

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 1. Short title. This Act may be cited as the  
5 Pension Fund Solvency Act of 2013.

6 Section 6. The Illinois Pension Code is amended by changing  
7 Sections 2-119, 14-107, 14-108, 14-110, 15-135, 15-136,  
8 16-132, and 16-133 and by adding Sections 2-105.1, 14-103.40,  
9 15-107.1, and 16-106.4 as follows:

10 (40 ILCS 5/2-105.1 new)

11 Sec. 2-105.1. Tier I participant. "Tier I participant": A  
12 participant who first became a participant before January 1,  
13 2011.

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

15 Sec. 2-119. Retirement annuity - conditions for  
16 eligibility.

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

21 1. The date the annuity begins does not precede the

1 date of final termination of service, or is not more than  
2 30 days before the receipt of the application by the board  
3 in the case of annuities based on disability or one year  
4 before the receipt of the application in the case of  
5 annuities based on attained age;

6 2. The participant meets one of the following  
7 eligibility requirements:

8 For a participant who first becomes a participant of  
9 this System before January 1, 2011 (the effective date of  
10 Public Act 96-889):

11 (A) He or she has attained age 55 and has at least  
12 8 years of service credit;

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

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

19 For a participant who first becomes a participant of  
20 this System on or after January 1, 2011 (the effective date  
21 of Public Act 96-889), he or she has attained age 67 and  
22 has at least 8 years of service credit.

23 (a-5) Notwithstanding subsection (a) of this Section, for a  
24 Tier I participant who begins receiving a retirement annuity  
25 under this Section after July 1, 2013:

26 (1) If the Tier I participant is at least 45 years old

1 on the effective date of this amendatory Act of the 98th  
2 General Assembly, then the references to age 55 and 62 in  
3 subsection (a) of this Section remain unchanged.

4 (2) If the Tier I participant is at least 40 but less  
5 than 45 years old on the effective date of this amendatory  
6 Act of the 98th General Assembly, then the references to  
7 age 55 and 62 in subsection (a) of this Section are  
8 increased by one year.

9 (3) If the Tier I participant is at least 35 but less  
10 than 40 years old on the effective date of this amendatory  
11 Act of the 98th General Assembly, then the references to  
12 age 55 and 62 in subsection (a) of this Section are  
13 increased by 3 years.

14 (4) If the Tier I participant is less than 35 years old  
15 on the effective date of this amendatory Act of the 98th  
16 General Assembly, then the references to age 55 and 62 in  
17 subsection (a) of this Section are increased by 5 years.

18 Notwithstanding Section 1-103.1, this subsection (a-5)  
19 applies without regard to whether or not the Tier I member is  
20 in active service under this Article on or after the effective  
21 date of this amendatory Act of the 98th General Assembly.

22 (a-10) ~~(a-5)~~ A participant who first becomes a participant  
23 of this System on or after January 1, 2011 (the effective date  
24 of Public Act 96-889) who has attained age 62 and has at least  
25 8 years of service credit may elect to receive the lower  
26 retirement annuity provided in paragraph (c) of Section

1 2-119.01 of this Code.

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

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

10 (40 ILCS 5/14-103.40 new)

11 Sec. 14-103.40. Tier I member. "Tier I member": A member of  
12 this System who first became a member or participant before  
13 January 1, 2011 under any reciprocal retirement system or  
14 pension fund established under this Code other than a  
15 retirement system or pension fund established under Article 2,  
16 3, 4, 5, 6, or 18 of this Code.

17 (40 ILCS 5/14-107) (from Ch. 108 1/2, par. 14-107)

18 Sec. 14-107. Retirement annuity - service and age -  
19 conditions.

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

22 (b) A member who has at least 35 years of creditable  
23 service may claim his or her retirement annuity at any age. A  
24 member having at least 8 years of creditable service but less

1 than 35 may claim his or her retirement annuity upon or after  
2 attainment of age 60 or, beginning January 1, 2001, any lesser  
3 age which, when added to the number of years of his or her  
4 creditable service, equals at least 85. A member upon or after  
5 attainment of age 55 having at least 25 years of creditable  
6 service (30 years if retirement is before January 1, 2001) may  
7 elect to receive the lower retirement annuity provided in  
8 paragraph (c) of Section 14-108 of this Code. For purposes of  
9 the rule of 85, portions of years shall be counted in whole  
10 months.

11 (c) Notwithstanding subsection (b) of this Section, for a  
12 Tier I member who begins receiving a retirement annuity under  
13 this Article after July 1, 2013:

14 (1) If the Tier I member is at least 45 years old on  
15 the effective date of this amendatory Act of the 98th  
16 General Assembly, then the references to age 55 and 60 in  
17 subsection (b) of this Section remain unchanged and the  
18 references to 85 in subsection (b) of this Section remain  
19 unchanged.

20 (2) If the Tier I member is at least 40 but less than  
21 45 years old on the effective date of this amendatory Act  
22 of the 98th General Assembly, then the references to age 55  
23 and 60 in subsection (b) of this Section are increased by  
24 one year and the references to 85 in subsection (b) are  
25 increased to 87.

26 (3) If the Tier I member is at least 35 but less than

1       40 years old on the effective date of this amendatory Act  
2       of the 98th General Assembly, then the references to age 55  
3       and 60 in subsection (b) of this Section are increased by 3  
4       years and the references to 85 in subsection (b) are  
5       increased to 91.

6       (4) If the Tier I member is less than 35 years old on  
7       the effective date of this amendatory Act of the 98th  
8       General Assembly, then the references to age 55 and 60 in  
9       subsection (b) of this Section are increased by 5 years and  
10       the references to 85 in subsection (b) are increased to 95.

11       Notwithstanding Section 1-103.1, this subsection (c)  
12       applies without regard to whether or not the Tier I member is  
13       in active service under this Article on or after the effective  
14       date of this amendatory Act of the 98th General Assembly.

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

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

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

23       Sec. 14-108. Amount of retirement annuity. A member who has  
24       contributed to the System for at least 12 months shall be  
25       entitled to a prior service annuity for each year of certified

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

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

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

23 (b) In the case of a member who retires on or after January  
24 1, 1998 and is a covered employee, the retirement annuity for  
25 membership service and prior service shall be computed as  
26 stated in paragraph (a) for all service credit established as a

1 noncovered employee; for service credit established as a  
2 covered employee it shall be 1.67% of final average  
3 compensation for each year of service.

4 (c) For a member retiring after attaining age 55 but before  
5 age 60 with at least 30 but less than 35 years of creditable  
6 service if retirement is before January 1, 2001, or with at  
7 least 25 but less than 30 years of creditable service if  
8 retirement is on or after January 1, 2001, the retirement  
9 annuity shall be reduced by 1/2 of 1% for each month that the  
10 member's age is under age 60 at the time of retirement. For  
11 members to whom subsection (c) of Section 14-107 applies, the  
12 references to age 55 and 60 in this subsection (c) are  
13 increased as provided in subsection (c) of Section 14-107.

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

17 (e) The retirement annuity payable to any covered employee  
18 who is a member of the System and in service on January 1,  
19 1969, or in service thereafter in 1969 as a result of  
20 legislation enacted by the Illinois General Assembly  
21 transferring the member to State employment from county  
22 employment in a county Department of Public Aid in counties of  
23 3,000,000 or more population, under a plan of coordination with  
24 the Old Age, Survivors and Disability provisions thereof, if  
25 not fully insured for Old Age Insurance payments under the  
26 Federal Old Age, Survivors and Disability Insurance provisions



1 at the date of acceptance of a retirement annuity, shall not be  
2 less than the amount for which the member would have been  
3 eligible if coordination were not applicable.

4 (f) The retirement annuity payable to any covered employee  
5 who is a member of the System and in service on January 1,  
6 1969, or in service thereafter in 1969 as a result of the  
7 legislation designated in the immediately preceding paragraph,  
8 if fully insured for Old Age Insurance payments under the  
9 Federal Social Security Act at the date of acceptance of a  
10 retirement annuity, shall not be less than an amount which when  
11 added to the Primary Insurance Benefit payable to the member  
12 upon attainment of age 65 under such Federal Act, will equal  
13 the annuity which would otherwise be payable if the coordinated  
14 plan of coverage were not applicable.

15 (g) In the case of a member who is a noncovered employee,  
16 the retirement annuity for membership service as a security  
17 employee of the Department of Corrections or security employee  
18 of the Department of Human Services shall be: if retirement  
19 occurs on or after January 1, 2001, 3% of final average  
20 compensation for each year of creditable service; or if  
21 retirement occurs before January 1, 2001, 1.9% of final average  
22 compensation for each of the first 10 years of service, 2.1%  
23 for each of the next 10 years of service, 2.25% for each year  
24 of service in excess of 20 but not exceeding 30, and 2.5% for  
25 each year in excess of 30; except that the annuity may be  
26 calculated under subsection (a) rather than this subsection (g)

1 if the resulting annuity is greater.

2 (h) In the case of a member who is a covered employee, the  
3 retirement annuity for membership service as a security  
4 employee of the Department of Corrections or security employee  
5 of the Department of Human Services shall be: if retirement  
6 occurs on or after January 1, 2001, 2.5% of final average  
7 compensation for each year of creditable service; if retirement  
8 occurs before January 1, 2001, 1.67% of final average  
9 compensation for each of the first 10 years of service, 1.90%  
10 for each of the next 10 years of service, 2.10% for each year  
11 of service in excess of 20 but not exceeding 30, and 2.30% for  
12 each year in excess of 30.

13 (i) For the purposes of this Section and Section 14-133 of  
14 this Act, the term "security employee of the Department of  
15 Corrections" and the term "security employee of the Department  
16 of Human Services" shall have the meanings ascribed to them in  
17 subsection (c) of Section 14-110.

18 (j) The retirement annuity computed pursuant to paragraphs  
19 (g) or (h) shall be applicable only to those security employees  
20 of the Department of Corrections and security employees of the  
21 Department of Human Services who have at least 20 years of  
22 membership service and who are not eligible for the alternative  
23 retirement annuity provided under Section 14-110. However,  
24 persons transferring to this System under Section 14-108.2 or  
25 14-108.2c who have service credit under Article 16 of this Code  
26 may count such service toward establishing their eligibility

1 under the 20-year service requirement of this subsection; but  
2 such service may be used only for establishing such  
3 eligibility, and not for the purpose of increasing or  
4 calculating any benefit.

5 (k) (Blank).

6 (l) The changes to this Section made by this amendatory Act  
7 of 1997 (changing certain retirement annuity formulas from a  
8 stepped rate to a flat rate) apply to members who retire on or  
9 after January 1, 1998, without regard to whether employment  
10 terminated before the effective date of this amendatory Act of  
11 1997. An annuity shall not be calculated in steps by using the  
12 new flat rate for some steps and the superseded stepped rate  
13 for other steps of the same type of service.

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

15 (40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

16 Sec. 14-110. Alternative retirement annuity.

17 (a) Any member who has withdrawn from service with not less  
18 than 20 years of eligible creditable service and has attained  
19 age 55, and any member who has withdrawn from service with not  
20 less than 25 years of eligible creditable service and has  
21 attained age 50, regardless of whether the attainment of either  
22 of the specified ages occurs while the member is still in  
23 service, shall be entitled to receive at the option of the  
24 member, in lieu of the regular or minimum retirement annuity, a  
25 retirement annuity computed as follows:

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

9           (ii) for periods of eligible creditable service as a  
10          covered employee: if retirement occurs on or after January  
11          1, 2001, 2.5% of final average compensation for each year  
12          of creditable service; if retirement occurs before January  
13          1, 2001, 1.67% of final average compensation for each of  
14          the first 10 years of such service, 1.90% for each of the  
15          next 10 years of such service, 2.10% for each year of such  
16          service in excess of 20 but not exceeding 30, and 2.30% for  
17          each year in excess of 30.

18          Such annuity shall be subject to a maximum of 75% of final  
19          average compensation if retirement occurs before January 1,  
20          2001 or to a maximum of 80% of final average compensation if  
21          retirement occurs on or after January 1, 2001.

22          These rates shall not be applicable to any service  
23          performed by a member as a covered employee which is not  
24          eligible creditable service. Service as a covered employee  
25          which is not eligible creditable service shall be subject to  
26          the rates and provisions of Section 14-108.

1       (a-5) Notwithstanding subsection (a) of this Section, for a  
2 Tier I member who begins receiving a retirement annuity under  
3 this Section after July 1, 2013:

4           (1) If the Tier I member is at least 45 years old on  
5 the effective date of this amendatory Act of the 98th  
6 General Assembly, then the references to age 50 and 55 in  
7 subsection (a) of this Section remain unchanged.

8           (2) If the Tier I member is at least 40 but less than  
9 45 years old on the effective date of this amendatory Act  
10 of the 98th General Assembly, then the references to age 50  
11 and 55 in subsection (a) of this Section are increased by  
12 one year.

13           (3) If the Tier I member is at least 35 but less than  
14 40 years old on the effective date of this amendatory Act  
15 of the 98th General Assembly, then the references to age 50  
16 and 55 in subsection (a) of this Section are increased by 3  
17 years.

18           (4) If the Tier I member is less than 35 years old on  
19 the effective date of this amendatory Act of the 98th  
20 General Assembly, then the references to age 50 and 55 in  
21 subsection (a) of this Section are increased by 5 years.

22       Notwithstanding Section 1-103.1, this subsection (a-5)  
23 applies without regard to whether or not the Tier I member is  
24 in active service under this Article on or after the effective  
25 date of this amendatory Act of the 98th General Assembly.

26       (b) For the purpose of this Section, "eligible creditable

1 service" means creditable service resulting from service in one  
2 or more of the following positions:

3 (1) State policeman;

4 (2) fire fighter in the fire protection service of a  
5 department;

6 (3) air pilot;

7 (4) special agent;

8 (5) investigator for the Secretary of State;

9 (6) conservation police officer;

10 (7) investigator for the Department of Revenue or the  
11 Illinois Gaming Board;

12 (8) security employee of the Department of Human  
13 Services;

14 (9) Central Management Services security police  
15 officer;

16 (10) security employee of the Department of  
17 Corrections or the Department of Juvenile Justice;

18 (11) dangerous drugs investigator;

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

20 (13) investigator for the Office of the Attorney  
21 General;

22 (14) controlled substance inspector;

23 (15) investigator for the Office of the State's  
24 Attorneys Appellate Prosecutor;

25 (16) Commerce Commission police officer;

26 (17) arson investigator;

1           (18) State highway maintenance worker.

2           A person employed in one of the positions specified in this  
3 subsection is entitled to eligible creditable service for  
4 service credit earned under this Article while undergoing the  
5 basic police training course approved by the Illinois Law  
6 Enforcement Training Standards Board, if completion of that  
7 training is required of persons serving in that position. For  
8 the purposes of this Code, service during the required basic  
9 police training course shall be deemed performance of the  
10 duties of the specified position, even though the person is not  
11 a sworn peace officer at the time of the training.

12           (c) For the purposes of this Section:

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

16           (2) The term "fire fighter in the fire protection  
17 service of a department" includes all officers in such fire  
18 protection service including fire chiefs and assistant  
19 fire chiefs.

20           (3) The term "air pilot" includes any employee whose  
21 official job description on file in the Department of  
22 Central Management Services, or in the department by which  
23 he is employed if that department is not covered by the  
24 Personnel Code, states that his principal duty is the  
25 operation of aircraft, and who possesses a pilot's license;  
26 however, the change in this definition made by this

1           amendatory Act of 1983 shall not operate to exclude any  
2           noncovered employee who was an "air pilot" for the purposes  
3           of this Section on January 1, 1984.

4           (4) The term "special agent" means any person who by  
5           reason of employment by the Division of Narcotic Control,  
6           the Bureau of Investigation or, after July 1, 1977, the  
7           Division of Criminal Investigation, the Division of  
8           Internal Investigation, the Division of Operations, or any  
9           other Division or organizational entity in the Department  
10          of State Police is vested by law with duties to maintain  
11          public order, investigate violations of the criminal law of  
12          this State, enforce the laws of this State, make arrests  
13          and recover property. The term "special agent" includes any  
14          title or position in the Department of State Police that is  
15          held by an individual employed under the State Police Act.

16          (5) The term "investigator for the Secretary of State"  
17          means any person employed by the Office of the Secretary of  
18          State and vested with such investigative duties as render  
19          him ineligible for coverage under the Social Security Act  
20          by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and  
21          218(1)(1) of that Act.

22          A person who became employed as an investigator for the  
23          Secretary of State between January 1, 1967 and December 31,  
24          1975, and who has served as such until attainment of age  
25          60, either continuously or with a single break in service  
26          of not more than 3 years duration, which break terminated



1 before January 1, 1976, shall be entitled to have his  
2 retirement annuity calculated in accordance with  
3 subsection (a), notwithstanding that he has less than 20  
4 years of credit for such service.

5 (6) The term "Conservation Police Officer" means any  
6 person employed by the Division of Law Enforcement of the  
7 Department of Natural Resources and vested with such law  
8 enforcement duties as render him ineligible for coverage  
9 under the Social Security Act by reason of Sections  
10 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The  
11 term "Conservation Police Officer" includes the positions  
12 of Chief Conservation Police Administrator and Assistant  
13 Conservation Police Administrator.

14 (7) The term "investigator for the Department of  
15 Revenue" means any person employed by the Department of  
16 Revenue and vested with such investigative duties as render  
17 him ineligible for coverage under the Social Security Act  
18 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and  
19 218(1)(1) of that Act.

20 The term "investigator for the Illinois Gaming Board"  
21 means any person employed as such by the Illinois Gaming  
22 Board and vested with such peace officer duties as render  
23 the person ineligible for coverage under the Social  
24 Security Act by reason of Sections 218(d)(5)(A),  
25 218(d)(8)(D), and 218(1)(1) of that Act.

26 (8) The term "security employee of the Department of

1 Human Services" means any person employed by the Department  
2 of Human Services who (i) is employed at the Chester Mental  
3 Health Center and has daily contact with the residents  
4 thereof, (ii) is employed within a security unit at a  
5 facility operated by the Department and has daily contact  
6 with the residents of the security unit, (iii) is employed  
7 at a facility operated by the Department that includes a  
8 security unit and is regularly scheduled to work at least  
9 50% of his or her working hours within that security unit,  
10 or (iv) is a mental health police officer. "Mental health  
11 police officer" means any person employed by the Department  
12 of Human Services in a position pertaining to the  
13 Department's mental health and developmental disabilities  
14 functions who is vested with such law enforcement duties as  
15 render the person ineligible for coverage under the Social  
16 Security Act by reason of Sections 218(d)(5)(A),  
17 218(d)(8)(D) and 218(1)(1) of that Act. "Security unit"  
18 means that portion of a facility that is devoted to the  
19 care, containment, and treatment of persons committed to  
20 the Department of Human Services as sexually violent  
21 persons, persons unfit to stand trial, or persons not  
22 guilty by reason of insanity. With respect to past  
23 employment, references to the Department of Human Services  
24 include its predecessor, the Department of Mental Health  
25 and Developmental Disabilities.

26 The changes made to this subdivision (c)(8) by Public

1 Act 92-14 apply to persons who retire on or after January  
2 1, 2001, notwithstanding Section 1-103.1.

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

9 (10) For a member who first became an employee under  
10 this Article before July 1, 2005, the term "security  
11 employee of the Department of Corrections or the Department  
12 of Juvenile Justice" means any employee of the Department  
13 of Corrections or the Department of Juvenile Justice or the  
14 former Department of Personnel, and any member or employee  
15 of the Prisoner Review Board, who has daily contact with  
16 inmates or youth by working within a correctional facility  
17 or Juvenile facility operated by the Department of Juvenile  
18 Justice or who is a parole officer or an employee who has  
19 direct contact with committed persons in the performance of  
20 his or her job duties. For a member who first becomes an  
21 employee under this Article on or after July 1, 2005, the  
22 term means an employee of the Department of Corrections or  
23 the Department of Juvenile Justice who is any of the  
24 following: (i) officially headquartered at a correctional  
25 facility or Juvenile facility operated by the Department of  
26 Juvenile Justice, (ii) a parole officer, (iii) a member of

1 the apprehension unit, (iv) a member of the intelligence  
2 unit, (v) a member of the sort team, or (vi) an  
3 investigator.

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

7 (12) The term "investigator for the Department of State  
8 Police" means a person employed by the Department of State  
9 Police who is vested under Section 4 of the Narcotic  
10 Control Division Abolition Act with such law enforcement  
11 powers as render him ineligible for coverage under the  
12 Social Security Act by reason of Sections 218(d)(5)(A),  
13 218(d)(8)(D) and 218(1)(1) of that Act.

14 (13) "Investigator for the Office of the Attorney  
15 General" means any person who is employed as such by the  
16 Office of the Attorney General and is vested with such  
17 investigative duties as render him ineligible for coverage  
18 under the Social Security Act by reason of Sections  
19 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For  
20 the period before January 1, 1989, the term includes all  
21 persons who were employed as investigators by the Office of  
22 the Attorney General, without regard to social security  
23 status.

24 (14) "Controlled substance inspector" means any person  
25 who is employed as such by the Department of Professional  
26 Regulation and is vested with such law enforcement duties

1 as render him ineligible for coverage under the Social  
2 Security Act by reason of Sections 218(d)(5)(A),  
3 218(d)(8)(D) and 218(1)(1) of that Act. The term  
4 "controlled substance inspector" includes the Program  
5 Executive of Enforcement and the Assistant Program  
6 Executive of Enforcement.

7 (15) The term "investigator for the Office of the  
8 State's Attorneys Appellate Prosecutor" means a person  
9 employed in that capacity on a full time basis under the  
10 authority of Section 7.06 of the State's Attorneys  
11 Appellate Prosecutor's Act.

12 (16) "Commerce Commission police officer" means any  
13 person employed by the Illinois Commerce Commission who is  
14 vested with such law enforcement duties as render him  
15 ineligible for coverage under the Social Security Act by  
16 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and  
17 218(1)(1) of that Act.

18 (17) "Arson investigator" means any person who is  
19 employed as such by the Office of the State Fire Marshal  
20 and is vested with such law enforcement duties as render  
21 the person ineligible for coverage under the Social  
22 Security Act by reason of Sections 218(d)(5)(A),  
23 218(d)(8)(D), and 218(1)(1) of that Act. A person who was  
24 employed as an arson investigator on January 1, 1995 and is  
25 no longer in service but not yet receiving a retirement  
26 annuity may convert his or her creditable service for

1 employment as an arson investigator into eligible  
2 creditable service by paying to the System the difference  
3 between the employee contributions actually paid for that  
4 service and the amounts that would have been contributed if  
5 the applicant were contributing at the rate applicable to  
6 persons with the same social security status earning  
7 eligible creditable service on the date of application.

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

10 (i) A person employed on a full-time basis by the  
11 Illinois Department of Transportation in the position  
12 of highway maintainer, highway maintenance lead  
13 worker, highway maintenance lead/lead worker, heavy  
14 construction equipment operator, power shovel  
15 operator, or bridge mechanic; and whose principal  
16 responsibility is to perform, on the roadway, the  
17 actual maintenance necessary to keep the highways that  
18 form a part of the State highway system in serviceable  
19 condition for vehicular traffic.

20 (ii) A person employed on a full-time basis by the  
21 Illinois State Toll Highway Authority in the position  
22 of equipment operator/laborer H-4, equipment  
23 operator/laborer H-6, welder H-4, welder H-6,  
24 mechanical/electrical H-4, mechanical/electrical H-6,  
25 water/sewer H-4, water/sewer H-6, sign maker/hanger  
26 H-4, sign maker/hanger H-6, roadway lighting H-4,

1 roadway lighting H-6, structural H-4, structural H-6,  
2 painter H-4, or painter H-6; and whose principal  
3 responsibility is to perform, on the roadway, the  
4 actual maintenance necessary to keep the Authority's  
5 tollways in serviceable condition for vehicular  
6 traffic.

7 (d) A security employee of the Department of Corrections or  
8 the Department of Juvenile Justice, and a security employee of  
9 the Department of Human Services who is not a mental health  
10 police officer, shall not be eligible for the alternative  
11 retirement annuity provided by this Section unless he or she  
12 meets the following minimum age and service requirements at the  
13 time of retirement:

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

15 or

16 (ii) beginning January 1, 1987, 25 years of eligible  
17 creditable service and age 54, or 24 years of eligible  
18 creditable service and age 55; or

19 (iii) beginning January 1, 1988, 25 years of eligible  
20 creditable service and age 53, or 23 years of eligible  
21 creditable service and age 55; or

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

25 (v) beginning January 1, 1990, 25 years of eligible  
26 creditable service and age 51, or 21 years of eligible

1           creditable service and age 55; or

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

5           For members to whom subsection (a-5) of this Section  
6           applies, the references to age 50 and 55 in item (vi) of this  
7           subsection are increased as provided in subsection (a-5).

8           Persons who have service credit under Article 16 of this  
9           Code for service as a security employee of the Department of  
10          Corrections or the Department of Juvenile Justice, or the  
11          Department of Human Services in a position requiring  
12          certification as a teacher may count such service toward  
13          establishing their eligibility under the service requirements  
14          of this Section; but such service may be used only for  
15          establishing such eligibility, and not for the purpose of  
16          increasing or calculating any benefit.

17          (e) If a member enters military service while working in a  
18          position in which eligible creditable service may be earned,  
19          and returns to State service in the same or another such  
20          position, and fulfills in all other respects the conditions  
21          prescribed in this Article for credit for military service,  
22          such military service shall be credited as eligible creditable  
23          service for the purposes of the retirement annuity prescribed  
24          in this Section.

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



1 1968 and before October 1, 1975 as a covered employee in the  
2 position of special agent, conservation police officer, mental  
3 health police officer, or investigator for the Secretary of  
4 State, shall be deemed to have been service as a noncovered  
5 employee, provided that the employee pays to the System prior  
6 to retirement an amount equal to (1) the difference between the  
7 employee contributions that would have been required for such  
8 service as a noncovered employee, and the amount of employee  
9 contributions actually paid, plus (2) if payment is made after  
10 July 31, 1987, regular interest on the amount specified in item  
11 (1) from the date of service to the date of payment.

12 For purposes of calculating retirement annuities under  
13 this Section, periods of service rendered after December 31,  
14 1968 and before January 1, 1982 as a covered employee in the  
15 position of investigator for the Department of Revenue shall be  
16 deemed to have been service as a noncovered employee, provided  
17 that the employee pays to the System prior to retirement an  
18 amount equal to (1) the difference between the employee  
19 contributions that would have been required for such service as  
20 a noncovered employee, and the amount of employee contributions  
21 actually paid, plus (2) if payment is made after January 1,  
22 1990, regular interest on the amount specified in item (1) from  
23 the date of service to the date of payment.

24 (g) A State policeman may elect, not later than January 1,  
25 1990, to establish eligible creditable service for up to 10  
26 years of his service as a policeman under Article 3, by filing

1 a written election with the Board, accompanied by payment of an  
2 amount to be determined by the Board, equal to (i) the  
3 difference between the amount of employee and employer  
4 contributions transferred to the System under Section 3-110.5,  
5 and the amounts that would have been contributed had such  
6 contributions been made at the rates applicable to State  
7 policemen, plus (ii) interest thereon at the effective rate for  
8 each year, compounded annually, from the date of service to the  
9 date of payment.

10 Subject to the limitation in subsection (i), a State  
11 policeman may elect, not later than July 1, 1993, to establish  
12 eligible creditable service for up to 10 years of his service  
13 as a member of the County Police Department under Article 9, by  
14 filing a written election with the Board, accompanied by  
15 payment of an amount to be determined by the Board, equal to  
16 (i) the difference between the amount of employee and employer  
17 contributions transferred to the System under Section 9-121.10  
18 and the amounts that would have been contributed had those  
19 contributions been made at the rates applicable to State  
20 policemen, plus (ii) interest thereon at the effective rate for  
21 each year, compounded annually, from the date of service to the  
22 date of payment.

23 (h) Subject to the limitation in subsection (i), a State  
24 policeman or investigator for the Secretary of State may elect  
25 to establish eligible creditable service for up to 12 years of  
26 his service as a policeman under Article 5, by filing a written

1 election with the Board on or before January 31, 1992, and  
2 paying to the System by January 31, 1994 an amount to be  
3 determined by the Board, equal to (i) the difference between  
4 the amount of employee and employer contributions transferred  
5 to the System under Section 5-236, and the amounts that would  
6 have been contributed had such contributions been made at the  
7 rates applicable to State policemen, plus (ii) interest thereon  
8 at the effective rate for each year, compounded annually, from  
9 the date of service to the date of payment.

10 Subject to the limitation in subsection (i), a State  
11 policeman, conservation police officer, or investigator for  
12 the Secretary of State may elect to establish eligible  
13 creditable service for up to 10 years of service as a sheriff's  
14 law enforcement employee under Article 7, by filing a written  
15 election with the Board on or before January 31, 1993, and  
16 paying to the System by January 31, 1994 an amount to be  
17 determined by the Board, equal to (i) the difference between  
18 the amount of employee and employer contributions transferred  
19 to the System under Section 7-139.7, and the amounts that would  
20 have been contributed had such contributions been made at the  
21 rates applicable to State policemen, plus (ii) interest thereon  
22 at the effective rate for each year, compounded annually, from  
23 the date of service to the date of payment.

24 Subject to the limitation in subsection (i), a State  
25 policeman, conservation police officer, or investigator for  
26 the Secretary of State may elect to establish eligible

1 creditable service for up to 5 years of service as a police  
2 officer under Article 3, a policeman under Article 5, a  
3 sheriff's law enforcement employee under Article 7, a member of  
4 the county police department under Article 9, or a police  
5 officer under Article 15 by filing a written election with the  
6 Board and paying to the System an amount to be determined by  
7 the Board, equal to (i) the difference between the amount of  
8 employee and employer contributions transferred to the System  
9 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4  
10 and the amounts that would have been contributed had such  
11 contributions been made at the rates applicable to State  
12 policemen, plus (ii) interest thereon at the effective rate for  
13 each year, compounded annually, from the date of service to the  
14 date of payment.

15 Subject to the limitation in subsection (i), an  
16 investigator for the Office of the Attorney General, or an  
17 investigator for the Department of Revenue, may elect to  
18 establish eligible creditable service for up to 5 years of  
19 service as a police officer under Article 3, a policeman under  
20 Article 5, a sheriff's law enforcement employee under Article  
21 7, or a member of the county police department under Article 9  
22 by filing a written election with the Board within 6 months  
23 after August 25, 2009 (the effective date of Public Act 96-745)  
24 and paying to the System an amount to be determined by the  
25 Board, equal to (i) the difference between the amount of  
26 employee and employer contributions transferred to the System

1 under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the  
2 amounts that would have been contributed had such contributions  
3 been made at the rates applicable to State policemen, plus (ii)  
4 interest thereon at the actuarially assumed rate for each year,  
5 compounded annually, from the date of service to the date of  
6 payment.

7 Subject to the limitation in subsection (i), a State  
8 policeman, conservation police officer, investigator for the  
9 Office of the Attorney General, an investigator for the  
10 Department of Revenue, or investigator for the Secretary of  
11 State may elect to establish eligible creditable service for up  
12 to 5 years of service as a person employed by a participating  
13 municipality to perform police duties, or law enforcement  
14 officer employed on a full-time basis by a forest preserve  
15 district under Article 7, a county corrections officer, or a  
16 court services officer under Article 9, by filing a written  
17 election with the Board within 6 months after August 25, 2009  
18 (the effective date of Public Act 96-745) and paying to the  
19 System an amount to be determined by the Board, equal to (i)  
20 the difference between the amount of employee and employer  
21 contributions transferred to the System under Sections 7-139.8  
22 and 9-121.10 and the amounts that would have been contributed  
23 had such contributions been made at the rates applicable to  
24 State policemen, plus (ii) interest thereon at the actuarially  
25 assumed rate for each year, compounded annually, from the date  
26 of service to the date of payment.

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

4           (j) Subject to the limitation in subsection (i), an  
5 investigator for the Office of the State's Attorneys Appellate  
6 Prosecutor or a controlled substance inspector may elect to  
7 establish eligible creditable service for up to 10 years of his  
8 service as a policeman under Article 3 or a sheriff's law  
9 enforcement employee under Article 7, by filing a written  
10 election with the Board, accompanied by payment of an amount to  
11 be determined by the Board, equal to (1) the difference between  
12 the amount of employee and employer contributions transferred  
13 to the System under Section 3-110.6 or 7-139.8, and the amounts  
14 that would have been contributed had such contributions been  
15 made at the rates applicable to State policemen, plus (2)  
16 interest thereon at the effective rate for each year,  
17 compounded annually, from the date of service to the date of  
18 payment.

19           (k) Subject to the limitation in subsection (i) of this  
20 Section, an alternative formula employee may elect to establish  
21 eligible creditable service for periods spent as a full-time  
22 law enforcement officer or full-time corrections officer  
23 employed by the federal government or by a state or local  
24 government located outside of Illinois, for which credit is not  
25 held in any other public employee pension fund or retirement  
26 system. To obtain this credit, the applicant must file a

1 written application with the Board by March 31, 1998,  
2 accompanied by evidence of eligibility acceptable to the Board  
3 and payment of an amount to be determined by the Board, equal  
4 to (1) employee contributions for the credit being established,  
5 based upon the applicant's salary on the first day as an  
6 alternative formula employee after the employment for which  
7 credit is being established and the rates then applicable to  
8 alternative formula employees, plus (2) an amount determined by  
9 the Board to be the employer's normal cost of the benefits  
10 accrued for the credit being established, plus (3) regular  
11 interest on the amounts in items (1) and (2) from the first day  
12 as an alternative formula employee after the employment for  
13 which credit is being established to the date of payment.

14 (1) Subject to the limitation in subsection (i), a security  
15 employee of the Department of Corrections may elect, not later  
16 than July 1, 1998, to establish eligible creditable service for  
17 up to 10 years of his or her service as a policeman under  
18 Article 3, by filing a written election with the Board,  
19 accompanied by payment of an amount to be determined by the  
20 Board, equal to (i) the difference between the amount of  
21 employee and employer contributions transferred to the System  
22 under Section 3-110.5, and the amounts that would have been  
23 contributed had such contributions been made at the rates  
24 applicable to security employees of the Department of  
25 Corrections, plus (ii) interest thereon at the effective rate  
26 for each year, compounded annually, from the date of service to

1 the date of payment.

2 (m) The amendatory changes to this Section made by this  
3 amendatory Act of the 94th General Assembly apply only to: (1)  
4 security employees of the Department of Juvenile Justice  
5 employed by the Department of Corrections before the effective  
6 date of this amendatory Act of the 94th General Assembly and  
7 transferred to the Department of Juvenile Justice by this  
8 amendatory Act of the 94th General Assembly; and (2) persons  
9 employed by the Department of Juvenile Justice on or after the  
10 effective date of this amendatory Act of the 94th General  
11 Assembly who are required by subsection (b) of Section 3-2.5-15  
12 of the Unified Code of Corrections to have a bachelor's or  
13 advanced degree from an accredited college or university with a  
14 specialization in criminal justice, education, psychology,  
15 social work, or a closely related social science or, in the  
16 case of persons who provide vocational training, who are  
17 required to have adequate knowledge in the skill for which they  
18 are providing the vocational training.

19 (n) A person employed in a position under subsection (b) of  
20 this Section who has purchased service credit under subsection  
21 (j) of Section 14-104 or subsection (b) of Section 14-105 in  
22 any other capacity under this Article may convert up to 5 years  
23 of that service credit into service credit covered under this  
24 Section by paying to the Fund an amount equal to (1) the  
25 additional employee contribution required under Section  
26 14-133, plus (2) the additional employer contribution required



1 under Section 14-131, plus (3) interest on items (1) and (2) at  
2 the actuarially assumed rate from the date of the service to  
3 the date of payment.

4 (Source: P.A. 95-530, eff. 8-28-07; 95-1036, eff. 2-17-09;  
5 96-37, eff. 7-13-09; 96-745, eff. 8-25-09; 96-1000, eff.  
6 7-2-10.)

7 (40 ILCS 5/15-107.1 new)

8 Sec. 15-107.1. Tier I participant. "Tier I participant": A  
9 participant under this Article, other than a participant in the  
10 self-managed plan under Section 15-158.2, who first became a  
11 member or participant before January 1, 2011 under any  
12 reciprocal retirement system or pension fund established under  
13 this Code other than a retirement system or pension fund  
14 established under Article 2, 3, 4, 5, 6, or 18 of this Code.

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

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

17 (a) A participant who retires in one of the following  
18 specified years with the specified amount of service is  
19 entitled to a retirement annuity at any age under the  
20 retirement program applicable to the participant:

21 35 years if retirement is in 1997 or before;

22 34 years if retirement is in 1998;

23 33 years if retirement is in 1999;

24 32 years if retirement is in 2000;

1           31 years if retirement is in 2001;

2           30 years if retirement is in 2002 or later.

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

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

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

13          (a-5) Notwithstanding subsection (a) of this Section, for a  
14          Tier I participant who begins receiving a retirement annuity  
15          under this Article after July 1, 2013:

16           (1) If the Tier I participant is at least 45 years old  
17           on the effective date of this amendatory Act of the 98th  
18           General Assembly, then the reference to retirement with 30  
19           years of service as well as the references to age 50, 55,  
20           and 62 in subsection (a) of this Section remain unchanged.

21           (2) If the Tier I participant is at least 40 but less  
22           than 45 years old on the effective date of this amendatory  
23           Act of the 98th General Assembly, then the reference to  
24           retirement with 30 years of service as well as the  
25           references to age 50, 55, and 62 in subsection (a) of this  
26           Section shall be increased by one year.

1           (3) If the Tier I participant is at least 35 but less  
2           than 40 years old on the effective date of this amendatory  
3           Act of the 98th General Assembly, then the reference to  
4           retirement with 30 years of service as well as the  
5           references to age 50, 55, and 62 in subsection (a) of this  
6           Section shall be increased by 3 years.

7           (4) If the Tier I participant is less than 35 years old  
8           on the effective date of this amendatory Act of the 98th  
9           General Assembly, then the reference to retirement with 30  
10           years of service as well as the references to age 50, 55,  
11           and 62 in subsection (a) of this Section shall be increased  
12           by 5 years.

13           Notwithstanding Section 1-103.1, this subsection (a-5)  
14           applies without regard to whether or not the Tier I participant  
15           is in active service under this Article on or after the  
16           effective date of this amendatory Act of the 98th General  
17           Assembly.

18           (b) The annuity payment period shall begin on the date  
19           specified by the participant or the recipient of a disability  
20           retirement annuity submitting a written application, which  
21           date shall not be prior to termination of employment or more  
22           than one year before the application is received by the board;  
23           however, if the participant is not an employee of an employer  
24           participating in this System or in a participating system as  
25           defined in Article 20 of this Code on April 1 of the calendar  
26           year next following the calendar year in which the participant

1 attains age 70 1/2, the annuity payment period shall begin on  
2 that date regardless of whether an application has been filed.

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

5 (Source: P.A. 97-933, eff. 8-10-12; 97-968, eff. 8-16-12.)

6 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

7 Sec. 15-136. Retirement annuities - Amount. The provisions  
8 of this Section 15-136 apply only to those participants who are  
9 participating in the traditional benefit package or the  
10 portable benefit package and do not apply to participants who  
11 are participating in the self-managed plan.

12 (a) The amount of a participant's retirement annuity,  
13 expressed in the form of a single-life annuity, shall be  
14 determined by whichever of the following rules is applicable  
15 and provides the largest annuity:

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

23 Rule 2: The retirement annuity shall be the sum of the  
24 following, determined from amounts credited to the participant  
25 in accordance with the actuarial tables and the effective rate

1 of interest in effect at the time the retirement annuity  
2 begins:

3 (i) the normal annuity which can be provided on an  
4 actuarially equivalent basis, by the accumulated normal  
5 contributions as of the date the annuity begins;

6 (ii) an annuity from employer contributions of an  
7 amount equal to that which can be provided on an  
8 actuarially equivalent basis from the accumulated normal  
9 contributions made by the participant under Section  
10 15-113.6 and Section 15-113.7 plus 1.4 times all other  
11 accumulated normal contributions made by the participant;  
12 and

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

16 With respect to a police officer or firefighter who retires  
17 on or after August 14, 1998, the accumulated normal  
18 contributions taken into account under clauses (i) and (ii) of  
19 this Rule 2 shall include the additional normal contributions  
20 made by the police officer or firefighter under Section  
21 15-157(a).

22 The amount of a retirement annuity calculated under this  
23 Rule 2 shall be computed solely on the basis of the  
24 participant's accumulated normal contributions, as specified  
25 in this Rule and defined in Section 15-116. Neither an employee  
26 or employer contribution for early retirement under Section

1 15-136.2 nor any other employer contribution shall be used in  
2 the calculation of the amount of a retirement annuity under  
3 this Rule 2.

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

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

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

1 to the provisions of Section 15-136.4.

2 Rule 4: A participant who is at least age 50 and has 25 or  
3 more years of service as a police officer or firefighter, and a  
4 participant who is age 55 or over and has at least 20 but less  
5 than 25 years of service as a police officer or firefighter,  
6 shall be entitled to a retirement annuity of 2 1/4% of the  
7 final rate of earnings for each of the first 10 years of  
8 service as a police officer or firefighter, 2 1/2% for each of  
9 the next 10 years of service as a police officer or  
10 firefighter, and 2 3/4% for each year of service as a police  
11 officer or firefighter in excess of 20. The retirement annuity  
12 for all other service shall be computed under Rule 1.

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

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

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

1 University of Illinois.

2 Rule 5: The retirement annuity of a participant who elected  
3 early retirement under the provisions of Section 15-136.2 and  
4 who, on or before February 16, 1995, brought administrative  
5 proceedings pursuant to the administrative rules adopted by the  
6 System to challenge the calculation of his or her retirement  
7 annuity shall be the sum of the following, determined from  
8 amounts credited to the participant in accordance with the  
9 actuarial tables and the prescribed rate of interest in effect  
10 at the time the retirement annuity begins:

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

14 (ii) an annuity from employer contributions of an  
15 amount equal to that which can be provided on an  
16 actuarially equivalent basis from the accumulated normal  
17 contributions made by the participant under Section  
18 15-113.6 and Section 15-113.7 plus 1.4 times all other  
19 accumulated normal contributions made by the participant;  
20 and

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



1 retirement under Section 15-136.2.

2 In no event shall a retirement annuity under this Rule 5 be  
3 lower than the amount obtained by adding (1) the monthly amount  
4 obtained by dividing the combined employee and employer  
5 contributions made under Section 15-136.2 by the System's  
6 annuity factor for the age of the participant at the beginning  
7 of the annuity payment period and (2) the amount equal to the  
8 participant's annuity if calculated under Rule 1, reduced under  
9 Section 15-136(b) as if no contributions had been made under  
10 Section 15-136.2.

11 With respect to a participant who is qualified for a  
12 retirement annuity under this Rule 5 whose retirement annuity  
13 began before the effective date of this amendatory Act of the  
14 91st General Assembly, and for whom an employee contribution  
15 was made under Section 15-136.2, the System shall recalculate  
16 the retirement annuity under this Rule 5 and shall pay any  
17 additional amounts due in the manner provided in Section  
18 15-186.1 for benefits mistakenly set too low.

19 The amount of a retirement annuity calculated under this  
20 Rule 5 shall be computed solely on the basis of those  
21 contributions specifically set forth in this Rule 5. Except as  
22 provided in clause (iii) of this Rule 5, neither an employee  
23 nor employer contribution for early retirement under Section  
24 15-136.2, nor any other employer contribution, shall be used in  
25 the calculation of the amount of a retirement annuity under  
26 this Rule 5.

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

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

15           (b) The retirement annuity provided under Rules 1 and 3  
16 above shall be reduced by 1/2 of 1% for each month the  
17 participant is under age 60 at the time of retirement. However,  
18 this reduction shall not apply in the following cases:

19           (1) For a disabled participant whose disability  
20 benefits have been discontinued because he or she has  
21 exhausted eligibility for disability benefits under clause  
22 (6) of Section 15-152;

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

26           (3) For that portion of a retirement annuity which has

1           been provided on account of service of the participant  
2           during periods when he or she performed the duties of a  
3           police officer or firefighter, if these duties were  
4           performed for at least 5 years immediately preceding the  
5           date the retirement annuity is to begin.

6           (c) The maximum retirement annuity provided under Rules 1,  
7           2, 4, and 5 shall be the lesser of (1) the annual limit of  
8           benefits as specified in Section 415 of the Internal Revenue  
9           Code of 1986, as such Section may be amended from time to time  
10          and as such benefit limits shall be adjusted by the  
11          Commissioner of Internal Revenue, and (2) 80% of final rate of  
12          earnings.

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

16                Effective January 1 immediately following the date the  
17                retirement annuity begins, the annuitant shall receive an  
18                increase in his or her monthly retirement annuity of 0.125% of  
19                the monthly retirement annuity provided under Rule 1, Rule 2,  
20                Rule 3, Rule 4, or Rule 5, contained in this Section,  
21                multiplied by the number of full months which elapsed from the  
22                date the retirement annuity payments began to January 1, 1972,  
23                plus 0.1667% of such annuity, multiplied by the number of full  
24                months which elapsed from January 1, 1972, or the date the  
25                retirement annuity payments began, whichever is later, to  
26                January 1, 1978, plus 0.25% of such annuity multiplied by the

1 number of full months which elapsed from January 1, 1978, or  
2 the date the retirement annuity payments began, whichever is  
3 later, to the effective date of the increase.

4 The annuitant shall receive an increase in his or her  
5 monthly retirement annuity on each January 1 thereafter during  
6 the annuitant's life of 3% of the monthly annuity provided  
7 under Rule 1, Rule 2, Rule 3, Rule 4, or Rule 5 contained in  
8 this Section. The change made under this subsection by P.A.  
9 81-970 is effective January 1, 1980 and applies to each  
10 annuitant whose status as an employee terminates before or  
11 after that date.

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

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

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

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

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

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

1 than the retirement annuity which would have been payable if  
2 all of the participant's pension credits validated under  
3 Section 20-109 had been validated under this system, a  
4 supplemental annuity equal to the difference in such amounts  
5 shall be payable to the participant.

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

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

19 (j) For participants to whom subsection (a-5) of Section  
20 15-135 applies, the references to age 50, 55, and 62 in this  
21 Section are increased as provided in subsection (a-5) of  
22 Section 15-135.

23 (Source: P.A. 97-933, eff. 8-10-12; 97-968, eff. 8-16-12.)

24 (40 ILCS 5/16-106.4 new)

25 Sec. 16-106.4. Tier I member. "Tier I member": A member

1 under this Article who first became a member or participant  
2 before January 1, 2011 under any reciprocal retirement system  
3 or pension fund established under this Code other than a  
4 retirement system or pension fund established under Article 2,  
5 3, 4, 5, 6, or 18 of this Code.

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

7 Sec. 16-132. Retirement annuity eligibility.

8 (a) A member who has at least 20 years of creditable  
9 service is entitled to a retirement annuity upon or after  
10 attainment of age 55. A member who has at least 10 but less  
11 than 20 years of creditable service is entitled to a retirement  
12 annuity upon or after attainment of age 60. A member who has at  
13 least 5 but less than 10 years of creditable service is  
14 entitled to a retirement annuity upon or after attainment of  
15 age 62. A member who (i) has earned during the period  
16 immediately preceding the last day of service at least one year  
17 of contributing creditable service as an employee of a  
18 department as defined in Section 14-103.04, (ii) has earned at  
19 least 5 years of contributing creditable service as an employee  
20 of a department as defined in Section 14-103.04, and (iii)  
21 retires on or after January 1, 2001 is entitled to a retirement  
22 annuity upon or after attainment of an age which, when added to  
23 the number of years of his or her total creditable service,  
24 equals at least 85. Portions of years shall be counted as  
25 decimal equivalents.

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

6           (b) Notwithstanding subsection (a) of this Section, for a  
7 Tier I member who begins receiving a retirement annuity under  
8 this Article after July 1, 2013:

9           (1) If the Tier I member is at least 45 years old on  
10 the effective date of this amendatory Act of the 98th  
11 General Assembly, then the references to age 55, 60, and 62  
12 in subsection (a) of this Section remain unchanged and the  
13 reference to 85 in subsection (a) of this Section remains  
14 unchanged.

15           (2) If the Tier I member is at least 40 but less than  
16 45 years old on the effective date of this amendatory Act  
17 of the 98th General Assembly, then the references to age  
18 55, 60, and 62 in subsection (a) of this Section are  
19 increased by one year and the reference to 85 in subsection  
20 (a) is increased to 87.

21           (3) If the Tier I member is at least 35 but less than  
22 40 years old on the effective date of this amendatory Act  
23 of the 98th General Assembly, then the references to age  
24 55, 60, and 62 in subsection (a) of this Section are  
25 increased by 3 years and the reference to 85 in subsection  
26 (a) is increased to 91.



1           (4) If the Tier I member is less than 35 years old on  
2           the effective date of this amendatory Act of the 98th  
3           General Assembly, then the references to age 55, 60, and 62  
4           in subsection (a) of this Section are increased by 5 years  
5           and the reference to 85 in subsection (a) is increased to  
6           95.

7           Notwithstanding Section 1-103.1, this subsection (b)  
8           applies without regard to whether or not the Tier I member is  
9           in active service under this Article on or after the effective  
10          date of this amendatory Act of the 98th General Assembly.

11          (c) A member meeting the above eligibility conditions is  
12 entitled to a retirement annuity upon written application to  
13 the board setting forth the date the member wishes the  
14 retirement annuity to commence. However, the effective date of  
15 the retirement annuity shall be no earlier than the day  
16 following the last day of creditable service, regardless of the  
17 date of official termination of employment.

18          (d) To be eligible for a retirement annuity, a member shall  
19 not be employed as a teacher in the schools included under this  
20 System or under Article 17, except (i) as provided in Section  
21 16-118 or 16-150.1, (ii) if the member is disabled (in which  
22 event, eligibility for salary must cease), or (iii) if the  
23 System is required by federal law to commence payment due to  
24 the member's age; the changes to this sentence made by Public  
25 Act 93-320 ~~this amendatory Act of the 93rd General Assembly~~  
26 apply without regard to whether the member terminated

1 employment before or after its effective date.

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

3 (40 ILCS 5/16-133) (from Ch. 108 1/2, par. 16-133)

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

5 (a) The amount of the retirement annuity shall be (i) in  
6 the case of a person who first became a teacher under this  
7 Article before July 1, 2005, the larger of the amounts  
8 determined under paragraphs (A) and (B) below, or (ii) in the  
9 case of a person who first becomes a teacher under this Article  
10 on or after July 1, 2005, the amount determined under the  
11 applicable provisions of paragraph (B):

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

13 (1) An amount that can be provided on an  
14 actuarially equivalent basis by the member's  
15 accumulated contributions at the time of retirement;  
16 and

17 (2) The sum of (i) the amount that can be provided  
18 on an actuarially equivalent basis by the member's  
19 accumulated contributions representing service prior  
20 to July 1, 1947, and (ii) the amount that can be  
21 provided on an actuarially equivalent basis by the  
22 amount obtained by multiplying 1.4 times the member's  
23 accumulated contributions covering service subsequent  
24 to June 30, 1947; and

25 (3) If there is prior service, 2 times the amount

1           that would have been determined under subparagraph (2)  
2           of paragraph (A) above on account of contributions  
3           which would have been made during the period of prior  
4           service creditable to the member had the System been in  
5           operation and had the member made contributions at the  
6           contribution rate in effect prior to July 1, 1947.

7           This paragraph (A) does not apply to a person who first  
8           becomes a teacher under this Article on or after July 1,  
9           2005.

10           (B) An amount consisting of the greater of the  
11           following:

12                   (1) For creditable service earned before July 1,  
13                   1998 that has not been augmented under Section  
14                   16-129.1: 1.67% of final average salary for each of the  
15                   first 10 years of creditable service, 1.90% of final  
16                   average salary for each year in excess of 10 but not  
17                   exceeding 20, 2.10% of final average salary for each  
18                   year in excess of 20 but not exceeding 30, and 2.30% of  
19                   final average salary for each year in excess of 30; and

20                   For creditable service earned on or after July 1,  
21                   1998 by a member who has at least 24 years of  
22                   creditable service on July 1, 1998 and who does not  
23                   elect to augment service under Section 16-129.1: 2.2%  
24                   of final average salary for each year of creditable  
25                   service earned on or after July 1, 1998 but before the  
26                   member reaches a total of 30 years of creditable

1 service and 2.3% of final average salary for each year  
2 of creditable service earned on or after July 1, 1998  
3 and after the member reaches a total of 30 years of  
4 creditable service; and

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

7 (2) 1.5% of final average salary for each year of  
8 creditable service plus the sum \$7.50 for each of the  
9 first 20 years of creditable service.

10 The amount of the retirement annuity determined under this  
11 paragraph (B) shall be reduced by 1/2 of 1% for each month  
12 that the member is less than age 60 at the time the  
13 retirement annuity begins. However, this reduction shall  
14 not apply (i) if the member has at least 35 years of  
15 creditable service, or (ii) if the member retires on  
16 account of disability under Section 16-149.2 of this  
17 Article with at least 20 years of creditable service, or  
18 (iii) if the member (1) has earned during the period  
19 immediately preceding the last day of service at least one  
20 year of contributing creditable service as an employee of a  
21 department as defined in Section 14-103.04, (2) has earned  
22 at least 5 years of contributing creditable service as an  
23 employee of a department as defined in Section 14-103.04,  
24 (3) retires on or after January 1, 2001, and (4) retires  
25 having attained an age which, when added to the number of  
26 years of his or her total creditable service, equals at

1       least 85. Portions of years shall be counted as decimal  
2       equivalents. For participants to whom subsection (b) of  
3       Section 16-132 applies, the reference to age 60 in this  
4       paragraph and the reference to 85 in this paragraph are  
5       increased as provided in subsection (b) of Section 16-132.

6       (b) For purposes of this Section, final average salary  
7       shall be the average salary for the highest 4 consecutive years  
8       within the last 10 years of creditable service as determined  
9       under rules of the board. The minimum final average salary  
10      shall be considered to be \$2,400 per year.

11      In the determination of final average salary for members  
12      other than elected officials and their appointees when such  
13      appointees are allowed by statute, that part of a member's  
14      salary for any year beginning after June 30, 1979 which exceeds  
15      the member's annual full-time salary rate with the same  
16      employer for the preceding year by more than 20% shall be  
17      excluded. The exclusion shall not apply in any year in which  
18      the member's creditable earnings are less than 50% of the  
19      preceding year's mean salary for downstate teachers as  
20      determined by the survey of school district salaries provided  
21      in Section 2-3.103 of the School Code.

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

25      (d) The retirement annuity determined under paragraph (B)  
26      of this Section shall be available only to members who render

1 teaching service after July 1, 1947 for which member  
2 contributions are required, and to annuitants who re-enter  
3 under the provisions of Section 16-150.

4 (e) The maximum retirement annuity provided under  
5 paragraph (B) of this Section shall be 75% of final average  
6 salary.

7 (f) A member retiring after the effective date of this  
8 amendatory Act of 1998 shall receive a pension equal to 75% of  
9 final average salary if the member is qualified to receive a  
10 retirement annuity equal to at least 74.6% of final average  
11 salary under this Article or as proportional annuities under  
12 Article 20 of this Code.

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

14 Section 90. The State Mandates Act is amended by adding  
15 Section 8.37 as follows:

16 (30 ILCS 805/8.37 new)

17 Sec. 8.37. 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 98th General Assembly.

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