19 shall be increased (1) on each January 1 occurring on or after  
20 the commencement of the annuity if the deceased member died  
21 while receiving a retirement annuity, or (2) in other cases, on  
22 each January 1 occurring on or after the first anniversary of  
23 the commencement of the annuity, by an amount equal to 3% of  
24 the current amount of the annuity, including any previous  
25 increases under this Article. Such increases shall apply  
26 without regard to whether the deceased member was in service on

1 or after the effective date of this amendatory Act of 1991, but  
2 shall not accrue for any period prior to January 1, 1990.

3 (g) Notwithstanding any other provision of this Article,  
4 the initial survivor's annuity for a survivor of a participant  
5 who first serves as a judge after January 1, 2011 (the  
6 effective date of Public Act 96-889) ~~this amendatory Act of the~~  
7 ~~96th General Assembly~~ shall be in the amount of 66 2/3% of the  
8 annuity received or earned by the decedent, and shall be  
9 increased (1) on each January 1 occurring on or after the  
10 commencement of the annuity if the deceased participant died  
11 while receiving a retirement annuity, or (2) in other cases, on  
12 each January 1 occurring on or after the first anniversary of  
13 the commencement of the annuity, but in no event prior to age  
14 67, by an amount equal to 3% or the annual unadjusted  
15 percentage increase ~~change~~ in the consumer price index-u as  
16 determined by the Public Pension Division of the Department of  
17 Insurance under subsection (b-5) of Section 18-125 Consumer  
18 ~~Price Index for All Urban Consumers~~, whichever is less, of the  
19 survivor's annuity then being paid.

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

21 (40 ILCS 5/18-133) (from Ch. 108 1/2, par. 18-133)

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

23 (a) Effective July 1, 1967, each participant is required to  
24 contribute 7 1/2% of each payment of salary toward the  
25 retirement annuity. Such contributions shall continue during

1 the entire time the participant is in service, with the  
2 following exceptions:

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

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

22 (3) A participant who (i) has attained age 60, (ii)  
23 continues to serve as a judge after becoming eligible to  
24 receive the maximum rate of annuity, and (iii) has not  
25 elected to discontinue contributing to the System under  
26 subdivision (a) (2) of this Section (or has revoked any such

1 election) may elect, through a written direction filed with  
2 the Board, to make contributions to the System based only  
3 on the amount of the increases in salary received by the  
4 judge on or after the date of the election, rather than the  
5 total salary received. If a judge who is making  
6 contributions to the System on the effective date of this  
7 amendatory Act of the 91st General Assembly makes an  
8 election to limit contributions under this subdivision  
9 (a)(3) within 90 days after that effective date, the  
10 election shall be deemed to become effective on that  
11 effective date and the judge shall be entitled to receive a  
12 refund of any excess contributions paid to the System  
13 during that 90-day period; any other election under this  
14 subdivision (a)(3) becomes effective on the first of the  
15 month following the date of the election. An election to  
16 limit contributions under this subdivision (a)(3) is  
17 irrevocable. Service credits earned in any other  
18 participating system as defined in Article 20 of this Code  
19 shall be considered for purposes of determining a judge's  
20 eligibility to make an election under this subdivision  
21 (a)(3).

22 (b) Beginning July 1, 1969, each participant is required to  
23 contribute 1% of each payment of salary towards the automatic  
24 increase in annuity provided in Section 18-125.1. However, such  
25 contributions need not be made by any participant who has  
26 elected prior to September 15, 1969, not to be subject to the

1 automatic increase in annuity provisions.

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

8 (d) Notwithstanding any other provision of this Article,  
9 the required contributions for a participant who first becomes  
10 a participant on or after January 1, 2011 shall not exceed the  
11 contributions that would be due under this Article if that  
12 participant's highest salary for annuity purposes were  
13 \$106,800, plus any increase in that amount under Section  
14 18-125.

15 (Source: P.A. 91-653, eff. 12-10-99.)

16 Section 95. No acceleration or delay. Where this Act makes  
17 changes in a statute that is represented in this Act by text  
18 that is not yet or no longer in effect (for example, a Section  
19 represented by multiple versions), the use of that text does  
20 not accelerate or delay the taking effect of (i) the changes  
21 made by this Act or (ii) provisions derived from any other  
22 Public Act.

23 Section 99. Effective date. This Act takes effect January  
24 1, 2011.