



Sen. Christine Radogno

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LRB096 16994 AMC 38324 a

1 AMENDMENT TO SENATE BILL 2825

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2825 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. If and only if each of the State retirement  
5 systems has been appropriated the amount of the State  
6 contribution that would have been required under the Illinois  
7 Pension Code as the Illinois Pension Code existed on February  
8 1, 2010 for fiscal year 2011 and for each subsequent fiscal  
9 year, then the Illinois Pension Code is amended by adding  
10 Section 1-155 and by changing Sections 2-108.1, 2-119,  
11 2-119.01, 2-119.1, 2-121.1, 14-103.12, 14-107, 14-108, 14-110,  
12 14-114, 14-115, 14-119, 14-121, 14-125.1, 14-128, 15-112,  
13 15-135, 15-136, 15-145, 15-153.3, 16-132, 16-133, 16-133.1,  
14 16-143.1, 16-149.5, 17-116, 17-116.1, 17-119, 17-122, 18-124,  
15 18-125, 18-125.1, and 18-128.01 as follows:

16 (40 ILCS 5/1-155 new)

1       Sec. 1-155. Limitations on public pensions.

2       (a) Notwithstanding any other provision of this Code, a  
3 person who first becomes a member of a retirement system or  
4 pension fund under this Code after the effective date of this  
5 Section may only receive a retirement annuity or retirement  
6 pension under one Article of this Code. If the person who is a  
7 member of a retirement system or pension fund under an Article  
8 of this Code accepts employment in a position covered under  
9 another Article of this Code, then the person must, at the time  
10 of subsequent employment, elect not to participate under that  
11 Article.

12       Notwithstanding any other provision of this Code, the  
13 Retirement Systems Reciprocal Act under Article 20 of this Code  
14 does not apply to a person who first becomes a member of a  
15 retirement system or pension fund under this Code after the  
16 effective date of this Section.

17       (b) Notwithstanding any other provision of this Code, if a  
18 person who first becomes a member of a retirement system or  
19 pension fund under this Code after the effective date of this  
20 Section is receiving a retirement annuity or retirement pension  
21 under any provision of this Code and accepts employment in a  
22 position covered under the same Article of this Code on a  
23 full-time basis, then the person's retirement annuity or  
24 retirement pension shall be suspended during that employment.  
25 Upon termination of that employment, the person's retirement  
26 annuity or retirement pension payments shall resume and, if

1 appropriate, be recalculated under the applicable provisions  
2 of this Code.

3 (40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)

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

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

7 For a participant who first becomes a participant of this  
8 System before August 10, 2009 (the effective date of Public Act  
9 96-207) ~~this amendatory Act of the 96th General Assembly:~~

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

21 (2) For a participant who holds one of the State  
22 executive offices specified in Section 2-105 on his or her  
23 last day of service: the highest salary prescribed by law  
24 for service in that office on the participant's last day of  
25 service.

1           (3) For a participant who is Clerk or Assistant Clerk  
2 of the House of Representatives or Secretary or Assistant  
3 Secretary of the Senate on his or her last day of service:  
4 the salary received for service in that capacity on the  
5 last day of service, but not to exceed the highest salary  
6 (including additional compensation for service as an  
7 officer) that is prescribed by law on the participant's  
8 last day of service for the highest paid officer of the  
9 General Assembly.

10           (4) For a participant who is a continuing participant  
11 under Section 2-117.1 on his or her last day of service:  
12 the salary received for service in that capacity on the  
13 last day of service, but not to exceed the highest salary  
14 (including additional compensation for service as an  
15 officer) that is prescribed by law on the participant's  
16 last day of service for the highest paid officer of the  
17 General Assembly.

18           For a participant who first becomes a participant of this  
19 System on or after August 10, 2009 (the effective date of  
20 Public Act 96-207) and before the effective date of this  
21 amendatory Act of the 96th General Assembly ~~this amendatory Act~~  
22 ~~of the 96th General Assembly~~, the average monthly salary  
23 obtained by dividing the total salary of the participant during  
24 the period of: (1) the 48 consecutive months of service within  
25 the last 120 months of service in which the total compensation  
26 was the highest, or (2) the total period of service, if less

1 than 48 months, by the number of months of service in that  
2 period.

3 For a participant who first becomes a participant of this  
4 System on or after July 1, 2010, the average monthly salary  
5 obtained by dividing the total salary of the participant during  
6 the 96 consecutive months of service within the last 120 months  
7 of service in which the total compensation was the highest by  
8 the number of months of service in that period.

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

15 (c) In calculating the subsection (a) earnings limitation  
16 to be applied to earnings under any other participating system  
17 under the Retirement Systems Reciprocal Act for the purpose of  
18 calculating a proportional annuity under this Article, the  
19 participant's last day of service shall be deemed to mean the  
20 last day of service in any participating system from which the  
21 person has applied for a proportional annuity under the  
22 Retirement Systems Reciprocal Act.

23 (Source: P.A. 96-207, eff. 8-10-09.)

24 (40 ILCS 5/2-119) (from Ch. 108 1/2, par. 2-119)

25 Sec. 2-119. Retirement annuity - conditions for

1 eligibility.

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

6 1. The date the annuity begins does not precede the  
7 date of final termination of service, or is not more than  
8 30 days before the receipt of the application by the board  
9 in the case of annuities based on disability or one year  
10 before the receipt of the application in the case of  
11 annuities based on attained age;

12 2. The participant meets one of the following  
13 eligibility requirements:

14 For a participant who first becomes a participant of  
15 this System before July 1, 2010:

16 (A) He or she has attained age 55 and has at least  
17 8 years of service credit;

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

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

24 For a participant who first becomes a participant of  
25 this System on or after July 1, 2010:

26 (A) he or she has attained age 67 with at least 10

1           years of service credit; or

2           (B) he or she has attained age 62 with at least 35  
3           years of service credit.

4           (a-5) A participant who first becomes a participant of this  
5           System on or after July 1, 2010 and who has attained age 62 and  
6           has at least 10 years of service credit may elect to receive  
7           the lower retirement annuity provided in paragraph (c) of  
8           Section 2-119.01 of this Code.

9           (b) A participant shall be considered permanently disabled  
10          only if: (1) disability occurs while in service and is of such  
11          a nature as to prevent him or her from reasonably performing  
12          the duties of his or her office at the time; and (2) the board  
13          has received a written certificate by at least 2 licensed  
14          physicians appointed by the board stating that the member is  
15          disabled and that the disability is likely to be permanent.

16          (Source: P.A. 83-1440.)

17                 (40 ILCS 5/2-119.01) (from Ch. 108 1/2, par. 2-119.01)

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

19                 (a) For a participant in service after June 30, 1977 who  
20                 has not made contributions to this System after January 1,  
21                 1982, the annual retirement annuity is 3% for each of the first  
22                 8 years of service, plus 4% for each of the next 4 years of  
23                 service, plus 5% for each year of service in excess of 12  
24                 years, based on the participant's highest salary for annuity  
25                 purposes. The maximum retirement annuity payable shall be 80%

1 of the participant's highest salary for annuity purposes.

2 (b) For a participant in service after June 30, 1977 who  
3 has made contributions to this System on or after January 1,  
4 1982, the annual retirement annuity is 3% for each of the first  
5 4 years of service, plus 3 1/2% for each of the next 2 years of  
6 service, plus 4% for each of the next 2 years of service, plus  
7 4 1/2% for each of the next 4 years of service, plus 5% for each  
8 year of service in excess of 12 years, of the participant's  
9 highest salary for annuity purposes. The maximum retirement  
10 annuity payable shall be 85% of the participant's highest  
11 salary for annuity purposes.

12 (c) Notwithstanding any other provision of this Article,  
13 for a participant who first becomes a participant of this  
14 System on or after July 1, 2010, the maximum initial annual  
15 retirement annuity payable shall be \$100,000 for fiscal year  
16 2011, and that maximum shall automatically be increased or  
17 decreased, as applicable, by a percentage equal to the  
18 percentage change in the consumer price index-u during the  
19 preceding fiscal year. "Consumer price index-u" means the index  
20 published by the Bureau of Labor Statistics of the United  
21 States Department of Labor that measures the average change in  
22 prices of goods and services purchased by all urban consumers,  
23 United States city average, all items, 1982-84 = 100. The new  
24 amount resulting from each annual adjustment shall be  
25 determined by the Public Pension Division of the Department of  
26 Insurance and made available via the Department's official web



1 site.

2 The maximum initial annual retirement annuity payable  
3 under this subsection (c) shall be subject to automatic annual  
4 increases as provided under this Article.

5 (d) Notwithstanding any other provision of this Article,  
6 for a participant who first becomes a participant of this  
7 System on or after July 1, 2010 and who is retiring after  
8 attaining age 62 with at least 10 years of service credit, the  
9 retirement annuity shall be reduced by one-half of 1% for each  
10 month that the member's age is under age 67.

11 (Source: P.A. 86-1488.)

12 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

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

14 (a) A participant who retires after June 30, 1967, and who  
15 has not received an initial increase under this Section before  
16 the effective date of this amendatory Act of 1991, shall, in  
17 January or July next following the first anniversary of  
18 retirement, whichever occurs first, and in the same month of  
19 each year thereafter, but in no event prior to age 60, have the  
20 amount of the originally granted retirement annuity increased  
21 as follows: for each year through 1971, 1 1/2%; for each year  
22 from 1972 through 1979, 2%; and for 1980 and each year  
23 thereafter, 3%. Annuitants who have received an initial  
24 increase under this subsection prior to the effective date of  
25 this amendatory Act of 1991 shall continue to receive their

1 annual increases in the same month as the initial increase.

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

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

19 (b-5) Notwithstanding any other provision of this Article,  
20 a participant who first becomes a participant of this System on  
21 or after July 1, 2010 shall, in January or July next following  
22 the first anniversary of retirement, whichever occurs first,  
23 and in the same month of each year thereafter, but in no event  
24 prior to age 67, have the amount of the originally granted  
25 retirement annuity increased by 3% or one-half the annual  
26 change in the Consumer Price Index for All Urban Consumers,

1 whichever is less.

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

12 (d) A participant who terminated service prior to July 1,  
13 1967, with at least 14 years of service is entitled to an  
14 increase in retirement annuity beginning January, 1976, and to  
15 additional increases in January of each year thereafter.

16 The initial increase shall be 1 1/2% of the originally  
17 granted retirement annuity multiplied by the number of full  
18 years that the annuitant was in receipt of such annuity prior  
19 to January 1, 1972, plus 2% of the originally granted  
20 retirement annuity for each year after that date. The  
21 subsequent annual increases shall be at the rate of 2% of the  
22 originally granted retirement annuity for each year through  
23 1979 and at the rate of 3% for 1980 and thereafter.

24 (e) Beginning January 1, 1990, all automatic annual  
25 increases payable under this Section shall be calculated as a  
26 percentage of the total annuity payable at the time of the

1 increase, including previous increases granted under this  
2 Article.

3 (Source: P.A. 93-494, eff. 8-8-03.)

4 (40 ILCS 5/2-121.1) (from Ch. 108 1/2, par. 2-121.1)

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

6 (a) A surviving spouse shall be entitled to 66 2/3% of the  
7 amount of retirement annuity to which the participant or  
8 annuitant was entitled on the date of death, without regard to  
9 whether the participant had attained age 55 prior to his or her  
10 death, subject to a minimum payment of 10% of salary. If a  
11 surviving spouse, regardless of age, has in his or her care at  
12 the date of death any eligible child or children of the  
13 participant, the survivor's annuity shall be the greater of the  
14 following: (1) 66 2/3% of the amount of retirement annuity to  
15 which the participant or annuitant was entitled on the date of  
16 death, or (2) 30% of the participant's salary increased by 10%  
17 of salary on account of each such child, subject to a total  
18 payment for the surviving spouse and children of 50% of salary.  
19 If eligible children survive but there is no surviving spouse,  
20 or if the surviving spouse dies or becomes disqualified by  
21 remarriage while eligible children survive, each eligible  
22 child shall be entitled to an annuity of 20% of salary, subject  
23 to a maximum total payment for all such children of 50% of  
24 salary.

25 However, the survivor's annuity payable under this Section

1 shall not be less than 100% of the amount of retirement annuity  
2 to which the participant or annuitant was entitled on the date  
3 of death, if he or she is survived by a dependent disabled  
4 child.

5 The salary to be used for determining these benefits shall  
6 be the salary used for determining the amount of retirement  
7 annuity as provided in Section 2-119.01.

8 (b) Upon the death of a participant after the termination  
9 of service or upon death of an annuitant, the maximum total  
10 payment to a surviving spouse and eligible children, or to  
11 eligible children alone if there is no surviving spouse, shall  
12 be 75% of the retirement annuity to which the participant or  
13 annuitant was entitled, unless there is a dependent disabled  
14 child among the survivors.

15 (c) When a child ceases to be an eligible child, the  
16 annuity to that child, or to the surviving spouse on account of  
17 that child, shall thereupon cease, and the annuity payable to  
18 the surviving spouse or other eligible children shall be  
19 recalculated if necessary.

20 Upon the ineligibility of the last eligible child, the  
21 annuity shall immediately revert to the amount payable upon  
22 death of a participant or annuitant who leaves no eligible  
23 children. If the surviving spouse is then under age 50, the  
24 annuity as revised shall be deferred until the attainment of  
25 age 50.

26 (d) Beginning January 1, 1990, every survivor's annuity

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% of  
6 the current amount of the annuity, including any previous  
7 increases under this Article. Such increases shall apply  
8 without regard to whether the deceased member was in service on  
9 or after the effective date of this amendatory Act of 1991, but  
10 shall not accrue for any period prior to January 1, 1990.

11 Notwithstanding any other provision of this Article, a  
12 survivor's annuity of a survivor of a participant who first  
13 becomes a participant of this System on or after July 1, 2010  
14 shall be increased (1) on each January 1 occurring on or after  
15 the commencement of the annuity if the deceased member died  
16 while receiving a retirement annuity or (2) in other cases, on  
17 each January 1 occurring on or after the first anniversary of  
18 the commencement of the annuity, by an amount equal to 3% or  
19 one-half the annual change in the Consumer Price Index for All  
20 Urban Consumers, whichever is less, of the originally granted  
21 survivor's annuity.

22 (e) Notwithstanding any other provision of this Article,  
23 beginning January 1, 1990, the minimum survivor's annuity  
24 payable to any person who is entitled to receive a survivor's  
25 annuity under this Article shall be \$300 per month, without  
26 regard to whether or not the deceased participant was in

1 service on the effective date of this amendatory Act of 1989.

2 (f) In the case of a proportional survivor's annuity  
3 arising under the Retirement Systems Reciprocal Act where the  
4 amount payable by the System on January 1, 1993 is less than  
5 \$300 per month, the amount payable by the System shall be  
6 increased beginning on that date by a monthly amount equal to  
7 \$2 for each full year that has expired since the annuity began.  
8 (Source: P.A. 91-887, eff. 7-6-00.)

9 (40 ILCS 5/14-103.12) (from Ch. 108 1/2, par. 14-103.12)  
10 Sec. 14-103.12. Final average compensation.

11 (a) For retirement and survivor annuities, "final average  
12 compensation" means:

13 (1) for an employee who first becomes an employee of  
14 this System before July 1, 2010, the monthly compensation  
15 obtained by dividing the total compensation of an employee  
16 during the period of: (1) the 48 consecutive months of  
17 service within the last 120 months of service in which the  
18 total compensation was the highest, or (2) the total period  
19 of service, if less than 48 months, by the number of months  
20 of service in such period; provided that for purposes of a  
21 retirement annuity the average compensation for the last 12  
22 months of the 48-month period shall not exceed the final  
23 average compensation by more than 25%; ~~or~~

24 (2) for an employee who first becomes an employee of  
25 this System on or after July 1, 2010, the average monthly

1       compensation obtained by dividing the total compensation  
2       of the participant during the 96 consecutive months of  
3       service within the last 120 months of service in which the  
4       total compensation was the highest by the number of months  
5       of service in that period.

6       (b) For death and disability benefits, in the case of a  
7       full-time employee, "final average compensation" means the  
8       greater of (1) the rate of compensation of the employee at the  
9       date of death or disability multiplied by 1 in the case of a  
10      salaried employee, by 174 in the case of an hourly employee,  
11      and by 22 in the case of a per diem employee, or (2) for  
12      benefits commencing on or after January 1, 1991, final average  
13      compensation as determined under subsection (a).

14      For purposes of this paragraph, full or part-time status  
15      shall be certified by the employing agency. Final rate of  
16      compensation for a part-time employee shall be the total  
17      compensation earned during the last full calendar month prior  
18      to the date of death or disability.

19      (c) Notwithstanding the provisions of subsection (a), for  
20      the purpose of calculating retirement and survivor annuities of  
21      persons with at least 20 years of eligible creditable service  
22      as defined in Section 14-110, "final average compensation"  
23      means the monthly rate of compensation received by the person  
24      on the last day of eligible creditable service (but not to  
25      exceed 115% of the average monthly compensation received by the  
26      person for the last 24 months of service, unless the person was



1 in service as a State policeman before the effective date of  
2 this amendatory Act of 1997), or the average monthly  
3 compensation received by the person for the last 48 months of  
4 service prior to retirement, whichever is greater.

5 (d) Notwithstanding the provisions of subsection (a), for a  
6 person who was receiving, on the date of retirement or death, a  
7 disability benefit calculated under subdivision (b) (2) of this  
8 Section, the final average compensation used to calculate the  
9 disability benefit may be used for purposes of calculating the  
10 retirement and survivor annuities.

11 (e) In computing the final average compensation, periods of  
12 military leave shall not be considered.

13 (f) The changes to this Section made by this amendatory Act  
14 of 1997 (redefining final average compensation for members  
15 under the alternative formula) apply to members who retire on  
16 or after January 1, 1998, without regard to whether employment  
17 terminated before the effective date of this amendatory Act of  
18 1997.

19 (g) For a member on leave of absence without pay who  
20 purchases service credit for such period of leave pursuant to  
21 subsection (1) of Section 14-104, earnings are assumed to be  
22 equal to the rate of compensation in effect immediately prior  
23 to the leave. If no contributions are required to establish  
24 service credit for the period of leave, the member may elect to  
25 establish earnings credit for the leave period within 48 months  
26 after returning to work by making the employee and employer

1 contributions required by subsection (l) of Section 14-104,  
2 based on the rate of compensation in effect immediately prior  
3 to the leave, plus interest at the actuarially assumed rate. In  
4 determining the contributions required for establishing  
5 service credit under this subsection (g), the interest shall be  
6 calculated from the beginning of the leave of absence to the  
7 date of payment.

8 (Source: P.A. 96-525, eff. 8-14-09.)

9 (40 ILCS 5/14-107) (from Ch. 108 1/2, par. 14-107)

10 Sec. 14-107. Retirement annuity - service and age -  
11 conditions.

12 (a) A member is entitled to a retirement annuity after  
13 having at least 8 years of creditable service.

14 (b) This subsection (b) applies only to a member who first  
15 becomes a member of this System before July 1, 2010.

16 A member who has at least 35 years of creditable service  
17 may claim his or her retirement annuity at any age. A member  
18 having at least 8 years of creditable service but less than 35  
19 may claim his or her retirement annuity upon or after  
20 attainment of age 60 or, beginning January 1, 2001, any lesser  
21 age which, when added to the number of years of his or her  
22 creditable service, equals at least 85. A member upon or after  
23 attainment of age 55 having at least 25 years of creditable  
24 service (30 years if retirement is before January 1, 2001) may  
25 elect to receive the lower retirement annuity provided in

1 paragraph (c) of Section 14-108 of this Code. For purposes of  
2 the rule of 85, portions of years shall be counted in whole  
3 months.

4 (c) This subsection (c) applies only to members who first  
5 become members on or after July 1, 2010.

6 A member who has at least 10 years of creditable service  
7 may claim his or her retirement annuity when he or she has  
8 attained age 67.

9 A member who has at least 35 years of creditable service  
10 may claim his or her retirement annuity when he or she has  
11 attained age 62.

12 A member who has attained age 62 and has at least 10 years  
13 of service credit may elect to receive the reduced retirement  
14 annuity provided in subsection (c-5) of Section 14-108 of this  
15 Code.

16 (d) The allowance shall begin with the first full calendar  
17 month specified in the member's application therefor, the first  
18 day of which shall not be before the date of withdrawal as  
19 approved by the board. Regardless of the date of withdrawal,  
20 the allowance need not begin within one year of application  
21 therefor.

22 (Source: P.A. 91-927, eff. 12-14-00.)

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

24 Sec. 14-108. Amount of retirement annuity. A member who has  
25 contributed to the System for at least 12 months shall be

1 entitled to a prior service annuity for each year of certified  
2 prior service credited to him, except that a member shall  
3 receive 1/3 of the prior service annuity for each year of  
4 service for which contributions have been made and all of such  
5 annuity shall be payable after the member has made  
6 contributions for a period of 3 years. Proportionate amounts  
7 shall be payable for service of less than a full year after  
8 completion of at least 12 months.

9 The total period of service to be considered in  
10 establishing the measure of prior service annuity shall include  
11 service credited in the Teachers' Retirement System of the  
12 State of Illinois and the State Universities Retirement System  
13 for which contributions have been made by the member to such  
14 systems; provided that at least 1 year of the total period of 3  
15 years prescribed for the allowance of a full measure of prior  
16 service annuity shall consist of membership service in this  
17 system for which credit has been granted.

18 (a) In the case of a member who retires on or after January  
19 1, 1998 and is a noncovered employee, the retirement annuity  
20 for membership service and prior service shall be 2.2% of final  
21 average compensation for each year of service. Any service  
22 credit established as a covered employee shall be computed as  
23 stated in paragraph (b).

24 (a-5) Notwithstanding any other provision of this Article,  
25 for a participant who is a noncovered employee and first  
26 becomes a participant on or after July 1, 2010, the maximum

1 initial annual retirement annuity payable annually shall be  
2 \$100,000 for fiscal year 2011, and that maximum shall  
3 automatically be increased or decreased, as applicable, by a  
4 percentage equal to the percentage change in the consumer price  
5 index-u during the preceding fiscal year. "Consumer price  
6 index-u" means the index published by the Bureau of Labor  
7 Statistics of the United States Department of Labor that  
8 measures the average change in prices of goods and services  
9 purchased by all urban consumers, United States city average,  
10 all items, 1982-84 = 100. The new amount resulting from each  
11 annual adjustment shall be determined by the Public Pension  
12 Division of the Department of Insurance and made available via  
13 the Department's official web site.

14 The maximum initial annual retirement annuity payable  
15 under this subsection (a-5) shall be subject to automatic  
16 annual increases as provided under this Article.

17 (b) In the case of a member who retires on or after January  
18 1, 1998 and is a covered employee, the retirement annuity for  
19 membership service and prior service shall be computed as  
20 stated in paragraph (a) for all service credit established as a  
21 noncovered employee; for service credit established as a  
22 covered employee it shall be 1.67% of final average  
23 compensation for each year of service.

24 (b-5) Notwithstanding any other provision of this Article,  
25 for a participant who is a covered employee and first becomes a  
26 participant on or after July 1, 2010, the maximum retirement

1 annuity payable shall be \$100,000 for fiscal year 2011, and  
2 that maximum shall automatically be increased or decreased, as  
3 applicable, by a percentage equal to the percentage change in  
4 the consumer price index-u during the preceding fiscal year.

5 "Consumer price index-u" means the index published by the  
6 Bureau of Labor Statistics of the United States Department of  
7 Labor that measures the average change in prices of goods and  
8 services purchased by all urban consumers, United States city  
9 average, all items, 1982-84 = 100. The new amount resulting  
10 from each annual adjustment shall be determined by the Public  
11 Pension Division of the Department of Insurance and made  
12 available via the Department's official web site.

13 The maximum initial annual retirement annuity payable  
14 under this subsection (b-5) shall be subject to automatic  
15 annual increases as provided under this Article.

16 (c) For a member retiring after attaining age 55 but before  
17 age 60 with at least 30 but less than 35 years of creditable  
18 service if retirement is before January 1, 2001, or with at  
19 least 25 but less than 30 years of creditable service if  
20 retirement is on or after January 1, 2001, the retirement  
21 annuity shall be reduced by 1/2 of 1% for each month that the  
22 member's age is under age 60 at the time of retirement.

23 (c-5) Notwithstanding any other provision of this Article,  
24 for a member who first becomes a member on or after July 1,  
25 2010 and who is retiring after attaining age 62 with at least  
26 10 years of creditable service, the retirement annuity shall be

1 reduced by one-half of 1% for each month that the member's age  
2 is under 67 years at the time of retirement.

3 (d) A retirement annuity shall not exceed 75% of final  
4 average compensation, subject to such extension as may result  
5 from the application of Section 14-114 or Section 14-115.

6 (e) The retirement annuity payable to any covered employee  
7 who is a member of the System and in service on January 1,  
8 1969, or in service thereafter in 1969 as a result of  
9 legislation enacted by the Illinois General Assembly  
10 transferring the member to State employment from county  
11 employment in a county Department of Public Aid in counties of  
12 3,000,000 or more population, under a plan of coordination with  
13 the Old Age, Survivors and Disability provisions thereof, if  
14 not fully insured for Old Age Insurance payments under the  
15 Federal Old Age, Survivors and Disability Insurance provisions  
16 at the date of acceptance of a retirement annuity, shall not be  
17 less than the amount for which the member would have been  
18 eligible if coordination were not applicable.

19 (f) The retirement annuity payable to any covered employee  
20 who is a member of the System and in service on January 1,  
21 1969, or in service thereafter in 1969 as a result of the  
22 legislation designated in the immediately preceding paragraph,  
23 if fully insured for Old Age Insurance payments under the  
24 Federal Social Security Act at the date of acceptance of a  
25 retirement annuity, shall not be less than an amount which when  
26 added to the Primary Insurance Benefit payable to the member

1 upon attainment of age 65 under such Federal Act, will equal  
2 the annuity which would otherwise be payable if the coordinated  
3 plan of coverage were not applicable.

4 (g) In the case of a member who is a noncovered employee,  
5 the retirement annuity for membership service as a security  
6 employee of the Department of Corrections or security employee  
7 of the Department of Human Services shall be: if retirement  
8 occurs on or after January 1, 2001, 3% of final average  
9 compensation for each year of creditable service; or if  
10 retirement occurs before January 1, 2001, 1.9% of final average  
11 compensation for each of the first 10 years of service, 2.1%  
12 for each of the next 10 years of service, 2.25% for each year  
13 of service in excess of 20 but not exceeding 30, and 2.5% for  
14 each year in excess of 30; except that the annuity may be  
15 calculated under subsection (a) rather than this subsection (g)  
16 if the resulting annuity is greater.

17 (h) In the case of a member who is a covered employee, the  
18 retirement annuity for membership service as a security  
19 employee of the Department of Corrections or security employee  
20 of the Department of Human Services shall be: if retirement  
21 occurs on or after January 1, 2001, 2.5% of final average  
22 compensation for each year of creditable service; if retirement  
23 occurs before January 1, 2001, 1.67% of final average  
24 compensation for each of the first 10 years of service, 1.90%  
25 for each of the next 10 years of service, 2.10% for each year  
26 of service in excess of 20 but not exceeding 30, and 2.30% for



1 each year in excess of 30.

2 (i) For the purposes of this Section and Section 14-133 of  
3 this Act, the term "security employee of the Department of  
4 Corrections" and the term "security employee of the Department  
5 of Human Services" shall have the meanings ascribed to them in  
6 subsection (c) of Section 14-110.

7 (j) The retirement annuity computed pursuant to paragraphs  
8 (g) or (h) shall be applicable only to those security employees  
9 of the Department of Corrections and security employees of the  
10 Department of Human Services who have at least 20 years of  
11 membership service and who are not eligible for the alternative  
12 retirement annuity provided under Section 14-110. However,  
13 persons transferring to this System under Section 14-108.2 or  
14 14-108.2c who have service credit under Article 16 of this Code  
15 may count such service toward establishing their eligibility  
16 under the 20-year service requirement of this subsection; but  
17 such service may be used only for establishing such  
18 eligibility, and not for the purpose of increasing or  
19 calculating any benefit.

20 (k) (Blank).

21 (l) The changes to this Section made by this amendatory Act  
22 of 1997 (changing certain retirement annuity formulas from a  
23 stepped rate to a flat rate) apply to members who retire on or  
24 after January 1, 1998, without regard to whether employment  
25 terminated before the effective date of this amendatory Act of  
26 1997. An annuity shall not be calculated in steps by using the

1 new flat rate for some steps and the superseded stepped rate  
2 for other steps of the same type of service.

3 (Source: P.A. 91-927, eff. 12-14-00; 92-14, eff. 6-28-01.)

4 (40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

5 Sec. 14-110. Alternative retirement annuity.

6 (a) Any member who has withdrawn from service with not less  
7 than 20 years of eligible creditable service and has attained  
8 age 55, and any member who has withdrawn from service with not  
9 less than 25 years of eligible creditable service and has  
10 attained age 50, regardless of whether the attainment of either  
11 of the specified ages occurs while the member is still in  
12 service, shall be entitled to receive at the option of the  
13 member, in lieu of the regular or minimum retirement annuity, a  
14 retirement annuity computed as follows:

15 (i) for periods of service as a noncovered employee: if  
16 retirement occurs on or after January 1, 2001, 3% of final  
17 average compensation for each year of creditable service;  
18 if retirement occurs before January 1, 2001, 2 1/4% of  
19 final average compensation for each of the first 10 years  
20 of creditable service, 2 1/2% for each year above 10 years  
21 to and including 20 years of creditable service, and 2 3/4%  
22 for each year of creditable service above 20 years; and

23 (ii) for periods of eligible creditable service as a  
24 covered employee: if retirement occurs on or after January  
25 1, 2001, 2.5% of final average compensation for each year

1 of creditable service; if retirement occurs before January  
2 1, 2001, 1.67% of final average compensation for each of  
3 the first 10 years of such service, 1.90% for each of the  
4 next 10 years of such service, 2.10% for each year of such  
5 service in excess of 20 but not exceeding 30, and 2.30% for  
6 each year in excess of 30.

7 Such annuity shall be subject to a maximum of 75% of final  
8 average compensation if retirement occurs before January 1,  
9 2001 or to a maximum of 80% of final average compensation if  
10 retirement occurs on or after January 1, 2001.

11 These rates shall not be applicable to any service  
12 performed by a member as a covered employee which is not  
13 eligible creditable service. Service as a covered employee  
14 which is not eligible creditable service shall be subject to  
15 the rates and provisions of Section 14-108.

16 (b) For the purpose of this Section, "eligible creditable  
17 service" means creditable service resulting from service in one  
18 or more of the following positions:

19 (1) State policeman;

20 (2) fire fighter in the fire protection service of a  
21 department;

22 (3) air pilot;

23 (4) special agent;

24 (5) investigator for the Secretary of State;

25 (6) conservation police officer;

26 (7) investigator for the Department of Revenue or the

1 Illinois Gaming Board;

2 (8) security employee of the Department of Human  
3 Services;

4 (9) Central Management Services security police  
5 officer;

6 (10) security employee of the Department of  
7 Corrections or the Department of Juvenile Justice;

8 (11) dangerous drugs investigator;

9 (12) investigator for the Department of State Police;

10 (13) investigator for the Office of the Attorney  
11 General;

12 (14) controlled substance inspector;

13 (15) investigator for the Office of the State's  
14 Attorneys Appellate Prosecutor;

15 (16) Commerce Commission police officer;

16 (17) arson investigator;

17 (18) State highway maintenance worker.

18 A person employed in one of the positions specified in this  
19 subsection is entitled to eligible creditable service for  
20 service credit earned under this Article while undergoing the  
21 basic police training course approved by the Illinois Law  
22 Enforcement Training Standards Board, if completion of that  
23 training is required of persons serving in that position. For  
24 the purposes of this Code, service during the required basic  
25 police training course shall be deemed performance of the  
26 duties of the specified position, even though the person is not

1 a sworn peace officer at the time of the training.

2 (c) For the purposes of this Section:

3 (1) The term "state policeman" includes any title or  
4 position in the Department of State Police that is held by  
5 an individual employed under the State Police Act.

6 (2) The term "fire fighter in the fire protection  
7 service of a department" includes all officers in such fire  
8 protection service including fire chiefs and assistant  
9 fire chiefs.

10 (3) The term "air pilot" includes any employee whose  
11 official job description on file in the Department of  
12 Central Management Services, or in the department by which  
13 he is employed if that department is not covered by the  
14 Personnel Code, states that his principal duty is the  
15 operation of aircraft, and who possesses a pilot's license;  
16 however, the change in this definition made by this  
17 amendatory Act of 1983 shall not operate to exclude any  
18 noncovered employee who was an "air pilot" for the purposes  
19 of this Section on January 1, 1984.

20 (4) The term "special agent" means any person who by  
21 reason of employment by the Division of Narcotic Control,  
22 the Bureau of Investigation or, after July 1, 1977, the  
23 Division of Criminal Investigation, the Division of  
24 Internal Investigation, the Division of Operations, or any  
25 other Division or organizational entity in the Department  
26 of State Police is vested by law with duties to maintain

1 public order, investigate violations of the criminal law of  
2 this State, enforce the laws of this State, make arrests  
3 and recover property. The term "special agent" includes any  
4 title or position in the Department of State Police that is  
5 held by an individual employed under the State Police Act.

6 (5) The term "investigator for the Secretary of State"  
7 means any person employed by the Office of the Secretary of  
8 State and vested with such investigative duties as render  
9 him ineligible for coverage under the Social Security Act  
10 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and  
11 218(1)(1) of that Act.

12 A person who became employed as an investigator for the  
13 Secretary of State between January 1, 1967 and December 31,  
14 1975, and who has served as such until attainment of age  
15 60, either continuously or with a single break in service  
16 of not more than 3 years duration, which break terminated  
17 before January 1, 1976, shall be entitled to have his  
18 retirement annuity calculated in accordance with  
19 subsection (a), notwithstanding that he has less than 20  
20 years of credit for such service.

21 (6) The term "Conservation Police Officer" means any  
22 person employed by the Division of Law Enforcement of the  
23 Department of Natural Resources and vested with such law  
24 enforcement duties as render him ineligible for coverage  
25 under the Social Security Act by reason of Sections  
26 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The

1 term "Conservation Police Officer" includes the positions  
2 of Chief Conservation Police Administrator and Assistant  
3 Conservation Police Administrator.

4 (7) The term "investigator for the Department of  
5 Revenue" means any person employed by the Department of  
6 Revenue and vested with such investigative duties as render  
7 him ineligible for coverage under the Social Security Act  
8 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and  
9 218(1)(1) of that Act.

10 The term "investigator for the Illinois Gaming Board"  
11 means any person employed as such by the Illinois Gaming  
12 Board and vested with such peace officer duties as render  
13 the person ineligible for coverage under the Social  
14 Security Act by reason of Sections 218(d)(5)(A),  
15 218(d)(8)(D), and 218(1)(1) of that Act.

16 (8) The term "security employee of the Department of  
17 Human Services" means any person employed by the Department  
18 of Human Services who (i) is employed at the Chester Mental  
19 Health Center and has daily contact with the residents  
20 thereof, (ii) is employed within a security unit at a  
21 facility operated by the Department and has daily contact  
22 with the residents of the security unit, (iii) is employed  
23 at a facility operated by the Department that includes a  
24 security unit and is regularly scheduled to work at least  
25 50% of his or her working hours within that security unit,  
26 or (iv) is a mental health police officer. "Mental health

1 police officer" means any person employed by the Department  
2 of Human Services in a position pertaining to the  
3 Department's mental health and developmental disabilities  
4 functions who is vested with such law enforcement duties as  
5 render the person ineligible for coverage under the Social  
6 Security Act by reason of Sections 218(d)(5)(A),  
7 218(d)(8)(D) and 218(1)(1) of that Act. "Security unit"  
8 means that portion of a facility that is devoted to the  
9 care, containment, and treatment of persons committed to  
10 the Department of Human Services as sexually violent  
11 persons, persons unfit to stand trial, or persons not  
12 guilty by reason of insanity. With respect to past  
13 employment, references to the Department of Human Services  
14 include its predecessor, the Department of Mental Health  
15 and Developmental Disabilities.

16 The changes made to this subdivision (c)(8) by Public  
17 Act 92-14 apply to persons who retire on or after January  
18 1, 2001, notwithstanding Section 1-103.1.

19 (9) "Central Management Services security police  
20 officer" means any person employed by the Department of  
21 Central Management Services who is vested with such law  
22 enforcement duties as render him ineligible for coverage  
23 under the Social Security Act by reason of Sections  
24 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

25 (10) For a member who first became an employee under  
26 this Article before July 1, 2005, the term "security



1 employee of the Department of Corrections or the Department  
2 of Juvenile Justice" means any employee of the Department  
3 of Corrections or the Department of Juvenile Justice or the  
4 former Department of Personnel, and any member or employee  
5 of the Prisoner Review Board, who has daily contact with  
6 inmates or youth by working within a correctional facility  
7 or Juvenile facility operated by the Department of Juvenile  
8 Justice or who is a parole officer or an employee who has  
9 direct contact with committed persons in the performance of  
10 his or her job duties. For a member who first becomes an  
11 employee under this Article on or after July 1, 2005, the  
12 term means an employee of the Department of Corrections or  
13 the Department of Juvenile Justice who is any of the  
14 following: (i) officially headquartered at a correctional  
15 facility or Juvenile facility operated by the Department of  
16 Juvenile Justice, (ii) a parole officer, (iii) a member of  
17 the apprehension unit, (iv) a member of the intelligence  
18 unit, (v) a member of the sort team, or (vi) an  
19 investigator.

20 (11) The term "dangerous drugs investigator" means any  
21 person who is employed as such by the Department of Human  
22 Services.

23 (12) The term "investigator for the Department of State  
24 Police" means a person employed by the Department of State  
25 Police who is vested under Section 4 of the Narcotic  
26 Control Division Abolition Act with such law enforcement

1 powers as render him ineligible for coverage under the  
2 Social Security Act by reason of Sections 218(d)(5)(A),  
3 218(d)(8)(D) and 218(1)(1) of that Act.

4 (13) "Investigator for the Office of the Attorney  
5 General" means any person who is employed as such by the  
6 Office of the Attorney General and is vested with such  
7 investigative duties as render him ineligible for coverage  
8 under the Social Security Act by reason of Sections  
9 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For  
10 the period before January 1, 1989, the term includes all  
11 persons who were employed as investigators by the Office of  
12 the Attorney General, without regard to social security  
13 status.

14 (14) "Controlled substance inspector" means any person  
15 who is employed as such by the Department of Professional  
16 Regulation and is vested with such law enforcement duties  
17 as render him ineligible for coverage under the Social  
18 Security Act by reason of Sections 218(d)(5)(A),  
19 218(d)(8)(D) and 218(1)(1) of that Act. The term  
20 "controlled substance inspector" includes the Program  
21 Executive of Enforcement and the Assistant Program  
22 Executive of Enforcement.

23 (15) The term "investigator for the Office of the  
24 State's Attorneys Appellate Prosecutor" means a person  
25 employed in that capacity on a full time basis under the  
26 authority of Section 7.06 of the State's Attorneys

1 Appellate Prosecutor's Act.

2 (16) "Commerce Commission police officer" means any  
3 person employed by the Illinois Commerce Commission who is  
4 vested with such law enforcement duties as render him  
5 ineligible for coverage under the Social Security Act by  
6 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and  
7 218(1)(1) of that Act.

8 (17) "Arson investigator" means any person who is  
9 employed as such by the Office of the State Fire Marshal  
10 and is vested with such law enforcement duties as render  
11 the person ineligible for coverage under the Social  
12 Security Act by reason of Sections 218(d)(5)(A),  
13 218(d)(8)(D), and 218(1)(1) of that Act. A person who was  
14 employed as an arson investigator on January 1, 1995 and is  
15 no longer in service but not yet receiving a retirement  
16 annuity may convert his or her creditable service for  
17 employment as an arson investigator into eligible  
18 creditable service by paying to the System the difference  
19 between the employee contributions actually paid for that  
20 service and the amounts that would have been contributed if  
21 the applicant were contributing at the rate applicable to  
22 persons with the same social security status earning  
23 eligible creditable service on the date of application.

24 (18) The term "State highway maintenance worker" means  
25 a person who is either of the following:

26 (i) A person employed on a full-time basis by the

1 Illinois Department of Transportation in the position  
2 of highway maintainer, highway maintenance lead  
3 worker, highway maintenance lead/lead worker, heavy  
4 construction equipment operator, power shovel  
5 operator, or bridge mechanic; and whose principal  
6 responsibility is to perform, on the roadway, the  
7 actual maintenance necessary to keep the highways that  
8 form a part of the State highway system in serviceable  
9 condition for vehicular traffic.

10 (ii) A person employed on a full-time basis by the  
11 Illinois State Toll Highway Authority in the position  
12 of equipment operator/laborer H-4, equipment  
13 operator/laborer H-6, welder H-4, welder H-6,  
14 mechanical/electrical H-4, mechanical/electrical H-6,  
15 water/sewer H-4, water/sewer H-6, sign maker/hanger  
16 H-4, sign maker/hanger H-6, roadway lighting H-4,  
17 roadway lighting H-6, structural H-4, structural H-6,  
18 painter H-4, or painter H-6; and whose principal  
19 responsibility is to perform, on the roadway, the  
20 actual maintenance necessary to keep the Authority's  
21 tollways in serviceable condition for vehicular  
22 traffic.

23 (d) A security employee of the Department of Corrections or  
24 the Department of Juvenile Justice, and a security employee of  
25 the Department of Human Services who is not a mental health  
26 police officer, shall not be eligible for the alternative

1 retirement annuity provided by this Section unless he or she  
2 meets the following minimum age and service requirements at the  
3 time of retirement:

4 (i) 25 years of eligible creditable service and age 55;

5 or

6 (ii) beginning January 1, 1987, 25 years of eligible  
7 creditable service and age 54, or 24 years of eligible  
8 creditable service and age 55; or

9 (iii) beginning January 1, 1988, 25 years of eligible  
10 creditable service and age 53, or 23 years of eligible  
11 creditable service and age 55; or

12 (iv) beginning January 1, 1989, 25 years of eligible  
13 creditable service and age 52, or 22 years of eligible  
14 creditable service and age 55; or

15 (v) beginning January 1, 1990, 25 years of eligible  
16 creditable service and age 51, or 21 years of eligible  
17 creditable service and age 55; or

18 (vi) beginning January 1, 1991, 25 years of eligible  
19 creditable service and age 50, or 20 years of eligible  
20 creditable service and age 55.

21 Persons who have service credit under Article 16 of this  
22 Code for service as a security employee of the Department of  
23 Corrections or the Department of Juvenile Justice, or the  
24 Department of Human Services in a position requiring  
25 certification as a teacher may count such service toward  
26 establishing their eligibility under the service requirements

1 of this Section; but such service may be used only for  
2 establishing such eligibility, and not for the purpose of  
3 increasing or calculating any benefit.

4 (e) If a member enters military service while working in a  
5 position in which eligible creditable service may be earned,  
6 and returns to State service in the same or another such  
7 position, and fulfills in all other respects the conditions  
8 prescribed in this Article for credit for military service,  
9 such military service shall be credited as eligible creditable  
10 service for the purposes of the retirement annuity prescribed  
11 in this Section.

12 (f) For purposes of calculating retirement annuities under  
13 this Section, periods of service rendered after December 31,  
14 1968 and before October 1, 1975 as a covered employee in the  
15 position of special agent, conservation police officer, mental  
16 health police officer, or investigator for the Secretary of  
17 State, shall be deemed to have been service as a noncovered  
18 employee, provided that the employee pays to the System prior  
19 to retirement an amount equal to (1) the difference between the  
20 employee contributions that would have been required for such  
21 service as a noncovered employee, and the amount of employee  
22 contributions actually paid, plus (2) if payment is made after  
23 July 31, 1987, regular interest on the amount specified in item  
24 (1) from the date of service to the date of payment.

25 For purposes of calculating retirement annuities under  
26 this Section, periods of service rendered after December 31,

1 1968 and before January 1, 1982 as a covered employee in the  
2 position of investigator for the Department of Revenue shall be  
3 deemed to have been service as a noncovered employee, provided  
4 that the employee pays to the System prior to retirement an  
5 amount equal to (1) the difference between the employee  
6 contributions that would have been required for such service as  
7 a noncovered employee, and the amount of employee contributions  
8 actually paid, plus (2) if payment is made after January 1,  
9 1990, regular interest on the amount specified in item (1) from  
10 the date of service to the date of payment.

11 (g) A State policeman may elect, not later than January 1,  
12 1990, to establish eligible creditable service for up to 10  
13 years of his service as a policeman under Article 3, by filing  
14 a written election with the Board, accompanied by payment of an  
15 amount to be determined by the Board, equal to (i) the  
16 difference between the amount of employee and employer  
17 contributions transferred to the System under Section 3-110.5,  
18 and the amounts that would have been contributed had such  
19 contributions been made at the rates applicable to State  
20 policemen, plus (ii) interest thereon at the effective rate for  
21 each year, compounded annually, from the date of service to the  
22 date of payment.

23 Subject to the limitation in subsection (i), a State  
24 policeman may elect, not later than July 1, 1993, to establish  
25 eligible creditable service for up to 10 years of his service  
26 as a member of the County Police Department under Article 9, by

1 filing a written election with the Board, accompanied by  
2 payment of an amount to be determined by the Board, equal to  
3 (i) the difference between the amount of employee and employer  
4 contributions transferred to the System under Section 9-121.10  
5 and the amounts that would have been contributed had those  
6 contributions been made at the rates applicable to State  
7 policemen, plus (ii) interest thereon at the effective rate for  
8 each year, compounded annually, from the date of service to the  
9 date of payment.

10 (h) Subject to the limitation in subsection (i), a State  
11 policeman or investigator for the Secretary of State may elect  
12 to establish eligible creditable service for up to 12 years of  
13 his service as a policeman under Article 5, by filing a written  
14 election with the Board on or before January 31, 1992, and  
15 paying to the System by January 31, 1994 an amount to be  
16 determined by the Board, equal to (i) the difference between  
17 the amount of employee and employer contributions transferred  
18 to the System under Section 5-236, and the amounts that would  
19 have been contributed had such contributions been made at the  
20 rates applicable to State policemen, plus (ii) interest thereon  
21 at the effective rate for each year, compounded annually, from  
22 the date of service to the date of payment.

23 Subject to the limitation in subsection (i), a State  
24 policeman, conservation police officer, or investigator for  
25 the Secretary of State may elect to establish eligible  
26 creditable service for up to 10 years of service as a sheriff's



1 law enforcement employee under Article 7, by filing a written  
2 election with the Board on or before January 31, 1993, and  
3 paying to the System by January 31, 1994 an amount to be  
4 determined by the Board, equal to (i) the difference between  
5 the amount of employee and employer contributions transferred  
6 to the System under Section 7-139.7, and the amounts that would  
7 have been contributed had such contributions been made at the  
8 rates applicable to State policemen, plus (ii) interest thereon  
9 at the effective rate for each year, compounded annually, from  
10 the date of service to the date of payment.

11 Subject to the limitation in subsection (i), a State  
12 policeman, conservation police officer, or investigator for  
13 the Secretary of State may elect to establish eligible  
14 creditable service for up to 5 years of service as a police  
15 officer under Article 3, a policeman under Article 5, a  
16 sheriff's law enforcement employee under Article 7, a member of  
17 the county police department under Article 9, or a police  
18 officer under Article 15 by filing a written election with the  
19 Board and paying to the System an amount to be determined by  
20 the Board, equal to (i) the difference between the amount of  
21 employee and employer contributions transferred to the System  
22 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4  
23 and the amounts that would have been contributed had such  
24 contributions been made at the rates applicable to State  
25 policemen, plus (ii) interest thereon at the effective rate for  
26 each year, compounded annually, from the date of service to the

1 date of payment.

2 Subject to the limitation in subsection (i), an  
3 investigator for the Office of the Attorney General, or an  
4 investigator for the Department of Revenue, may elect to  
5 establish eligible creditable service for up to 5 years of  
6 service as a police officer under Article 3, a policeman under  
7 Article 5, a sheriff's law enforcement employee under Article  
8 7, or a member of the county police department under Article 9  
9 by filing a written election with the Board within 6 months  
10 after August 25, 2009 (the effective date of Public Act 96-745)  
11 ~~this amendatory Act of the 96th General Assembly~~ and paying to  
12 the System an amount to be determined by the Board, equal to  
13 (i) the difference between the amount of employee and employer  
14 contributions transferred to the System under Section 3-110.6,  
15 5-236, 7-139.8, or 9-121.10 and the amounts that would have  
16 been contributed had such contributions been made at the rates  
17 applicable to State policemen, plus (ii) interest thereon at  
18 the actuarially assumed rate for each year, compounded  
19 annually, from the date of service to the date of payment.

20 Subject to the limitation in subsection (i), a State  
21 policeman, conservation police officer, investigator for the  
22 Office of the Attorney General, an investigator for the  
23 Department of Revenue, or investigator for the Secretary of  
24 State may elect to establish eligible creditable service for up  
25 to 5 years of service as a person employed by a participating  
26 municipality to perform police duties, or law enforcement

1 officer employed on a full-time basis by a forest preserve  
2 district under Article 7, a county corrections officer, or a  
3 court services officer under Article 9, by filing a written  
4 election with the Board within 6 months after August 25, 2009  
5 (the effective date of Public Act 96-745) ~~this amendatory Act~~  
6 ~~of the 96th General Assembly~~ and paying to the System an amount  
7 to be determined by the Board, equal to (i) the difference  
8 between the amount of employee and employer contributions  
9 transferred to the System under Sections 7-139.8 and 9-121.10  
10 and the amounts that would have been contributed had such  
11 contributions been made at the rates applicable to State  
12 policemen, plus (ii) interest thereon at the actuarially  
13 assumed rate for each year, compounded annually, from the date  
14 of service to the date of payment.

15 (i) The total amount of eligible creditable service  
16 established by any person under subsections (g), (h), (j), (k),  
17 and (l) of this Section shall not exceed 12 years.

18 (j) Subject to the limitation in subsection (i), an  
19 investigator for the Office of the State's Attorneys Appellate  
20 Prosecutor or a controlled substance inspector may elect to  
21 establish eligible creditable service for up to 10 years of his  
22 service as a policeman under Article 3 or a sheriff's law  
23 enforcement employee under Article 7, by filing a written  
24 election with the Board, accompanied by payment of an amount to  
25 be determined by the Board, equal to (1) the difference between  
26 the amount of employee and employer contributions transferred

1 to the System under Section 3-110.6 or 7-139.8, and the amounts  
2 that would have been contributed had such contributions been  
3 made at the rates applicable to State policemen, plus (2)  
4 interest thereon at the effective rate for each year,  
5 compounded annually, from the date of service to the date of  
6 payment.

7 (k) Subject to the limitation in subsection (i) of this  
8 Section, an alternative formula employee may elect to establish  
9 eligible creditable service for periods spent as a full-time  
10 law enforcement officer or full-time corrections officer  
11 employed by the federal government or by a state or local  
12 government located outside of Illinois, for which credit is not  
13 held in any other public employee pension fund or retirement  
14 system. To obtain this credit, the applicant must file a  
15 written application with the Board by March 31, 1998,  
16 accompanied by evidence of eligibility acceptable to the Board  
17 and payment of an amount to be determined by the Board, equal  
18 to (1) employee contributions for the credit being established,  
19 based upon the applicant's salary on the first day as an  
20 alternative formula employee after the employment for which  
21 credit is being established and the rates then applicable to  
22 alternative formula employees, plus (2) an amount determined by  
23 the Board to be the employer's normal cost of the benefits  
24 accrued for the credit being established, plus (3) regular  
25 interest on the amounts in items (1) and (2) from the first day  
26 as an alternative formula employee after the employment for

1 which credit is being established to the date of payment.

2 (l) Subject to the limitation in subsection (i), a security  
3 employee of the Department of Corrections may elect, not later  
4 than July 1, 1998, to establish eligible creditable service for  
5 up to 10 years of his or her service as a policeman under  
6 Article 3, by filing a written election with the Board,  
7 accompanied by payment of an amount to be determined by the  
8 Board, equal to (i) the difference between the amount of  
9 employee and employer contributions transferred to the System  
10 under Section 3-110.5, and the amounts that would have been  
11 contributed had such contributions been made at the rates  
12 applicable to security employees of the Department of  
13 Corrections, plus (ii) interest thereon at the effective rate  
14 for each year, compounded annually, from the date of service to  
15 the date of payment.

16 (m) The amendatory changes to this Section made by this  
17 amendatory Act of the 94th General Assembly apply only to: (1)  
18 security employees of the Department of Juvenile Justice  
19 employed by the Department of Corrections before the effective  
20 date of this amendatory Act of the 94th General Assembly and  
21 transferred to the Department of Juvenile Justice by this  
22 amendatory Act of the 94th General Assembly; and (2) persons  
23 employed by the Department of Juvenile Justice on or after the  
24 effective date of this amendatory Act of the 94th General  
25 Assembly who are required by subsection (b) of Section 3-2.5-15  
26 of the Unified Code of Corrections to have a bachelor's or

1 advanced degree from an accredited college or university with a  
2 specialization in criminal justice, education, psychology,  
3 social work, or a closely related social science or, in the  
4 case of persons who provide vocational training, who are  
5 required to have adequate knowledge in the skill for which they  
6 are providing the vocational training.

7 (n) A person employed in a position under subsection (b) of  
8 this Section who has purchased service credit under subsection  
9 (j) of Section 14-104 or subsection (b) of Section 14-105 in  
10 any other capacity under this Article may convert up to 5 years  
11 of that service credit into service credit covered under this  
12 Section by paying to the Fund an amount equal to (1) the  
13 additional employee contribution required under Section  
14 14-133, plus (2) the additional employer contribution required  
15 under Section 14-131, plus (3) interest on items (1) and (2) at  
16 the actuarially assumed rate from the date of the service to  
17 the date of payment.

18 (o) Notwithstanding any other provision of this Article,  
19 the benefits in this Section apply only to a person who first  
20 becomes a member under this System on or after July 1, 2010 and  
21 is vested with such law enforcement duties as render him or her  
22 ineligible for coverage under the federal Social Security Act  
23 by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and  
24 218(l)(1) of that Act as determined by an opinion of the  
25 Attorney General, which may be requested by any legislator.

26 (Source: P.A. 95-530, eff. 8-28-07; 95-1036, eff. 2-17-09;

1 96-37, eff. 7-13-09; 96-745, eff. 8-25-09; revised 10-1-09.)

2 (40 ILCS 5/14-114) (from Ch. 108 1/2, par. 14-114)

3 Sec. 14-114. Automatic increase in retirement annuity.

4 (a) Any person receiving a retirement annuity under this  
5 Article who retires having attained age 60, or who retires  
6 before age 60 having at least 35 years of creditable service,  
7 or who retires on or after January 1, 2001 at an age which,  
8 when added to the number of years of his or her creditable  
9 service, equals at least 85, shall, on January 1 next following  
10 the first full year of retirement, have the amount of the then  
11 fixed and payable monthly retirement annuity increased 3%. Any  
12 person receiving a retirement annuity under this Article who  
13 retires before attainment of age 60 and with less than (i) 35  
14 years of creditable service if retirement is before January 1,  
15 2001, or (ii) the number of years of creditable service which,  
16 when added to the member's age, would equal 85, if retirement  
17 is on or after January 1, 2001, shall have the amount of the  
18 fixed and payable retirement annuity increased by 3% on the  
19 January 1 occurring on or next following (1) attainment of age  
20 60, or (2) the first anniversary of retirement, whichever  
21 occurs later. However, for persons who receive the alternative  
22 retirement annuity under Section 14-110, references in this  
23 subsection (a) to attainment of age 60 shall be deemed to refer  
24 to attainment of age 55. For a person receiving early  
25 retirement incentives under Section 14-108.3 whose retirement

1 annuity began after January 1, 1992 pursuant to an extension  
2 granted under subsection (e) of that Section, the first  
3 anniversary of retirement shall be deemed to be January 1,  
4 1993. For a person who retires on or after June 28, 2001 and on  
5 or before October 1, 2001, and whose retirement annuity is  
6 calculated, in whole or in part, under Section 14-110 or  
7 subsection (g) or (h) of Section 14-108, the first anniversary  
8 of retirement shall be deemed to be January 1, 2002.

9 On each January 1 following the date of the initial  
10 increase under this subsection, the employee's monthly  
11 retirement annuity shall be increased by an additional 3%.

12 Beginning January 1, 1990, all automatic annual increases  
13 payable under this Section shall be calculated as a percentage  
14 of the total annuity payable at the time of the increase,  
15 including previous increases granted under this Article.

16 (b) The provisions of subsection (a) of this Section shall  
17 be applicable to an employee only if the employee makes the  
18 additional contributions required after December 31, 1969 for  
19 the purpose of the automatic increases for not less than the  
20 equivalent of one full year. If an employee becomes an  
21 annuitant before his additional contributions equal one full  
22 year's contributions based on his salary at the date of  
23 retirement, the employee may pay the necessary balance of the  
24 contributions to the system, without interest, and be eligible  
25 for the increasing annuity authorized by this Section.

26 (c) The provisions of subsection (a) of this Section shall



1 not be applicable to any annuitant who is on retirement on  
2 December 31, 1969, and thereafter returns to State service,  
3 unless the member has established at least one year of  
4 additional creditable service following reentry into service.

5 (d) In addition to other increases which may be provided by  
6 this Section, on January 1, 1981 any annuitant who was  
7 receiving a retirement annuity on or before January 1, 1971  
8 shall have his retirement annuity then being paid increased \$1  
9 per month for each year of creditable service. On January 1,  
10 1982, any annuitant who began receiving a retirement annuity on  
11 or before January 1, 1977, shall have his retirement annuity  
12 then being paid increased \$1 per month for each year of  
13 creditable service.

14 On January 1, 1987, any annuitant who began receiving a  
15 retirement annuity on or before January 1, 1977, shall have the  
16 monthly retirement annuity increased by an amount equal to 8¢  
17 per year of creditable service times the number of years that  
18 have elapsed since the annuity began.

19 (e) Every person who receives the alternative retirement  
20 annuity under Section 14-110 and who is eligible to receive the  
21 3% increase under subsection (a) on January 1, 1986, shall also  
22 receive on that date a one-time increase in retirement annuity  
23 equal to the difference between (1) his actual retirement  
24 annuity on that date, including any increases received under  
25 subsection (a), and (2) the amount of retirement annuity he  
26 would have received on that date if the amendments to

1 subsection (a) made by Public Act 84-162 had been in effect  
2 since the date of his retirement.

3 (f) Notwithstanding any other provision of this Article, a  
4 retirement annuity of an employee who first becomes an employee  
5 on or after July 1, 2010 shall be increased on (1) attainment  
6 of age 67 or (2) the first anniversary of retirement, whichever  
7 occurs later, by an amount equal to 3% or one-half the annual  
8 change in the Consumer Price Index for All Urban Consumers,  
9 whichever is less, of the originally granted retirement  
10 annuity.

11 (Source: P.A. 91-927, eff. 12-14-00; 92-14, eff. 6-28-01;  
12 92-651, eff. 7-11-02.)

13 (40 ILCS 5/14-115) (from Ch. 108 1/2, par. 14-115)

14 Sec. 14-115. Supplemental Annuity.

15 (a) Each annuitant, who retired at age 55 or over and after  
16 the completion of at least 15 years of creditable service,  
17 whose status as an employee terminated before January 1, 1970,  
18 is entitled to a monthly supplemental annuity effective January  
19 1, 1970, or on January 1 nearest the annuitant's 65th birthday,  
20 whichever is later. Such supplemental annuity shall be 1-1/2%  
21 of the monthly retirement annuity, multiplied by the number of  
22 full years which elapsed from the date of the member's latest  
23 retirement to the effective date of the supplemental annuity.  
24 This monthly supplemental annuity shall be increased on each  
25 January 1 thereafter during the lifetime of the annuitant by

1 1-1/2% of the monthly retirement annuity disregarding any  
2 supplemental annuity previously granted. Beginning January 1,  
3 1972, the rate of increase in the supplemental annuity shall be  
4 2%. Beginning January 1, 1979, the rate of increase in the  
5 supplemental annuity shall be 3%.

6 The supplemental annuity under this subsection is payable  
7 only if the annuitant pays to the System, in a single sum, an  
8 amount equal to 1% of his monthly final average compensation  
9 multiplied by the number of full years of creditable service.

10 (b) Any member who retired with less than 15 years of  
11 creditable service whose status as an employee terminated  
12 before January 1, 1970, shall be entitled to an increase of 3%  
13 of the original monthly retirement allowance, effective  
14 January 1, 1982, or on January 1 nearest the annuitant's 65th  
15 birthday, whichever is later. On each January 1 thereafter  
16 during the lifetime of the member, he shall be entitled to an  
17 additional increase of 3% of the original monthly retirement  
18 allowance. No qualifying contribution is required for the  
19 supplemental annuity under this subsection.

20 (c) Beginning January 1, 1990, all automatic annual  
21 increases payable under this Section shall be calculated as a  
22 percentage of the total monthly amount of annuity payable at  
23 the time of the increase, including any supplemental annuity or  
24 other increase previously granted under this Article.

25 (d) Notwithstanding any other provision of this Article, a  
26 supplemental annuity of a member who first becomes a member on

1 or after July 1, 2010 shall be increased on each January 1  
2 after receiving his or her supplemental annuity under this  
3 Section by an amount equal to 3% or one-half the annual change  
4 in the Consumer Price Index for All Urban Consumers, whichever  
5 is less, of the originally granted supplemental annuity.

6 (Source: P.A. 86-273.)

7 (40 ILCS 5/14-119) (from Ch. 108 1/2, par. 14-119)

8 Sec. 14-119. Amount of widow's annuity.

9 (a) The widow's annuity shall be 50% of the amount of  
10 retirement annuity payable to the member on the date of death  
11 while on retirement if an annuitant, or on the date of his  
12 death while in service if an employee, regardless of his age on  
13 such date, or on the date of withdrawal if death occurred after  
14 termination of service under the conditions prescribed in the  
15 preceding Section.

16 (b) If an eligible widow, regardless of age, has in her  
17 care any unmarried child or children of the member under age 18  
18 (under age 22 if a full-time student), the widow's annuity  
19 shall be increased in the amount of 5% of the retirement  
20 annuity for each such child, but the combined payments for a  
21 widow and children shall not exceed 66 2/3% of the member's  
22 earned retirement annuity.

23 The amount of retirement annuity from which the widow's  
24 annuity is derived shall be that earned by the member without  
25 regard to whether he attained age 60 prior to his withdrawal

1 under the conditions stated or prior to his death.

2 (c) Marriage of a child shall render the child ineligible  
3 for further consideration in the increase in the amount of the  
4 widow's annuity.

5 Attainment of age 18 (age 22 if a full-time student) shall  
6 render a child ineligible for further consideration in the  
7 increase of the widow's annuity, but the annuity to the widow  
8 shall be continued thereafter, without regard to her age at  
9 that time.

10 (d) Except as otherwise provided in this subsection (d), a  
11 widow's annuity payable on account of any covered employee who  
12 has been a covered employee for at least 18 months shall be  
13 reduced by 1/2 of the amount of survivors benefits to which his  
14 beneficiaries are eligible under the provisions of the Federal  
15 Social Security Act, except that (1) the amount of any widow's  
16 annuity payable under this Article shall not be reduced by  
17 reason of any increase under that Act which occurs after the  
18 offset required by this subsection is first applied to that  
19 annuity, and (2) for benefits granted on or after January 1,  
20 1992, the offset under this subsection (d) shall not exceed 50%  
21 of the amount of widow's annuity otherwise payable.

22 Beginning July 1, 2009, the offset under this subsection  
23 (d) shall no longer be applied to any widow's annuity of any  
24 person who began receiving retirement benefits or a widow's  
25 annuity prior to January 1, 1998.

26 Beginning July 1, 2009, the offset under this subsection

1 (d) shall no longer be applied to the widow's annuity of any  
2 person who began receiving a widow's annuity on or after  
3 January 1, 1998 and before the effective date of this  
4 amendatory Act of the 95th General Assembly.

5 Any person who began receiving retirement benefits after  
6 January 1, 1998 and before the effective date of this  
7 amendatory Act of the 95th General Assembly may, during a  
8 one-time election period established by the System, elect to  
9 reduce his or her retirement annuity by 3.825% in exchange for  
10 not having the offset under this subsection (d) applied to his  
11 or her widow's annuity.

12 Any employee in service on the effective date of this  
13 amendatory Act of the 95th General Assembly may, at the time of  
14 retirement, elect to reduce his or her retirement annuity by  
15 3.825% in exchange for not having the offset under this  
16 subsection (d) applied to his or her widow's annuity.

17 If a widow's annuity is payable to the widow of an employee  
18 based on the employee's death in service, then the offset under  
19 this subsection (d) shall no longer be applied to the widow's  
20 annuity.

21 A retiree who elects to reduce his or her retirement  
22 annuity under this subsection (d) in exchange for not having  
23 the offset applied may make an irrevocable election to  
24 eliminate the reduction of his or her retirement annuity if  
25 there is a change in marital status due to death or divorce,  
26 but the retiree is not entitled to reimbursement of any benefit

1 reduction prior to the election.

2 (e) Upon the death of a recipient of a widow's annuity the  
3 excess, if any, of the member's accumulated contributions plus  
4 credited interest over all annuity payments to the member and  
5 widow, exclusive of the \$500 lump sum payment, shall be paid to  
6 the named beneficiary of the widow, or if none has been named,  
7 to the estate of the widow, provided no reversionary annuity is  
8 payable.

9 (f) On January 1, 1981, any recipient of a widow's annuity  
10 who was receiving a widow's annuity on or before January 1,  
11 1971, shall have her widow's annuity then being paid increased  
12 by 1% for each full year which has elapsed from the date the  
13 widow's annuity began. On January 1, 1982, any recipient of a  
14 widow's annuity who began receiving a widow's annuity after  
15 January 1, 1971, but before January 1, 1981, shall have her  
16 widow's annuity then being paid increased by 1% for each full  
17 year which has elapsed from the date the widow's annuity began.  
18 On January 1, 1987, any recipient of a widow's annuity who  
19 began receiving the widow's annuity on or before January 1,  
20 1977, shall have the monthly widow's annuity increased by \$1  
21 for each full year which has elapsed since the date the annuity  
22 began.

23 (g) Beginning January 1, 1990, every widow's annuity shall  
24 be increased (1) on each January 1 occurring on or after the  
25 commencement of the annuity if the deceased member died while  
26 receiving a retirement annuity, or (2) in other cases, on each

1 January 1 occurring on or after the first anniversary of the  
2 commencement of the annuity, by an amount equal to 3% of the  
3 current amount of the annuity, including any previous increases  
4 under this Article. Such increases shall apply without regard  
5 to whether the deceased member was in service on or after the  
6 effective date of Public Act 86-1488, but shall not accrue for  
7 any period prior to January 1, 1990.

8 Notwithstanding any other provision of this Article, a  
9 widow's annuity of a widow of a member who first becomes a  
10 member on or after July 1, 2010 shall be increased (1) on each  
11 January 1 occurring on or after the commencement of the annuity  
12 if the deceased member died while receiving a retirement  
13 annuity or (2) in other cases, on each January 1 occurring on  
14 or after the first anniversary of the commencement of the  
15 annuity, by an amount equal to 3% or one-half the annual change  
16 in the Consumer Price Index for All Urban Consumers, whichever  
17 is less, of the originally granted widow's annuity.

18 (Source: P.A. 95-279, eff. 1-1-08; 95-1043, eff. 3-26-09.)

19 (40 ILCS 5/14-121) (from Ch. 108 1/2, par. 14-121)

20 Sec. 14-121. Amount of survivors annuity. A survivors  
21 annuity beneficiary shall be entitled upon death of the member  
22 to a single sum payment of \$1,000, payable pro rata among all  
23 persons entitled thereto, together with a survivors annuity  
24 payable at the rates and under the conditions specified in this  
25 Article.



1 (a) If the survivors annuity beneficiary is a spouse, the  
2 survivors annuity shall be 30% of final average compensation  
3 subject to a maximum payment of \$400 per month.

4 (b) If an eligible child or children under the care of a  
5 spouse also survives the member, such spouse as natural  
6 guardian of the child or children shall receive, in addition to  
7 the foregoing annuity, 20% of final average compensation on  
8 account of each such child and 10% of final average  
9 compensation divided pro rata among such children, subject to a  
10 maximum payment on account of all survivor annuity  
11 beneficiaries of \$600 per month, or 80% of the member's final  
12 average compensation, whichever is the lesser.

13 (c) If the survivors annuity beneficiary or beneficiaries  
14 consists of an unmarried child or children, the amount of  
15 survivors annuity shall be 20% of final average compensation to  
16 each child, and 10% of final average compensation divided pro  
17 rata among all such children entitled to such annuity, subject  
18 to a maximum payment to all children combined of \$600 per month  
19 or 80% of the member's final average compensation, whichever is  
20 the lesser.

21 (d) If the survivors annuity beneficiary is one or more  
22 dependent parents, the annuity shall be 20% of final average  
23 compensation to each parent and 10% of final average  
24 compensation divided pro rata among the parents who qualify for  
25 this annuity, subject to a maximum payment to both dependent  
26 parents of \$400 per month.

1           (e) The survivors annuity to the spouse, children or  
2 dependent parents of a member whose death occurs after the date  
3 of last withdrawal, or after retirement, or while in service  
4 following reentry into service after retirement but before  
5 completing 1 1/2 years of additional creditable service, shall  
6 not exceed the lesser of 80% of the member's earned retirement  
7 annuity at the date of death or the maximum previously  
8 established in this Section.

9           (f) In applying the limitation prescribed on the combined  
10 payments to 2 or more survivors annuity beneficiaries, the  
11 annuity on account of each beneficiary shall be reduced pro  
12 rata until such time as the number of beneficiaries makes the  
13 reduction no longer applicable.

14           (g) Except as otherwise provided in this subsection (g), a  
15 survivors annuity payable on account of any covered employee  
16 who has been a covered employee for at least 18 months at date  
17 of death or last withdrawal, whichever is the later, shall be  
18 reduced by 1/2 of the survivors benefits to which his  
19 beneficiaries are eligible under the federal Social Security  
20 Act, except that (1) the survivors annuity payable under this  
21 Article shall not be reduced by any increase under that Act  
22 which occurs after the offset required by this subsection is  
23 first applied to that annuity, (2) for benefits granted on or  
24 after January 1, 1992, the offset under this subsection (g)  
25 shall not exceed 50% of the amount of survivors annuity  
26 otherwise payable.

1           Beginning July 1, 2009, the offset under this subsection  
2           (g) shall no longer be applied to any survivors annuity of any  
3           person who began receiving retirement benefits or a survivors  
4           annuity prior to January 1, 1998.

5           Beginning July 1, 2009, the offset under this subsection  
6           (g) shall no longer be applied to the survivors annuity of any  
7           person who began receiving a survivors annuity on or after  
8           January 1, 1998 and before the effective date of this  
9           amendatory Act of the 95th General Assembly.

10          Any person who began receiving retirement benefits after  
11          January 1, 1998 and before the effective date of this  
12          amendatory Act of the 95th General Assembly may, during a  
13          one-time election period established by the System, elect to  
14          reduce his or her retirement annuity by 3.825% in exchange for  
15          not having the offset under this subsection (g) applied to his  
16          or her survivors annuity.

17          Any employee in service on the effective date of this  
18          amendatory Act of the 95th General Assembly may, at the time of  
19          retirement, elect to reduce his or her retirement annuity by  
20          3.825% in exchange for not having the offset under this  
21          subsection (g) applied to his or her survivors annuity.

22          If a survivors annuity is payable to the widow of an  
23          employee based on the employee's death in service, then the  
24          offset under this subsection (g) shall no longer be applied to  
25          the survivors annuity.

26          A retiree who elects to reduce his or her retirement

1 annuity under this subsection (g) in exchange for not having  
2 the offset applied may make an irrevocable election to  
3 eliminate the reduction of his or her retirement annuity if  
4 there is a change in marital status due to death or divorce,  
5 but the retiree is not entitled to reimbursement of any benefit  
6 reduction prior to the election.

7 (h) The minimum payment to a beneficiary hereunder shall be  
8 \$60 per month, which shall be reduced in accordance with the  
9 limitation prescribed on the combined payments to all  
10 beneficiaries of a member.

11 (i) Subject to the conditions set forth in Section 14-120,  
12 the minimum total survivors annuity benefit payable to the  
13 survivors annuity beneficiaries of a deceased member or  
14 annuitant whose death occurs on or after January 1, 1984, shall  
15 be 50% of the amount of retirement annuity that was or would  
16 have been payable to the deceased on the date of death,  
17 regardless of the age of the deceased on such date. If the  
18 minimum total benefit provided by this subsection exceeds the  
19 maximum otherwise imposed by this Section, the minimum total  
20 benefit shall nevertheless be payable. Any increase in the  
21 total survivors annuity benefit resulting from the operation of  
22 this subsection shall be divided among the survivors annuity  
23 beneficiaries of the deceased in proportion to their shares of  
24 the total survivors annuity benefit otherwise payable under  
25 this Section.

26 (j) Any survivors annuity beneficiary whose annuity

1 terminates due to any condition specified in this Article other  
2 than death shall be entitled to a refund of the excess, if any,  
3 of the accumulated contributions of the member plus credited  
4 interest over all payments to the member and beneficiary or  
5 beneficiaries, exclusive of the single sum payment of \$1,000,  
6 provided no future survivors or reversionary annuity benefits  
7 are payable.

8 (k) Upon the death of the last eligible recipient of a  
9 survivors annuity the excess, if any, of the member's  
10 accumulated contributions plus credited interest over all  
11 annuity payments to the member and survivors exclusive of the  
12 single sum payment of \$1000, shall be paid to the named  
13 beneficiary of the last eligible survivor, or if none has been  
14 named, to the estate of the last eligible survivor, provided no  
15 reversionary annuity is payable.

16 (l) On January 1, 1981, any survivor who was receiving a  
17 survivors annuity on or before January 1, 1971, shall have his  
18 survivors annuity then being paid increased by 1% for each full  
19 year which has elapsed from the date the annuity began. On  
20 January 1, 1982, any survivor who began receiving a survivor's  
21 annuity after January 1, 1971, but before January 1, 1981,  
22 shall have his survivor's annuity then being paid increased by  
23 1% for each full year that has elapsed from the date the  
24 annuity began. On January 1, 1987, any survivor who began  
25 receiving a survivor's annuity on or before January 1, 1977,  
26 shall have the monthly survivor's annuity increased by \$1 for

1 each full year which has elapsed since the date the survivor's  
2 annuity began.

3 (m) Beginning January 1, 1990, every survivor's annuity  
4 shall be increased (1) on each January 1 occurring on or after  
5 the commencement of the annuity if the deceased member died  
6 while receiving a retirement annuity, or (2) in other cases, on  
7 each January 1 occurring on or after the first anniversary of  
8 the commencement of the annuity, by an amount equal to 3% of  
9 the current amount of the annuity, including any previous  
10 increases under this Article. Such increases shall apply  
11 without regard to whether the deceased member was in service on  
12 or after the effective date of Public Act 86-1488, but shall  
13 not accrue for any period prior to January 1, 1990.

14 Notwithstanding any other provision of this Article, a  
15 survivor's annuity of a survivor of a member who first becomes  
16 a member on or after July 1, 2010 shall be increased (1) on  
17 each January 1 occurring on or after the commencement of the  
18 annuity if the deceased member died while receiving a  
19 retirement annuity or (2) in other cases, on each January 1  
20 occurring on or after the first anniversary of the commencement  
21 of the annuity, by an amount equal to 3% or one-half the annual  
22 change in the Consumer Price Index for All Urban Consumers,  
23 whichever is less, of the originally granted survivor's  
24 annuity.

25 (Source: P.A. 95-1043, eff. 3-26-09.)

1 (40 ILCS 5/14-125.1) (from Ch. 108 1/2, par. 14-125.1)

2 Sec. 14-125.1. Automatic increase in disability benefit.  
3 Each disability benefit payable under Section 14-123 or 14-124  
4 shall be increased by 7% of the original fixed amount of such  
5 benefit on January 1, 1986 or January 1 following the fourth  
6 anniversary of the granting of the benefit, whichever occurs  
7 later. On each January 1 following the 7% increase, but not  
8 earlier than January 1, 1991, the disability benefit shall be  
9 increased by 3% of the current amount of the benefit, including  
10 prior increases under this Article.

11 Notwithstanding any other provision of this Section, in the  
12 case of a member who first becomes a member on or after July 1,  
13 2010, the increases on each January 1 following the 7% increase  
14 shall be equal to 3% or one-half the annual change in the  
15 Consumer Price Index for All Urban Consumers, whichever is  
16 less, of the originally granted disability benefit.

17 (Source: P.A. 86-1488.)

18 (40 ILCS 5/14-128) (from Ch. 108 1/2, par. 14-128)

19 Sec. 14-128. Occupational death benefit. An occupational  
20 death benefit is provided for a member of the System whose  
21 death, prior to retirement, is the proximate result of bodily  
22 injuries sustained or a hazard undergone while in the  
23 performance and within the scope of the member's duties.

24 (a) Conditions for payment.

25 Exclusive of the lump sum payment provided for herein, all

1 annuities under this Section shall accrue and be payable for  
2 complete calendar months, beginning on the first day of the  
3 month next following the month in which the initiating event  
4 occurs and ending on the last day of the month in which the  
5 terminating event occurs.

6 The following named survivors of the member may be eligible  
7 for an annuity under this Section:

8 (i) The member's spouse.

9 (ii) An unmarried child of the member under age 18  
10 (under age 22 if a full-time student); an unmarried  
11 stepchild under age 18 (under age 22 if a full-time  
12 student) who has been such for at least one year at the  
13 date of the member's death; an unmarried adopted child  
14 under age 18 (under age 22 if a full-time student); and an  
15 unmarried child over age 18 who is dependent by reason of a  
16 physical or mental disability, for so long as such physical  
17 or mental disability continues. For the purposes of this  
18 Section disability means inability to engage in any  
19 substantial gainful activity by reason of any medically  
20 determinable physical or mental impairment which can be  
21 expected to result in death or which has lasted or can be  
22 expected to last for a continuous period of not less than  
23 12 months.

24 (iii) If no spouse or eligible children survive: a  
25 dependent parent of the member; a dependent step-parent by  
26 a marriage contracted before the member attained age 18; or



1 a dependent adopting parent by whom the member was adopted  
2 before he or she attained age 18.

3 The term "dependent" relating to an occupational death  
4 benefit means a survivor of the member who was receiving from  
5 the member at the date of the member's death at least 1/2 of  
6 the support for maintenance including board, lodging, medical  
7 care and like living costs.

8 Payment of the annuity shall continue until the occurrence  
9 of the following:

10 (1) remarriage before age 55 that occurs before the  
11 effective date of this amendatory Act of the 91st General  
12 Assembly or death, in the case of a surviving spouse;

13 (2) attainment of age 18 or termination of disability,  
14 death, or marriage, in the case of an eligible child;

15 (3) remarriage before age 55 or death, in the case of a  
16 dependent parent.

17 If none of the aforementioned beneficiaries is living at  
18 the date of death of the member, no occupational death benefit  
19 shall be payable, but the nonoccupational death benefit shall  
20 be payable as provided in this Article.

21 The change made to this subsection by this amendatory Act  
22 of the 91st General Assembly (pertaining to remarriage prior to  
23 age 55) applies without regard to whether the deceased member  
24 was in service on or after the effective date of this  
25 amendatory Act.

26 (b) Amount of benefit.

1           The member's accumulated contributions plus credited  
2 interest shall be payable in a lump sum to such person as the  
3 member has nominated by written direction, duly acknowledged  
4 and filed with the Board, or if no such nomination to the  
5 estate of the member. When an annuitant is re-employed by a  
6 Department, the accumulated contributions plus credited  
7 interest payable on the member's account shall, if the member  
8 has not previously elected a reversionary annuity, consist of  
9 the excess, if any, of the member's total accumulated  
10 contributions plus credited interest for all creditable  
11 service over the total amount of all retirement annuity  
12 payments received by the member prior to death.

13           In addition to the foregoing payment, an annuity is  
14 provided for eligible survivors as follows:

15           (1) If the survivor is a spouse only, the annuity shall  
16 be 50% of the member's final average compensation.

17           (2) If the spouse has in his or her care an eligible  
18 child or children, the annuity shall be increased by an  
19 amount equal to 15% of the final average compensation on  
20 account of each such child, subject to a limitation on the  
21 combined annuities to a surviving spouse and children of  
22 75% of final average compensation.

23           (3) If there is no surviving spouse, or if the  
24 surviving spouse dies or remarries while a child remains  
25 eligible, then each such child shall be entitled to an  
26 annuity of 15% of the deceased member's final average

1 compensation, subject to a limitation of 50% of final  
2 average compensation to all such children.

3 (4) If there is no surviving spouse or eligible  
4 children, then an annuity shall be payable to the member's  
5 dependent parents, equal to 25% of final average  
6 compensation to each such beneficiary.

7 If any annuity payable under this Section is less than the  
8 corresponding survivors annuity, the beneficiary or  
9 beneficiaries of the annuity under this Section may elect to  
10 receive the survivors annuity and the nonoccupational death  
11 benefit provided for in this Article in lieu of the annuity  
12 provided under this Section.

13 (c) Occupational death claims pending adjudication by the  
14 Illinois Workers' Compensation Commission or a ruling by the  
15 agency responsible for determining the liability of the State  
16 under the "Workers' Compensation Act" or "Workers'  
17 Occupational Diseases Act" shall be payable under Sections  
18 14-120 and 14-121 until a ruling or adjudication occurs, if the  
19 beneficiary or beneficiaries: (1) meet all conditions for  
20 payment as prescribed in this Article; and (2) execute an  
21 assignment of benefits payable as a result of adjudication by  
22 the Illinois Workers' Compensation Commission or a ruling by  
23 the agency responsible for determining the liability of the  
24 State under such Acts. The assignment shall be made to the  
25 System and shall be for an amount equal to the excess of  
26 benefits paid under Sections 14-120 and 14-121 over benefits

1 payable as a result of adjudication of the workers'  
2 compensation claim computed from the date of death of the  
3 member.

4 (d) Every occupational death annuity payable under this  
5 Section shall be increased on each January 1 occurring on or  
6 after (i) January 1, 1990, or (ii) the first anniversary of the  
7 commencement of the annuity, whichever occurs later, by an  
8 amount equal to 3% of the current amount of the annuity,  
9 including any previous increases under this Article, without  
10 regard to whether the deceased member was in service on the  
11 effective date of this amendatory Act of 1991.

12 Notwithstanding any other provision of this Article, an  
13 occupational death annuity for a member who first becomes a  
14 member on or after July 1, 2010 shall be increased on the first  
15 anniversary of the commencement of the annuity by an amount  
16 equal to 3% or one-half the annual change in the Consumer Price  
17 Index for All Urban Consumers, whichever is less, of the  
18 originally granted occupational death annuity.

19 (Source: P.A. 95-279, eff. 1-1-08.)

20 (40 ILCS 5/15-112) (from Ch. 108 1/2, par. 15-112)

21 Sec. 15-112. Final rate of earnings. "Final rate of  
22 earnings":

23 (a) This subsection (a) applies to an employee who first  
24 becomes an employee of this System before July 1, 2010.

25 For an employee who is paid on an hourly basis or who

1 receives an annual salary in installments during 12 months of  
2 each academic year, the average annual earnings during the 48  
3 consecutive calendar month period ending with the last day of  
4 final termination of employment or the 4 consecutive academic  
5 years of service in which the employee's earnings were the  
6 highest, whichever is greater.

7 For any other employee, the average annual earnings during  
8 the 4 consecutive academic years of service in which his or her  
9 earnings were the highest.

10 For an employee with less than 48 months or 4 consecutive  
11 academic years of service, the average earnings during his or  
12 her entire period of service.

13 The earnings of an employee with more than 36 months of  
14 service prior to the date of becoming a participant are, for  
15 such period, considered equal to the average earnings during  
16 the last 36 months of such service.

17 (b) For an employee who first becomes an employee of this  
18 System on or after July 1, 2010, the average annual earnings  
19 obtained by dividing the total earnings of the employee during  
20 the 96 consecutive months of service within the last 120 months  
21 of service in which the total earnings were the highest by the  
22 number of months of service in that period.

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

1       (d) For an employee on disability leave, earnings are  
2 assumed to be equal to the basic compensation on the date  
3 disability occurs or the average earnings during the 24 months  
4 immediately preceding the month in which disability occurs,  
5 whichever is greater.

6       (e) For a participant who retires on or after the effective  
7 date of this amendatory Act of 1997 with at least 20 years of  
8 service as a firefighter or police officer under this Article,  
9 the final rate of earnings shall be the annual rate of earnings  
10 received by the participant on his or her last day as a  
11 firefighter or police officer under this Article, if that is  
12 greater than the final rate of earnings as calculated under the  
13 other provisions of this Section.

14       (f) If a participant is an employee for at least 6 months  
15 during the academic year in which his or her employment is  
16 terminated, the annual final rate of earnings shall be 25% of  
17 the sum of (1) the annual basic compensation for that year, and  
18 (2) the amount earned during the 36 months immediately  
19 preceding that year, if this is greater than the final rate of  
20 earnings as calculated under the other provisions of this  
21 Section.

22       (g) In the determination of the final rate of earnings for  
23 an employee, that part of an employee's earnings for any  
24 academic year beginning after June 30, 1997, which exceeds the  
25 employee's earnings with that employer for the preceding year  
26 by more than 20 percent shall be excluded; in the event that an

1 employee has more than one employer this limitation shall be  
2 calculated separately for the earnings with each employer. In  
3 making such calculation, only the basic compensation of  
4 employees shall be considered, without regard to vacation or  
5 overtime or to contracts for summer employment.

6 (h) The following are not considered as earnings in  
7 determining final rate of earnings: (1) severance or separation  
8 pay, (2) retirement pay, (3) payment for unused sick leave, and  
9 (4) payments from an employer for the period used in  
10 determining final rate of earnings for any purpose other than  
11 (i) services rendered, (ii) leave of absence or vacation  
12 granted during that period, and (iii) vacation of up to 56 work  
13 days allowed upon termination of employment; except that, if  
14 the benefit has been collectively bargained between the  
15 employer and the recognized collective bargaining agent  
16 pursuant to the Illinois Educational Labor Relations Act,  
17 payment received during a period of up to 2 academic years for  
18 unused sick leave may be considered as earnings in accordance  
19 with the applicable collective bargaining agreement, subject  
20 to the 20% increase limitation of this Section. Any unused sick  
21 leave considered as earnings under this Section shall not be  
22 taken into account in calculating service credit under Section  
23 15-113.4.

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

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

1 (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)

2 Sec. 15-135. Retirement annuities - Conditions.

3 (a) This subsection (a) applies only to a participant who  
4 first becomes a participant of this System before July 1, 2010.

5 A participant who retires in one of the following specified  
6 years with the specified amount of service is entitled to a  
7 retirement annuity at any age under the retirement program  
8 applicable to the participant:

9 35 years if retirement is in 1997 or before;

10 34 years if retirement is in 1998;

11 33 years if retirement is in 1999;

12 32 years if retirement is in 2000;

13 31 years if retirement is in 2001;

14 30 years if retirement is in 2002 or later.

15 A participant with 8 or more years of service after  
16 September 1, 1941, is entitled to a retirement annuity on or  
17 after attainment of age 55.

18 A participant with at least 5 but less than 8 years of  
19 service after September 1, 1941, is entitled to a retirement  
20 annuity on or after attainment of age 62.

21 A participant who has at least 25 years of service in this  
22 system as a police officer or firefighter is entitled to a  
23 retirement annuity on or after the attainment of age 50, if  
24 Rule 4 of Section 15-136 is applicable to the participant.

25 (a-5) This subsection (a-5) applies only to a participant



1 who first becomes a participant of this System on or after July  
2 1, 2010.

3 A participant who has at least 10 years of creditable  
4 service may claim his or her retirement annuity when he or she  
5 has attained age 67.

6 A participant who has at least 35 years of creditable  
7 service may claim his or her retirement annuity when he or she  
8 has attained age 62.

9 A participant who has attained age 62 and has at least 10  
10 years of service credit may elect to receive the reduced  
11 retirement annuity provided in subsection (b) of Section 15-136  
12 of this Code.

13 (b) The annuity payment period shall begin on the date  
14 specified by the participant submitting a written application,  
15 which date shall not be prior to termination of employment or  
16 more than one year before the application is received by the  
17 board; however, if the participant is not an employee of an  
18 employer participating in this System or in a participating  
19 system as defined in Article 20 of this Code on April 1 of the  
20 calendar year next following the calendar year in which the  
21 participant attains age 70 1/2, the annuity payment period  
22 shall begin on that date regardless of whether an application  
23 has been filed.

24 (c) An annuity is not payable if the amount provided under  
25 Section 15-136 is less than \$10 per month.

26 (Source: P.A. 92-749, eff. 8-2-02.)

1 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

2 Sec. 15-136. Retirement annuities - Amount. The provisions  
3 of this Section 15-136 apply only to those participants who are  
4 participating in the traditional benefit package or the  
5 portable benefit package and do not apply to participants who  
6 are participating in the self-managed plan.

7 (a) This subsection (a) applies only to a participant who  
8 first becomes a participant of this System before July 1, 2010.

9 The amount of a participant's retirement annuity,  
10 expressed in the form of a single-life annuity, shall be  
11 determined by whichever of the following rules is applicable  
12 and provides the largest annuity:

13 Rule 1: The retirement annuity shall be 1.67% of final rate  
14 of earnings for each of the first 10 years of service, 1.90%  
15 for each of the next 10 years of service, 2.10% for each year  
16 of service in excess of 20 but not exceeding 30, and 2.30% for  
17 each year in excess of 30; or for persons who retire on or  
18 after January 1, 1998, 2.2% of the final rate of earnings for  
19 each year of service.

20 Rule 2: The retirement annuity shall be the sum of the  
21 following, determined from amounts credited to the participant  
22 in accordance with the actuarial tables and the prescribed rate  
23 of interest in effect at the time the retirement annuity  
24 begins:

25 (i) the normal annuity which can be provided on an

1 actuarially equivalent basis, by the accumulated normal  
2 contributions as of the date the annuity begins;

3 (ii) an annuity from employer contributions of an  
4 amount equal to that which can be provided on an  
5 actuarially equivalent basis from the accumulated normal  
6 contributions made by the participant under Section  
7 15-113.6 and Section 15-113.7 plus 1.4 times all other  
8 accumulated normal contributions made by the participant;  
9 and

10 (iii) the annuity that can be provided on an  
11 actuarially equivalent basis from the entire contribution  
12 made by the participant under Section 15-113.3.

13 With respect to a police officer or firefighter who retires  
14 on or after August 14, 1998, the accumulated normal  
15 contributions taken into account under clauses (i) and (ii) of  
16 this Rule 2 shall include the additional normal contributions  
17 made by the police officer or firefighter under Section  
18 15-157(a).

19 The amount of a retirement annuity calculated under this  
20 Rule 2 shall be computed solely on the basis of the  
21 participant's accumulated normal contributions, as specified  
22 in this Rule and defined in Section 15-116. Neither an employee  
23 or employer contribution for early retirement under Section  
24 15-136.2 nor any other employer contribution shall be used in  
25 the calculation of the amount of a retirement annuity under  
26 this Rule 2.

1           This amendatory Act of the 91st General Assembly is a  
2 clarification of existing law and applies to every participant  
3 and annuitant without regard to whether status as an employee  
4 terminates before the effective date of this amendatory Act.

5           This Rule 2 does not apply to a person who first becomes an  
6 employee under this Article on or after July 1, 2005.

7           Rule 3: The retirement annuity of a participant who is  
8 employed at least one-half time during the period on which his  
9 or her final rate of earnings is based, shall be equal to the  
10 participant's years of service not to exceed 30, multiplied by  
11 (1) \$96 if the participant's final rate of earnings is less  
12 than \$3,500, (2) \$108 if the final rate of earnings is at least  
13 \$3,500 but less than \$4,500, (3) \$120 if the final rate of  
14 earnings is at least \$4,500 but less than \$5,500, (4) \$132 if  
15 the final rate of earnings is at least \$5,500 but less than  
16 \$6,500, (5) \$144 if the final rate of earnings is at least  
17 \$6,500 but less than \$7,500, (6) \$156 if the final rate of  
18 earnings is at least \$7,500 but less than \$8,500, (7) \$168 if  
19 the final rate of earnings is at least \$8,500 but less than  
20 \$9,500, and (8) \$180 if the final rate of earnings is \$9,500 or  
21 more, except that the annuity for those persons having made an  
22 election under Section 15-154(a-1) shall be calculated and  
23 payable under the portable retirement benefit program pursuant  
24 to the provisions of Section 15-136.4.

25           Rule 4: A participant who is at least age 50 and has 25 or  
26 more years of service as a police officer or firefighter, and a

1 participant who is age 55 or over and has at least 20 but less  
2 than 25 years of service as a police officer or firefighter,  
3 shall be entitled to a retirement annuity of 2 1/4% of the  
4 final rate of earnings for each of the first 10 years of  
5 service as a police officer or firefighter, 2 1/2% for each of  
6 the next 10 years of service as a police officer or  
7 firefighter, and 2 3/4% for each year of service as a police  
8 officer or firefighter in excess of 20. The retirement annuity  
9 for all other service shall be computed under Rule 1.

10 For purposes of this Rule 4, a participant's service as a  
11 firefighter shall also include the following:

12 (i) service that is performed while the person is an  
13 employee under subsection (h) of Section 15-107; and

14 (ii) in the case of an individual who was a  
15 participating employee employed in the fire department of  
16 the University of Illinois's Champaign-Urbana campus  
17 immediately prior to the elimination of that fire  
18 department and who immediately after the elimination of  
19 that fire department transferred to another job with the  
20 University of Illinois, service performed as an employee of  
21 the University of Illinois in a position other than police  
22 officer or firefighter, from the date of that transfer  
23 until the employee's next termination of service with the  
24 University of Illinois.

25 Rule 5: The retirement annuity of a participant who elected  
26 early retirement under the provisions of Section 15-136.2 and

1 who, on or before February 16, 1995, brought administrative  
2 proceedings pursuant to the administrative rules adopted by the  
3 System to challenge the calculation of his or her retirement  
4 annuity shall be the sum of the following, determined from  
5 amounts credited to the participant in accordance with the  
6 actuarial tables and the prescribed rate of interest in effect  
7 at the time the retirement annuity begins:

8 (i) the normal annuity which can be provided on an  
9 actuarially equivalent basis, by the accumulated normal  
10 contributions as of the date the annuity begins; and

11 (ii) an annuity from employer contributions of an  
12 amount equal to that which can be provided on an  
13 actuarially equivalent basis from the accumulated normal  
14 contributions made by the participant under Section  
15 15-113.6 and Section 15-113.7 plus 1.4 times all other  
16 accumulated normal contributions made by the participant;  
17 and

18 (iii) an annuity which can be provided on an  
19 actuarially equivalent basis from the employee  
20 contribution for early retirement under Section 15-136.2,  
21 and an annuity from employer contributions of an amount  
22 equal to that which can be provided on an actuarially  
23 equivalent basis from the employee contribution for early  
24 retirement under Section 15-136.2.

25 In no event shall a retirement annuity under this Rule 5 be  
26 lower than the amount obtained by adding (1) the monthly amount

1 obtained by dividing the combined employee and employer  
2 contributions made under Section 15-136.2 by the System's  
3 annuity factor for the age of the participant at the beginning  
4 of the annuity payment period and (2) the amount equal to the  
5 participant's annuity if calculated under Rule 1, reduced under  
6 Section 15-136(b) as if no contributions had been made under  
7 Section 15-136.2.

8 With respect to a participant who is qualified for a  
9 retirement annuity under this Rule 5 whose retirement annuity  
10 began before the effective date of this amendatory Act of the  
11 91st General Assembly, and for whom an employee contribution  
12 was made under Section 15-136.2, the System shall recalculate  
13 the retirement annuity under this Rule 5 and shall pay any  
14 additional amounts due in the manner provided in Section  
15 15-186.1 for benefits mistakenly set too low.

16 The amount of a retirement annuity calculated under this  
17 Rule 5 shall be computed solely on the basis of those  
18 contributions specifically set forth in this Rule 5. Except as  
19 provided in clause (iii) of this Rule 5, neither an employee  
20 nor employer contribution for early retirement under Section  
21 15-136.2, nor any other employer contribution, shall be used in  
22 the calculation of the amount of a retirement annuity under  
23 this Rule 5.

24 The General Assembly has adopted the changes set forth in  
25 Section 25 of this amendatory Act of the 91st General Assembly  
26 in recognition that the decision of the Appellate Court for the

1 Fourth District in *Mattis v. State Universities Retirement*  
2 *System et al.* might be deemed to give some right to the  
3 plaintiff in that case. The changes made by Section 25 of this  
4 amendatory Act of the 91st General Assembly are a legislative  
5 implementation of the decision of the Appellate Court for the  
6 Fourth District in *Mattis v. State Universities Retirement*  
7 *System et al.* with respect to that plaintiff.

8 The changes made by Section 25 of this amendatory Act of  
9 the 91st General Assembly apply without regard to whether the  
10 person is in service as an employee on or after its effective  
11 date.

12 (a-5) Notwithstanding any other provision of this Article,  
13 for a participant who first becomes a participant on or after  
14 July 1, 2010, the maximum initial annual retirement annuity  
15 payable shall be \$100,000 for fiscal year 2011, and that  
16 maximum shall automatically be increased or decreased, as  
17 applicable, by a percentage equal to the percentage change in  
18 the consumer price index-u during the preceding fiscal year.  
19 "Consumer price index-u" means the index published by the  
20 Bureau of Labor Statistics of the United States Department of  
21 Labor that measures the average change in prices of goods and  
22 services purchased by all urban consumers, United States city  
23 average, all items, 1982-84 = 100. The new amount resulting  
24 from each annual adjustment shall be determined by the Public  
25 Pension Division of the Department of Insurance and made  
26 available via the Department's official web site.



1       The maximum initial annual retirement annuity payable  
2 under this Section shall be subject to automatic annual  
3 increases as provided under this Article.

4       (b) The retirement annuity provided under Rules 1 and 3  
5 above shall be reduced by 1/2 of 1% for each month the  
6 participant is under age 60 (under age 67 for a participant who  
7 first becomes a participant on or after July 1, 2010) at the  
8 time of retirement. However, this reduction shall not apply in  
9 the following cases:

10           (1) For a disabled participant whose disability  
11 benefits have been discontinued because he or she has  
12 exhausted eligibility for disability benefits under clause  
13 (6) of Section 15-152;

14           (2) For a participant who has at least the number of  
15 years of service required to retire at any age under  
16 subsection (a) of Section 15-135; or

17           (3) For that portion of a retirement annuity which has  
18 been provided on account of service of the participant  
19 during periods when he or she performed the duties of a  
20 police officer or firefighter, if these duties were  
21 performed for at least 5 years immediately preceding the  
22 date the retirement annuity is to begin.

23       (c) The maximum retirement annuity provided under Rules 1,  
24 2, 4, and 5 shall be the lesser of (1) the annual limit of  
25 benefits as specified in Section 415 of the Internal Revenue  
26 Code of 1986, as such Section may be amended from time to time

1 and as such benefit limits shall be adjusted by the  
2 Commissioner of Internal Revenue, and (2) 80% of final rate of  
3 earnings.

4 (d) An annuitant whose status as an employee terminates  
5 after August 14, 1969 shall receive automatic increases in his  
6 or her retirement annuity as follows:

7 Effective January 1 immediately following the date the  
8 retirement annuity begins, the annuitant shall receive an  
9 increase in his or her monthly retirement annuity of 0.125% of  
10 the monthly retirement annuity provided under Rule 1, Rule 2,  
11 Rule 3, Rule 4, or Rule 5, contained in this Section,  
12 multiplied by the number of full months which elapsed from the  
13 date the retirement annuity payments began to January 1, 1972,  
14 plus 0.1667% of such annuity, multiplied by the number of full  
15 months which elapsed from January 1, 1972, or the date the  
16 retirement annuity payments began, whichever is later, to  
17 January 1, 1978, plus 0.25% of such annuity multiplied by the  
18 number of full months which elapsed from January 1, 1978, or  
19 the date the retirement annuity payments began, whichever is  
20 later, to the effective date of the increase.

21 The annuitant shall receive an increase in his or her  
22 monthly retirement annuity on each January 1 thereafter during  
23 the annuitant's life of 3% of the monthly annuity provided  
24 under Rule 1, Rule 2, Rule 3, Rule 4, or Rule 5 contained in  
25 this Section. The change made under this subsection by P.A.  
26 81-970 is effective January 1, 1980 and applies to each

1 annuitant whose status as an employee terminates before or  
2 after that date.

3 Beginning January 1, 1990, all automatic annual increases  
4 payable under this Section shall be calculated as a percentage  
5 of the total annuity payable at the time of the increase,  
6 including all increases previously granted under this Article.

7 Notwithstanding any other provision of this Article, a  
8 retirement annuity for a member who first becomes a member on  
9 or after July 1, 2010 shall be increased on the first  
10 anniversary of the commencement of the annuity by an amount  
11 equal to 3% or one-half the annual change in the Consumer Price  
12 Index for All Urban Consumers, whichever is less, of the  
13 originally granted retirement annuity.

14 The change made in this subsection by P.A. 85-1008 is  
15 effective January 26, 1988, and is applicable without regard to  
16 whether status as an employee terminated before that date.

17 (e) If, on January 1, 1987, or the date the retirement  
18 annuity payment period begins, whichever is later, the sum of  
19 the retirement annuity provided under Rule 1 or Rule 2 of this  
20 Section and the automatic annual increases provided under the  
21 preceding subsection or Section 15-136.1, amounts to less than  
22 the retirement annuity which would be provided by Rule 3, the  
23 retirement annuity shall be increased as of January 1, 1987, or  
24 the date the retirement annuity payment period begins,  
25 whichever is later, to the amount which would be provided by  
26 Rule 3 of this Section. Such increased amount shall be

1 considered as the retirement annuity in determining benefits  
2 provided under other Sections of this Article. This paragraph  
3 applies without regard to whether status as an employee  
4 terminated before the effective date of this amendatory Act of  
5 1987, provided that the annuitant was employed at least  
6 one-half time during the period on which the final rate of  
7 earnings was based.

8 (f) A participant is entitled to such additional annuity as  
9 may be provided on an actuarially equivalent basis, by any  
10 accumulated additional contributions to his or her credit.  
11 However, the additional contributions made by the participant  
12 toward the automatic increases in annuity provided under this  
13 Section shall not be taken into account in determining the  
14 amount of such additional annuity.

15 (g) If, (1) by law, a function of a governmental unit, as  
16 defined by Section 20-107 of this Code, is transferred in whole  
17 or in part to an employer, and (2) a participant transfers  
18 employment from such governmental unit to such employer within  
19 6 months after the transfer of the function, and (3) the sum of  
20 (A) the annuity payable to the participant under Rule 1, 2, or  
21 3 of this Section (B) all proportional annuities payable to the  
22 participant by all other retirement systems covered by Article  
23 20, and (C) the initial primary insurance amount to which the  
24 participant is entitled under the Social Security Act, is less  
25 than the retirement annuity which would have been payable if  
26 all of the participant's pension credits validated under

1 Section 20-109 had been validated under this system, a  
2 supplemental annuity equal to the difference in such amounts  
3 shall be payable to the participant.

4 (h) On January 1, 1981, an annuitant who was receiving a  
5 retirement annuity on or before January 1, 1971 shall have his  
6 or her retirement annuity then being paid increased \$1 per  
7 month for each year of creditable service. On January 1, 1982,  
8 an annuitant whose retirement annuity began on or before  
9 January 1, 1977, shall have his or her retirement annuity then  
10 being paid increased \$1 per month for each year of creditable  
11 service.

12 (i) On January 1, 1987, any annuitant whose retirement  
13 annuity began on or before January 1, 1977, shall have the  
14 monthly retirement annuity increased by an amount equal to 8¢  
15 per year of creditable service times the number of years that  
16 have elapsed since the annuity began.

17 (Source: P.A. 93-347, eff. 7-24-03; 94-4, eff. 6-1-05.)

18 (40 ILCS 5/15-145) (from Ch. 108 1/2, par. 15-145)

19 Sec. 15-145. Survivors insurance benefits; conditions and  
20 amounts.

21 (a) The survivors insurance benefits provided under this  
22 Section shall be payable to the eligible survivors of a  
23 participant covered under the traditional benefit package upon  
24 the death of (1) a participating employee with at least 1 1/2  
25 years of service, (2) a participant who terminated employment

1 with at least 10 years of service, and (3) an annuitant in  
2 receipt of a retirement annuity or disability retirement  
3 annuity under this Article.

4 Service under the State Employees' Retirement System of  
5 Illinois, the Teachers' Retirement System of the State of  
6 Illinois and the Public School Teachers' Pension and Retirement  
7 Fund of Chicago shall be considered in determining eligibility  
8 for survivors benefits under this Section.

9 If by law, a function of a governmental unit, as defined by  
10 Section 20-107, is transferred in whole or in part to an  
11 employer, and an employee transfers employment from this  
12 governmental unit to such employer within 6 months after the  
13 transfer of this function, the service credits in the  
14 governmental unit's retirement system which have been  
15 validated under Section 20-109 shall be considered in  
16 determining eligibility for survivors benefits under this  
17 Section.

18 (b) A surviving spouse of a deceased participant, or of a  
19 deceased annuitant who did not take a refund or additional  
20 annuity consisting of accumulated survivors insurance  
21 contributions, shall receive a survivors annuity of 30% of the  
22 final rate of earnings. Payments shall begin on the day  
23 following the participant's or annuitant's death or the date  
24 the surviving spouse attains age 50, whichever is later, and  
25 continue until the death of the surviving spouse. The annuity  
26 shall be payable to the surviving spouse prior to attainment of

1 age 50 if the surviving spouse has in his or her care a  
2 deceased participant's or annuitant's dependent unmarried  
3 child under age 18 (under age 22 if a full-time student) who is  
4 eligible for a survivors annuity.

5 Remarriage of a surviving spouse prior to attainment of age  
6 55 that occurs before the effective date of this amendatory Act  
7 of the 91st General Assembly shall disqualify him or her for  
8 the receipt of a survivors annuity until July 6, 2000.

9 A surviving spouse whose survivors annuity has been  
10 terminated due to remarriage may apply for reinstatement of  
11 that annuity. The reinstated annuity shall begin to accrue on  
12 July 6, 2000, except that if, on July 6, 2000, the annuity is  
13 payable to an eligible surviving child or parent, payment of  
14 the annuity to the surviving spouse shall not be reinstated  
15 until the annuity is no longer payable to any eligible  
16 surviving child or parent. The reinstated annuity shall include  
17 any one-time or annual increases received prior to the date of  
18 termination, as well as any increases that would otherwise have  
19 accrued from the date of termination to the date of  
20 reinstatement. An eligible surviving spouse whose expectation  
21 of receiving a survivors annuity was lost due to remarriage  
22 before attainment of age 50 shall also be entitled to  
23 reinstatement under this subsection, but the resulting  
24 survivors annuity shall not begin to accrue sooner than upon  
25 the surviving spouse's attainment of age 50.

26 The changes made to this subsection by this amendatory Act

1 of the 92nd General Assembly (pertaining to remarriage prior to  
2 age 55 or 50) apply without regard to whether the deceased  
3 participant or annuitant was in service on or after the  
4 effective date of this amendatory Act.

5 (c) Each dependent unmarried child under age 18 (under age  
6 22 if a full-time student) of a deceased participant, or of a  
7 deceased annuitant who did not take a refund or additional  
8 annuity consisting of accumulated survivors insurance  
9 contributions, shall receive a survivors annuity equal to the  
10 sum of (1) 20% of the final rate of earnings, and (2) 10% of the  
11 final rate of earnings divided by the number of children  
12 entitled to this benefit. Payments shall begin on the day  
13 following the participant's or annuitant's death and continue  
14 until the child marries, dies, or attains age 18 (age 22 if a  
15 full-time student). If the child is in the care of a surviving  
16 spouse who is eligible for survivors insurance benefits, the  
17 child's benefit shall be paid to the surviving spouse.

18 Each unmarried child over age 18 of a deceased participant  
19 or of a deceased annuitant who had a survivor's insurance  
20 beneficiary at the time of his or her retirement, and who was  
21 dependent upon the participant or annuitant by reason of a  
22 physical or mental disability which began prior to the date the  
23 child attained age 18 (age 22 if a full-time student), shall  
24 receive a survivor's annuity equal to the sum of (1) 20% of the  
25 final rate of earnings, and (2) 10% of the final rate of  
26 earnings divided by the number of children entitled to



1 survivors benefits. Payments shall begin on the day following  
2 the participant's or annuitant's death and continue until the  
3 child marries, dies, or is no longer disabled. If the child is  
4 in the care of a surviving spouse who is eligible for survivors  
5 insurance benefits, the child's benefit may be paid to the  
6 surviving spouse. For the purposes of this Section, disability  
7 means inability to engage in any substantial gainful activity  
8 by reason of any medically determinable physical or mental  
9 impairment that can be expected to result in death or that has  
10 lasted or can be expected to last for a continuous period of at  
11 least one year.

12 (d) Each dependent parent of a deceased participant, or of  
13 a deceased annuitant who did not take a refund or additional  
14 annuity consisting of accumulated survivors insurance  
15 contributions, shall receive a survivors annuity equal to the  
16 sum of (1) 20% of final rate of earnings, and (2) 10% of final  
17 rate of earnings divided by the number of parents who qualify  
18 for the benefit. Payments shall begin when the parent reaches  
19 age 55 or the day following the participant's or annuitant's  
20 death, whichever is later, and continue until the parent dies.  
21 Remarriage of a parent prior to attainment of age 55 shall  
22 disqualify the parent for the receipt of a survivors annuity.

23 (e) In addition to the survivors annuity provided above,  
24 each survivors insurance beneficiary shall, upon death of the  
25 participant or annuitant, receive a lump sum payment of \$1,000  
26 divided by the number of such beneficiaries.

1           (f) The changes made in this Section by Public Act 81-712  
2           pertaining to survivors annuities in cases of remarriage prior  
3           to age 55 shall apply to each survivors insurance beneficiary  
4           who remarries after June 30, 1979, regardless of the date that  
5           the participant or annuitant terminated his employment or died.

6           The change made to this Section by this amendatory Act of  
7           the 91st General Assembly, pertaining to remarriage prior to  
8           age 55, applies without regard to whether the deceased  
9           participant or annuitant was in service on or after the  
10          effective date of this amendatory Act of the 91st General  
11          Assembly.

12          (g) On January 1, 1981, any person who was receiving a  
13          survivors annuity on or before January 1, 1971 shall have the  
14          survivors annuity then being paid increased by 1% for each full  
15          year which has elapsed from the date the annuity began. On  
16          January 1, 1982, any survivor whose annuity began after January  
17          1, 1971, but before January 1, 1981, shall have the survivor's  
18          annuity then being paid increased by 1% for each year which has  
19          elapsed from the date the survivor's annuity began. On January  
20          1, 1987, any survivor who began receiving a survivor's annuity  
21          on or before January 1, 1977, shall have the monthly survivor's  
22          annuity increased by \$1 for each full year which has elapsed  
23          since the date the survivor's annuity began.

24          (h) If the sum of the lump sum and total monthly survivor  
25          benefits payable under this Section upon the death of a  
26          participant amounts to less than the sum of the death benefits

1 payable under items (2) and (3) of Section 15-141, the  
2 difference shall be paid in a lump sum to the beneficiary of  
3 the participant who is living on the date that this additional  
4 amount becomes payable.

5 (i) If the sum of the lump sum and total monthly survivor  
6 benefits payable under this Section upon the death of an  
7 annuitant receiving a retirement annuity or disability  
8 retirement annuity amounts to less than the death benefit  
9 payable under Section 15-142, the difference shall be paid to  
10 the beneficiary of the annuitant who is living on the date that  
11 this additional amount becomes payable.

12 (j) Effective on the later of (1) January 1, 1990, or (2)  
13 the January 1 on or next after the date on which the survivor  
14 annuity begins, if the deceased member died while receiving a  
15 retirement annuity, or in all other cases the January 1 nearest  
16 the first anniversary of the date the survivor annuity payments  
17 begin, every survivors insurance beneficiary shall receive an  
18 increase in his or her monthly survivors annuity of 3%. On each  
19 January 1 after the initial increase, the monthly survivors  
20 annuity shall be increased by 3% of the total survivors annuity  
21 provided under this Article, including previous increases  
22 provided by this subsection. Such increases shall apply to the  
23 survivors insurance beneficiaries of each participant and  
24 annuitant, whether or not the employment status of the  
25 participant or annuitant terminates before the effective date  
26 of this amendatory Act of 1990. This subsection (j) also

1 applies to persons receiving a survivor annuity under the  
2 portable benefit package.

3 Notwithstanding any other provision of this Article, a  
4 survivor's annuity for a survivor of a member who first becomes  
5 a member on or after July 1, 2010 shall be increased on the  
6 January 1 on or next after the date on which the survivor  
7 annuity begins, if the deceased member died while receiving a  
8 retirement annuity, or in all other cases the January 1 nearest  
9 the first anniversary of the date the survivor's annuity  
10 payments begin by an amount equal to 3% or one-half the annual  
11 change in the Consumer Price Index for All Urban Consumers,  
12 whichever is less, of the originally granted survivor's  
13 annuity.

14 (k) If the Internal Revenue Code of 1986, as amended,  
15 requires that the survivors benefits be payable at an age  
16 earlier than that specified in this Section the benefits shall  
17 begin at the earlier age, in which event, the survivor's  
18 beneficiary shall be entitled only to that amount which is  
19 equal to the actuarial equivalent of the benefits provided by  
20 this Section.

21 (l) The changes made to this Section and Section 15-131 by  
22 this amendatory Act of 1997, relating to benefits for certain  
23 unmarried children who are full-time students under age 22,  
24 apply without regard to whether the deceased member was in  
25 service on or after the effective date of this amendatory Act  
26 of 1997. These changes do not authorize the repayment of a

1 refund or a re-election of benefits, and any benefit or  
2 increase in benefits resulting from these changes is not  
3 payable retroactively for any period before the effective date  
4 of this amendatory Act of 1997.

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

6 (40 ILCS 5/15-153.3) (from Ch. 108 1/2, par. 15-153.3)

7 Sec. 15-153.3. Automatic increase in disability benefit.  
8 Each disability benefit payable under Section 15-150 and  
9 calculated under Section 15-153 or 15-153.2 that has not yet  
10 received an initial increase under this Section shall be  
11 increased by 0.25% of the monthly disability benefit multiplied  
12 by the number of full months that have elapsed since the  
13 benefit began on January 1, 2002 or the January 1 next  
14 following the granting of the benefit, whichever occurs later.

15 On each January 1 following the initial increase under this  
16 Section, the disability benefit shall be increased by 3% of the  
17 current amount of the benefit, including prior increases under  
18 this Article.

19 Notwithstanding any other provision of this Article, a  
20 disability benefit for a member who first becomes a member on  
21 or after July 1, 2010 shall be increased on each January 1  
22 following the initial increase provided for in this Section by  
23 an amount equal to 3% or one-half the annual change in the  
24 Consumer Price Index for All Urban Consumers, whichever is  
25 less, of the originally granted disability benefit.

1           The changes made to this Section by this amendatory Act of  
2 the 92nd General Assembly apply without regard to whether the  
3 benefit recipient was in service on or after the effective date  
4 of this amendatory Act.

5           (Source: P.A. 92-749, eff. 8-2-02.)

6           (40 ILCS 5/16-132) (from Ch. 108 1/2, par. 16-132)

7           Sec. 16-132. Retirement annuity eligibility.

8           (a) This subsection (a) applies only to a member who first  
9 becomes a member of this System before July 1, 2010.

10           A member who has at least 20 years of creditable service is  
11 entitled to a retirement annuity upon or after attainment of  
12 age 55. A member who has at least 10 but less than 20 years of  
13 creditable service is entitled to a retirement annuity upon or  
14 after attainment of age 60. A member who has at least 5 but  
15 less than 10 years of creditable service is entitled to a  
16 retirement annuity upon or after attainment of age 62. A member  
17 who (i) has earned during the period immediately preceding the  
18 last day of service at least one year of contributing  
19 creditable service as an employee of a department as defined in  
20 Section 14-103.04, (ii) has earned at least 5 years of  
21 contributing creditable service as an employee of a department  
22 as defined in Section 14-103.04, and (iii) retires on or after  
23 January 1, 2001 is entitled to a retirement annuity upon or  
24 after attainment of an age which, when added to the number of  
25 years of his or her total creditable service, equals at least

1 85. Portions of years shall be counted as decimal equivalents.

2 A member who is eligible to receive a retirement annuity of  
3 at least 74.6% of final average salary and will attain age 55  
4 on or before December 31 during the year which commences on  
5 July 1 shall be deemed to attain age 55 on the preceding June  
6 1.

7 (b) This subsection (b) applies only to a member who first  
8 becomes a member of this System on or after July 1, 2010.

9 A member who has at least 10 years of creditable service is  
10 entitled to a retirement annuity when he or she has attained  
11 age 67.

12 A member who has at least 35 years of creditable service is  
13 entitled to a retirement annuity when he or she has attained  
14 age 62.

15 A member who has attained age 62 and has at least 10 years  
16 of service credit may elect to receive the reduced retirement  
17 annuity provided in subsection (a) of Section 16-133 of this  
18 Code.

19 (c) A member meeting the above eligibility conditions is  
20 entitled to a retirement annuity upon written application to  
21 the board setting forth the date the member wishes the  
22 retirement annuity to commence. However, the effective date of  
23 the retirement annuity shall be no earlier than the day  
24 following the last day of creditable service, regardless of the  
25 date of official termination of employment.

26 (d) To be eligible for a retirement annuity, a member shall

1 not be employed as a teacher in the schools included under this  
2 System or under Article 17, except (i) as provided in Section  
3 16-118 or 16-150.1, (ii) if the member is disabled (in which  
4 event, eligibility for salary must cease), or (iii) if the  
5 System is required by federal law to commence payment due to  
6 the member's age; the changes to this sentence made by this  
7 amendatory Act of the 93rd General Assembly apply without  
8 regard to whether the member terminated employment before or  
9 after its effective date.

10 (Source: P.A. 93-320, eff. 7-23-03.)

11 (40 ILCS 5/16-133) (from Ch. 108 1/2, par. 16-133)

12 Sec. 16-133. Retirement annuity; amount.

13 (a) The amount of the retirement annuity shall be (i) in  
14 the case of a person who first became a teacher under this  
15 Article before July 1, 2005, the larger of the amounts  
16 determined under paragraphs (A) and (B) below, or (ii) in the  
17 case of a person who first becomes a teacher under this Article  
18 on or after July 1, 2005, the amount determined under the  
19 applicable provisions of paragraph (B):

20 (A) An amount consisting of the sum of the following:

21 (1) An amount that can be provided on an  
22 actuarially equivalent basis by the member's  
23 accumulated contributions at the time of retirement;  
24 and

25 (2) The sum of (i) the amount that can be provided



1 on an actuarially equivalent basis by the member's  
2 accumulated contributions representing service prior  
3 to July 1, 1947, and (ii) the amount that can be  
4 provided on an actuarially equivalent basis by the  
5 amount obtained by multiplying 1.4 times the member's  
6 accumulated contributions covering service subsequent  
7 to June 30, 1947; and

8 (3) If there is prior service, 2 times the amount  
9 that would have been determined under subparagraph (2)  
10 of paragraph (A) above on account of contributions  
11 which would have been made during the period of prior  
12 service creditable to the member had the System been in  
13 operation and had the member made contributions at the  
14 contribution rate in effect prior to July 1, 1947.

15 This paragraph (A) does not apply to a person who first  
16 becomes a teacher under this Article on or after July 1,  
17 2005.

18 (B) An amount consisting of the greater of the  
19 following:

20 (1) For creditable service earned before July 1,  
21 1998 that has not been augmented under Section  
22 16-129.1: 1.67% of final average salary for each of the  
23 first 10 years of creditable service, 1.90% of final  
24 average salary for each year in excess of 10 but not  
25 exceeding 20, 2.10% of final average salary for each  
26 year in excess of 20 but not exceeding 30, and 2.30% of

1 final average salary for each year in excess of 30; and

2 For creditable service earned on or after July 1,  
3 1998 by a member who has at least 24 years of  
4 creditable service on July 1, 1998 and who does not  
5 elect to augment service under Section 16-129.1: 2.2%  
6 of final average salary for each year of creditable  
7 service earned on or after July 1, 1998 but before the  
8 member reaches a total of 30 years of creditable  
9 service and 2.3% of final average salary for each year  
10 of creditable service earned on or after July 1, 1998  
11 and after the member reaches a total of 30 years of  
12 creditable service; and

13 For all other creditable service: 2.2% of final  
14 average salary for each year of creditable service; or

15 (2) 1.5% of final average salary for each year of  
16 creditable service plus the sum \$7.50 for each of the  
17 first 20 years of creditable service.

18 The amount of the retirement annuity determined under  
19 this paragraph (B) shall be reduced by 1/2 of 1% for each  
20 month that the member is less than age 60 at the time the  
21 retirement annuity begins. However, this reduction shall  
22 not apply (i) if the member has at least 35 years of  
23 creditable service, or (ii) if the member retires on  
24 account of disability under Section 16-149.2 of this  
25 Article with at least 20 years of creditable service, or  
26 (iii) if the member (1) has earned during the period

1 immediately preceding the last day of service at least one  
2 year of contributing creditable service as an employee of a  
3 department as defined in Section 14-103.04, (2) has earned  
4 at least 5 years of contributing creditable service as an  
5 employee of a department as defined in Section 14-103.04,  
6 (3) retires on or after January 1, 2001, and (4) retires  
7 having attained an age which, when added to the number of  
8 years of his or her total creditable service, equals at  
9 least 85. Portions of years shall be counted as decimal  
10 equivalents.

11 Notwithstanding any provision of this subsection (a), in  
12 the case of a person who first becomes a teacher under this  
13 Article on or after July 1, 2010 the following shall apply:

14 (i) The maximum initial annual retirement annuity  
15 payable shall be \$100,000 for fiscal year 2011, and that  
16 maximum shall automatically be increased or decreased, as  
17 applicable, by a percentage equal to the percentage change  
18 in the consumer price index-u during the preceding fiscal  
19 year. "Consumer price index-u" means the index published by  
20 the Bureau of Labor Statistics of the United States  
21 Department of Labor that measures the average change in  
22 prices of goods and services purchased by all urban  
23 consumers, United States city average, all items, 1982-84 =  
24 100. The new amount resulting from each annual adjustment  
25 shall be determined by the Public Pension Division of the  
26 Department of Insurance and made available via the

1 Department's official web site.

2 The maximum initial annual retirement annuity payable  
3 under this paragraph (i) shall be subject to automatic  
4 annual increases as provided under this Article.

5 (ii) The amount of the annuity determined under this  
6 subsection (a) for a member with less than 35 years of  
7 creditable service shall be reduced by 1/2 of 1% for each  
8 month that the teacher is less than age 67 at the time the  
9 retirement annuity begins.

10 (b) For purposes of this Section, final average salary  
11 shall be (i) in the case of a person who first becomes a  
12 teacher under this Article before July 1, 2010, the average  
13 salary for the highest 4 consecutive years within the last 10  
14 years of creditable service as determined under rules of the  
15 board and (ii) for a person who first becomes a teacher under  
16 this Article on or after July 1, 2010, the final average salary  
17 obtained by dividing the total salary of the teacher during the  
18 96 consecutive months of service within the last 120 months of  
19 service in which the total salary was the highest by the number  
20 of months of service in that period.

21 The minimum final average salary shall be considered to be  
22 \$2,400 per year.

23 In the determination of final average salary for members  
24 other than elected officials and their appointees when such  
25 appointees are allowed by statute, that part of a member's  
26 salary for any year beginning after June 30, 1979 which exceeds

1 the member's annual full-time salary rate with the same  
2 employer for the preceding year by more than 20% shall be  
3 excluded. The exclusion shall not apply in any year in which  
4 the member's creditable earnings are less than 50% of the  
5 preceding year's mean salary for downstate teachers as  
6 determined by the survey of school district salaries provided  
7 in Section 2-3.103 of the School Code.

8 (c) In determining the amount of the retirement annuity  
9 under paragraph (B) of this Section, a fractional year shall be  
10 granted proportional credit.

11 (d) The retirement annuity determined under paragraph (B)  
12 of this Section shall be available only to members who render  
13 teaching service after July 1, 1947 for which member  
14 contributions are required, and to annuitants who re-enter  
15 under the provisions of Section 16-150.

16 (e) The maximum retirement annuity provided under  
17 paragraph (B) of this Section shall be 75% of final average  
18 salary.

19 (f) A member retiring after the effective date of this  
20 amendatory Act of 1998 shall receive a pension equal to 75% of  
21 final average salary if the member is qualified to receive a  
22 retirement annuity equal to at least 74.6% of final average  
23 salary under this Article or as proportional annuities under  
24 Article 20 of this Code.

25 (Source: P.A. 94-4, eff. 6-1-05.)

1 (40 ILCS 5/16-133.1) (from Ch. 108 1/2, par. 16-133.1)

2 Sec. 16-133.1. Automatic annual increase in annuity.

3 (a) Each member with creditable service and retiring on or  
4 after August 26, 1969 is entitled to the automatic annual  
5 increases in annuity provided under this Section while  
6 receiving a retirement annuity or disability retirement  
7 annuity from the system.

8 An annuitant shall first be entitled to an initial increase  
9 under this Section on the January 1 next following the first  
10 anniversary of retirement, or January 1 of the year next  
11 following attainment of age 61, whichever is later. At such  
12 time, the system shall pay an initial increase determined as  
13 follows:

14 (1) 1.5% of the originally granted retirement annuity  
15 or disability retirement annuity multiplied by the number  
16 of years elapsed, if any, from the date of retirement until  
17 January 1, 1972, plus

18 (2) 2% of the originally granted annuity multiplied by  
19 the number of years elapsed, if any, from the date of  
20 retirement or January 1, 1972, whichever is later, until  
21 January 1, 1978, plus

22 (3) 3% of the originally granted annuity multiplied by  
23 the number of years elapsed from the date of retirement or  
24 January 1, 1978, whichever is later, until the effective  
25 date of the initial increase.

26 However, the initial annual increase calculated under this

1 Section for the recipient of a disability retirement annuity  
2 granted under Section 16-149.2 shall be reduced by an amount  
3 equal to the total of all increases in that annuity received  
4 under Section 16-149.5 (but not exceeding 100% of the amount of  
5 the initial increase otherwise provided under this Section).

6 Following the initial increase, automatic annual increases  
7 in annuity shall be payable on each January 1 thereafter during  
8 the lifetime of the annuitant, determined as a percentage of  
9 the originally granted retirement annuity or disability  
10 retirement annuity for increases granted prior to January 1,  
11 1990, and calculated as a percentage of the total amount of  
12 annuity, including previous increases under this Section, for  
13 increases granted on or after January 1, 1990, as follows: 1.5%  
14 for periods prior to January 1, 1972, 2% for periods after  
15 December 31, 1971 and prior to January 1, 1978, and 3% for  
16 periods after December 31, 1977.

17 Notwithstanding any other provision of this Article, a  
18 retirement annuity or disability annuity for a member who first  
19 becomes a member on or after July 1, 2010 shall be increased on  
20 the January 1 next following the first anniversary of receipt  
21 of the annuity and each January 1 thereafter by an amount equal  
22 to 3% or one-half the annual change in the Consumer Price Index  
23 for All Urban Consumers, whichever is less, of the originally  
24 granted annuity.

25 (b) The automatic annual increases in annuity provided  
26 under this Section shall not be applicable unless a member has

1 made contributions toward such increases for a period  
2 equivalent to one full year of creditable service. If a member  
3 contributes for service performed after August 26, 1969 but the  
4 member becomes an annuitant before such contributions amount to  
5 one full year's contributions based on the salary at the date  
6 of retirement, he or she may pay the necessary balance of the  
7 contributions to the system and be eligible for the automatic  
8 annual increases in annuity provided under this Section.

9 (c) Each member shall make contributions toward the cost of  
10 the automatic annual increases in annuity as provided under  
11 Section 16-152.

12 (d) An annuitant receiving a retirement annuity or  
13 disability retirement annuity on July 1, 1969, who subsequently  
14 re-enters service as a teacher is eligible for the automatic  
15 annual increases in annuity provided under this Section if he  
16 or she renders at least one year of creditable service  
17 following the latest re-entry.

18 (e) In addition to the automatic annual increases in  
19 annuity provided under this Section, an annuitant who meets the  
20 service requirements of this Section and whose retirement  
21 annuity or disability retirement annuity began on or before  
22 January 1, 1971 shall receive, on January 1, 1981, an increase  
23 in the annuity then being paid of one dollar per month for each  
24 year of creditable service. On January 1, 1982, an annuitant  
25 whose retirement annuity or disability retirement annuity  
26 began on or before January 1, 1977 shall receive an increase in



1 the annuity then being paid of one dollar per month for each  
2 year of creditable service.

3 On January 1, 1987, any annuitant whose retirement annuity  
4 began on or before January 1, 1977, shall receive an increase  
5 in the monthly retirement annuity equal to 8¢ per year of  
6 creditable service times the number of years that have elapsed  
7 since the annuity began.

8 (Source: P.A. 91-927, eff. 12-14-00.)

9 (40 ILCS 5/16-143.1) (from Ch. 108 1/2, par. 16-143.1)

10 Sec. 16-143.1. Increase in survivor benefits.

11 (a) Beginning January 1, 1990, each survivor's benefit and  
12 each reversionary annuity payable under Section 16-136 shall be  
13 increased by 3% of the currently payable amount thereof (1) on  
14 each January 1 occurring on or after the commencement of the  
15 annuity if the deceased teacher died while receiving a  
16 retirement or disability retirement annuity, or (2) in other  
17 cases, on each January 1 occurring on or after the first  
18 anniversary of the granting of the benefit, without regard to  
19 whether the deceased teacher was in service on or after the  
20 effective date of this amendatory Act of 1991, but such  
21 increases shall not accrue for any period prior to January 1,  
22 1990.

23 (b) On January 1, 1981, any beneficiary who was receiving a  
24 survivor's monthly benefit on or before January 1, 1971, shall  
25 have the benefit then being paid increased by 1% for each full

1 year elapsed from the date the survivor's benefit began. On  
2 January 1, 1982, any beneficiary who began receiving a  
3 survivor's monthly benefit after January 1, 1971, but before  
4 January 1, 1981 shall have the benefit then being paid  
5 increased by 1% for each year elapsed from the date the  
6 survivor's benefit began.

7 On January 1, 1987, any beneficiary whose monthly  
8 survivor's benefit began on or before January 1, 1977, shall  
9 have the monthly survivor's benefit increased by \$1 for each  
10 full year which has elapsed since the date the survivor's  
11 benefit began.

12 (c) Notwithstanding any other provision of this Article, a  
13 survivor's benefit for a survivor of a teacher who first  
14 becomes a teacher on or after July 1, 2010 shall be increased  
15 (1) on each January 1 occurring on or after the commencement of  
16 the annuity if the deceased teacher died while receiving a  
17 retirement or disability retirement annuity or (2) in other  
18 cases, on each January 1 occurring on or after the first  
19 anniversary of the granting of the benefit, by an amount equal  
20 to 3% or one-half the annual change in the Consumer Price Index  
21 for All Urban Consumers, whichever is less, of the originally  
22 granted survivor's benefit.

23 (Source: P.A. 86-273; 86-1488.)

24 (40 ILCS 5/16-149.5) (from Ch. 108 1/2, par. 16-149.5)

25 Sec. 16-149.5. Automatic increase in disability benefit.

1 Each disability benefit payable under Section 16-149, 16-149.1  
2 or 16-149.2 shall be increased by 7% of the original fixed  
3 amount of such benefit on January 1, 1991 or January 1  
4 following the fourth anniversary of the granting of the  
5 benefit, whichever occurs later. On each January 1 following  
6 the 7% increase, the disability benefit shall be increased by  
7 3% of the current amount of the benefit, including prior  
8 increases under this Article. However, in the case of a  
9 disability retirement annuity granted under Section 16-149.2,  
10 the annual increases provided by this Section shall cease as  
11 soon as the recipient of the annuity qualifies for the  
12 automatic annual increases provided under Section 16-133.1.

13 In the case of a member who first becomes a member on or  
14 after July 1, 2010, the increases on each January 1 following  
15 the 7% increase shall be equal to 3% or one-half the annual  
16 change in the Consumer Price Index for All Urban Consumers,  
17 whichever is less, of the originally granted disability  
18 benefit.

19 (Source: P.A. 86-1488.)

20 (40 ILCS 5/17-116) (from Ch. 108 1/2, par. 17-116)

21 Sec. 17-116. Service retirement pension.

22 (a) For teachers that first become teachers under this  
23 Article before July 1, 2010, each ~~Each~~ teacher having 20 years  
24 of service upon attainment of age 55, or who thereafter attains  
25 age 55 shall be entitled to a service retirement pension upon

1 or after attainment of age 55; and each teacher in service on  
2 or after July 1, 1971, with 5 or more but less than 20 years of  
3 service shall be entitled to receive a service retirement  
4 pension upon or after attainment of age 62.

5 For teachers that first become teachers under this Article  
6 on or after July 1, 2010, each teacher having at least 10 years  
7 of service upon attainment of age 67, or having at least 35  
8 years of service upon attainment of age 62 shall be entitled to  
9 a service retirement pension. A teacher having at least 10  
10 years of service upon attainment of age 62 may elect to receive  
11 a reduced service retirement pension under item 4 of subsection  
12 (c) of this Section.

13 (b) The service retirement pension for a teacher who  
14 retires on or after June 25, 1971, at age 60 or over, shall be  
15 calculated as follows:

16 (1) For creditable service earned before July 1, 1998  
17 that has not been augmented under Section 17-119.1: 1.67%  
18 for each of the first 10 years of service; 1.90% for each  
19 of the next 10 years of service; 2.10% for each year of  
20 service in excess of 20 but not exceeding 30; and 2.30% for  
21 each year of service in excess of 30, based upon average  
22 salary as herein defined.

23 (2) For creditable service earned on or after July 1,  
24 1998 by a member who has at least 30 years of creditable  
25 service on July 1, 1998 and who does not elect to augment  
26 service under Section 17-119.1: 2.3% of average salary for

1 each year of creditable service earned on or after July 1,  
2 1998.

3 (3) For all other creditable service: 2.2% of average  
4 salary for each year of creditable service.

5 (c) When computing such service retirement pensions, the  
6 following conditions shall apply:

7 1. For teachers that first become teachers under this  
8 Article before July 1, 2010, average ~~Average~~ salary shall  
9 consist of the average annual rate of salary for the 4  
10 consecutive years of validated service within the last 10  
11 years of service when such average annual rate was highest.  
12 In the determination of average salary for retirement  
13 allowance purposes, for members who commenced employment  
14 after August 31, 1979, that part of the salary for any year  
15 shall be excluded which exceeds the annual full-time salary  
16 rate for the preceding year by more than 20%. In the case  
17 of a member who commenced employment before August 31, 1979  
18 and who receives salary during any year after September 1,  
19 1983 which exceeds the annual full time salary rate for the  
20 preceding year by more than 20%, an Employer and other  
21 employers of eligible contributors as defined in Section  
22 17-106 shall pay to the Fund an amount equal to the present  
23 value of the additional service retirement pension  
24 resulting from such excess salary. The present value of the  
25 additional service retirement pension shall be computed by  
26 the Board on the basis of actuarial tables adopted by the

1 Board. If a member elects to receive a pension from this  
2 Fund provided by Section 20-121, his salary under the State  
3 Universities Retirement System and the Teachers'  
4 Retirement System of the State of Illinois shall be  
5 considered in determining such average salary. Amounts  
6 paid after the effective date of this amendatory Act of  
7 1991 for unused vacation time earned after that effective  
8 date shall not under any circumstances be included in the  
9 calculation of average salary or the annual rate of salary  
10 for the purposes of this Article.

11 For teachers that first become teachers under this  
12 Article on or after July 1, 2010, average salary shall  
13 consist of the average annual rate of salary for the 8  
14 consecutive years of validated service within the last 10  
15 years of service when such average annual rate was highest.

16 2. Proportionate credit shall be given for validated  
17 service of less than one year.

18 3. For teachers that first become teachers under this  
19 Article before July 1, 2010, for ~~For~~ retirement at age 60  
20 or over the pension shall be payable at the full rate.

21 4. For teachers that first become teachers under this  
22 Article before July 1, 2010, for ~~For~~ separation from  
23 service below age 60 to a minimum age of 55, the pension  
24 shall be discounted at the rate of 1/2 of one per cent for  
25 each month that the age of the contributor is less than 60,  
26 but a teacher may elect to defer the effective date of

1 pension in order to eliminate or reduce this discount. This  
2 discount shall not be applicable to any participant who has  
3 at least 34 years of service or a retirement pension of at  
4 least 74.6% of average salary on the date the retirement  
5 annuity begins.

6 For teachers that first become teachers under this  
7 Article on or after July 1, 2010, for separation from  
8 service at a minimum of age 62 with at least 10 years of  
9 service, the pension shall be discounted at the rate of 1/2  
10 of one percent for each month that the age of the  
11 contributor is less than age 67.

12 5. No additional pension shall be granted for service  
13 exceeding 45 years. Beginning June 26, 1971 no pension  
14 shall exceed the greater of \$1,500 per month or 75% of  
15 average salary as herein defined.

16 Notwithstanding any other provision of this item 5, for  
17 teachers that first become teachers under this Article on  
18 or after July 1, 2010, no initial annual pension shall  
19 exceed \$100,000 for fiscal year 2011, and that maximum  
20 shall automatically be increased or decreased, as  
21 applicable, by a percentage equal to the percentage change  
22 in the consumer price index-u during the preceding fiscal  
23 year. "Consumer price index-u" means the index published by  
24 the Bureau of Labor Statistics of the United States  
25 Department of Labor that measures the average change in  
26 prices of goods and services purchased by all urban

1       consumers, United States city average, all items, 1982-84 =  
2       100. The new amount resulting from each annual adjustment  
3       shall be determined by the Public Pension Division of the  
4       Department of Insurance and made available via the  
5       Department's official web site.

6           6. Service retirement pensions shall begin on the  
7       effective date of resignation, retirement, the day  
8       following the close of the payroll period for which service  
9       credit was validated, or the time the person resigning or  
10      retiring attains age 55, or on a date elected by the  
11      teacher, whichever shall be latest.

12          7. A member who is eligible to receive a retirement  
13      pension of at least 74.6% of average salary and will attain  
14      age 55 on or before December 31 during the year which  
15      commences on July 1 shall be deemed to attain age 55 on the  
16      preceding June 1.

17          8. A member retiring after the effective date of this  
18      amendatory Act of 1998 shall receive a pension equal to 75%  
19      of average salary if the member is qualified to receive a  
20      retirement pension equal to at least 74.6% of average  
21      salary under this Article or as proportional annuities  
22      under Article 20 of this Code.

23      (Source: P.A. 90-566, eff. 1-2-98; 90-582, eff. 5-27-98.)

24           (40 ILCS 5/17-116.1) (from Ch. 108 1/2, par. 17-116.1)  
25      Sec. 17-116.1. Early retirement without discount.



1           (a) For teachers that first become teachers under this  
2 Article before July 1, 2010, a member retiring after June 1,  
3 1980 and before June 30, 1995 and within 6 months of the last  
4 day of teaching for which retirement contributions were  
5 required, may elect at the time of application to make a one  
6 time employee contribution to the system and thereby avoid the  
7 early retirement reduction in allowance specified in paragraph  
8 (4) of Section 17-116 of this Article. The exercise of the  
9 election shall obligate the last Employer to also make a one  
10 time non-refundable contribution to the Fund.

11           (b) For teachers that first become teachers under this  
12 Article before July 1, 2010, subject ~~Subject~~ to authorization  
13 by the Employer as provided in subsection (c), a member  
14 retiring on or after June 30, 1995 and on or before June 30,  
15 2010 and within 6 months of the last day of teaching for which  
16 retirement contributions were required may elect at the time of  
17 application to make a one-time employee contribution to the  
18 Fund and thereby avoid the early retirement reduction in  
19 allowance specified in paragraph (4) of Section 17-116. The  
20 exercise of the election shall obligate the last Employer to  
21 also make a one-time nonrefundable contribution to the Fund.

22           (c) The benefits provided in subsection (b) are available  
23 only to members who retire, during a specified period, from  
24 employment with an Employer that has adopted and filed with the  
25 Board a resolution expressly providing for the creation of an  
26 early retirement without discount program under this Section

1 for that period.

2 The Employer has the full discretion and authority to  
3 determine whether an early retirement without discount program  
4 is in its best interest and to provide such a program to its  
5 eligible employees in accordance with this Section. The  
6 Employer may decide to authorize such a program for one or more  
7 of the following periods: for the period beginning July 1, 1997  
8 and ending June 30, 1998, in which case the resolution must be  
9 adopted by January 1, 1998; for the period beginning July 1,  
10 1998 and ending June 30, 1999, in which case the resolution  
11 must be adopted by March 31, 1998; for the period beginning  
12 July 1, 1999 and ending June 30, 2000, in which case the  
13 resolution must be adopted by March 31, 1999; for the period  
14 beginning July 1, 2000 and ending June 30, 2001, in which case  
15 the resolution must be adopted by March 31, 2000; for the  
16 period beginning July 1, 2001 and ending June 30, 2002, in  
17 which case the resolution must be adopted by March 31, 2001;  
18 for the period beginning July 1, 2002 and ending June 30, 2003,  
19 in which case the resolution must be adopted by March 31, 2002;  
20 for the period beginning July 1, 2003 and ending June 30, 2004,  
21 in which case the resolution must be adopted by March 31, 2003;  
22 for the period beginning July 1, 2004 and ending June 30, 2005,  
23 in which case the resolution must be adopted by March 31, 2004;  
24 for the period beginning July 1, 2005 and ending June 30, 2006,  
25 in which case the resolution must be adopted by August 31,  
26 2005; for the period beginning July 1, 2006 and ending June 30,

1 2007, in which case the resolution must be adopted by June 30,  
2 2006; for the period beginning July 1, 2007 and ending June 30,  
3 2008, in which case the resolution must be adopted by June 30,  
4 2007; for the period beginning July 1, 2008 and ending June 30,  
5 2009, in which case the resolution must be adopted by June 30,  
6 2008; and for the period beginning July 1, 2009 and ending June  
7 30, 2010, in which case the resolution must be adopted by June  
8 30, 2009. The resolution must be filed with the Board within 10  
9 days after it is adopted. A single resolution may authorize an  
10 early retirement without discount program as provided in this  
11 Section for more than one period.

12 Notwithstanding Section 17-157, the Employer shall also  
13 have full discretion and authority to determine whether to  
14 allow its employees who withdrew from service on or after June  
15 30, 1995 and before June 27, 1997 to participate in an early  
16 retirement without discount program under subsection (b). An  
17 early retirement without discount program for those who  
18 withdrew from service on or after June 30, 1995 and before June  
19 27, 1997 may be authorized only by a resolution of the Employer  
20 that is adopted by January 1, 1998 and filed with the Board  
21 within 10 days after its adoption. If such a resolution is duly  
22 adopted and filed, a person who (i) withdrew from service with  
23 the Employer on or after June 30, 1995 and before June 27,  
24 1997, (ii) qualifies for early retirement without discount  
25 under subsection (b), (iii) applies to the Fund within 90 days  
26 after the authorizing resolution is adopted, and (iv) pays the

1 required employee contribution shall have his or her retirement  
2 pension recalculated in accordance with subsection (b). The  
3 resulting increase shall be effective retroactively to the  
4 starting date of the retirement pension.

5 (d) The one-time employee contribution shall be equal to 7%  
6 of the retiring member's highest full-time annual salary rate  
7 used in the determination of the average salary rate for  
8 retirement pension, or if not full-time then the full-time  
9 equivalent, multiplied by (1) the number of years the teacher  
10 is under age 60, or (2) the number of years the employee's  
11 creditable service is less than 34 years, whichever is less.

12 The Employer contribution shall be 20% of such salary  
13 multiplied by such number of years.

14 (e) Upon receipt of the application and election, the Board  
15 shall determine the one time employee and Employer  
16 contributions. The provisions of this Section shall not be  
17 applicable until the employee contribution, if any, has been  
18 received by the Fund; however, the date that contribution is  
19 received shall not be considered in determining the effective  
20 date of retirement.

21 (f) The number of employees who may retire under this  
22 Section in any year may be limited at the option of the  
23 Employer to a specified number of those eligible, not lower  
24 than 200, but the Employer and the collective bargaining agent  
25 for teachers may agree upon a greater limitation to the  
26 specified number of employees who may retire under this Section

1 in any year. The right to participate in the early retirement  
2 without discount authorized under this Section shall be  
3 allocated among those applying on the basis of seniority in the  
4 service of the Employer or on such other basis for allocation  
5 as the Employer and the collective bargaining agent for  
6 teachers agree, in which case, such other basis may be employed  
7 among other eligible employees as well.

8 (Source: P.A. 94-4, eff. 6-1-05.)

9 (40 ILCS 5/17-119) (from Ch. 108 1/2, par. 17-119)

10 Sec. 17-119. Automatic annual increase in pension. Each  
11 teacher retiring on or after September 1, 1959, is entitled to  
12 the annual increase in pension, defined herein, while he is  
13 receiving a pension from the Fund.

14 1. The term "base pension" means a service retirement or  
15 disability retirement pension in the amount fixed and payable  
16 at the date of retirement of a teacher.

17 2. This paragraph 2 only applies to teachers that first  
18 become teachers under this Article before July 1, 2010.

19 The annual increase in pension shall be at the rate of 1  
20 1/2% of base pension. This increase shall first occur in  
21 January of the year next following the first anniversary of  
22 retirement. At such time the Fund shall pay the pro rata part  
23 of the increase for the period from the first anniversary date  
24 to the date of the first increase in pension. Beginning January  
25 1, 1972, the rate of annual increase in pension shall be 2% of

1 the base pension. Beginning January 1, 1979, the rate of annual  
2 increase in pension shall be 3% of the base pension. Beginning  
3 January 1, 1990, all automatic annual increases payable under  
4 this Section shall be calculated as a percentage of the total  
5 pension payable at the time of the increase, including all  
6 increases previously granted under this Article,  
7 notwithstanding Section 17-157.

8 2.1. This paragraph 2.1 only applies to teachers that first  
9 become teachers under this Article on or after July 1, 2010.

10 The rate of annual increase in pension shall be 3% or  
11 one-half the annual change in the Consumer Price Index for All  
12 Urban Consumers of the base pension, whichever is less.

13 3. This paragraph 3 only applies to teachers that first  
14 become teachers under this Article before July 1, 2010.

15 An increase in pension shall be granted only if the retired  
16 teacher is age 60 or over. If the teacher attains age 60 after  
17 retirement, the increase in pension shall begin in January of  
18 the year following the 61st birthday. At such time the Fund  
19 also shall pay the pro rata part of the increase from the 61st  
20 birthday to the date of first increase in pension.

21 In addition to other increases which may be provided by  
22 this Section, on January 1, 1981 any teacher who was receiving  
23 a retirement pension on or before January 1, 1971 shall have  
24 his retirement pension then being paid increased \$1 per month  
25 for each year of creditable service. On January 1, 1982, any  
26 teacher whose retirement pension began on or before January 1,

1 1977, shall have his retirement pension then being paid  
2 increased \$1 per month for each year of creditable service.

3 On January 1, 1987, any teacher whose retirement pension  
4 began on or before January 1, 1977, shall have the monthly  
5 retirement pension increased by an amount equal to 8¢ per year  
6 of creditable service times the number of years that have  
7 elapsed since the retirement pension began.

8 4. This paragraph 4 only applies to teachers that first  
9 become teachers under this Article on or after July 1, 2010.

10 An increase in pension shall be granted only if the retired  
11 teacher is age 67 or over. If the teacher attains age 67 after  
12 retirement, then the increase in pension shall begin in January  
13 of the year following the 67th birthday. At such time, the Fund  
14 also shall pay the pro rata part of the increase from the 67th  
15 birthday to the date of first increase in pension.

16 (Source: P.A. 90-566, eff. 1-2-98.)

17 (40 ILCS 5/17-122) (from Ch. 108 1/2, par. 17-122)

18 Sec. 17-122. Survivor's and children's pensions - Amount.  
19 Upon the death of a teacher who has completed at least 1 1/2  
20 years of contributing service with either this Fund or the  
21 State Universities Retirement System or the Teachers'  
22 Retirement System of the State of Illinois, provided his death  
23 occurred while (a) in active service covered by the Fund or  
24 during his first 18 months of continuous employment without a  
25 break in service under any other participating system as

1 defined in the Illinois Retirement Systems Reciprocal Act  
2 except the State Universities Retirement System and the  
3 Teachers' Retirement System of the State of Illinois, (b) on a  
4 creditable leave of absence, (c) on a noncreditable leave of  
5 absence of no more than one year, or (d) a pension was deferred  
6 or pending provided the teacher had at least 10 years of  
7 validated service credit, or upon the death of a pensioner  
8 otherwise qualified for such benefit, the surviving spouse and  
9 unmarried minor children of the deceased teacher under age 18  
10 shall be entitled to pensions, under the conditions stated  
11 hereinafter. Such survivor's and children's pensions shall be  
12 based on the average of the 4 highest consecutive years of  
13 salary in the last 10 years of service or on the average salary  
14 for total service, if total service has been less than 4 years,  
15 according to the following percentages:

16 30% of average salary or 50% of the retirement pension  
17 earned by the teacher, whichever is larger, subject to the  
18 prescribed maximum monthly payment, for a surviving spouse  
19 alone on attainment of age 50;

20 60% of average salary for a surviving spouse and eligible  
21 minor children of the deceased teacher.

22 If no eligible spouse survives, or the surviving spouse  
23 remarries, or the parent of the children of the deceased member  
24 is otherwise ineligible for a survivor's pension, a children's  
25 pension for eligible minor children under age 18 shall be paid  
26 to their parent or legal guardian for their benefit according



1 to the following percentages:

2 30% of average salary for one child;

3 60% of average salary for 2 or more children.

4 On January 1, 1981, any survivor or child who was receiving  
5 a survivor's or children's pension on or before January 1,  
6 1971, shall have his survivor's or children's pension then  
7 being paid increased by 1% for each full year which has elapsed  
8 from the date the pension began. On January 1, 1982, any  
9 survivor or child whose pension began after January 1, 1971,  
10 but before January 1, 1981, shall have his survivor's or  
11 children's pension then being paid increased 1% for each full  
12 year which has elapsed from the date the pension began. On  
13 January 1, 1987, any survivor or child whose pension began on  
14 or before January 1, 1977, shall have the monthly survivor's or  
15 children's pension increased by \$1 for each full year which has  
16 elapsed since the pension began.

17 Beginning January 1, 1990, for teachers that first become  
18 teachers under this Article before July 1, 2010, every  
19 survivor's and children's pension shall be increased (1) on  
20 each January 1 occurring on or after the commencement of the  
21 pension if the deceased teacher died while receiving a  
22 retirement pension, or (2) in other cases, on each January 1  
23 occurring on or after the first anniversary of the commencement  
24 of the pension, by an amount equal to 3% of the current amount  
25 of the pension, including all increases previously granted  
26 under this Article, notwithstanding Section 17-157. Such

1 increases shall apply without regard to whether the deceased  
2 teacher was in service on or after the effective date of this  
3 amendatory Act of 1991, but shall not accrue for any period  
4 prior to January 1, 1990.

5 For teachers that first become teachers under this Article  
6 on or after July 1, 2010, every survivor's and children's  
7 pension shall be increased (1) on each January 1 occurring on  
8 or after the commencement of the pension if the deceased  
9 teacher died while receiving a retirement pension or (2) in  
10 other cases, on each January 1 occurring on or after the first  
11 anniversary of the commencement of the pension, by an amount  
12 equal to 3% or one-half the annual change in the Consumer Price  
13 Index for All Urban Consumers, whichever is less.

14 Subject to the minimum established below, the maximum  
15 amount of pension for a surviving spouse alone or one minor  
16 child shall be \$400 per month, and the maximum combined  
17 pensions for a surviving spouse and children of the deceased  
18 teacher shall be \$600 per month, with individual pensions  
19 adjusted for all beneficiaries pro rata to conform with this  
20 limitation. If proration is unnecessary the minimum survivor's  
21 and children's pensions shall be \$40 per month. The minimum  
22 total survivor's and children's pension payable upon the death  
23 of a contributor or annuitant which occurs after December 31,  
24 1986, shall be 50% of the earned retirement pension of such  
25 contributor or annuitant, calculated without early retirement  
26 discount in the case of death in service.

1           On death after retirement, the total survivor's and  
2 children's pensions shall not exceed the monthly retirement or  
3 disability pension paid to the deceased retirant. Survivor's  
4 and children's benefits described in this Section shall apply  
5 to all service and disability pensioners eligible for a pension  
6 as of July 1, 1981.

7           (Source: P.A. 90-32, eff. 6-27-97; 90-566, eff. 1-2-98.)

8           (40 ILCS 5/18-124) (from Ch. 108 1/2, par. 18-124)  
9           Sec. 18-124. Retirement annuities - conditions for  
10 eligibility.

11           (a) This subsection (a) applies to a participant who first  
12 serves as a judge before July 1, 2010.

13           A participant whose employment as a judge is terminated,  
14 regardless of age or cause is entitled to a retirement annuity  
15 beginning on the date specified in a written application  
16 subject to the following:

17           (1) the date the annuity begins is subsequent to the  
18 date of final termination of employment, or the date 30  
19 days prior to the receipt of the application by the board  
20 for annuities based on disability, or one year before the  
21 receipt of the application by the board for annuities based  
22 on attained age;

23           (2) the participant is at least age 55, or has become  
24 permanently disabled and as a consequence is unable to  
25 perform the duties of his or her office;

1           (3) the participant has at least 10 years of service  
2 credit except that a participant terminating service after  
3 June 30 1975, with at least 6 years of service credit,  
4 shall be entitled to a retirement annuity at age 62 or  
5 over;

6           (4) the participant is not receiving or entitled to  
7 receive, at the date of retirement, any salary from an  
8 employer for service currently performed.

9           (b) This subsection (b) applies to a participant who first  
10 serves as a judge on or after July 1, 2010.

11           A participant who has at least 10 years of creditable  
12 service is entitled to a retirement annuity when he or she has  
13 attained age 67.

14           A participant who has at least 35 years of creditable  
15 service is entitled to a retirement annuity when he or she has  
16 attained age 62.

17           A participant who has attained age 62 and has at least 10  
18 years of service credit may elect to receive the lower  
19 retirement annuity provided in subsection (d) of Section 18-125  
20 of this Code.

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

22 (40 ILCS 5/18-125) (from Ch. 108 1/2, par. 18-125)

23 Sec. 18-125. Retirement annuity amount.

24 (a) The annual retirement annuity for a participant who  
25 terminated service as a judge prior to July 1, 1971 shall be

1 based on the law in effect at the time of termination of  
2 service.

3 (b) Except as provided in subsection (b-5), effective  
4 ~~Effective~~ July 1, 1971, the retirement annuity for any  
5 participant in service on or after such date shall be 3 1/2% of  
6 final average salary, as defined in this Section, for each of  
7 the first 10 years of service, and 5% of such final average  
8 salary for each year of service on excess of 10.

9 For purposes of this Section, final average salary for a  
10 participant who first serves as a judge before August 10, 2009  
11 (the effective date of Public Act 96-207) ~~this amendatory Act~~  
12 ~~of the 96th General Assembly~~ shall be:

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

16 (2) for a participant who terminates service after June  
17 30, 1975 and before July 1, 1982, the salary on the last  
18 day of employment as a judge.

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

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

26 (5) for a participant who terminates service on or

1 after the effective date of this amendatory Act of 1995,  
2 the salary on the last day of employment as a judge, or the  
3 highest salary received by the participant for employment  
4 as a judge in a position held by the participant for at  
5 least 4 consecutive years, whichever is greater.

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

11 For a participant who first serves as a judge on or after  
12 August 10, 2009 (the effective date of Public Act 96-207) and  
13 before July 1, 2010 ~~this amendatory Act of the 96th General~~  
14 ~~Assembly,~~ final average salary shall be the average monthly  
15 salary obtained by dividing the total salary of the participant  
16 during the period of: (1) the 48 consecutive months of service  
17 within the last 120 months of service in which the total  
18 compensation was the highest, or (2) the total period of  
19 service, if less than 48 months, by the number of months of  
20 service in that period.

21 The maximum retirement annuity for any participant shall be  
22 85% of final average salary.

23 (b-5) Notwithstanding any other provision of this Article,  
24 for a participant who first serves as a judge on or after July  
25 1, 2010, the maximum initial annual retirement annuity payable  
26 shall be \$100,000 for fiscal year 2011, and that maximum shall

1 automatically be increased or decreased, as applicable, by a  
2 percentage equal to the percentage change in the consumer price  
3 index-u during the preceding fiscal year. "Consumer price  
4 index-u" means the index published by the Bureau of Labor  
5 Statistics of the United States Department of Labor that  
6 measures the average change in prices of goods and services  
7 purchased by all urban consumers, United States city average,  
8 all items, 1982-84 = 100. The new amount resulting from each  
9 annual adjustment shall be determined by the Public Pension  
10 Division of the Department of Insurance and made available via  
11 the Department's official web site.

12 The maximum initial annual retirement annuity payable  
13 under this subsection (b-5) shall be subject to automatic  
14 annual increases as provided under this Article.

15 For a participant who first serves as a judge on or after  
16 July 1, 2010, final average salary shall be the average monthly  
17 salary obtained by dividing the total salary of the judge  
18 during the 96 consecutive months of service within the last 120  
19 months of service in which the total salary was the highest by  
20 the number of months of service in that period.

21 (c) The retirement annuity for a participant who retires  
22 prior to age 60 with less than 28 years of service in the  
23 System shall be reduced 1/2 of 1% for each month that the  
24 participant's age is under 60 years at the time the annuity  
25 commences. However, for a participant who retires on or after  
26 the effective date of this amendatory Act of the 91st General

1 Assembly, the percentage reduction in retirement annuity  
2 imposed under this subsection shall be reduced by 5/12 of 1%  
3 for every month of service in this System in excess of 20  
4 years, and therefore a participant with at least 26 years of  
5 service in this System may retire at age 55 without any  
6 reduction in annuity.

7 The reduction in retirement annuity imposed by this  
8 subsection shall not apply in the case of retirement on account  
9 of disability.

10 (d) Notwithstanding any other provision of this Article,  
11 for a participant who first serves as a judge on or after July  
12 1, 2010 and who is retiring after attaining age 62, the  
13 retirement annuity shall be reduced by 1/2 of 1% for each month  
14 that the participant's age is under age 67 at the time of the  
15 annuity commences.

16 (Source: P.A. 96-207, eff. 8-10-09; revised 10-30-09.)

17 (40 ILCS 5/18-125.1) (from Ch. 108 1/2, par. 18-125.1)

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



1 thereafter, 3%.

2 Notwithstanding any other provision of this Article, a  
3 retirement annuity for a participant who first serves as a  
4 judge on or after July 1, 2010 shall be increased in January of  
5 the year next following the year in which the first anniversary  
6 of retirement occurs, and in January of each year thereafter,  
7 by an amount equal to 3% or one-half the annual change in the  
8 Consumer Price Index for All Urban Consumers, whichever is  
9 less, of the originally granted retirement annuity.

10 This Section is not applicable to a participant who retires  
11 before he or she has made contributions at the rate prescribed  
12 in Section 18-133 for automatic increases for not less than the  
13 equivalent of one full year, unless such a participant arranges  
14 to pay the system the amount required to bring the total  
15 contributions for the automatic increase to the equivalent of  
16 one year's contribution based upon his or her last year's  
17 salary.

18 This Section is applicable to all participants in service  
19 after June 30, 1969 unless a participant has elected, prior to  
20 September 1, 1969, in a written direction filed with the board  
21 not to be subject to the provisions of this Section. Any  
22 participant in service on or after July 1, 1992 shall have the  
23 option of electing prior to April 1, 1993, in a written  
24 direction filed with the board, to be covered by the provisions  
25 of the 1969 amendatory Act. Such participant shall be required  
26 to make the aforesaid additional contributions with compound

1 interest at 4% per annum.

2 Any participant who has become eligible to receive the  
3 maximum rate of annuity and who resumes service as a judge  
4 after receiving a retirement annuity under this Article shall  
5 have the amount of his or her retirement annuity increased by  
6 3% of the originally granted annuity amount for each year of  
7 such resumed service, beginning in January of the year next  
8 following the date of such resumed service, upon subsequent  
9 termination of such resumed service.

10 Beginning January 1, 1990, all automatic annual increases  
11 payable under this Section shall be calculated as a percentage  
12 of the total annuity payable at the time of the increase,  
13 including previous increases granted under this Article.

14 (Source: P.A. 86-273; 87-1265.)

15 (40 ILCS 5/18-128.01) (from Ch. 108 1/2, par. 18-128.01)

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

17 (a) Upon the death of an annuitant, his or her surviving  
18 spouse shall be entitled to a survivor's annuity of 66 2/3% of  
19 the annuity the annuitant was receiving immediately prior to  
20 his or her death, inclusive of annual increases in the  
21 retirement annuity to the date of death.

22 (b) Upon the death of an active participant, his or her  
23 surviving spouse shall receive a survivor's annuity of 66 2/3%  
24 of the annuity earned by the participant as of the date of his  
25 or her death, determined without regard to whether the

1 participant had attained age 60 as of that time, or 7 1/2% of  
2 the last salary of the decedent, whichever is greater.

3 (c) Upon the death of a participant who had terminated  
4 service with at least 10 years of service, his or her surviving  
5 spouse shall be entitled to a survivor's annuity of 66 2/3% of  
6 the annuity earned by the deceased participant at the date of  
7 death.

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

19 (e) The changes made in the survivor's annuity provisions  
20 by Public Act 82-306 shall apply to the survivors of a deceased  
21 participant or annuitant whose death occurs on or after August  
22 21, 1981.

23 (f) Beginning January 1, 1990, every survivor's annuity  
24 shall be increased (1) on each January 1 occurring on or after  
25 the commencement of the annuity if the deceased member died  
26 while receiving a retirement annuity, or (2) in other cases, on

1 each January 1 occurring on or after the first anniversary of  
2 the commencement of the annuity, by an amount equal to 3% of  
3 the current amount of the annuity, including any previous  
4 increases under this Article. Such increases shall apply  
5 without regard to whether the deceased member was in service on  
6 or after the effective date of this amendatory Act of 1991, but  
7 shall not accrue for any period prior to January 1, 1990.

8 Notwithstanding any other provision of this Article, a  
9 survivor's annuity for a survivor of a participant who first  
10 serves as a judge on or after July 1, 2010 shall be increased  
11 (1) on each January 1 occurring on or after the commencement of  
12 the annuity if the deceased participant died while receiving a  
13 retirement annuity or (2) in other cases, on each January 1  
14 occurring on or after the first anniversary of the commencement  
15 of the annuity, by an amount equal to 3% or one-half the annual  
16 change in the Consumer Price Index for All Urban Consumers,  
17 whichever is less, of the originally granted survivor's  
18 annuity.

19 (Source: P.A. 86-273; 86-1488.)

20 Section 99. Effective date. This Act takes effect upon  
21 becoming law."