

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Open Meetings Act is amended by adding
5 Section 7.3 as follows:

6 (5 ILCS 120/7.3 new)

7 Sec. 7.3. Duty to post information pertaining to benefits
8 offered through the Illinois Municipal Retirement Fund.

9 (a) Within 6 business days after an employer participating
10 in the Illinois Municipal Retirement Fund approves a budget,
11 that employer must post on its website the total compensation
12 package for each employee having a total compensation package
13 that exceeds \$75,000 per year. If the employer does not
14 maintain a website, the employer must post a physical copy of
15 this information at the principal office of the employer. If an
16 employer maintains a website, it may choose to post a physical
17 copy of this information at the principal office of the
18 employer in lieu of posting the information directly on the
19 website; however, the employer must post directions on the
20 website on how to access that information.

21 (b) At least 6 days before an employer participating in the
22 Illinois Municipal Retirement Fund approves an employee's
23 total compensation package that is equal to or in excess of

1 \$150,000 per year, the employer must post on its website the
2 total compensation package for that employee. If the employer
3 does not maintain a website, the employer shall post a physical
4 copy of this information at the principal office of the
5 employer. If an employer maintains a website, it may choose to
6 post a physical copy of this information at the principal
7 office of the employer in lieu of posting the information
8 directly on the website; however, the employer must post
9 directions on the website on how to access that information.

10 (c) For the purposes of this Section, "total compensation
11 package" means payment by the employer to the employee for
12 salary, health insurance, a housing allowance, a vehicle
13 allowance, a clothing allowance, bonuses, loans, vacation days
14 granted, and sick days granted.

15 Section 10. The Illinois Pension Code is amended by
16 changing Sections 1-160, 7-109, 7-116, 7-135, 7-137, 7-141,
17 7-141.1, 7-142.1, 7-144, 7-145.1, 7-172, 7-205, 14-103.05,
18 22-101, and 22-103 and by adding Section 7-225 as follows:

19 (40 ILCS 5/1-160)

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

21 (a) The provisions of this Section apply to a person who,
22 on or after January 1, 2011, first becomes a member or a
23 participant under any reciprocal retirement system or pension
24 fund established under this Code, other than a retirement

1 system or pension fund established under Article 2, 3, 4, 5, 6,
2 or 18 of this Code, notwithstanding any other provision of this
3 Code to the contrary, but do not apply to any self-managed plan
4 established under this Code, to any person with respect to
5 service as a sheriff's law enforcement employee under Article
6 7, or to any participant of the retirement plan established
7 under Section 22-101.

8 (b) "Final average salary" means the average monthly (or
9 annual) salary obtained by dividing the total salary or
10 earnings calculated under the Article applicable to the member
11 or participant during the 96 consecutive months (or 8
12 consecutive years) of service within the last 120 months (or 10
13 years) of service in which the total salary or earnings
14 calculated under the applicable Article was the highest by the
15 number of months (or years) of service in that period. For the
16 purposes of a person who first becomes a member or participant
17 of any retirement system or pension fund to which this Section
18 applies on or after January 1, 2011, in this Code, "final
19 average salary" shall be substituted for the following:

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

22 (2) In Articles 8, 9, 10, 11, and 12, "highest average
23 annual salary for any 4 consecutive years within the last
24 10 years of service immediately preceding the date of
25 withdrawal".

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

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

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

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

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

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

25 (c) A member or participant is entitled to a retirement
26 annuity upon written application if he or she has attained age

1 67 and has at least 10 years of service credit and is otherwise
2 eligible under the requirements of the applicable Article.

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

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

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

25 (f) The initial survivor's or widow's annuity of an
26 otherwise eligible survivor or widow of a retired member or

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

26 (g) The benefits in Section 14-110 apply only if the person

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

13 (h) If a person who first becomes a member or a participant
14 of a retirement system or pension fund subject to this Section
15 on or after January 1, 2011 is receiving a retirement annuity
16 or retirement pension under that system or fund and becomes a
17 member or participant under any other system or fund created by
18 this Code and is employed on a full-time basis, except for
19 those members or participants exempted from the provisions of
20 this Section under subsection (a) of this Section, then the
21 person's retirement annuity or retirement pension under that
22 system or fund shall be suspended during that employment. Upon
23 termination of that employment, the person's retirement
24 annuity or retirement pension payments shall resume and be
25 recalculated if recalculation is provided for under the
26 applicable Article of this Code.

1 If a person who first becomes a member of a retirement
2 system or pension fund subject to this Section on or after
3 January 1, 2012 and is receiving a retirement annuity or
4 retirement pension under that system or fund and accepts on a
5 contractual basis a position to provide services to a
6 governmental entity from which he or she has retired, then that
7 person's annuity or retirement pension earned as an active
8 employee of the employer shall be suspended during that
9 contractual service. A person receiving an annuity or
10 retirement pension under this Code shall notify the pension
11 fund or retirement system from which he or she is receiving an
12 annuity or retirement pension, as well as his or her
13 contractual employer, of his or her retirement status before
14 accepting contractual employment. A person who fails to submit
15 such notification shall be guilty of a Class A misdemeanor and
16 required to pay a fine of \$1,000. Upon termination of that
17 contractual employment, the person's retirement annuity or
18 retirement pension payments shall resume and, if appropriate,
19 be recalculated under the applicable provisions of this Code.

20 (i) Notwithstanding any other provision of this Section, a
21 person who first becomes a participant of the retirement system
22 established under Article 15 on or after January 1, 2011 shall
23 have the option to enroll in the self-managed plan created
24 under Section 15-158.2 of this Code.

25 (j) In the case of a conflict between the provisions of
26 this Section and any other provision of this Code, the

1 provisions of this Section shall control.

2 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

3 (40 ILCS 5/7-109) (from Ch. 108 1/2, par. 7-109)

4 Sec. 7-109. Employee.

5 (1) "Employee" means any person who:

6 (a) 1. Receives earnings as payment for the performance
7 of personal services or official duties out of the
8 general fund of a municipality, or out of any special
9 fund or funds controlled by a municipality, or by an
10 instrumentality thereof, or a participating
11 instrumentality, including, in counties, the fees or
12 earnings of any county fee office; and

13 2. Under the usual common law rules applicable in
14 determining the employer-employee relationship, has
15 the status of an employee with a municipality, or any
16 instrumentality thereof, or a participating
17 instrumentality, including aldermen, county
18 supervisors and other persons (excepting those
19 employed as independent contractors) who are paid
20 compensation, fees, allowances or other emolument for
21 official duties, and, in counties, the several county
22 fee offices.

23 (b) Serves as a township treasurer appointed under the
24 School Code, as heretofore or hereafter amended, and who
25 receives for such services regular compensation as

1 distinguished from per diem compensation, and any regular
2 employee in the office of any township treasurer whether or
3 not his earnings are paid from the income of the permanent
4 township fund or from funds subject to distribution to the
5 several school districts and parts of school districts as
6 provided in the School Code, or from both such sources.

7 (c) Holds an elective office in a municipality,
8 instrumentality thereof or participating instrumentality.

9 (2) "Employee" does not include persons who:

10 (a) Are eligible for inclusion under any of the
11 following laws:

12 1. "An Act in relation to an Illinois State
13 Teachers' Pension and Retirement Fund", approved May
14 27, 1915, as amended;

15 2. Articles 15 and 16 of this Code.

16 However, such persons shall be included as employees to
17 the extent of earnings that are not eligible for inclusion
18 under the foregoing laws for services not of an
19 instructional nature of any kind.

20 However, any member of the armed forces who is employed
21 as a teacher of subjects in the Reserve Officers Training
22 Corps of any school and who is not certified under the law
23 governing the certification of teachers shall be included
24 as an employee.

25 (b) Are designated by the governing body of a
26 municipality in which a pension fund is required by law to

1 be established for policemen or firemen, respectively, as
2 performing police or fire protection duties, except that
3 when such persons are the heads of the police or fire
4 department and are not eligible to be included within any
5 such pension fund, they shall be included within this
6 Article; provided, that such persons shall not be excluded
7 to the extent of concurrent service and earnings not
8 designated as being for police or fire protection duties.
9 However, (i) any head of a police department who was a
10 participant under this Article immediately before October
11 1, 1977 and did not elect, under Section 3-109 of this Act,
12 to participate in a police pension fund shall be an
13 "employee", and (ii) any chief of police who elects to
14 participate in this Fund under Section 3-109.1 of this
15 Code, regardless of whether such person continues to be
16 employed as chief of police or is employed in some other
17 rank or capacity within the police department, shall be an
18 employee under this Article for so long as such person is
19 employed to perform police duties by a participating
20 municipality and has not lawfully rescinded that election.

21 (c) After the effective date of this amendatory Act of
22 the 97th General Assembly, are contributors to or eligible
23 to contribute to a Taft-Hartley pension plan established on
24 or before June 1, 2011 and are employees of a theatre,
25 arena, or convention center that is located in a
26 municipality located in a county with a population greater

1 than 5,000,000, and to which the participating
2 municipality is required to contribute as the person's
3 employer based on earnings from the municipality. Nothing
4 in this paragraph shall affect service credit or creditable
5 service for any period of service prior to the effective
6 date of this amendatory Act of the 97th General Assembly,
7 and this paragraph shall not apply to individuals who are
8 participating in the Fund prior to the effective date of
9 this amendatory Act of the 97th General Assembly.

10 (3) All persons, including, without limitation, public
11 defenders and probation officers, who receive earnings from
12 general or special funds of a county for performance of
13 personal services or official duties within the territorial
14 limits of the county, are employees of the county (unless
15 excluded by subsection (2) of this Section) notwithstanding
16 that they may be appointed by and are subject to the direction
17 of a person or persons other than a county board or a county
18 officer. It is hereby established that an employer-employee
19 relationship under the usual common law rules exists between
20 such employees and the county paying their salaries by reason
21 of the fact that the county boards fix their rates of
22 compensation, appropriate funds for payment of their earnings
23 and otherwise exercise control over them. This finding and this
24 amendatory Act shall apply to all such employees from the date
25 of appointment whether such date is prior to or after the
26 effective date of this amendatory Act and is intended to

1 clarify existing law pertaining to their status as
2 participating employees in the Fund.

3 (Source: P.A. 90-460, eff. 8-17-97.)

4 (40 ILCS 5/7-116) (from Ch. 108 1/2, par. 7-116)

5 Sec. 7-116. "Final rate of earnings":

6 (a) For retirement and survivor annuities, the monthly
7 earnings obtained by dividing the total earnings received by
8 the employee during the period of either (1) the 48 consecutive
9 months of service within the last 120 months of service in
10 which his total earnings were the highest or (2) the employee's
11 total period of service, by the number of months of service in
12 such period.

13 (b) For death benefits, the higher of the rate determined
14 under paragraph (a) of this Section or total earnings received
15 in the last 12 months of service divided by twelve. If the
16 deceased employee has less than 12 months of service, the
17 monthly final rate shall be the monthly rate of pay the
18 employee was receiving when he began service.

19 (c) For disability benefits, the total earnings of a
20 participating employee in the last 12 calendar months of
21 service prior to the date he becomes disabled divided by 12.

22 (d) In computing the final rate of earnings: (1) the
23 earnings rate for all periods of prior service shall be
24 considered equal to the average earnings rate for the last 3
25 calendar years of prior service for which creditable service is

1 received under Section 7-139 or, if there is less than 3 years
2 of creditable prior service, the average for the total prior
3 service period for which creditable service is received under
4 Section 7-139; (2) for out of state service and authorized
5 leave, the earnings rate shall be the rate upon which service
6 credits are granted; (3) periods of military leave shall not be
7 considered; (4) the earnings rate for all periods of disability
8 shall be considered equal to the rate of earnings upon which
9 the employee's disability benefits are computed for such
10 periods; (5) the earnings to be considered for each of the
11 final three months of the final earnings period for persons who
12 first became participants before January 1, 2012 and the
13 earnings to be considered for each of the final 24 months for
14 participants who first become participants on or after January
15 1, 2012 shall not exceed 125% of the highest earnings of any
16 other month in the final earnings period; and (6) the annual
17 amount of final rate of earnings shall be the monthly amount
18 multiplied by the number of months of service normally required
19 by the position in a year.

20 (Source: P.A. 90-448, eff. 8-16-97.)

21 (40 ILCS 5/7-135) (from Ch. 108 1/2, par. 7-135)

22 Sec. 7-135. Authorized agents.

23 (a) Each participating municipality and participating
24 instrumentality shall appoint an authorized agent who shall
25 have the powers and duties set forth in this section. In

1 absence of such appointment, the duties of the authorized agent
2 shall devolve upon the clerk or secretary of the municipality
3 or instrumentality and in the case of township school trustees
4 upon the township school treasurer. In townships the Authorized
5 Agent shall be the township supervisor.

6 (b) The authorized agent shall have the following powers
7 and duties:

8 1. To certify to the fund whether or not a given person
9 is authorized to participate in the fund;

10 2. To certify to the fund when a participating employee
11 is on a leave of absence authorized by the municipality;

12 3. To request the proper officer to cause employee
13 contributions to be withheld from earnings and transmitted
14 to the fund;

15 4. To request the proper officer to cause municipality
16 contributions to be forwarded to the fund promptly;

17 5. To forward promptly to all participating employees
18 any communications from the fund for such employees;

19 6. To forward promptly to the fund all applications,
20 claims, reports and other communications delivered to him
21 by participating employees;

22 7. To perform all duties related to the administration
23 of this retirement system as requested by the fund and the
24 governing body of his municipality.

25 (c) The governing body of each participating municipality
26 and participating instrumentality may delegate any or all of

1 the following powers and duties to its authorized agent, ~~but~~
2 ~~only if the agent is a member of the fund:~~

3 1. To file a petition for nomination of an executive
4 trustee of the fund.

5 2. To cast the ballot for election of an executive
6 trustee of the fund.

7 If a governing body does not authorize its agent to perform
8 the powers and duties set forth in this paragraph (c), they
9 shall be performed by the governing body itself, unless the
10 governing body by resolution duly certified to the fund
11 delegates them to some other officer or employee.

12 (d) The delivery of any communication or document by an
13 employee or a participating municipality or participating
14 instrumentality to its authorized agent shall not constitute
15 delivery to the fund.

16 (Source: P.A. 87-740.)

17 (40 ILCS 5/7-137) (from Ch. 108 1/2, par. 7-137)

18 Sec. 7-137. Participating and covered employees.

19 (a) The persons described in this paragraph (a) shall be
20 included within and be subject to this Article and eligible to
21 benefits from this fund, beginning upon the dates hereinafter
22 specified:

23 1. Except as to the employees specifically excluded
24 under the provisions of this Article, all persons who are
25 employees of any municipality (or instrumentality thereof)

1 or participating instrumentality on the effective date of
2 participation of the municipality or participating
3 instrumentality beginning upon such effective date.

4 2. Except as to the employees specifically excluded
5 under the provisions of this Article, all persons, who
6 became employees of any participating municipality (or
7 instrumentality thereof) or participating instrumentality
8 after the effective date of participation of such
9 municipality or participating instrumentality, beginning
10 upon the date such person becomes an employee.

11 3. All persons who file notice with the board as
12 provided in paragraph (b) 2 and 3 of this Section,
13 beginning upon the date of filing such notice.

14 (b) The following described persons shall not be considered
15 participating employees eligible for benefits from this fund,
16 but shall be included within and be subject to this Article
17 (each of the descriptions is not exclusive but is cumulative):

18 1. Any person who occupies an office or is employed in
19 a position normally requiring performance of duty during
20 less than 600 hours a year for a municipality (including
21 all instrumentalities thereof) or a participating
22 instrumentality. If a school treasurer performs services
23 for more than one school district, the total number of
24 hours of service normally required for the several school
25 districts shall be considered to determine whether he
26 qualifies under this paragraph;

1 2. Any person who holds elective office unless he has
2 elected while in that office in a written notice on file
3 with the board to become a participating employee;

4 3. Any person working for a city hospital unless any
5 such person, while in active employment, has elected in a
6 written notice on file with the board to become a
7 participating employee and notification thereof is
8 received by the board;

9 4. Any person who becomes an employee after June 30,
10 1979 as a public service employment program participant
11 under the federal Comprehensive Employment and Training
12 Act and whose wages or fringe benefits are paid in whole or
13 in part by funds provided under such Act;

14 5. Any person who is actively employed by a
15 municipality on its effective date of participation in the
16 Fund if that municipality (i) has at least 35 employees on
17 its effective date of participation; (ii) is located in a
18 county with at least 2,000,000 inhabitants; and (iii)
19 maintains an independent defined benefit pension plan for
20 the benefit of its eligible employees, unless the person
21 files with the board within 90 days after the
22 municipality's effective date of participation an
23 irrevocable election to participate.

24 (c) Any person electing to be a participating employee,
25 pursuant to paragraph (b) of this Section may not change such
26 election, except as provided in Section 7-137.1.

1 (d) Any employee who occupied the position of school nurse
2 in any participating municipality on August 8, 1961 and
3 continuously thereafter until the effective date of the
4 exercise of the option authorized by this subparagraph, who on
5 August 7, 1961 was a member of the Teachers' Retirement System
6 of Illinois, by virtue of certification by the Department of
7 Registration and Education as a public health nurse, may elect
8 to terminate participation in this Fund in order to
9 re-establish membership in such System. The election may be
10 exercised by filing written notice thereof with the Board or
11 with the Board of Trustees of said Teachers' Retirement System,
12 not later than September 30, 1963, and shall be effective on
13 the first day of the calendar month next following the month in
14 which the notice was filed. If the written notice is filed with
15 such Teachers' Retirement System, that System shall
16 immediately notify this Fund, but neither failure nor delay in
17 notification shall affect the validity of the employee's
18 election. If the option is exercised, the Fund shall notify
19 such Teachers' Retirement System of such fact and transfer to
20 that system the amounts contributed by the employee to this
21 Fund, including interest at 3% per annum, but excluding
22 contributions applicable to social security coverage during
23 the period beginning August 8, 1961 to the effective date of
24 the employee's election. Participation in this Fund as to any
25 credits on or after August 8, 1961 and up to the effective date
26 of the employee's election shall terminate on such effective

1 date.

2 (e) Any participating municipality or participating
3 instrumentality, other than a school district or special
4 education joint agreement created under Section 10-22.31 of the
5 School Code, may, by a resolution or ordinance duly adopted by
6 its governing body, elect to exclude from participation and
7 eligibility for benefits all persons who are employed after the
8 effective date of such resolution or ordinance and who occupy
9 an office or are employed in a position normally requiring
10 performance of duty for less than 1000 hours per year for the
11 participating municipality (including all instrumentalities
12 thereof) or participating instrumentality except for persons
13 employed in a position normally requiring performance of duty
14 for 600 hours or more per year (i) by such participating
15 municipality or participating instrumentality prior to the
16 effective date of the resolution or ordinance and (ii) by a
17 participating municipality or participating instrumentality,
18 which had not adopted such a resolution when the person was
19 employed, and the function served by the employee's position is
20 assumed by another participating municipality or participating
21 instrumentality. ~~A participating municipality or participating~~
22 ~~instrumentality included in and subject to this Article after~~
23 ~~January 1, 1982 may adopt such resolution or ordinance only~~
24 ~~prior to the date it becomes included in and subject to this~~
25 ~~Article.~~ Notwithstanding the foregoing, a participating
26 municipality or participating instrumentality which is formed

1 solely to succeed to the functions of a participating
2 municipality or participating instrumentality shall be
3 considered to have adopted any such resolution or ordinance
4 which may have been applicable to the employees performing such
5 functions. The election made by the resolution or ordinance
6 shall take effect at the time specified in the resolution or
7 ordinance, and once effective shall be irrevocable.

8 (Source: P.A. 96-1140, eff. 7-21-10.)

9 (40 ILCS 5/7-141) (from Ch. 108 1/2, par. 7-141)

10 Sec. 7-141. Retirement annuities - Conditions. Retirement
11 annuities shall be payable as hereinafter set forth:

12 (a) A participating employee who, regardless of cause, is
13 separated from the service of all participating municipalities
14 and instrumentalities thereof and participating
15 instrumentalities shall be entitled to a retirement annuity
16 provided:

17 1. He is at least age 55, or in the case of a person who
18 is eligible to have his annuity calculated under Section
19 7-142.1, he is at least age 50;

20 2. He is ~~(i) an employee who was employed by any~~
21 ~~participating municipality or participating~~
22 ~~instrumentality which had not elected to exclude persons~~
23 ~~employed in positions normally requiring performance of~~
24 ~~duty for less than 1000 hours per year or was employed in a~~
25 ~~position normally requiring performance of duty for 600~~

1 ~~hours or more per year prior to such election by any~~
2 ~~participating municipality or participating~~
3 ~~instrumentality included in and subject to this Article on~~
4 ~~or before the effective date of this amendatory Act of 1981~~
5 ~~which made such election and is not entitled to receive~~
6 ~~earnings for employment in a position normally requiring~~
7 ~~performance of duty for 600 hours or more per year for any~~
8 ~~participating municipality and instrumentalities thereof~~
9 ~~and participating instrumentality; or (ii) an employee who~~
10 ~~was employed only by a participating municipality or~~
11 ~~participating instrumentality, or participating~~
12 ~~municipalities or participating instrumentalities, which~~
13 ~~have elected to exclude persons in positions normally~~
14 ~~requiring performance of duty for less than 1000 hours per~~
15 ~~year after the effective date of such exclusion or which~~
16 ~~are included under and subject to the Article after the~~
17 ~~effective date of this amendatory Act of 1981 and elects to~~
18 ~~exclude persons in such positions, and is not entitled to~~
19 receive earnings for employment in a position requiring
20 him, or entitling him to elect, to be a participating
21 employee normally requiring performance of duty for 1000
22 hours or more per year by such a participating municipality
23 or participating instrumentality;

24 3. The amount of his annuity, before the application of
25 paragraph (b) of Section 7-142 is at least \$10 per month;

26 4. If he first became a participating employee after

1 December 31, 1961, he has at least 8 years of service. This
2 service requirement shall not apply to any participating
3 employee, regardless of participation date, if the General
4 Assembly terminates the Fund.

5 (b) Retirement annuities shall be payable:

6 1. As provided in Section 7-119;

7 2. Except as provided in item 3, upon receipt by the
8 fund of a written application. The effective date may be
9 not more than one year prior to the date of the receipt by
10 the fund of the application;

11 3. Upon attainment of age 70 1/2 if the member (i) is
12 no longer in service, and (ii) is otherwise entitled to an
13 annuity under this Article;

14 4. To the beneficiary of the deceased annuitant for the
15 unpaid amount accrued to date of death, if any.

16 (Source: P.A. 91-887, eff. 7-6-00.)

17 (40 ILCS 5/7-141.1)

18 Sec. 7-141.1. Early retirement incentive.

19 (a) The General Assembly finds and declares that:

20 (1) Units of local government across the State have
21 been functioning under a financial crisis.

22 (2) This financial crisis is expected to continue.

23 (3) Units of local government must depend on additional
24 sources of revenue and, when those sources are not
25 forthcoming, must establish cost-saving programs.

1 (4) An early retirement incentive designed
2 specifically to target highly-paid senior employees could
3 result in significant annual cost savings.

4 (5) The early retirement incentive should be made
5 available only to those units of local government that
6 determine that an early retirement incentive is in their
7 best interest.

8 (6) A unit of local government adopting a program of
9 early retirement incentives under this Section is
10 encouraged to implement personnel procedures to prohibit,
11 for at least 5 years, the rehiring (whether on payroll or
12 by independent contract) of employees who receive early
13 retirement incentives.

14 (7) A unit of local government adopting a program of
15 early retirement incentives under this Section is also
16 encouraged to replace as few of the participating employees
17 as possible and to hire replacement employees for salaries
18 totaling no more than 80% of the total salaries formerly
19 paid to the employees who participate in the early
20 retirement program.

21 It is the primary purpose of this Section to encourage
22 units of local government that can realize true cost savings,
23 or have determined that an early retirement program is in their
24 best interest, to implement an early retirement program.

25 (b) Until the effective date of this amendatory Act of
26 1997, this Section does not apply to any employer that is a

1 city, village, or incorporated town, nor to the employees of
2 any such employer. Beginning on the effective date of this
3 amendatory Act of 1997, any employer under this Article,
4 including an employer that is a city, village, or incorporated
5 town, may establish an early retirement incentive program for
6 its employees under this Section. The decision of a city,
7 village, or incorporated town to consider or establish an early
8 retirement program is at the sole discretion of that city,
9 village, or incorporated town, and nothing in this amendatory
10 Act of 1997 limits or otherwise diminishes this discretion.
11 Nothing contained in this Section shall be construed to require
12 a city, village, or incorporated town to establish an early
13 retirement program and no city, village, or incorporated town
14 may be compelled to implement such a program.

15 The benefits provided in this Section are available only to
16 members employed by a participating employer that has filed
17 with the Board of the Fund a resolution or ordinance expressly
18 providing for the creation of an early retirement incentive
19 program under this Section for its employees and specifying the
20 effective date of the early retirement incentive program.
21 Subject to the limitation in subsection (h), an employer may
22 adopt a resolution or ordinance providing a program of early
23 retirement incentives under this Section at any time.

24 The resolution or ordinance shall be in substantially the
25 following form:

1 RESOLUTION (ORDINANCE) NO.

2 A RESOLUTION (ORDINANCE) ADOPTING AN EARLY

3 RETIREMENT INCENTIVE PROGRAM FOR EMPLOYEES

4 IN THE ILLINOIS MUNICIPAL RETIREMENT FUND

5 WHEREAS, Section 7-141.1 of the Illinois Pension Code
6 provides that a participating employer may elect to adopt an
7 early retirement incentive program offered by the Illinois
8 Municipal Retirement Fund by adopting a resolution or
9 ordinance; and

10 WHEREAS, The goal of adopting an early retirement program
11 is to realize a substantial savings in personnel costs by
12 offering early retirement incentives to employees who have
13 accumulated many years of service credit; and

14 WHEREAS, Implementation of the early retirement program
15 will provide a budgeting tool to aid in controlling payroll
16 costs; and

17 WHEREAS, The (name of governing body) has determined that
18 the adoption of an early retirement incentive program is in the
19 best interests of the (name of participating employer);
20 therefore be it

21 RESOLVED (ORDAINED) by the (name of governing body) of
22 (name of participating employer) that:

23 (1) The (name of participating employer) does hereby adopt
24 the Illinois Municipal Retirement Fund early retirement
25 incentive program as provided in Section 7-141.1 of the
26 Illinois Pension Code. The early retirement incentive program

1 shall take effect on (date).

2 (2) In order to help achieve a true cost savings, a person
3 who retires under the early retirement incentive program shall
4 lose those incentives if he or she later accepts employment
5 with any IMRF employer in a position for which participation in
6 IMRF is required or is elected by the employee.

7 (3) In order to utilize an early retirement incentive as a
8 budgeting tool, the (name of participating employer) will use
9 its best efforts either to limit the number of employees who
10 replace the employees who retire under the early retirement
11 program or to limit the salaries paid to the employees who
12 replace the employees who retire under the early retirement
13 program.

14 (4) The effective date of each employee's retirement under
15 this early retirement program shall be set by (name of
16 employer) and shall be no earlier than the effective date of
17 the program and no later than one year after that effective
18 date; except that the employee may require that the retirement
19 date set by the employer be no later than the June 30 next
20 occurring after the effective date of the program and no
21 earlier than the date upon which the employee qualifies for
22 retirement.

23 (5) To be eligible for the early retirement incentive under
24 this Section, the employee must have attained age 50 and have
25 at least 20 years of creditable service by his or her
26 retirement date.

1 (6) The (clerk or secretary) shall promptly file a
2 certified copy of this resolution (ordinance) with the Board of
3 Trustees of the Illinois Municipal Retirement Fund.

4 CERTIFICATION

5 I, (name), the (clerk or secretary) of the (name of
6 participating employer) of the County of (name), State of
7 Illinois, do hereby certify that I am the keeper of the books
8 and records of the (name of employer) and that the foregoing is
9 a true and correct copy of a resolution (ordinance) duly
10 adopted by the (governing body) at a meeting duly convened and
11 held on (date).

12 SEAL

13 (Signature of clerk or secretary)

14 (c) To be eligible for the benefits provided under an early
15 retirement incentive program adopted under this Section, a
16 member must:

17 (1) be a participating employee of this Fund who, on
18 the effective date of the program, (i) is in active payroll
19 status as an employee of a participating employer that has
20 filed the required ordinance or resolution with the Board,
21 (ii) is on layoff status from such a position with a right
22 of re-employment or recall to service, (iii) is on a leave
23 of absence from such a position, or (iv) is on disability
24 but has not been receiving benefits under Section 7-146 or
25 7-150 for a period of more than 2 years from the date of

1 application;

2 (2) have never previously received a retirement
3 annuity under this Article or under the Retirement Systems
4 Reciprocal Act using service credit established under this
5 Article;

6 (3) (blank);

7 (4) have at least 20 years of creditable service in the
8 Fund by the date of retirement, without the use of any
9 creditable service established under this Section;

10 (5) have attained age 50 by the date of retirement,
11 without the use of any age enhancement received under this
12 Section; and

13 (6) be eligible to receive a retirement annuity under
14 this Article by the date of retirement, for which purpose
15 the age enhancement and creditable service established
16 under this Section may be considered.

17 (d) The employer shall determine the retirement date for
18 each employee participating in the early retirement program
19 adopted under this Section. The retirement date shall be no
20 earlier than the effective date of the program and no later
21 than one year after that effective date, except that the
22 employee may require that the retirement date set by the
23 employer be no later than the June 30 next occurring after the
24 effective date of the program and no earlier than the date upon
25 which the employee qualifies for retirement. The employer shall
26 give each employee participating in the early retirement

1 program at least 30 days written notice of the employee's
2 designated retirement date, unless the employee waives this
3 notice requirement.

4 (e) An eligible person may establish up to 5 years of
5 creditable service under this Section. In addition, for each
6 period of creditable service established under this Section, a
7 person shall have his or her age at retirement deemed enhanced
8 by an equivalent period.

9 The creditable service established under this Section may
10 be used for all purposes under this Article and the Retirement
11 Systems Reciprocal Act, except for the computation of final
12 rate of earnings and the determination of earnings, salary, or
13 compensation under this or any other Article of the Code.

14 The age enhancement established under this Section may be
15 used for all purposes under this Article (including calculation
16 of the reduction imposed under subdivision (a)1b(iv) of Section
17 7-142), except for purposes of a reversionary annuity under
18 Section 7-145 and any distributions required because of age.
19 The age enhancement established under this Section may be used
20 in calculating a proportionate annuity payable by this Fund
21 under the Retirement Systems Reciprocal Act, but shall not be
22 used in determining benefits payable under other Articles of
23 this Code under the Retirement Systems Reciprocal Act.

24 (f) For all creditable service established under this
25 Section, the member must pay to the Fund an employee
26 contribution consisting of 4.5% of the member's highest annual

1 salary rate used in the determination of the final rate of
2 earnings for retirement annuity purposes for each year of
3 creditable service granted under this Section. For creditable
4 service established under this Section by a person who is a
5 sheriff's law enforcement employee to be deemed service as a
6 sheriff's law enforcement employee, the employee contribution
7 shall be at the rate of 6.5% of highest annual salary per year
8 of creditable service granted. Contributions for fractions of a
9 year of service shall be prorated. Any amounts that are
10 disregarded in determining the final rate of earnings under
11 subdivision (d) (5) of Section 7-116 (the 125% rule) shall also
12 be disregarded in determining the required contribution under
13 this subsection (f).

14 The employee contribution shall be paid to the Fund as
15 follows: If the member is entitled to a lump sum payment for
16 accumulated vacation, sick leave, or personal leave upon
17 withdrawal from service, the employer shall deduct the employee
18 contribution from that lump sum and pay the deducted amount
19 directly to the Fund. If there is no such lump sum payment or
20 the required employee contribution exceeds the net amount of
21 the lump sum payment, then the remaining amount due, at the
22 option of the employee, may either be paid to the Fund before
23 the annuity commences or deducted from the retirement annuity
24 in 24 equal monthly installments.

25 (g) An annuitant who has received any age enhancement or
26 creditable service under this Section and thereafter accepts

1 employment with or enters into a personal services contract
2 with an employer under this Article thereby forfeits that age
3 enhancement and creditable service; except that this
4 restriction does not apply to (1) service in an elective
5 office, so long as the annuitant does not participate in this
6 Fund with respect to that office, ~~and~~ (2) a person appointed as
7 an officer under subsection (f) of Section 3-109 of this Code, ~~and~~
8 and (3) a person appointed as an auxiliary police officer
9 pursuant to Section 3.1-30-5 of the Illinois Municipal Code. A
10 person forfeiting early retirement incentives under this
11 subsection (i) must repay to the Fund that portion of the
12 retirement annuity already received which is attributable to
13 the early retirement incentives that are being forfeited, (ii)
14 shall not be eligible to participate in any future early
15 retirement program adopted under this Section, and (iii) is
16 entitled to a refund of the employee contribution paid under
17 subsection (f). The Board shall deduct the required repayment
18 from the refund and may impose a reasonable payment schedule
19 for repaying the amount, if any, by which the required
20 repayment exceeds the refund amount.

21 (h) The additional unfunded liability accruing as a result
22 of the adoption of a program of early retirement incentives
23 under this Section by an employer shall be amortized over a
24 period of 10 years beginning on January 1 of the second
25 calendar year following the calendar year in which the latest
26 date for beginning to receive a retirement annuity under the

1 program (as determined by the employer under subsection (d) of
2 this Section) occurs; except that the employer may provide for
3 a shorter amortization period (of no less than 5 years) by
4 adopting an ordinance or resolution specifying the length of
5 the amortization period and submitting a certified copy of the
6 ordinance or resolution to the Fund no later than 6 months
7 after the effective date of the program. An employer, at its
8 discretion, may accelerate payments to the Fund.

9 An employer may provide more than one early retirement
10 incentive program for its employees under this Section.
11 However, an employer that has provided an early retirement
12 incentive program for its employees under this Section may not
13 provide another early retirement incentive program under this
14 Section until the liability arising from the earlier program
15 has been fully paid to the Fund.

16 (Source: P.A. 96-775, eff. 8-28-09.)

17 (40 ILCS 5/7-142.1) (from Ch. 108 1/2, par. 7-142.1)

18 Sec. 7-142.1. Sheriff's law enforcement employees.

19 (a) In lieu of the retirement annuity provided by
20 subparagraph 1 of paragraph (a) of Section 7-142:

21 Any sheriff's law enforcement employee who has 20 or more
22 years of service in that capacity and who terminates service
23 prior to January 1, 1988 shall be entitled at his option to
24 receive a monthly retirement annuity for his service as a
25 sheriff's law enforcement employee computed by multiplying 2%

1 for each year of such service up to 10 years, 2 1/4% for each
2 year of such service above 10 years and up to 20 years, and 2
3 1/2% for each year of such service above 20 years, by his
4 annual final rate of earnings and dividing by 12.

5 Any sheriff's law enforcement employee who has 20 or more
6 years of service in that capacity and who terminates service on
7 or after January 1, 1988 and before July 1, 2004 shall be
8 entitled at his option to receive a monthly retirement annuity
9 for his service as a sheriff's law enforcement employee
10 computed by multiplying 2.5% for each year of such service up
11 to 20 years, 2% for each year of such service above 20 years
12 and up to 30 years, and 1% for each year of such service above
13 30 years, by his annual final rate of earnings and dividing by
14 12.

15 Any sheriff's law enforcement employee who has 20 or more
16 years of service in that capacity and who terminates service on
17 or after July 1, 2004 shall be entitled at his or her option to
18 receive a monthly retirement annuity for service as a sheriff's
19 law enforcement employee computed by multiplying 2.5% for each
20 year of such service by his annual final rate of earnings and
21 dividing by 12.

22 If a sheriff's law enforcement employee has service in any
23 other capacity, his retirement annuity for service as a
24 sheriff's law enforcement employee may be computed under this
25 Section and the retirement annuity for his other service under
26 Section 7-142.

1 In no case shall the total monthly retirement annuity for
2 persons who retire before July 1, 2004 exceed 75% of the
3 monthly final rate of earnings. In no case shall the total
4 monthly retirement annuity for persons who retire on or after
5 July 1, 2004 exceed 80% of the monthly final rate of earnings.

6 (b) Whenever continued group insurance coverage is elected
7 in accordance with the provisions of Section 367h of the
8 Illinois Insurance Code, as now or hereafter amended, the total
9 monthly premium for such continued group insurance coverage or
10 such portion thereof as is not paid by the municipality shall,
11 upon request of the person electing such continued group
12 insurance coverage, be deducted from any monthly pension
13 benefit otherwise payable to such person pursuant to this
14 Section, to be remitted by the Fund to the insurance company or
15 other entity providing the group insurance coverage.

16 (c) A sheriff's law enforcement employee who began service
17 in that capacity prior to the effective date of this amendatory
18 Act of the 97th General Assembly and who has service in any
19 other capacity may convert up to 10 years of that service into
20 service as a sheriff's law enforcement employee by paying to
21 the Fund an amount equal to (1) the additional employee
22 contribution required under Section 7-173.1, plus (2) the
23 additional employer contribution required under Section 7-172,
24 plus (3) interest on items (1) and (2) at the prescribed rate
25 from the date of the service to the date of payment.

26 (d) The changes to subsections (a) and (b) of this Section

1 made by this amendatory Act of the 94th General Assembly apply
2 only to persons in service on or after July 1, 2004. In the
3 case of such a person who begins to receive a retirement
4 annuity before the effective date of this amendatory Act of the
5 94th General Assembly, the annuity shall be recalculated
6 prospectively to reflect those changes, with the resulting
7 increase beginning to accrue on the first annuity payment date
8 following the effective date of this amendatory Act.

9 (e) Any elected county officer who was entitled to receive
10 a stipend from the State on or after July 1, 2009 and on or
11 before June 30, 2010 may establish earnings credit for the
12 amount of stipend not received, if the elected county official
13 applies in writing to the fund within 6 months after the
14 effective date of this amendatory Act of the 96th General
15 Assembly and pays to the fund an amount equal to (i) employee
16 contributions on the amount of stipend not received, (ii)
17 employer contributions determined by the Board equal to the
18 employer's normal cost of the benefit on the amount of stipend
19 not received, plus (iii) interest on items (i) and (ii) at the
20 actuarially assumed rate.

21 (f) Notwithstanding any other provision of this Article,
22 the provisions of this subsection (f) apply to a person who
23 first becomes a sheriff's law enforcement employee under this
24 Article on or after January 1, 2011.

25 A sheriff's law enforcement employee age 55 or more who has
26 10 or more years of service in that capacity shall be entitled

1 at his option to receive a monthly retirement annuity for his
2 or her service as a sheriff's law enforcement employee computed
3 by multiplying 2.5% for each year of such service by his or her
4 final rate of earnings.

5 The retirement annuity of a sheriff's law enforcement
6 employee who is retiring after attaining age 50 with 10 or more
7 years of creditable service shall be reduced by one-half of 1%
8 for each month that the sheriff's law enforcement employee's
9 age is under age 55.

10 The maximum retirement annuity under this subsection (f)
11 shall be 75% of final rate of earnings.

12 For the purposes of this subsection (f), "final rate of
13 earnings" means the average monthly earnings obtained by
14 dividing the total salary of the sheriff's law enforcement
15 employee during the 96 consecutive months of service within the
16 last 120 months of service in which the total earnings was the
17 highest by the number of months of service in that period.

18 Notwithstanding any other provision of this Article,
19 beginning on January 1, 2011, for all purposes under this Code
20 (including without limitation the calculation of benefits and
21 employee contributions), the annual earnings of a sheriff's law
22 enforcement employee to whom this Section applies shall not
23 include overtime and shall not exceed \$106,800; however, that
24 amount shall annually thereafter be increased by the lesser of
25 (i) 3% of that amount, including all previous adjustments, or
26 (ii) one-half the annual unadjusted percentage increase (but

1 not less than zero) in the consumer price index-u for the 12
2 months ending with the September preceding each November 1,
3 including all previous adjustments.

4 (g) Notwithstanding any other provision of this Article,
5 the monthly annuity of a person who first becomes a sheriff's
6 law enforcement employee under this Article on or after January
7 1, 2011 shall be increased on the January 1 occurring either on
8 or after the attainment of age 60 or the first anniversary of
9 the annuity start date, whichever is later. Each annual
10 increase shall be calculated at 3% or one-half the annual
11 unadjusted percentage increase (but not less than zero) in the
12 consumer price index-u for the 12 months ending with the
13 September preceding each November 1, whichever is less, of the
14 originally granted retirement annuity. If the annual
15 unadjusted percentage change in the consumer price index-u for
16 a 12-month period ending in September is zero or, when compared
17 with the preceding period, decreases, then the annuity shall
18 not be increased.

19 (h) Notwithstanding any other provision of this Article,
20 for a person who first becomes a sheriff's law enforcement
21 employee under this Article on or after January 1, 2011, the
22 annuity to which the surviving spouse, children, or parents are
23 entitled under this subsection (h) shall be in the amount of $66\frac{2}{3}\%$
24 of the sheriff's law enforcement employee's earned annuity
25 at the date of death.

26 (i) Notwithstanding any other provision of this Article,

1 the monthly annuity of a survivor of a person who first becomes
2 a sheriff's law enforcement employee under this Article on or
3 after January 1, 2011 shall be increased on the January 1 after
4 attainment of age 60 by the recipient of the survivor's annuity
5 and each January 1 thereafter by 3% or one-half the annual
6 unadjusted percentage increase in the consumer price index-u
7 for the 12 months ending with the September preceding each
8 November 1, whichever is less, of the originally granted
9 pension. If the annual unadjusted percentage change in the
10 consumer price index-u for a 12-month period ending in
11 September is zero or, when compared with the preceding period,
12 decreases, then the annuity shall not be increased.

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

22 (Source: P.A. 96-961, eff. 7-2-10; 96-1495, eff. 1-1-11.)

23 (40 ILCS 5/7-144) (from Ch. 108 1/2, par. 7-144)

24 Sec. 7-144. Retirement annuities-Suspended during
25 employment.

1 (a) ~~(1) If any person described in clause (i) of subsection~~
2 ~~(a) 2 of Section 7-141~~ receiving any annuity again becomes an
3 employee and receives earnings from employment in a position
4 ~~normally requiring performance of duty during 600 hours or more~~
5 ~~per year for any participating municipality and~~
6 ~~instrumentalities thereof or participating instrumentality; or~~
7 ~~(2) if any person described in clause (ii) of subsection (a) 2~~
8 ~~of Section 7-141 receiving any annuity returns to employment in~~
9 ~~a position~~ requiring him, or entitling him to elect, to become
10 a participating employee, ~~+~~ then the annuity payable to such
11 employee shall be suspended as of the 1st day of the month
12 coincidental with or next following the date upon which such
13 person becomes such an employee. Upon proper qualification of
14 the participating employee payment of such annuity may be
15 resumed on the 1st day of the month following such
16 qualification and upon proper application therefor. The
17 participating employee in such case shall be entitled to a
18 supplemental annuity arising from service and credits earned
19 subsequent to such re-entry as a participating employee.

20 (b) Supplemental annuities to persons who return to service
21 for less than 48 months shall be computed under the provisions
22 of Sections 7-141, 7-142 and 7-143. In determining whether an
23 employee is eligible for an annuity which requires a minimum
24 period of service, his entire period of service shall be taken
25 into consideration but the supplemental annuity shall be based
26 on earnings and service in the supplemental period only. The

1 effective date of the suspended and supplemental annuity for
2 the purpose of increases after retirement shall be considered
3 to be the effective date of the suspended annuity.

4 (c) Supplemental annuities to persons who return to service
5 for 48 months or more shall be a monthly amount determined as
6 follows:

7 (1) An amount shall be computed under subparagraph b of
8 paragraph (1) of subsection (a) of Section 7-142,
9 considering all of the service credits of the employee;

10 (2) The actuarial value in monthly payments for life of
11 the annuity payments made before suspension shall be
12 determined and subtracted from the amount determined in (1)
13 above;

14 (3) The monthly amount of the suspended annuity, with
15 any applicable increases after retirement computed from
16 the effective date to the date of reinstatement, shall be
17 subtracted from the amount determined in (2) above and the
18 remainder shall be the amount of the supplemental annuity
19 provided that this amount shall not be less than the amount
20 computed under subsection (b) of this Section.

21 (4) The suspended annuity shall be reinstated at an
22 amount including any increases after retirement from the
23 effective date to date of reinstatement.

24 (5) The effective date of the combined suspended and
25 supplemental annuities for the purposes of increases after
26 retirement shall be considered to be the effective date of

1 the supplemental annuity.

2 (Source: P.A. 82-459.)

3 (40 ILCS 5/7-145.1)

4 Sec. 7-145.1. Alternative annuity for county officers.

5 (a) The benefits provided in this Section and Section
6 7-145.2 are available only if, prior to the effective date of
7 this amendatory Act of the 97th General Assembly, the county
8 board has filed with the Board of the Fund a resolution or
9 ordinance expressly consenting to the availability of these
10 benefits for its elected county officers. The county board's
11 consent is irrevocable with respect to persons participating in
12 the program, but may be revoked at any time with respect to
13 persons who have not paid an additional optional contribution
14 under this Section before the date of revocation.

15 An elected county officer may elect to establish
16 alternative credits for an alternative annuity by electing in
17 writing before the effective date of this amendatory Act of the
18 97th General Assembly to make additional optional
19 contributions in accordance with this Section and procedures
20 established by the board. These alternative credits are
21 available only for periods of service as an elected county
22 officer. The elected county officer may discontinue making the
23 additional optional contributions by notifying the Fund in
24 writing in accordance with this Section and procedures
25 established by the board.

1 Additional optional contributions for the alternative
2 annuity shall be as follows:

3 (1) For service as an elected county officer after the
4 option is elected, an additional contribution of 3% of
5 salary shall be contributed to the Fund on the same basis
6 and under the same conditions as contributions required
7 under Section 7-173.

8 (2) For service as an elected county officer before the
9 option is elected, an additional contribution of 3% of the
10 salary for the applicable period of service, plus interest
11 at the effective rate from the date of service to the date
12 of payment, plus any additional amount required by the
13 county board under paragraph (3). All payments for past
14 service must be paid in full before credit is given.

15 (3) With respect to service as an elected county
16 officer before the option is elected, if payment is made
17 after the county board has filed with the Board of the Fund
18 a resolution or ordinance requiring an additional
19 contribution under this paragraph, then the contribution
20 required under paragraph (2) shall include an amount to be
21 determined by the Fund, equal to the actuarial present
22 value of the additional employer cost that would otherwise
23 result from the alternative credits being established for
24 that service. A county board's resolution or ordinance
25 requiring additional contributions under this paragraph
26 (3) is irrevocable.

1 No additional optional contributions may be made for any
2 period of service for which credit has been previously
3 forfeited by acceptance of a refund, unless the refund is
4 repaid in full with interest at the effective rate from the
5 date of refund to the date of repayment.

6 (b) In lieu of the retirement annuity otherwise payable
7 under this Article, an elected county officer who (1) has
8 elected to participate in the Fund and make additional optional
9 contributions in accordance with this Section, (2) has held and
10 made additional optional contributions with respect to the same
11 elected county office for at least 8 years, and (3) has
12 attained age 55 with at least 8 years of service credit (or has
13 attained age 50 with at least 20 years of service as a
14 sheriff's law enforcement employee) may elect to have his
15 retirement annuity computed as follows: 3% of the participant's
16 salary for each of the first 8 years of service credit, plus 4%
17 of that salary for each of the next 4 years of service credit,
18 plus 5% of that salary for each year of service credit in
19 excess of 12 years, subject to a maximum of 80% of that salary.

20 This formula applies only to service in an elected county
21 office that the officer held for at least 8 years, and only to
22 service for which additional optional contributions have been
23 paid under this Section. If an elected county officer qualifies
24 to have this formula applied to service in more than one
25 elected county office, the qualifying service shall be
26 accumulated for purposes of determining the applicable accrual

1 percentages, but the salary used for each office shall be the
2 separate salary calculated for that office, as defined in
3 subsection (g).

4 To the extent that the elected county officer has service
5 credit that does not qualify for this formula, his retirement
6 annuity will first be determined in accordance with this
7 formula with respect to the service to which this formula
8 applies, and then in accordance with the remaining Sections of
9 this Article with respect to the service to which this formula
10 does not apply.

11 (c) In lieu of the disability benefits otherwise payable
12 under this Article, an elected county officer who (1) has
13 elected to participate in the Fund, and (2) has become
14 permanently disabled and as a consequence is unable to perform
15 the duties of his office, and (3) was making optional
16 contributions in accordance with this Section at the time the
17 disability was incurred, may elect to receive a disability
18 annuity calculated in accordance with the formula in subsection
19 (b). For the purposes of this subsection, an elected county
20 officer shall be considered permanently disabled only if: (i)
21 disability occurs while in service as an elected county officer
22 and is of such a nature as to prevent him from reasonably
23 performing the duties of his office at the time; and (ii) the
24 board has received a written certification by at least 2
25 licensed physicians appointed by it stating that the officer is
26 disabled and that the disability is likely to be permanent.

1 (d) Refunds of additional optional contributions shall be
2 made on the same basis and under the same conditions as
3 provided under Section 7-166, 7-167 and 7-168. Interest shall
4 be credited at the effective rate on the same basis and under
5 the same conditions as for other contributions.

6 If an elected county officer fails to hold that same
7 elected county office for at least 8 years, he or she shall be
8 entitled after leaving office to receive a refund of the
9 additional optional contributions made with respect to that
10 office, plus interest at the effective rate.

11 (e) The plan of optional alternative benefits and
12 contributions shall be available to persons who are elected
13 county officers and active contributors to the Fund on or after
14 November 15, 1994 and elected to establish alternative credit
15 before the effective date of this amendatory Act of the 97th
16 General Assembly. A person who was an elected county officer
17 and an active contributor to the Fund on November 15, 1994 but
18 is no longer an active contributor may apply to make additional
19 optional contributions under this Section at any time within 90
20 days after the effective date of this amendatory Act of 1997;
21 if the person is an annuitant, the resulting increase in
22 annuity shall begin to accrue on the first day of the month
23 following the month in which the required payment is received
24 by the Fund.

25 (f) For the purposes of this Section and Section 7-145.2,
26 the terms "elected county officer" and "elected county office"

1 include, but are not limited to: (1) the county clerk,
2 recorder, treasurer, coroner, assessor (if elected), auditor,
3 sheriff, and State's Attorney; members of the county board; and
4 the clerk of the circuit court; and (2) a person who has been
5 appointed to fill a vacancy in an office that is normally
6 filled by election on a countywide basis, for the duration of
7 his or her service in that office. The terms "elected county
8 officer" and "elected county office" do not include any officer
9 or office of a county that has not consented to the
10 availability of benefits under this Section and Section
11 7-145.2.

12 (g) For the purposes of this Section and Section 7-145.2,
13 the term "salary" means the final rate of earnings for the
14 elected county office held, calculated in a manner consistent
15 with Section 7-116, but for that office only. If an elected
16 county officer qualifies to have the formula in subsection (b)
17 applied to service in more than one elected county office, a
18 separate salary shall be calculated and applied with respect to
19 each such office.

20 (h) The changes to this Section made by this amendatory Act
21 of the 91st General Assembly apply to persons who first make an
22 additional optional contribution under this Section on or after
23 the effective date of this amendatory Act.

24 (i) Any elected county officer who was entitled to receive
25 a stipend from the State on or after July 1, 2009 and on or
26 before June 30, 2010 may establish earnings credit for the

1 amount of stipend not received, if the elected county official
2 applies in writing to the fund within 6 months after the
3 effective date of this amendatory Act of the 96th General
4 Assembly and pays to the fund an amount equal to (i) employee
5 contributions on the amount of stipend not received, (ii)
6 employer contributions determined by the Board equal to the
7 employer's normal cost of the benefit on the amount of stipend
8 not received, plus (iii) interest on items (i) and (ii) at the
9 actuarially assumed rate.

10 (Source: P.A. 96-961, eff. 7-2-10.)

11 (40 ILCS 5/7-172) (from Ch. 108 1/2, par. 7-172)

12 Sec. 7-172. Contributions by participating municipalities
13 and participating instrumentalities.

14 (a) Each participating municipality and each participating
15 instrumentality shall make payment to the fund as follows:

16 1. municipality contributions in an amount determined
17 by applying the municipality contribution rate to each
18 payment of earnings paid to each of its participating
19 employees;

20 2. an amount equal to the employee contributions
21 provided by paragraphs (a) and (b) of Section 7-173,
22 whether or not the employee contributions are withheld as
23 permitted by that Section;

24 3. all accounts receivable, together with interest
25 charged thereon, as provided in Section 7-209;

1 4. if it has no participating employees with current
2 earnings, an amount payable which, over a closed period of
3 20 years for participating municipalities and 10 years for
4 participating instrumentalities, will amortize, at the
5 effective rate for that year, any unfunded obligation. The
6 unfunded obligation shall be computed as provided in
7 paragraph 2 of subsection (b);

8 5. if it has fewer than 7 participating employees or a
9 negative balance in its municipality reserve, the greater
10 of (A) an amount payable that, over a period of 20 years,
11 will amortize at the effective rate for that year any
12 unfunded obligation, computed as provided in paragraph 2 of
13 subsection (b) or (B) the amount required by paragraph 1 of
14 this subsection (a).

15 (b) A separate municipality contribution rate shall be
16 determined for each calendar year for all participating
17 municipalities together with all instrumentalities thereof.
18 The municipality contribution rate shall be determined for
19 participating instrumentalities as if they were participating
20 municipalities. The municipality contribution rate shall be
21 the sum of the following percentages:

22 1. The percentage of earnings of all the participating
23 employees of all participating municipalities and
24 participating instrumentalities which, if paid over the
25 entire period of their service, will be sufficient when
26 combined with all employee contributions available for the

1 payment of benefits, to provide all annuities for
2 participating employees, and the \$3,000 death benefit
3 payable under Sections 7-158 and 7-164, such percentage to
4 be known as the normal cost rate.

5 2. The percentage of earnings of the participating
6 employees of each participating municipality and
7 participating instrumentalities necessary to adjust for
8 the difference between the present value of all benefits,
9 excluding temporary and total and permanent disability and
10 death benefits, to be provided for its participating
11 employees and the sum of its accumulated municipality
12 contributions and the accumulated employee contributions
13 and the present value of expected future employee and
14 municipality contributions pursuant to subparagraph 1 of
15 this paragraph (b). This adjustment shall be spread over
16 the remainder of the period that is allowable under
17 generally accepted accounting principles.

18 3. The percentage of earnings of the participating
19 employees of all municipalities and participating
20 instrumentalities necessary to provide the present value
21 of all temporary and total and permanent disability
22 benefits granted during the most recent year for which
23 information is available.

24 4. The percentage of earnings of the participating
25 employees of all participating municipalities and
26 participating instrumentalities necessary to provide the

1 present value of the net single sum death benefits expected
2 to become payable from the reserve established under
3 Section 7-206 during the year for which this rate is fixed.

4 5. The percentage of earnings necessary to meet any
5 deficiency arising in the Terminated Municipality Reserve.

6 (c) A separate municipality contribution rate shall be
7 computed for each participating municipality or participating
8 instrumentality for its sheriff's law enforcement employees.

9 A separate municipality contribution rate shall be
10 computed for the sheriff's law enforcement employees of each
11 forest preserve district that elects to have such employees.
12 For the period from January 1, 1986 to December 31, 1986, such
13 rate shall be the forest preserve district's regular rate plus
14 2%.

15 In the event that the Board determines that there is an
16 actuarial deficiency in the account of any municipality with
17 respect to a person who has elected to participate in the Fund
18 under Section 3-109.1 of this Code, the Board may adjust the
19 municipality's contribution rate so as to make up that
20 deficiency over such reasonable period of time as the Board may
21 determine.

22 (d) The Board may establish a separate municipality
23 contribution rate for all employees who are program
24 participants employed under the federal Comprehensive
25 Employment Training Act by all of the participating
26 municipalities and instrumentalities. The Board may also

1 provide that, in lieu of a separate municipality rate for these
2 employees, a portion of the municipality contributions for such
3 program participants shall be refunded or an extra charge
4 assessed so that the amount of municipality contributions
5 retained or received by the fund for all CETA program
6 participants shall be an amount equal to that which would be
7 provided by the separate municipality contribution rate for all
8 such program participants. Refunds shall be made to prime
9 sponsors of programs upon submission of a claim therefor and
10 extra charges shall be assessed to participating
11 municipalities and instrumentalities. In establishing the
12 municipality contribution rate as provided in paragraph (b) of
13 this Section, the use of a separate municipality contribution
14 rate for program participants or the refund of a portion of the
15 municipality contributions, as the case may be, may be
16 considered.

17 (e) Computations of municipality contribution rates for
18 the following calendar year shall be made prior to the
19 beginning of each year, from the information available at the
20 time the computations are made, and on the assumption that the
21 employees in each participating municipality or participating
22 instrumentality at such time will continue in service until the
23 end of such calendar year at their respective rates of earnings
24 at such time.

25 (f) Any municipality which is the recipient of State
26 allocations representing that municipality's contributions for

1 retirement annuity purposes on behalf of its employees as
2 provided in Section 12-21.16 of the Illinois Public Aid Code
3 shall pay the allocations so received to the Board for such
4 purpose. Estimates of State allocations to be received during
5 any taxable year shall be considered in the determination of
6 the municipality's tax rate for that year under Section 7-171.
7 If a special tax is levied under Section 7-171, none of the
8 proceeds may be used to reimburse the municipality for the
9 amount of State allocations received and paid to the Board. Any
10 multiple-county or consolidated health department which
11 receives contributions from a county under Section 11.2 of "An
12 Act in relation to establishment and maintenance of county and
13 multiple-county health departments", approved July 9, 1943, as
14 amended, or distributions under Section 3 of the Department of
15 Public Health Act, shall use these only for municipality
16 contributions by the health department.

17 (g) Municipality contributions for the several purposes
18 specified shall, for township treasurers and employees in the
19 offices of the township treasurers who meet the qualifying
20 conditions for coverage hereunder, be allocated among the
21 several school districts and parts of school districts serviced
22 by such treasurers and employees in the proportion which the
23 amount of school funds of each district or part of a district
24 handled by the treasurer bears to the total amount of all
25 school funds handled by the treasurer.

26 From the funds subject to allocation among districts and

1 parts of districts pursuant to the School Code, the trustees
2 shall withhold the proportionate share of the liability for
3 municipality contributions imposed upon such districts by this
4 Section, in respect to such township treasurers and employees
5 and remit the same to the Board.

6 The municipality contribution rate for an educational
7 service center shall initially be the same rate for each year
8 as the regional office of education or school district which
9 serves as its administrative agent. When actuarial data become
10 available, a separate rate shall be established as provided in
11 subparagraph (i) of this Section.

12 The municipality contribution rate for a public agency,
13 other than a vocational education cooperative, formed under the
14 Intergovernmental Cooperation Act shall initially be the
15 average rate for the municipalities which are parties to the
16 intergovernmental agreement. When actuarial data become
17 available, a separate rate shall be established as provided in
18 subparagraph (i) of this Section.

19 (h) Each participating municipality and participating
20 instrumentality shall make the contributions in the amounts
21 provided in this Section in the manner prescribed from time to
22 time by the Board and all such contributions shall be
23 obligations of the respective participating municipalities and
24 participating instrumentalities to this fund. The failure to
25 deduct any employee contributions shall not relieve the
26 participating municipality or participating instrumentality of

1 its obligation to this fund. Delinquent payments of
2 contributions due under this Section may, with interest, be
3 recovered by civil action against the participating
4 municipalities or participating instrumentalities.
5 Municipality contributions, other than the amount necessary
6 for employee contributions and Social Security contributions,
7 for periods of service by employees from whose earnings no
8 deductions were made for employee contributions to the fund,
9 may be charged to the municipality reserve for the municipality
10 or participating instrumentality.

11 (i) Contributions by participating instrumentalities shall
12 be determined as provided herein except that the percentage
13 derived under subparagraph 2 of paragraph (b) of this Section,
14 and the amount payable under subparagraph 4 of paragraph (a) of
15 this Section, shall be based on an amortization period of 10
16 years.

17 (j) Notwithstanding the other provisions of this Section,
18 the additional unfunded liability accruing as a result of this
19 amendatory Act of the 94th General Assembly shall be amortized
20 over a period of 30 years beginning on January 1 of the second
21 calendar year following the calendar year in which this
22 amendatory Act takes effect, except that the employer may
23 provide for a longer amortization period by adopting a
24 resolution or ordinance specifying a 35-year or 40-year period
25 and submitting a certified copy of the ordinance or resolution
26 to the fund no later than June 1 of the calendar year following

1 the calendar year in which this amendatory Act takes effect.

2 (k) If the amount of a participating employee's reported
3 earnings for any of the 12-month periods used to determine the
4 final rate of earnings exceeds the employee's 12 month reported
5 earnings with the same employer for the previous year by the
6 greater of 6% or 1.5 times the annual increase in the Consumer
7 Price Index-U, as established by the United States Department
8 of Labor for the preceding September, the participating
9 municipality or participating instrumentality that paid those
10 earnings shall pay to the Fund, in addition to any other
11 contributions required under this Article, the present value of
12 the increase in the pension resulting from the portion of the
13 increase in salary that is in excess of the greater of 6% or
14 1.5 times the annual increase in the Consumer Price Index-U, as
15 determined by the Fund. This present value shall be computed on
16 the basis of the actuarial assumptions and tables used in the
17 most recent actuarial valuation of the Fund that is available
18 at the time of the computation.

19 Whenever it determines that a payment is or may be required
20 under this subsection (k), the fund shall calculate the amount
21 of the payment and bill the participating municipality or
22 participating instrumentality for that amount. The bill shall
23 specify the calculations used to determine the amount due. If
24 the participating municipality or participating
25 instrumentality disputes the amount of the bill, it may, within
26 30 days after receipt of the bill, apply to the fund in writing

1 for a recalculation. The application must specify in detail the
2 grounds of the dispute. Upon receiving a timely application for
3 recalculation, the fund shall review the application and, if
4 appropriate, recalculate the amount due. The participating
5 municipality and participating instrumentality contributions
6 required under this subsection (k) may be paid in the form of a
7 lump sum within 90 days after receipt of the bill. If the
8 participating municipality and participating instrumentality
9 contributions are not paid within 90 days after receipt of the
10 bill, then interest will be charged at a rate equal to the
11 fund's annual actuarially assumed rate of return on investment
12 compounded annually from the 91st day after receipt of the
13 bill. Payments must be concluded within 3 years after receipt
14 of the bill by the participating municipality or participating
15 instrumentality.

16 When assessing payment for any amount due under this
17 subsection (k), the fund shall exclude earnings increases
18 resulting from overload or overtime earnings.

19 When assessing payment for any amount due under this
20 subsection (k), the fund shall also exclude earnings increases
21 attributable to standard employment promotions resulting in
22 increased responsibility and workload.

23 This subsection (k) does not apply to earnings increases
24 paid to individuals under contracts or collective bargaining
25 agreements entered into, amended, or renewed before the
26 effective date of this amendatory Act of the 97th General

1 Assembly, earnings increases paid to members who are 10 years
2 or more from retirement eligibility, or earnings increases
3 resulting from an increase in the number of hours required to
4 be worked.

5 When assessing payment for any amount due under this
6 subsection (k), the fund shall also exclude earnings
7 attributable to personnel policies adopted before the
8 effective date of this amendatory Act of the 97th General
9 Assembly as long as those policies are not applicable to
10 employees who begin service on or after the effective date of
11 this amendatory Act of the 97th General Assembly.

12 (Source: P.A. 96-1084, eff. 7-16-10; 96-1140, eff. 7-21-10;
13 revised 9-16-10.)

14 (40 ILCS 5/7-205) (from Ch. 108 1/2, par. 7-205)

15 Sec. 7-205. Reserves for annuities. Appropriate reserves
16 shall be created for payment of all annuities granted under
17 this Article at the time such annuities are granted and in
18 amounts determined to be necessary under actuarial tables
19 adopted by the Board upon recommendation of the actuary of the
20 fund. All annuities payable shall be charged to the annuity
21 reserve.

22 1. Amounts credited to annuity reserves shall be derived by
23 transfer of all the employee credits from the appropriate
24 employee reserves and by charges to the municipality reserve of
25 those municipalities in which the retiring employee has

1 accumulated service. If a retiring employee has accumulated
2 service in more than one participating municipality or
3 participating instrumentality, the aggregate municipality
4 charges for non-concurrent service shall be calculated as
5 follows:

6 (A) for purposes of calculating the annuity reserve, an
7 annuity will be calculated based on service and adjusted
8 earnings with each employer (without regard to the vesting
9 requirement contained in subsection (a) of Section 7-142);
10 and

11 (B) the difference between the municipality charges
12 for the actual annuity granted and the aggregation of the
13 municipality charges based upon the ratio of each from
14 those calculations to the aggregated total from paragraph
15 (A) of this item 1.

16 Aggregate municipality charges for concurrent service
17 shall be prorated based on the employee's earnings. The
18 municipality charges for retirement annuities calculated under
19 subparagraph a. of paragraph 1. of subsection (a) of Section
20 7-142 shall be prorated based on actual contributions ~~prorated~~
21 ~~on a basis of the employee's earnings in case of concurrent~~
22 ~~service and creditable service in other cases.~~

23 2. Supplemental annuities shall be handled as a separate
24 annuity and amounts to be credited to the annuity reserve
25 therefor shall be derived in the same manner as a regular
26 annuity.

1 3. When a retirement annuity is granted to an employee with
2 a spouse eligible for a surviving spouse annuity, there shall
3 be credited to the annuity reserve an amount to fund the cost
4 of both the retirement and surviving spouse annuity as a joint
5 and survivors annuity.

6 4. Beginning January 1, 1989, when a retirement annuity is
7 awarded, an amount equal to the present value of the \$3,000
8 death benefit payable upon the death of the annuitant shall be
9 transferred to the annuity reserve from the appropriate
10 municipality reserves in the same manner as the transfer for
11 annuities.

12 5. All annuity reserves shall be revalued annually as of
13 December 31. Beginning as of December 31, 1973, adjustment
14 required therein by such revaluation shall be charged or
15 credited to the earnings and experience variation reserve.

16 6. There shall be credited to the annuity reserve all of
17 the payments made by annuitants under Section 7-144.2, plus an
18 additional amount from the earnings and experience variation
19 reserve to fund the cost of the incremental annuities granted
20 to annuitants making these payments.

21 7. As of December 31, 1972, the excess in the annuity
22 reserve shall be transferred to the municipality reserves. An
23 amount equal to the deficiency in the reserve of participating
24 municipalities and participating instrumentalities which have
25 no participating employees shall be allocated to their
26 reserves. The remainder shall be allocated in amounts

1 proportionate to the present value, as of January 1, 1972, of
2 annuities of annuitants of the remaining participating
3 municipalities and participating instrumentalities.

4 (Source: P.A. 89-136, eff. 7-14-95.)

5 (40 ILCS 5/7-225 new)

6 Sec. 7-225. Increases in earnings; pension impact
7 statement. Before increasing the earnings of an officer,
8 executive, or manager by 12% or more:

9 (1) the authorities of the respective employer who are
10 authorizing the increase must contact the Illinois
11 Municipal Retirement Fund as to the effect of that increase
12 in salary on the pension benefits of that participant;

13 (2) the Illinois Municipal Retirement Fund must
14 respond with a written "Pension Impact Statement" stating
15 the effect of that increase in salary on the pension
16 benefits of that participant, and any other relevant effect
17 of the increase, including payment of the present value of
18 the increase in benefits resulting from the portion of any
19 increase in salary that is in excess of 6% as provided
20 under subsection (k) of Section 7-172, if applicable;

21 (3) the authorities authorizing this increase must
22 sign the pension impact statement, acknowledging receipt
23 and understanding of the effects of the increase; and

24 (4) the employer must pay the costs associated with the
25 pension impact statement.

1 The provisions of this Section do not apply to any of the
2 following: increases attributable to standard employment
3 promotions resulting in increased responsibility and
4 workloads; earnings increases paid to individuals under
5 contracts or collective bargaining agreements entered into,
6 amended, or renewed before January 1, 2012; earnings increases
7 paid to members who are 10 years or more from retirement
8 eligibility; or earnings increases resulting from an increase
9 in the number of hours required to be worked.

10 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)

11 Sec. 14-103.05. Employee.

12 (a) Any person employed by a Department who receives salary
13 for personal services rendered to the Department on a warrant
14 issued pursuant to a payroll voucher certified by a Department
15 and drawn by the State Comptroller upon the State Treasurer,
16 including an elected official described in subparagraph (d) of
17 Section 14-104, shall become an employee for purpose of
18 membership in the Retirement System on the first day of such
19 employment.

20 A person entering service on or after January 1, 1972 and
21 prior to January 1, 1984 shall become a member as a condition
22 of employment and shall begin making contributions as of the
23 first day of employment.

24 A person entering service on or after January 1, 1984
25 shall, upon completion of 6 months of continuous service which

1 is not interrupted by a break of more than 2 months, become a
2 member as a condition of employment. Contributions shall begin
3 the first of the month after completion of the qualifying
4 period.

5 A person employed by the Chicago Metropolitan Agency for
6 Planning on the effective date of this amendatory Act of the
7 95th General Assembly who was a member of this System as an
8 employee of the Chicago Area Transportation Study and makes an
9 election under Section 14-104.13 to participate in this System
10 for his or her employment with the Chicago Metropolitan Agency
11 for Planning.

12 The qualifying period of 6 months of service is not
13 applicable to: (1) a person who has been granted credit for
14 service in a position covered by the State Universities
15 Retirement System, the Teachers' Retirement System of the State
16 of Illinois, the General Assembly Retirement System, or the
17 Judges Retirement System of Illinois unless that service has
18 been forfeited under the laws of those systems; (2) a person
19 entering service on or after July 1, 1991 in a noncovered
20 position; (3) a person to whom Section 14-108.2a or 14-108.2b
21 applies; or (4) a person to whom subsection (a-5) of this
22 Section applies.

23 (a-5) A person entering service on or after December 1,
24 2010 shall become a member as a condition of employment and
25 shall begin making contributions as of the first day of
26 employment. A person serving in the qualifying period on

1 December 1, 2010 will become a member on December 1, 2010 and
2 shall begin making contributions as of December 1, 2010.

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

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

7 (2) incumbents of offices normally filled by vote of
8 the people;

9 (3) except as otherwise provided in this Section, any
10 person appointed by the Governor with the advice and
11 consent of the Senate unless that person elects to
12 participate in this system;

13 (3.1) any person serving as a commissioner of an ethics
14 commission created under the State Officials and Employees
15 Ethics Act unless that person elects to participate in this
16 system with respect to that service as a commissioner;

17 (3.2) any person serving as a part-time employee in any
18 of the following positions: Legislative Inspector General,
19 Special Legislative Inspector General, employee of the
20 Office of the Legislative Inspector General, Executive
21 Director of the Legislative Ethics Commission, or staff of
22 the Legislative Ethics Commission, regardless of whether
23 he or she is in active service on or after July 8, 2004
24 (the effective date of Public Act 93-685), unless that
25 person elects to participate in this System with respect to
26 that service; in this item (3.2), a "part-time employee" is

1 a person who is not required to work at least 35 hours per
2 week;

3 (3.3) any person who has made an election under Section
4 1-123 and who is serving either as legal counsel in the
5 Office of the Governor or as Chief Deputy Attorney General;

6 (4) except as provided in Section 14-108.2 or
7 14-108.2c, any person who is covered or eligible to be
8 covered by the Teachers' Retirement System of the State of
9 Illinois, the State Universities Retirement System, or the
10 Judges Retirement System of Illinois;

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

13 (6) any person who becomes an employee after June 30,
14 1979 as a public service employment program participant
15 under the Federal Comprehensive Employment and Training
16 Act and whose wages or fringe benefits are paid in whole or
17 in part by funds provided under such Act;

18 (7) enrollees of the Illinois Young Adult Conservation
19 Corps program, administered by the Department of Natural
20 Resources, authorized grantee pursuant to Title VIII of the
21 "Comprehensive Employment and Training Act of 1973", 29 USC
22 993, as now or hereafter amended;

23 (8) enrollees and temporary staff of programs
24 administered by the Department of Natural Resources under
25 the Youth Conservation Corps Act of 1970;

26 (9) any person who is a member of any professional

1 licensing or disciplinary board created under an Act
2 administered by the Department of Professional Regulation
3 or a successor agency or created or re-created after the
4 effective date of this amendatory Act of 1997, and who
5 receives per diem compensation rather than a salary,
6 notwithstanding that such per diem compensation is paid by
7 warrant issued pursuant to a payroll voucher; such persons
8 have never been included in the membership of this System,
9 and this amendatory Act of 1987 (P.A. 84-1472) is not
10 intended to effect any change in the status of such
11 persons;

12 (10) any person who is a member of the Illinois Health
13 Care Cost Containment Council, and receives per diem
14 compensation rather than a salary, notwithstanding that
15 such per diem compensation is paid by warrant issued
16 pursuant to a payroll voucher; such persons have never been
17 included in the membership of this System, and this
18 amendatory Act of 1987 is not intended to effect any change
19 in the status of such persons;

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

25 (12) a person employed by the State Board of Higher
26 Education in a position with the Illinois Century Network

1 as of June 30, 2004, who remains continuously employed
2 after that date by the Department of Central Management
3 Services in a position with the Illinois Century Network
4 and participates in the Article 15 system with respect to
5 that employment;~~;~~

6 (13) any person who first becomes a member of the Civil
7 Service Commission on or after January 1, 2012;

8 (14) any person, other than the Director of Employment
9 Security, who first becomes a member of the Board of Review
10 of the Department of Employment Security on or after
11 January 1, 2012;

12 (15) any person who first becomes a member of the Civil
13 Service Commission on or after January 1, 2012;

14 (16) any person who first becomes a member of the
15 Illinois Liquor Control Commission on or after January 1,
16 2012;

17 (17) any person who first becomes a member of the
18 Secretary of State Merit Commission on or after January 1,
19 2012;

20 (18) any person who first becomes a member of the Human
21 Rights Commission on or after January 1, 2012;

22 (19) any person who first becomes a member of the State
23 Mining Board on or after January 1, 2012;

24 (20) any person who first becomes a member of the
25 Property Tax Appeal Board on or after January 1, 2012;

26 (21) any person who first becomes a member of the

1 Illinois Racing Board on or after January 1, 2012;

2 (22) any person who first becomes a member of the
3 Department of State Police Merit Board on or after January
4 1, 2012;

5 (23) any person who first becomes a member of the
6 Illinois State Toll Highway Authority on or after January
7 1, 2012; or

8 (24) any person who first becomes a member of the
9 Illinois State Board of Elections on or after January 1,
10 2012.

11 (c) An individual who represents or is employed as an
12 officer or employee of a statewide labor organization that
13 represents members of this System may participate in the System
14 and shall be deemed an employee, provided that (1) the
15 individual has previously earned creditable service under this
16 Article, (2) the individual files with the System an
17 irrevocable election to become a participant within 6 months
18 after the effective date of this amendatory Act of the 94th
19 General Assembly, and (3) the individual does not receive
20 credit for that employment under any other provisions of this
21 Code. An employee under this subsection (c) is responsible for
22 paying to the System both (i) employee contributions based on
23 the actual compensation received for service with the labor
24 organization and (ii) employer contributions based on the
25 percentage of payroll certified by the board; all or any part
26 of these contributions may be paid on the employee's behalf or

1 picked up for tax purposes (if authorized under federal law) by
2 the labor organization.

3 A person who is an employee as defined in this subsection
4 (c) may establish service credit for similar employment prior
5 to becoming an employee under this subsection by paying to the
6 System for that employment the contributions specified in this
7 subsection, plus interest at the effective rate from the date
8 of service to the date of payment. However, credit shall not be
9 granted under this subsection (c) for any such prior employment
10 for which the applicant received credit under any other
11 provision of this Code or during which the applicant was on a
12 leave of absence.

13 (Source: P.A. 95-677, eff. 10-11-07; 96-1490, eff. 1-1-11.)

14 (40 ILCS 5/22-101) (from Ch. 108 1/2, par. 22-101)

15 Sec. 22-101. Retirement Plan for Chicago Transit Authority
16 Employees.

17 (a) There shall be established and maintained by the
18 Authority created by the "Metropolitan Transit Authority Act",
19 approved April 12, 1945, as amended, (referred to in this
20 Section as the "Authority") a financially sound pension and
21 retirement system adequate to provide for all payments when due
22 under such established system or as modified from time to time
23 by ordinance of the Chicago Transit Board or collective
24 bargaining agreement. For this purpose, the Board must make
25 contributions to the established system as required under this

1 Section and may make any additional contributions provided for
2 by Board ordinance or collective bargaining agreement. The
3 participating employees shall make such periodic payments to
4 the established system as required under this Section and may
5 make any additional contributions provided for by Board
6 ordinance or collective bargaining agreement.

7 Provisions shall be made by the Board for all officers,
8 except those who first become members on or after January 1,
9 2012, and employees of the Authority appointed pursuant to the
10 "Metropolitan Transit Authority Act" to become, subject to
11 reasonable rules and regulations, participants of the pension
12 or retirement system with uniform rights, privileges,
13 obligations and status as to the class in which such officers
14 and employees belong. The terms, conditions and provisions of
15 any pension or retirement system or of any amendment or
16 modification thereof affecting employees who are members of any
17 labor organization may be established, amended or modified by
18 agreement with such labor organization, provided the terms,
19 conditions and provisions must be consistent with this Act, the
20 annual funding levels for the retirement system established by
21 law must be met and the benefits paid to future participants in
22 the system may not exceed the benefit ceilings set for future
23 participants under this Act and the contribution levels
24 required by the Authority and its employees may not be less
25 than the contribution levels established under this Act.

26 (b) The Board of Trustees shall consist of 11 members

1 appointed as follows: (i) 5 trustees shall be appointed by the
2 Chicago Transit Board; (ii) 3 trustees shall be appointed by an
3 organization representing the highest number of Chicago
4 Transit Authority participants; (iii) one trustee shall be
5 appointed by an organization representing the second-highest
6 number of Chicago Transit Authority participants; (iv) one
7 trustee shall be appointed by the recognized coalition
8 representatives of participants who are not represented by an
9 organization with the highest or second-highest number of
10 Chicago Transit Authority participants; and (v) one trustee
11 shall be selected by the Regional Transportation Authority
12 Board of Directors, and the trustee shall be a professional
13 fiduciary who has experience in the area of collectively
14 bargained pension plans. Trustees shall serve until a successor
15 has been appointed and qualified, or until resignation, death,
16 incapacity, or disqualification.

17 Any person appointed as a trustee of the board shall
18 qualify by taking an oath of office that he or she will
19 diligently and honestly administer the affairs of the system
20 and will not knowingly violate or willfully permit the
21 violation of any of the provisions of law applicable to the
22 Plan, including Sections 1-109, 1-109.1, 1-109.2, 1-110,
23 1-111, 1-114, and 1-115 of the Illinois Pension Code.

24 Each trustee shall cast individual votes, and a majority
25 vote shall be final and binding upon all interested parties,
26 provided that the Board of Trustees may require a supermajority

1 vote with respect to the investment of the assets of the
2 Retirement Plan, and may set forth that requirement in the
3 Retirement Plan documents, by-laws, or rules of the Board of
4 Trustees. Each trustee shall have the rights, privileges,
5 authority, and obligations as are usual and customary for such
6 fiduciaries.

7 The Board of Trustees may cause amounts on deposit in the
8 Retirement Plan to be invested in those investments that are
9 permitted investments for the investment of moneys held under
10 any one or more of the pension or retirement systems of the
11 State, any unit of local government or school district, or any
12 agency or instrumentality thereof. The Board, by a vote of at
13 least two-thirds of the trustees, may transfer investment
14 management to the Illinois State Board of Investment, which is
15 hereby authorized to manage these investments when so requested
16 by the Board of Trustees.

17 Notwithstanding any other provision of this Article or any
18 law to the contrary, any person who first becomes a member of
19 the Chicago Transit Board on or after January 1, 2012 shall not
20 be eligible to participate in this Retirement Plan.

21 (c) All individuals who were previously participants in the
22 Retirement Plan for Chicago Transit Authority Employees shall
23 remain participants, and shall receive the same benefits
24 established by the Retirement Plan for Chicago Transit
25 Authority Employees, except as provided in this amendatory Act
26 or by subsequent legislative enactment or amendment to the

1 Retirement Plan. For Authority employees hired on or after the
2 effective date of this amendatory Act of the 95th General
3 Assembly, the Retirement Plan for Chicago Transit Authority
4 Employees shall be the exclusive retirement plan and such
5 employees shall not be eligible for any supplemental plan,
6 except for a deferred compensation plan funded only by employee
7 contributions.

8 For all Authority employees who are first hired on or after
9 the effective date of this amendatory Act of the 95th General
10 Assembly and are participants in the Retirement Plan for
11 Chicago Transit Authority Employees, the following terms,
12 conditions and provisions with respect to retirement shall be
13 applicable:

14 (1) Such participant shall be eligible for an unreduced
15 retirement allowance for life upon the attainment of age 64
16 with 25 years of continuous service.

17 (2) Such participant shall be eligible for a reduced
18 retirement allowance for life upon the attainment of age 55
19 with 10 years of continuous service.

20 (3) For the purpose of determining the retirement
21 allowance to be paid to a retiring employee, the term
22 "Continuous Service" as used in the Retirement Plan for
23 Chicago Transit Authority Employees shall also be deemed to
24 include all pension credit for service with any retirement
25 system established under Article 8 or Article 11 of this
26 Code, provided that the employee forfeits and relinquishes

1 all pension credit under Article 8 or Article 11 of this
2 Code, and the contribution required under this subsection
3 is made by the employee. The Retirement Plan's actuary
4 shall determine the contribution paid by the employee as an
5 amount equal to the normal cost of the benefit accrued, had
6 the service been rendered as an employee, plus interest per
7 annum from the time such service was rendered until the
8 date the payment is made.

9 (d) From the effective date of this amendatory Act through
10 December 31, 2008, all participating employees shall
11 contribute to the Retirement Plan in an amount not less than 6%
12 of compensation, and the Authority shall contribute to the
13 Retirement Plan in an amount not less than 12% of compensation.

14 (e) (1) Beginning January 1, 2009 the Authority shall make
15 contributions to the Retirement Plan in an amount equal to
16 twelve percent (12%) of compensation and participating
17 employees shall make contributions to the Retirement Plan in an
18 amount equal to six percent (6%) of compensation. These
19 contributions may be paid by the Authority and participating
20 employees on a payroll or other periodic basis, but shall in
21 any case be paid to the Retirement Plan at least monthly.

22 (2) For the period ending December 31, 2040, the amount
23 paid by the Authority in any year with respect to debt service
24 on bonds issued for the purposes of funding a contribution to
25 the Retirement Plan under Section 12c of the Metropolitan
26 Transit Authority Act, other than debt service paid with the

1 proceeds of bonds or notes issued by the Authority for any year
2 after calendar year 2008, shall be treated as a credit against
3 the amount of required contribution to the Retirement Plan by
4 the Authority under subsection (e) (1) for the following year up
5 to an amount not to exceed 6% of compensation paid by the
6 Authority in that following year.

7 (3) By September 15 of each year beginning in 2009 and
8 ending on December 31, 2039, on the basis of a report prepared
9 by an enrolled actuary retained by the Plan, the Board of
10 Trustees of the Retirement Plan shall determine the estimated
11 funded ratio of the total assets of the Retirement Plan to its
12 total actuarially determined liabilities. A report containing
13 that determination and the actuarial assumptions on which it is
14 based shall be filed with the Authority, the representatives of
15 its participating employees, the Auditor General of the State
16 of Illinois, and the Regional Transportation Authority. If the
17 funded ratio is projected to decline below 60% in any year
18 before 2040, the Board of Trustees shall also determine the
19 increased contribution required each year as a level percentage
20 of payroll over the years remaining until 2040 using the
21 projected unit credit actuarial cost method so the funded ratio
22 does not decline below 60% and include that determination in
23 its report. If the actual funded ratio declines below 60% in
24 any year prior to 2040, the Board of Trustees shall also
25 determine the increased contribution required each year as a
26 level percentage of payroll during the years after the then

1 current year using the projected unit credit actuarial cost
2 method so the funded ratio is projected to reach at least 60%
3 no later than 10 years after the then current year and include
4 that determination in its report. Within 60 days after
5 receiving the report, the Auditor General shall review the
6 determination and the assumptions on which it is based, and if
7 he finds that the determination and the assumptions on which it
8 is based are unreasonable in the aggregate, he shall issue a
9 new determination of the funded ratio, the assumptions on which
10 it is based and the increased contribution required each year
11 as a level percentage of payroll over the years remaining until
12 2040 using the projected unit credit actuarial cost method so
13 the funded ratio does not decline below 60%, or, in the event
14 of an actual decline below 60%, so the funded ratio is
15 projected to reach 60% by no later than 10 years after the then
16 current year. If the Board of Trustees or the Auditor General
17 determine that an increased contribution is required to meet
18 the funded ratio required by the subsection, effective January
19 1 following the determination or 30 days after such
20 determination, whichever is later, one-third of the increased
21 contribution shall be paid by participating employees and
22 two-thirds by the Authority, in addition to the contributions
23 required by this subsection (1).

24 (4) For the period beginning 2040, the minimum contribution
25 to the Retirement Plan for each fiscal year shall be an amount
26 determined by the Board of Trustees of the Retirement Plan to

1 be sufficient to bring the total assets of the Retirement Plan
2 up to 90% of its total actuarial liabilities by the end of
3 2059. Participating employees shall be responsible for
4 one-third of the required contribution and the Authority shall
5 be responsible for two-thirds of the required contribution. In
6 making these determinations, the Board of Trustees shall
7 calculate the required contribution each year as a level
8 percentage of payroll over the years remaining to and including
9 fiscal year 2059 using the projected unit credit actuarial cost
10 method. A report containing that determination and the
11 actuarial assumptions on which it is based shall be filed by
12 September 15 of each year with the Authority, the
13 representatives of its participating employees, the Auditor
14 General of the State of Illinois and the Regional
15 Transportation Authority. If the funded ratio is projected to
16 fail to reach 90% by December 31, 2059, the Board of Trustees
17 shall also determine the increased contribution required each
18 year as a level percentage of payroll over the years remaining
19 until December 31, 2059 using the projected unit credit
20 actuarial cost method so the funded ratio will meet 90% by
21 December 31, 2059 and include that determination in its report.
22 Within 60 days after receiving the report, the Auditor General
23 shall review the determination and the assumptions on which it
24 is based and if he finds that the determination and the
25 assumptions on which it is based are unreasonable in the
26 aggregate, he shall issue a new determination of the funded

1 ratio, the assumptions on which it is based and the increased
2 contribution required each year as a level percentage of
3 payroll over the years remaining until December 31, 2059 using
4 the projected unit credit actuarial cost method so the funded
5 ratio reaches no less than 90% by December 31, 2059. If the
6 Board of Trustees or the Auditor General determine that an
7 increased contribution is required to meet the funded ratio
8 required by this subsection, effective January 1 following the
9 determination or 30 days after such determination, whichever is
10 later, one-third of the increased contribution shall be paid by
11 participating employees and two-thirds by the Authority, in
12 addition to the contributions required by subsection (e) (1).

13 (5) Beginning in 2060, the minimum contribution for each
14 year shall be the amount needed to maintain the total assets of
15 the Retirement Plan at 90% of the total actuarial liabilities
16 of the Plan, and the contribution shall be funded two-thirds by
17 the Authority and one-third by the participating employees in
18 accordance with this subsection.

19 (f) The Authority shall take the steps necessary to comply
20 with Section 414(h) (2) of the Internal Revenue Code of 1986, as
21 amended, to permit the pick-up of employee contributions under
22 subsections (d) and (e) on a tax-deferred basis.

23 (g) The Board of Trustees shall certify to the Governor,
24 the General Assembly, the Auditor General, the Board of the
25 Regional Transportation Authority, and the Authority at least
26 90 days prior to the end of each fiscal year the amount of the

1 required contributions to the retirement system for the next
2 retirement system fiscal year under this Section. The
3 certification shall include a copy of the actuarial
4 recommendations upon which it is based. In addition, copies of
5 the certification shall be sent to the Commission on Government
6 Forecasting and Accountability and the Mayor of Chicago.

7 (h) (1) As to an employee who first becomes entitled to a
8 retirement allowance commencing on or after November 30, 1989,
9 the retirement allowance shall be the amount determined in
10 accordance with the following formula:

11 (A) One percent (1%) of his "Average Annual
12 Compensation in the highest four (4) completed Plan Years"
13 for each full year of continuous service from the date of
14 original employment to the effective date of the Plan; plus

15 (B) One and seventy-five hundredths percent (1.75%) of
16 his "Average Annual Compensation in the highest four (4)
17 completed Plan Years" for each year (including fractions
18 thereof to completed calendar months) of continuous
19 service as provided for in the Retirement Plan for Chicago
20 Transit Authority Employees.

21 Provided, however that:

22 (2) As to an employee who first becomes entitled to a
23 retirement allowance commencing on or after January 1, 1993,
24 the retirement allowance shall be the amount determined in
25 accordance with the following formula:

26 (A) One percent (1%) of his "Average Annual

1 Compensation in the highest four (4) completed Plan Years"
2 for each full year of continuous service from the date of
3 original employment to the effective date of the Plan; plus

4 (B) One and eighty hundredths percent (1.80%) of his
5 "Average Annual Compensation in the highest four (4)
6 completed Plan Years" for each year (including fractions
7 thereof to completed calendar months) of continuous
8 service as provided for in the Retirement Plan for Chicago
9 Transit Authority Employees.

10 Provided, however that:

11 (3) As to an employee who first becomes entitled to a
12 retirement allowance commencing on or after January 1, 1994,
13 the retirement allowance shall be the amount determined in
14 accordance with the following formula:

15 (A) One percent (1%) of his "Average Annual
16 Compensation in the highest four (4) completed Plan Years"
17 for each full year of continuous service from the date of
18 original employment to the effective date of the Plan; plus

19 (B) One and eighty-five hundredths percent (1.85%) of
20 his "Average Annual Compensation in the highest four (4)
21 completed Plan Years" for each year (including fractions
22 thereof to completed calendar months) of continuous
23 service as provided for in the Retirement Plan for Chicago
24 Transit Authority Employees.

25 Provided, however that:

26 (4) As to an employee who first becomes entitled to a

1 retirement allowance commencing on or after January 1, 2000,
2 the retirement allowance shall be the amount determined in
3 accordance with the following formula:

4 (A) One percent (1%) of his "Average Annual
5 Compensation in the highest four (4) completed Plan Years"
6 for each full year of continuous service from the date of
7 original employment to the effective date of the Plan; plus

8 (B) Two percent (2%) of his "Average Annual
9 Compensation in the highest four (4) completed Plan Years"
10 for each year (including fractions thereof to completed
11 calendar months) of continuous service as provided for in
12 the Retirement Plan for Chicago Transit Authority
13 Employees.

14 Provided, however that:

15 (5) As to an employee who first becomes entitled to a
16 retirement allowance commencing on or after January 1, 2001,
17 the retirement allowance shall be the amount determined in
18 accordance with the following formula:

19 (A) One percent (1%) of his "Average Annual
20 Compensation in the highest four (4) completed Plan Years"
21 for each full year of continuous service from the date of
22 original employment to the effective date of the Plan; plus

23 (B) Two and fifteen hundredths percent (2.15%) of his
24 "Average Annual Compensation in the highest four (4)
25 completed Plan Years" for each year (including fractions
26 thereof to completed calendar months) of continuous

1 service as provided for in the Retirement Plan for Chicago
2 Transit Authority Employees.

3 The changes made by this amendatory Act of the 95th General
4 Assembly, to the extent that they affect the rights or
5 privileges of Authority employees that are currently the
6 subject of collective bargaining, have been agreed to between
7 the authorized representatives of these employees and of the
8 Authority prior to enactment of this amendatory Act, as
9 evidenced by a Memorandum of Understanding between these
10 representatives that will be filed with the Secretary of State
11 Index Department and designated as "95-GA-C05". The General
12 Assembly finds and declares that those changes are consistent
13 with 49 U.S.C. 5333(b) (also known as Section 13(c) of the
14 Federal Transit Act) because of this agreement between
15 authorized representatives of these employees and of the
16 Authority, and that any future amendments to the provisions of
17 this amendatory Act of the 95th General Assembly, to the extent
18 those amendments would affect the rights and privileges of
19 Authority employees that are currently the subject of
20 collective bargaining, would be consistent with 49 U.S.C.
21 5333(b) if and only if those amendments were agreed to between
22 these authorized representatives prior to enactment.

23 (i) Early retirement incentive plan; funded ratio.

24 (1) Beginning on the effective date of this Section, no
25 early retirement incentive shall be offered to
26 participants of the Plan unless the Funded Ratio of the

1 Plan is at least 80% or more.

2 (2) For the purposes of this Section, the Funded Ratio
3 shall be the Adjusted Assets divided by the Actuarial
4 Accrued Liability developed in accordance with Statement
5 #25 promulgated by the Government Accounting Standards
6 Board and the actuarial assumptions described in the Plan.
7 The Adjusted Assets shall be calculated based on the
8 methodology described in the Plan.

9 (j) Nothing in this amendatory Act of the 95th General
10 Assembly shall impair the rights or privileges of Authority
11 employees under any other law.

12 (Source: P.A. 94-839, eff. 6-6-06; 95-708, eff. 1-18-08.)

13 (40 ILCS 5/22-103)

14 Sec. 22-103. Regional Transportation Authority and related
15 pension plans.

16 (a) As used in this Section:

17 "Affected pension plan" means a defined-benefit pension
18 plan supported in whole or in part by employer contributions
19 and maintained by the Regional Transportation Authority, the
20 Suburban Bus Division, or the Commuter Rail Division, or any
21 combination thereof, under the general authority of the
22 Regional Transportation Authority Act, including but not
23 limited to any such plan that has been established under or is
24 subject to a collective bargaining agreement or is limited to
25 employees covered by a collective bargaining agreement.

1 "Affected pension plan" does not include any pension fund or
2 retirement system subject to Section 22-101 of this Section.

3 "Authority" means the Regional Transportation Authority
4 created under the Regional Transportation Authority Act.

5 "Contributing employer" means an employer that is required
6 to make contributions to an affected pension plan under the
7 terms of that plan.

8 "Funding ratio" means the ratio of an affected pension
9 plan's assets to the present value of its actuarial
10 liabilities, as determined at its latest actuarial valuation in
11 accordance with applicable actuarial assumptions and
12 recommendations.

13 "Under-funded pension plan" or "under-funded" means an
14 affected pension plan that, at the time of its last actuarial
15 valuation, has a funding ratio of less than 90%.

16 (b) The contributing employers of each affected pension
17 plan have a general duty to make the required employer
18 contributions to the affected pension plan in a timely manner
19 in accordance with the terms of the plan. A contributing
20 employer must make contributions to the affected pension plan
21 as required under this subsection and, if applicable,
22 subsection (c); a contributing employer may make any additional
23 contributions provided for by the board of the employer or
24 collective bargaining agreement.

25 (c) In the case of an affected pension plan that is
26 under-funded on January 1, 2009 or becomes under-funded at any

1 time after that date, the contributing employers shall
2 contribute to the affected pension plan, in addition to all
3 amounts otherwise required, amounts sufficient to bring the
4 funding ratio of the affected pension plan up to 90% in
5 accordance with an amortization schedule adopted jointly by the
6 contributing employers and the trustee of the affected pension
7 plan. The amortization schedule may extend for any period up to
8 a maximum of 50 years and shall provide for additional employer
9 contributions in substantially equal annual amounts over the
10 selected period. If the contributing employers and the trustee
11 of the affected pension plan do not agree on an appropriate
12 period for the amortization schedule within 6 months of the
13 date of determination that the plan is under-funded, then the
14 amortization schedule shall be based on a period of 50 years.

15 In the case of an affected pension plan that has more than
16 one contributing employer, each contributing employer's share
17 of the total additional employer contributions required under
18 this subsection shall be determined: (i) in proportion to the
19 amounts, if any, by which the respective contributing employers
20 have failed to meet their contribution obligations under the
21 terms of the affected pension plan; or (ii) if all of the
22 contributing employers have met their contribution obligations
23 under the terms of the affected pension plan, then in the same
24 proportion as they are required to contribute under the terms
25 of that plan. In the case of an affected pension plan that has
26 only one contributing employer, that contributing employer is

1 responsible for all of the additional employer contributions
2 required under this subsection.

3 If an under-funded pension plan is determined to have
4 achieved a funding ratio of at least 90% during the period when
5 an amortization schedule is in force under this Section, the
6 contributing employers and the trustee of the affected pension
7 plan, acting jointly, may cancel the amortization schedule and
8 the contributing employers may cease making additional
9 contributions under this subsection for as long as the affected
10 pension plan retains a funding ratio of at least 90%.

11 (d) Beginning January 1, 2009, if the Authority fails to
12 pay to an affected pension fund within 30 days after it is due
13 (i) any employer contribution that it is required to make as a
14 contributing employer, (ii) any additional employer
15 contribution that it is required to pay under subsection (c),
16 or (iii) any payment that it is required to make under Section
17 4.02a or 4.02b of the Regional Transportation Authority Act,
18 the trustee of the affected pension fund shall promptly so
19 notify the Commission on Government Forecasting and
20 Accountability, the Mayor of Chicago, the Governor, and the
21 General Assembly.

22 (e) For purposes of determining employer contributions,
23 assets, and actuarial liabilities under this subsection,
24 contributions, assets, and liabilities relating to health care
25 benefits shall not be included.

26 (f) This amendatory Act of the 94th General Assembly does

1 not affect or impair the right of any contributing employer or
2 its employees to collectively bargain the amount or level of
3 employee contributions to an affected pension plan, to the
4 extent that the plan includes employees subject to collective
5 bargaining.

6 (g) Notwithstanding any other provision of this Article or
7 any law to the contrary, a person who, on or after the
8 effective date of this amendatory Act of the 97th General
9 Assembly, first becomes a director on the Suburban Bus Board,
10 the Commuter Rail Board, or the Board of Directors of the
11 Regional Transportation Authority shall not be eligible to
12 participate in an affected pension plan.

13 (Source: P.A. 94-839, eff. 6-6-06.)

14 Section 15. The State Mandates Act is amended by adding
15 Section 8.35 as follows:

16 (30 ILCS 805/8.35 new)

17 Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8
18 of this Act, no reimbursement by the State is required for the
19 implementation of any mandate created by this amendatory Act of
20 the 97th General Assembly.

21 Section 99. Effective date. This Section and the changes
22 made to Sections 7-109, 7-141.1, 7-142.1, and 7-145.1 take
23 effect upon becoming law. The remainder of this Act takes
24 effect on January 1, 2012.