



Sen. John J. Cullerton

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1 AMENDMENT TO SENATE BILL 1

2 AMENDMENT NO. _____. Amend Senate Bill 1, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Illinois Public Labor Relations Act is
6 amended by changing Sections 4 and 15 as follows:

7 (5 ILCS 315/4) (from Ch. 48, par. 1604)

8 Sec. 4. Management Rights. Employers shall not be required
9 to bargain over matters of inherent managerial policy, which
10 shall include such areas of discretion or policy as the
11 functions of the employer, standards of services, its overall
12 budget, the organizational structure and selection of new
13 employees, examination techniques and direction of employees.
14 Employers, however, shall be required to bargain collectively
15 with regard to policy matters directly affecting wages (but
16 subject to any applicable restrictions in Section 16-122.9 of

1 the Illinois Pension Code), hours and terms and conditions of
2 employment as well as the impact thereon upon request by
3 employee representatives, but excluding the changes, the
4 impact of changes, and the implementation of the changes set
5 forth in this amendatory Act of the 98th General Assembly.

6 To preserve the rights of employers and exclusive
7 representatives which have established collective bargaining
8 relationships or negotiated collective bargaining agreements
9 prior to the effective date of this Act, employers shall be
10 required to bargain collectively with regard to any matter
11 concerning wages (but subject to any applicable restrictions in
12 Section 16-122.9 of the Illinois Pension Code), hours or
13 conditions of employment about which they have bargained for
14 and agreed to in a collective bargaining agreement prior to the
15 effective date of this Act, but excluding the changes, the
16 impact of changes, and the implementation of the changes set
17 forth in this amendatory Act of the 98th General Assembly.

18 The chief judge of the judicial circuit that employs a
19 public employee who is a court reporter, as defined in the
20 Court Reporters Act, has the authority to hire, appoint,
21 promote, evaluate, discipline, and discharge court reporters
22 within that judicial circuit.

23 Nothing in this amendatory Act of the 94th General Assembly
24 shall be construed to intrude upon the judicial functions of
25 any court. This amendatory Act of the 94th General Assembly
26 applies only to nonjudicial administrative matters relating to

1 the collective bargaining rights of court reporters.

2 (Source: P.A. 94-98, eff. 7-1-05.)

3 (5 ILCS 315/15) (from Ch. 48, par. 1615)

4 Sec. 15. Act Takes Precedence.

5 (a) In case of any conflict between the provisions of this
6 Act and any other law (other than Section 5 of the State
7 Employees Group Insurance Act of 1971 and other than the
8 changes made to the Illinois Pension Code by Public Act 96-889
9 and the changes, impact of changes, and the implementation of
10 the changes made to the Illinois Pension Code and the State
11 Employees Group Insurance Act of 1971 by this amendatory Act of
12 the 98th ~~96th~~ General Assembly), executive order or
13 administrative regulation relating to wages, hours and
14 conditions of employment and employment relations, the
15 provisions of this Act or any collective bargaining agreement
16 negotiated thereunder shall prevail and control. Nothing in
17 this Act shall be construed to replace or diminish the rights
18 of employees established by Sections 28 and 28a of the
19 Metropolitan Transit Authority Act, Sections 2.15 through 2.19
20 of the Regional Transportation Authority Act. The provisions of
21 this Act are subject to the changes made by this amendatory Act
22 of the 98th General Assembly, including Section 16-122.9 of the
23 Illinois Pension Code, and Section 5 of the State Employees
24 Group Insurance Act of 1971. Nothing in this Act shall be
25 construed to replace the necessity of complaints against a

1 sworn peace officer, as defined in Section 2(a) of the Uniform
2 Peace Officer Disciplinary Act, from having a complaint
3 supported by a sworn affidavit.

4 (b) Except as provided in subsection (a) above, any
5 collective bargaining contract between a public employer and a
6 labor organization executed pursuant to this Act shall
7 supersede any contrary statutes, charters, ordinances, rules
8 or regulations relating to wages, hours and conditions of
9 employment and employment relations adopted by the public
10 employer or its agents. Any collective bargaining agreement
11 entered into prior to the effective date of this Act shall
12 remain in full force during its duration.

13 (c) It is the public policy of this State, pursuant to
14 paragraphs (h) and (i) of Section 6 of Article VII of the
15 Illinois Constitution, that the provisions of this Act are the
16 exclusive exercise by the State of powers and functions which
17 might otherwise be exercised by home rule units. Such powers
18 and functions may not be exercised concurrently, either
19 directly or indirectly, by any unit of local government,
20 including any home rule unit, except as otherwise authorized by
21 this Act.

22 (Source: P.A. 95-331, eff. 8-21-07; 96-889, eff. 1-1-11.)

23 Section 12. The State Employees Group Insurance Act of 1971
24 is amended by adding Section 6.16 as follows:

1 (5 ILCS 375/6.16 new)

2 Sec. 6.16. Health benefit election for Tier I employees and
3 Tier I retirees.

4 (a) For purposes of this Section:

5 "Eligible Tier I employee" means, except as provided in
6 subsection (g) of this Section, an individual who makes or is
7 deemed to have made an election under paragraph (1) of
8 subsection (a) of Section 16-122.9 of the Illinois Pension
9 Code.

10 "Program of health benefits" means (i) a health plan, as
11 defined in subsection (o) of Section 3 of this Act, that is
12 designed and contracted for by the Director under this Act or
13 any successor Act or (ii) if administration of that health plan
14 is transferred to a trust established by the State or an
15 independent Board in order to provide health benefits to a
16 class of persons that includes eligible Tier I retirees, then
17 the plan of health benefits provided through that trust.

18 (b) As adequate and legal consideration for making the
19 election under paragraph (1) of subsection (a) of Section
20 16-122.9 of the Illinois Pension Code each eligible Tier I
21 employee shall receive a vested and enforceable contractual
22 right to participate in a program of health benefits while he
23 or she qualifies as an annuitant or retired employee. That
24 right also extends to such a person's dependents and survivors
25 who are eligible under the applicable program of health
26 benefits.

1 (c) Notwithstanding subsection (b), eligible Tier I
2 employees may be required to make contributions toward the cost
3 of coverage under a program of health benefits.

4 (d) The vested and enforceable contractual right to a
5 program of health benefits is not offered as, and shall not be
6 considered, a pension or retirement benefit under Article XIII,
7 Section 5 of the Illinois Constitution, the Illinois Pension
8 Code, or any subsequent or successor enactment providing
9 pension benefits.

10 (e) Notwithstanding any other provision of this Act to the
11 contrary, except subsection (g) of this Section, a Tier I
12 employee who has made an election under paragraph (2) of
13 subsection (a) of Section 16-122.9 of the Illinois Pension Code
14 shall not be entitled to participate in any program of health
15 benefits under this Act as an annuitant or retired employee
16 receiving a retirement annuity, regardless of any contrary
17 election under any other retirement system.

18 Notwithstanding any other provision of this Act to the
19 contrary, except subsection (g) of this Section, a Tier I
20 employee who is not entitled to participate in the program of
21 health benefits as an annuitant or retired employee receiving a
22 retirement annuity, due to an election under paragraph (2) of
23 subsection (a) of Section 16-122.9 of the Illinois Pension Code
24 shall not be required to make contributions toward the program
25 of health benefits while he or she is an employee or active
26 contributor. However, an active employee may be required to

1 make contributions toward health benefits he or she receives
2 during active service.

3 (f) The Department shall coordinate with each retirement
4 system administering an election in accordance with this
5 amendatory Act of the 98th General Assembly to provide
6 information concerning the impact of the election of health
7 benefits. Each System shall include information prepared by the
8 Department in the required election packet. The Department
9 shall make information available to Tier I employees through
10 video materials, group presentations, consultation by
11 telephone or other electronic means, or any combination of
12 these methods. The information in the election packet shall
13 include a notice that states: "YOU ARE HEREBY ADVISED THAT THE
14 PROGRAM OF HEALTH BENEFITS OFFERED IS FOR ACCESS TO A GROUP
15 HEALTHCARE PLAN ADMINISTERED BY THE DEPARTMENT, AND YOU MAY BE
16 REQUIRED TO PAY FOR THE FULL COST OF COVERAGE PROVIDED BY THE
17 PLAN, INCLUDING ALL PREMIUM, DEDUCTIBLE, AND COPAY AMOUNTS."

18 (g) Nothing in this Section shall be construed as applying
19 to a person who qualifies as a Tier I retiree under Section
20 16-107.2 of the Illinois Pension Code or to a retiree who, as a
21 consequence of returning to active service, qualifies as a Tier
22 I employee under Section 16-107.1.

23 Section 22. The Budget Stabilization Act is amended by
24 changing Sections 20 and 25 as follows:

1 (30 ILCS 122/20)

2 Sec. 20. Pension Stabilization Fund.

3 (a) The Pension Stabilization Fund is hereby created as a
4 special fund in the State treasury. Moneys in the fund shall be
5 used for the sole purpose of making payments to the designated
6 retirement systems as provided in Section 25.

7 (b) For each fiscal year when the General Assembly's
8 appropriations and transfers or diversions as required by law
9 from general funds do not exceed 99% of the estimated general
10 funds revenues pursuant to subsection (a) of Section 10, the
11 Comptroller shall transfer from the General Revenue Fund as
12 provided by this Section a total amount equal to 0.5% of the
13 estimated general funds revenues to the Pension Stabilization
14 Fund.

15 (c) For each fiscal year through State fiscal year 2013,
16 when the General Assembly's appropriations and transfers or
17 diversions as required by law from general funds do not exceed
18 98% of the estimated general funds revenues pursuant to
19 subsection (b) of Section 10, the Comptroller shall transfer
20 from the General Revenue Fund as provided by this Section a
21 total amount equal to 1.0% of the estimated general funds
22 revenues to the Pension Stabilization Fund.

23 (c-10) In State fiscal year 2020 and each fiscal year
24 thereafter, the State Comptroller shall order transferred and
25 the State Treasurer shall transfer \$1,000,000,000 from the
26 General Revenue Fund to the Pension Stabilization Fund.

1 (c-15) The transfers made pursuant to subsection (c-10) of
2 this Section shall continue through State fiscal year 2045 or
3 until each of the designated retirement systems, as defined in
4 Section 25, has achieved the funding ratio prescribed by law
5 for that retirement system, whichever occurs first.

6 (d) The Comptroller shall transfer 1/12 of the total amount
7 to be transferred each fiscal year under this Section into the
8 Pension Stabilization Fund on the first day of each month of
9 that fiscal year or as soon thereafter as possible; except that
10 the final transfer of the fiscal year shall be made as soon as
11 practical after the August 31 following the end of the fiscal
12 year.

13 Until State fiscal year 2014, before ~~Before~~ the final
14 transfer for a fiscal year is made, the Comptroller shall
15 reconcile the estimated general funds revenues used in
16 calculating the other transfers under this Section for that
17 fiscal year with the actual general funds revenues for that
18 fiscal year. The final transfer for the fiscal year shall be
19 adjusted so that the total amount transferred under this
20 Section for that fiscal year is equal to the percentage
21 specified in subsection (b) or (c) of this Section, whichever
22 is applicable, of the actual general funds revenues for that
23 fiscal year. The actual general funds revenues for the fiscal
24 year shall be calculated in a manner consistent with subsection
25 (c) of Section 10 of this Act.

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

1 (30 ILCS 122/25)

2 Sec. 25. Transfers from the Pension Stabilization Fund.

3 (a) As used in this Section, "designated retirement
4 systems" means:

5 (1) the State Employees' Retirement System of
6 Illinois;

7 (2) the Teachers' Retirement System of the State of
8 Illinois;

9 (3) the State Universities Retirement System;

10 (4) the Judges Retirement System of Illinois; and

11 (5) the General Assembly Retirement System.

12 (b) As soon as may be practical after any money is
13 deposited into the Pension Stabilization Fund, the State
14 Comptroller shall apportion the deposited amount among the
15 designated retirement systems and the State Comptroller and
16 State Treasurer shall pay the apportioned amounts to the
17 designated retirement systems. The amount deposited shall be
18 apportioned among the designated retirement systems in the same
19 proportion as their respective portions of the total actuarial
20 reserve deficiency of the designated retirement systems, as
21 most recently determined by the Governor's Office of Management
22 and Budget. Amounts received by a designated retirement system
23 under this Section shall be used for funding the unfunded
24 liabilities of the retirement system. Payments under this
25 Section are authorized by the continuing appropriation under

1 Section 1.7 of the State Pension Funds Continuing Appropriation
2 Act.

3 (c) At the request of the State Comptroller, the Governor's
4 Office of Management and Budget shall determine the individual
5 and total actuarial reserve deficiencies of the designated
6 retirement systems. For this purpose, the Governor's Office of
7 Management and Budget shall consider the latest available audit
8 and actuarial reports of each of the retirement systems and the
9 relevant reports and statistics of the Public Pension Division
10 of the Department of Financial and Professional Regulation.

11 (d) Payments to the designated retirement systems under
12 this Section shall be in addition to, and not in lieu of, any
13 State contributions required under Section 2-124, 14-131,
14 15-155, 16-158, or 18-131 of the Illinois Pension Code.

15 Payments to the designated retirement systems under this
16 Section, transferred after the effective date of this
17 amendatory Act of the 98th General Assembly, do not reduce and
18 do not constitute payment of any portion of the required State
19 contribution under Article 2, 14, 15, 16, or 18 of the Illinois
20 Pension Code in that fiscal year. Such amounts shall not
21 reduce, and shall not be included in the calculation of, the
22 required State contribution under Article 2, 14, 15, 16, or 18
23 of the Illinois Pension Code in any future year, until the
24 designated retirement system has received payment of
25 contributions pursuant to this Act.

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

1 Section 25. The Illinois Pension Code is amended by
2 changing Sections 16-106, 16-121, 16-127, 16-133.1, 16-133.6,
3 16-136.1, 16-152, and 16-203 and by adding Section 1-162,
4 16-107.1, 16-107.2, 16-121.1, 16-122.9, 16-133.6, and 16-158.2
5 as follows:

6 (40 ILCS 5/1-162 new)

7 Sec. 1-162. Optional cash balance plan.

8 (a) Participation and Applicability. Beginning 12 months
9 after the effective date of this Section, any Tier I employee
10 who has made the election under paragraph (1) of subsection (a)
11 of Section 16-122.9 may elect to participate in the optional
12 cash balance plan created under this Section.

13 The Board of Trustees of the applicable retirement system
14 shall promulgate rules to create an annual election wherein a
15 person eligible to participate in the optional cash balance
16 plan may elect to participate, and an active employee who is a
17 participant in the plan may elect to cease active
18 participation. The election to cease active participation
19 shall not disqualify the employee from eligibility to receive
20 an interest credit under subsection (f), a distribution upon
21 termination under subsection (f-10), a refund under subsection
22 (f-15), a retirement annuity under subsection (g), or a
23 survivor's annuity under subsection (k), or from eligibility to
24 resume active participation in the optional cash balance plan

1 in a subsequent year.

2 (b) Title. The package of benefits provided under this
3 Section may be referred to as the "optional cash balance plan".
4 Persons subject to the provisions of this Section may be
5 referred to as "participants in the optional cash balance
6 plan".

7 (b-5) Definitions. As used in this Section:

8 "Account" means the notional cash balance account
9 established under this Section for a participant in the
10 optional cash balance plan.

11 "Salary" means "salary" as defined in Article 16, without
12 regard to the limitation in subsection (b-5) of Section 1-160.

13 "Tier I employee" means a person who is a Tier I employee
14 under the applicable Article of this Code.

15 (c) Cash Balance Account. A notional cash balance account
16 shall be established by the applicable retirement system for
17 each participant in the optional cash balance plan. The account
18 is notional and does not contain any actual money segregated
19 from the commingled assets of the retirement system. The cash
20 balance in the account is to be used in calculating benefits as
21 provided in this Section, but is not to be used in the
22 calculation of any refund, transfer, or other benefit under the
23 applicable Article of this Code.

24 The amounts to be credited to the cash balance account
25 shall consist of (i) amounts contributed by or on behalf of the
26 participant as employee contributions, (ii) notional employer

1 contributions, and (iii) interest credit that is attributable
2 to the account, all as provided in this Section.

3 Whenever necessary for the prompt calculation or
4 administration, or when the System lacks information necessary
5 to the calculation or administration otherwise required of or
6 for a benefit under this Section, the applicable retirement
7 system may estimate an amount to be credited to or debited from
8 a participant's cash balance account and then adjust the amount
9 so credited or debited when more accurate information becomes
10 available.

11 The applicable retirement system shall give to each
12 participant in the optional cash balance plan who has not yet
13 retired annual notice of (1) the balance in the participant's
14 cash balance account and (2) an estimate of the retirement
15 annuity that will be payable to the participant if he or she
16 retires at age 59 1/2.

17 (d) Employee Contributions. In addition to the other
18 contributions required under the applicable Article, each
19 participant shall make contributions to the applicable
20 retirement system at the rate of 2% of each payment of salary.
21 The amount of each contribution shall be credited to the
22 participant's cash balance account upon receipt and after the
23 retirement system's reconciliation of the contribution.

24 (e) Optional Employer Contributions. Employers may make
25 optional additional contributions to the applicable retirement
26 system on behalf of their employees who are participants in the

1 optional cash balance plan in accordance with procedures
2 prescribed by the retirement system to the extent permitted by
3 federal law and the rules prescribed by the retirement system.
4 The optional additional contributions under this subsection
5 are actual monetary contributions to the retirement system, and
6 the amount of each optional additional contribution shall be
7 credited to the participant's cash balance account upon receipt
8 and after the retirement system's reconciliation of the
9 contribution.

10 (f) Interest Credit. An amount representing earnings on
11 investments shall be determined by the retirement system in
12 accordance with this Section and credited to the participant's
13 cash balance account for each fiscal year in which there is a
14 positive balance in that account; except that no additional
15 interest credit shall be credited while an annuity based on the
16 account is being paid. The interest credit amount shall be a
17 percentage of the average quarterly balance in the cash balance
18 account during that fiscal year and shall be calculated on June
19 30.

20 The percentage shall be the assumed treasury rate for the
21 previous fiscal year, unless neither the retirement system's
22 actual rate of investment earnings for the previous fiscal year
23 nor the retirement system's actual rate of investment earnings
24 for the five-year period ending at the end of the previous
25 fiscal year is less than the assumed treasury rate.

26 If both the retirement system's actual rate of investment

1 earnings for the previous fiscal year and the actual rate of
2 investment earnings for the five-year period ending at the end
3 of the previous fiscal year are at least the assumed treasury
4 rate, then the percentage shall be:

5 (i) the assumed treasury rate, plus

6 (ii) two-thirds of the amount of the actual rate of
7 investment earnings for the previous fiscal year that
8 exceeds the assumed treasury rate.

9 However, in no event shall the percentage applied under this
10 subsection exceed 10%.

11 For the purposes of this subsection only, "previous fiscal
12 year" means the fiscal year ending one year before the interest
13 rate is calculated.

14 For the purposes of this subsection only, "assumed treasury
15 rate" means the average annual yield of the 30-year U.S.
16 Treasury Bond over the previous fiscal year, but not less than
17 4%.

18 When a person applies for a benefit under this Section, the
19 retirement system shall apply an interest credit based on a
20 proration of an estimate of what the interest credit will be
21 for the relevant year. When the retirement system certifies the
22 credit on June 30, it shall adjust the benefit accordingly.

23 (f-10) Distribution upon Termination of Employment. Upon
24 termination of active employment with at least 5 years of
25 service credit under the applicable retirement system and prior
26 to making application for an annuity under this Section, a

1 participant in the optional cash balance plan may make an
2 irrevocable election to distribute an amount not to exceed 40%
3 of the balance in the participant's account in the form of a
4 direct rollover to another qualified plan, to the extent
5 allowed by federal law. If the participant makes such an
6 election, then the amount distributed shall be debited from the
7 participant's cash balance account. A participant in the
8 optional cash balance plan shall be allowed only one
9 distribution under this subsection. The remaining balance in
10 the participant's account shall be used for the determination
11 of other benefits provided under this Section.

12 (f-15) Refund. In lieu of receiving a distribution under
13 subsection (f-10), at any time after terminating active
14 employment under the applicable retirement system, but before
15 receiving a retirement annuity under this Section, a
16 participant in the optional cash balance plan may elect to
17 receive a refund under this subsection. The refund shall
18 consist of an amount equal to the amount of all employee
19 contributions credited to the participant's account, but shall
20 not include any interest credit or employer contributions. If
21 the participant so requests, the refund may be paid in the form
22 of a direct rollover to another qualified plan, to the extent
23 allowed by federal law and in accordance with the rules of the
24 applicable retirement system. Upon payment of the refund, the
25 participant's notional cash balance account shall be closed.

26 (g) Retirement Annuity. A participant in the optional cash

1 balance plan may begin collecting a retirement annuity at age
2 59 1/2, but no earlier than the date of termination of active
3 employment under the applicable retirement system.

4 The amount of the retirement annuity shall be calculated by
5 the retirement system, based on the balance in the cash balance
6 account, the assumption of future investment returns as
7 specified in this subsection, the participant's election to
8 have a lifetime survivor's annuity as specified in this
9 subsection, the annual increase in retirement annuity as
10 specified in subsection (h), the annual increase in survivor's
11 annuity as specified in subsection (l), and any actuarial
12 assumptions and tables adopted by the board of the retirement
13 system for this purpose. The calculation shall determine the
14 amount of retirement annuity, on an actuarially equivalent
15 basis, that shall be designed to result in the balance in the
16 participant's account arriving at zero on the date when the
17 last payment of the retirement annuity (or survivor's annuity,
18 if the participant elects to provide for a survivor's annuity
19 pursuant to this subsection) is anticipated to be paid under
20 the relevant actuarial assumptions. A retirement annuity or a
21 survivor's annuity provided under this Section shall be a life
22 annuity and shall not expire if the account balance equals
23 zero.

24 The annuity payment shall begin on the date specified by
25 the participant submitting a written application, which date
26 shall not be prior to termination of employment or more than

1 one year before the application is received by the board;
2 however, if the participant is not an employee of an employer
3 participating in this System or in a participating system as
4 defined in Article 20 of this Code on April 1 of the calendar
5 year next following the calendar year in which the participant
6 attains age 70 1/2, the annuity payment period shall begin on
7 that date regardless of whether an application has been filed.

8 The participant may elect, under the participant's written
9 application for retirement, to receive a reduced annuity
10 payable for his or her life and to have a lifetime survivor's
11 annuity in a monthly amount equal to 50%, 75%, or 100% of that
12 reduced monthly amount, to be paid after the participant's
13 death to his or her eligible survivor. Eligibility for a
14 survivor's annuity shall be determined under the applicable
15 Article of this Code.

16 For the purpose of calculating retirement annuities,
17 future investment returns shall be assumed to be a percentage
18 equal to the average yield of the 30-year U.S. Treasury Bond
19 over the 5 fiscal years prior to the calculation of the initial
20 retirement annuity, plus 250 basis points, but not less than 4%
21 nor more than 8%.

22 (h) Annual Increase in Retirement Annuity. The retirement
23 annuity shall be subject to an automatic annual increase in an
24 amount equal to 3% of the originally granted annuity on each
25 January 1 occurring on or after the first anniversary of the
26 annuity start date.

1 (i) Disability Benefits. There are no disability benefits
2 provided under the optional cash balance plan, and no amounts
3 for disability shall be deducted from the account of a
4 participant in the optional cash balance plan. The disability
5 benefits provided under the applicable retirement system apply
6 to participants in the optional cash balance plan.

7 (j) Return to Service. Upon a return to service under the
8 same retirement system after beginning to receive a retirement
9 annuity under the optional cash balance plan, the retirement
10 annuity shall be suspended and active participation in the
11 optional cash balance plan shall resume. Upon termination of
12 the employment, the retirement annuity shall resume in an
13 amount to be recalculated in accordance with subsection (g),
14 taking into consideration the changes in the cash balance
15 account. If a retired annuitant returns to service, his or her
16 notional cash balance account shall be decreased by each
17 payment of retirement annuity prior to the return to service.

18 (k) Survivor's Annuity - Death before Retirement. In the
19 case of a participant in the optional cash balance plan who had
20 less than 5 years of service under the applicable Article and
21 had not begun receiving a retirement annuity, the eligible
22 survivor shall be entitled only to a refund of employee
23 contributions under subsection (f-15).

24 In the case of a participant in the optional cash balance
25 plan who had at least 5 years of service under the applicable
26 Article and had not begun receiving a retirement annuity, the

1 eligible survivor shall be entitled to receive a survivor's
2 annuity beginning at age 59 1/2 upon written application. The
3 survivor's annuity shall be calculated in the same manner as a
4 retirement annuity under subsection (g). At any time before
5 receiving a survivor's annuity, the eligible survivor may claim
6 a distribution under subsection (f-10) or a refund under
7 subsection (f-15). The deceased participant's account shall
8 continue to receive interest credit until the eligible survivor
9 begins to receive a survivor's annuity or receives a refund of
10 employee contributions under subsection (f-15).

11 Eligibility for a survivor's annuity shall be determined
12 under the applicable Article of this Code. A child's or
13 parent's annuity for an otherwise eligible child or dependent
14 parent shall be in the same amount, if any, prescribed under
15 the applicable Article.

16 (l) Annual Increase in Survivor's Annuity. A survivor's
17 annuity granted under subsection (g) or (k) shall be subject to
18 an automatic annual increase in an amount equal to 3% of the
19 originally granted annuity on each January 1 occurring on or
20 after the first anniversary of the annuity start date.

21 (m) Applicability of Provisions. The following provisions,
22 if and as they exist in this Code, do not apply to participants
23 in the optional cash balance plan with respect to participation
24 in the optional cash balance plan, except as they are
25 specifically provided for in this Section:

26 (1) minimum service or vesting requirements (other

1 than as provided in this Section);

2 (2) provisions limiting a retirement annuity to a
3 specified percentage of salary;

4 (3) provisions authorizing a minimum retirement or
5 survivor's annuity or a supplemental annuity;

6 (4) provisions authorizing any form of retirement
7 annuity or survivor's annuity not authorized under this
8 Section;

9 (5) provisions authorizing a reversionary annuity
10 (other than the survivor's annuity under subsection (g));

11 (6) provisions authorizing a refund of employee
12 contributions upon termination of service (other than upon
13 the death of the participant without an eligible survivor)
14 or any lump-sum payout in lieu of a retirement or
15 survivor's annuity (other than the distribution under
16 subsection (f-10) or the refund under subsection (f-15) of
17 this Section);

18 (7) provisions authorizing optional service credits or
19 the payment of optional additional contributions (other
20 than the optional employer contributions specifically
21 authorized in this Section); or

22 (8) a level income option.

23 The Retirement Systems Reciprocal Act (Article 20 of this
24 Code) does not apply to participation in the optional cash
25 balance plan and does not affect the calculation of benefits
26 payable under this Section.

1 The other provisions of this Code continue to apply to
2 participants in the optional cash balance plan to the extent
3 that they do not conflict with this Section. In the case of a
4 conflict between the provisions of this Section and any other
5 provision of this Code, the provisions of this Section control.

6 (n) Rules. The Board of Trustees of the applicable
7 retirement system may adopt rules and procedures for the
8 implementation of this Section, including but not limited to
9 determinations of how to integrate the administration of this
10 Section with the requirements of the applicable Article and any
11 other applicable provisions of this Code.

12 (o) Actual Employer Contributions. Payment of employer
13 contributions with respect to participants in the optional cash
14 balance plan shall be the responsibility of the actual
15 employer. Optional additional contributions by employers may
16 be paid in any amount, but must be paid in the manner specified
17 by the applicable retirement system.

18 (p) Prospective Modification. The provisions set forth in
19 this Section are subject to prospective changes made by law
20 provided that any such changes shall not apply to any benefits
21 accrued under this Section prior to the effective date of any
22 amendatory Act of the General Assembly.

23 (q) Qualified Plan Status. No provision of this Section
24 shall be interpreted in a way that would cause the applicable
25 retirement system to cease to be a qualified plan under Section
26 401(a) of the Internal Revenue Code of 1986.

1 (40 ILCS 5/16-106) (from Ch. 108 1/2, par. 16-106)

2 Sec. 16-106. Teacher. "Teacher": The following
3 individuals, provided that, for employment prior to July 1,
4 1990, they are employed on a full-time basis, or if not
5 full-time, on a permanent and continuous basis in a position in
6 which services are expected to be rendered for at least one
7 school term:

8 (1) Any educational, administrative, professional or
9 other staff employed in the public common schools included
10 within this system in a position requiring certification
11 under the law governing the certification of teachers;

12 (2) Any educational, administrative, professional or
13 other staff employed in any facility of the Department of
14 Children and Family Services or the Department of Human
15 Services, in a position requiring certification under the
16 law governing the certification of teachers, and any person
17 who (i) works in such a position for the Department of
18 Corrections, (ii) was a member of this System on May 31,
19 1987, and (iii) did not elect to become a member of the
20 State Employees' Retirement System pursuant to Section
21 14-108.2 of this Code; except that "teacher" does not
22 include any person who (A) becomes a security employee of
23 the Department of Human Services, as defined in Section
24 14-110, after June 28, 2001 (the effective date of Public
25 Act 92-14), or (B) becomes a member of the State Employees'

1 Retirement System pursuant to Section 14-108.2c of this
2 Code;

3 (3) Any regional superintendent of schools, assistant
4 regional superintendent of schools, State Superintendent
5 of Education; any person employed by the State Board of
6 Education as an executive; any executive of the boards
7 engaged in the service of public common school education in
8 school districts covered under this system of which the
9 State Superintendent of Education is an ex-officio member;

10 (4) Any employee of a school board association
11 operating in compliance with Article 23 of the School Code
12 who is certificated under the law governing the
13 certification of teachers, provided that he or she becomes
14 such an employee before the effective date of this
15 amendatory Act of the 98th General Assembly;

16 (5) Any person employed by the retirement system who:

17 (i) was an employee of and a participant in the
18 system on August 17, 2001 (the effective date of Public
19 Act 92-416), or

20 (ii) becomes an employee of the system on or after
21 August 17, 2001;

22 (6) Any educational, administrative, professional or
23 other staff employed by and under the supervision and
24 control of a regional superintendent of schools, provided
25 such employment position requires the person to be
26 certificated under the law governing the certification of

1 teachers and is in an educational program serving 2 or more
2 districts in accordance with a joint agreement authorized
3 by the School Code or by federal legislation;

4 (7) Any educational, administrative, professional or
5 other staff employed in an educational program serving 2 or
6 more school districts in accordance with a joint agreement
7 authorized by the School Code or by federal legislation and
8 in a position requiring certification under the laws
9 governing the certification of teachers;

10 (8) Any officer or employee of a statewide teacher
11 organization or officer of a national teacher organization
12 who is certified under the law governing certification of
13 teachers, provided: (i) the individual had previously
14 established creditable service under this Article, (ii)
15 the individual files with the system an irrevocable
16 election to become a member before the effective date of
17 this amendatory Act of the 97th General Assembly, (iii) the
18 individual does not receive credit for such service under
19 any other Article of this Code, and (iv) the individual
20 first became an officer or employee of the teacher
21 organization and becomes a member before the effective date
22 of this amendatory Act of the 97th General Assembly;

23 (9) Any educational, administrative, professional, or
24 other staff employed in a charter school operating in
25 compliance with the Charter Schools Law who is certificated
26 under the law governing the certification of teachers; i -

1 (10) Any person employed, on the effective date of this
2 amendatory Act of the 94th General Assembly, by the
3 Macon-Piatt Regional Office of Education in a
4 birth-through-age-three pilot program receiving funds
5 under Section 2-389 of the School Code who is required by
6 the Macon-Piatt Regional Office of Education to hold a
7 teaching certificate, provided that the Macon-Piatt
8 Regional Office of Education makes an election, within 6
9 months after the effective date of this amendatory Act of
10 the 94th General Assembly, to have the person participate
11 in the system. Any service established prior to the
12 effective date of this amendatory Act of the 94th General
13 Assembly for service as an employee of the Macon-Piatt
14 Regional Office of Education in a birth-through-age-three
15 pilot program receiving funds under Section 2-389 of the
16 School Code shall be considered service as a teacher if
17 employee and employer contributions have been received by
18 the system and the system has not refunded those
19 contributions.

20 An annuitant receiving a retirement annuity under this
21 Article or under Article 17 of this Code who is employed by a
22 board of education or other employer as permitted under Section
23 16-118 or 16-150.1 is not a "teacher" for purposes of this
24 Article. A person who has received a single-sum retirement
25 benefit under Section 16-136.4 of this Article is not a
26 "teacher" for purposes of this Article.

1 (Source: P.A. 97-651, eff. 1-5-12; revised 8-3-12.)

2 (40 ILCS 5/16-107.1 new)

3 Sec. 16-107.1. Tier I employee. "Tier I employee": An
4 employee under this Article (i) who first became a member or
5 participant before January 1, 2011 under any reciprocal
6 retirement system or pension fund established under this Code
7 other than a retirement system or pension fund established
8 under Article 2, 3, 4, 5, 6, or 18 of this Code and (ii) who has
9 not made an irrevocable election on or before January 1, 2013
10 to retire from service pursuant to the terms of a collective
11 bargaining agreement in effect on that date, excluding any
12 extension, amendment, or renewal of that agreement on or after
13 that date.

14 (40 ILCS 5/16-107.2 new)

15 Sec. 16-107.2. Tier I retiree. "Tier I retiree": A former
16 Tier I employee who is receiving a retirement annuity.

17 (40 ILCS 5/16-121) (from Ch. 108 1/2, par. 16-121)

18 Sec. 16-121. Salary. "Salary": The actual compensation
19 received by a teacher during any school year and recognized by
20 the system in accordance with rules of the board. For purposes
21 of this Section, "school year" includes the regular school term
22 plus any additional period for which a teacher is compensated
23 and such compensation is recognized by the rules of the board.

1 Notwithstanding any other provision of this Section,
2 "salary" does not include any future increase in income offered
3 by an employer under this Article pursuant to the requirements
4 of subsection (c) of Section 16-122.9 that is accepted by a
5 Tier I employee who has made an election under paragraph (2) of
6 subsection (a) of Section 16-122.9.

7 (Source: P.A. 84-1028.)

8 (40 ILCS 5/16-121.1 new)

9 Sec. 16-121.1. Future increase in income. "Future increase
10 in income": Any increase in income in any form offered by an
11 employer to a teacher under this Article after the end of the
12 election period in Section 16-122.9 that would qualify as
13 "salary", as defined in Section 16-121, but for the fact that
14 the employer offered the increase in income to the employee on
15 the condition that it not qualify as salary and the employee
16 accepted the increase in income subject to that condition. The
17 term "future increase in income" does not include an increase
18 in income in any form that is paid to a Tier I employee under an
19 employment contract or collective bargaining agreement that is
20 in effect on the effective date of this Section but does
21 include an increase in income in any form pursuant to an
22 extension, amendment, or renewal of any such employment
23 contract or collective bargaining agreement on or after the
24 effective date of this amendatory Act of the 98th General
25 Assembly.

1 (40 ILCS 5/16-122.9 new)

2 Sec. 16-122.9. Election by Tier I employees.

3 (a) Each Tier I employee shall make an irrevocable election
4 either:

5 (1) to agree to the following:

6 (i) to have the amount of the automatic annual
7 increases in his or her retirement annuity that are
8 otherwise provided for in this Article calculated,
9 instead, as provided in subsection (a-1) of Section
10 16-133.1 or subsection (b-1) of Section 16-136.1,
11 whichever is applicable; and

12 (ii) to have his or her eligibility for automatic
13 annual increases in retirement annuity postponed as
14 provided in subsection (a-2) of Section 16-133.1 or
15 subsection (b-2) of Section 16-136.1, whichever is
16 applicable; or

17 (2) to not agree to items (i) and (ii) as set forth in
18 paragraph (1) of this subsection.

19 The election required under this subsection (a) shall be
20 made by each Tier I employee no earlier than January 1, 2014
21 and no later than May 31, 2014, except that:

22 (i) a person who becomes a Tier I employee under this
23 Article after January 1, 2014 must make the election under
24 this subsection (a) within 60 days after becoming a Tier I
25 employee; and

1 (ii) a person who returns to active service as a Tier I
2 employee under this Article, including a Tier I retiree
3 returning to service as a Tier I employee, after January 1,
4 2014 and has not yet made an election under this Section
5 must make the election under this subsection (a) within 60
6 days after returning to active service as a Tier I
7 employee.

8 If a Tier I employee fails for any reason to make a
9 required election under this subsection within the time
10 specified, then the employee shall be deemed to have made the
11 election under paragraph (2) of this subsection.

12 (a-10) All elections under subsection (a) that are made or
13 deemed to be made by June 1, 2014 shall take effect July 1,
14 2014. Elections that are made or deemed to be on or after June
15 1, 2014 shall take effect on the first day of the month
16 following the month in which the election is made or deemed to
17 be made.

18 (b) As adequate and legal consideration provided under this
19 amendatory Act of the 98th General Assembly for making the
20 election under paragraph (1) of subsection (a) of this Section,
21 any future increases in income offered by an employer under
22 this Article to a Tier I employee who has made the election
23 under paragraph (1) of subsection (a) of this Section shall be
24 offered expressly and irrevocably as constituting salary under
25 Section 16-121. In addition, a Tier I employee who has made the
26 election under paragraph (1) of subsection (a) of this Section

1 shall receive the right to also participate in the optional
2 cash balance plan established under Section 1-162. Finally, a
3 Tier I employee, other than a Tier I retiree returning to
4 active service as a Tier I employee, who has made the election
5 under paragraph (1) of subsection (a) of this Section shall
6 receive the right to the early retirement without discount
7 option under Section 16-133.6.

8 (c) A Tier I employee who makes the election under
9 paragraph (2) of subsection (a) of this Section shall not be
10 subject to items (i) and (ii) set forth in paragraph (1) of
11 subsection (a) of this Section. However, any future increases
12 in income offered by an employer under this Article to a Tier I
13 employee who has made the election under paragraph (2) of
14 subsection (a) of this Section shall be offered by the employer
15 expressly and irrevocably as not constituting salary under
16 Section 16-121, and the employee may not accept any future
17 increase in income that is offered in violation of this
18 requirement. In addition, a Tier I employee who has made the
19 election under paragraph (2) of subsection (a) of this Section
20 shall not receive the right to participate in the optional cash
21 balance plan established under Section 1-162. Finally, a Tier I
22 employee who has made the election under paragraph (2) of
23 subsection (a) of this Section shall not receive the right to
24 the early retirement without discount option under Section
25 16-133.6.

26 (d) The System shall make a good faith effort to contact

1 each Tier I employee subject to this Section. The System shall
2 mail information describing the required election to each Tier
3 I employee by United States Postal Service mail to his or her
4 last known address on file with the System. If the Tier I
5 employee is not responsive to other means of contact, it is
6 sufficient for the System to publish the details of any
7 required elections on its website or to publish those details
8 in a regularly published newsletter or other existing public
9 forum.

10 Tier I employees who are subject to this Section shall be
11 provided with an election packet containing information
12 regarding their options, as well as the forms necessary to make
13 the required election. Upon request, the System shall offer
14 Tier I employees an opportunity to receive information from the
15 System before making the required election. The information may
16 consist of video materials, group presentations, individual
17 consultation with a member or authorized representative of the
18 System in person or by telephone or other electronic means, or
19 any combination of those methods. The System shall not provide
20 advice or counseling with respect to which election a Tier I
21 employee should make or specific to the legal or tax
22 circumstances of or consequences to the Tier I employee.

23 The System shall inform Tier I employees in the election
24 packet required under this subsection that the Tier I employee
25 may also wish to obtain information and counsel relating to the
26 election required under this Section from any other available

1 source, including but not limited to labor organizations and
2 private counsel.

3 In no event shall the System, its staff, or the Board be
4 held liable for any information given to a member, beneficiary,
5 or annuitant regarding the elections under this Section. The
6 System shall coordinate with the Illinois Department of Central
7 Management Services and each other retirement system
8 administering an election in accordance with this amendatory
9 Act of the 98th General Assembly to provide information
10 concerning the impact of the election set forth in this
11 Section.

12 (e) Notwithstanding any other provision of law, an employer
13 under this Article is required to offer any future increases in
14 income expressly and irrevocably as not constituting "salary"
15 under Section 16-121 to any Tier I employee who has made an
16 election under paragraph (2) of subsection (a) of Section
17 16-122.9. A Tier I employee who has made an election under
18 paragraph (2) of subsection (a) of Section 16-122.9 shall not
19 accept any future increase in income that is offered by an
20 employer under this Article in violation of the requirement set
21 forth in this subsection.

22 (f) A member's election under this Section is not a
23 prohibited election under subdivision (j)(1) of Section 1-119
24 of this Code.

25 (g) An employee who has made the election under paragraph
26 (1) of subsection (a) of this Section may elect to participate

1 in the optional cash balance plan under Section 1-162.

2 The election to participate in the optional cash balance
3 plan shall be made in writing, in the manner provided by the
4 applicable retirement system.

5 (h) No provision of this Section shall be interpreted in a
6 way that would cause the System to cease to be a qualified plan
7 under Section 401(a) of the Internal Revenue Code of 1986.

8 (i) If this Section is determined to be unconstitutional or
9 otherwise invalid by a final unappealable decision of an
10 Illinois court or a court of competent jurisdiction as applied
11 to Tier I employees but not as applied to Tier I retirees
12 returning to active service, then this Section and the changes
13 deriving from the election required under this Section shall be
14 null and void as applied to Tier I employees but shall remain
15 in full effect for Tier I retirees returning to active service.

16 (j) If this Section is determined to be unconstitutional or
17 otherwise invalid by a final unappealable decision of an
18 Illinois court or a court of competent jurisdiction as applied
19 to Tier I retirees returning to active service but not as
20 applied to Tier I employees, then this Section and the changes
21 deriving from the election required under this Section shall be
22 null and void as applied to Tier I retirees returning to active
23 service but shall remain in full effect for Tier I employees.

24 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

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

1 (a) Each member shall receive regular credit for all
2 service as a teacher from the date membership begins, for which
3 satisfactory evidence is supplied and all contributions have
4 been paid.

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

9 (1) Prior service as a teacher.

10 (2) Service in a capacity essentially similar or
11 equivalent to that of a teacher, in the public common
12 schools in school districts in this State not included
13 within the provisions of this System, or of any other
14 State, territory, dependency or possession of the United
15 States, or in schools operated by or under the auspices of
16 the United States, or under the auspices of any agency or
17 department of any other State, and service during any
18 period of professional speech correction or special
19 education experience for a public agency within this State
20 or any other State, territory, dependency or possession of
21 the United States, and service prior to February 1, 1951 as
22 a recreation worker for the Illinois Department of Public
23 Safety, for a period not exceeding the lesser of 2/5 of the
24 total creditable service of the member or 10 years. The
25 maximum service of 10 years which is allowable under this
26 paragraph shall be reduced by the service credit which is

1 validated by other retirement systems under paragraph (i)
2 of Section 15-113 and paragraph 1 of Section 17-133. Credit
3 granted under this paragraph may not be used in
4 determination of a retirement annuity or disability
5 benefits unless the member has at least 5 years of
6 creditable service earned subsequent to this employment
7 with one or more of the following systems: Teachers'
8 Retirement System of the State of Illinois, State
9 Universities Retirement System, and the Public School
10 Teachers' Pension and Retirement Fund of Chicago. Whenever
11 such service credit exceeds the maximum allowed for all
12 purposes of this Article, the first service rendered in
13 point of time shall be considered. The changes to this
14 subdivision (b)(2) made by Public Act 86-272 shall apply
15 not only to persons who on or after its effective date
16 (August 23, 1989) are in service as a teacher under the
17 System, but also to persons whose status as such a teacher
18 terminated prior to such effective date, whether or not
19 such person is an annuitant on that date.

20 (3) Any periods immediately following teaching
21 service, under this System or under Article 17, (or
22 immediately following service prior to February 1, 1951 as
23 a recreation worker for the Illinois Department of Public
24 Safety) spent in active service with the military forces of
25 the United States; periods spent in educational programs
26 that prepare for return to teaching sponsored by the

1 federal government following such active military service;
2 if a teacher returns to teaching service within one
3 calendar year after discharge or after the completion of
4 the educational program, a further period, not exceeding
5 one calendar year, between time spent in military service
6 or in such educational programs and the return to
7 employment as a teacher under this System; and a period of
8 up to 2 years of active military service not immediately
9 following employment as a teacher.

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

1 the automatic annual increase for an annuity that has been
2 recalculated under this Section, the increase attributable
3 to the additional service allowable under P.A. 87-794 shall
4 be included in the calculation of automatic annual
5 increases accruing after the effective date of the
6 recalculation.

7 Credit for military service shall be determined as
8 follows: if entry occurs during the months of July, August,
9 or September and the member was a teacher at the end of the
10 immediately preceding school term, credit shall be granted
11 from July 1 of the year in which he or she entered service;
12 if entry occurs during the school term and the teacher was
13 in teaching service at the beginning of the school term,
14 credit shall be granted from July 1 of such year. In all
15 other cases where credit for military service is allowed,
16 credit shall be granted from the date of entry into the
17 service.

18 The total period of military service for which credit
19 is granted shall not exceed 5 years for any member unless
20 the service: (A) is validated before July 1, 1964, and (B)
21 does not extend beyond July 1, 1963. Credit for military
22 service shall be granted under this Section only if not
23 more than 5 years of the military service for which credit
24 is granted under this Section is used by the member to
25 qualify for a military retirement allotment from any branch
26 of the armed forces of the United States. The changes to

1 this subdivision (b) (3) made by Public Act 86-272 shall
2 apply not only to persons who on or after its effective
3 date (August 23, 1989) are in service as a teacher under
4 the System, but also to persons whose status as such a
5 teacher terminated prior to such effective date, whether or
6 not such person is an annuitant on that date.

7 (4) Any periods served as a member of the General
8 Assembly.

9 (5) (i) Any periods for which a teacher, as defined in
10 Section 16-106, is granted a leave of absence, provided he
11 or she returns to teaching service creditable under this
12 System or the State Universities Retirement System
13 following the leave; (ii) periods during which a teacher is
14 involuntarily laid off from teaching, provided he or she
15 returns to teaching following the lay-off; (iii) periods
16 prior to July 1, 1983 during which a teacher ceased covered
17 employment due to pregnancy, provided that the teacher
18 returned to teaching service creditable under this System
19 or the State Universities Retirement System following the
20 pregnancy and submits evidence satisfactory to the Board
21 documenting that the employment ceased due to pregnancy;
22 and (iv) periods prior to July 1, 1983 during which a
23 teacher ceased covered employment for the purpose of
24 adopting an infant under 3 years of age or caring for a
25 newly adopted infant under 3 years of age, provided that
26 the teacher returned to teaching service creditable under

1 this System or the State Universities Retirement System
2 following the adoption and submits evidence satisfactory
3 to the Board documenting that the employment ceased for the
4 purpose of adopting an infant under 3 years of age or
5 caring for a newly adopted infant under 3 years of age.
6 However, total credit under this paragraph (5) may not
7 exceed 3 years.

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

25 Optional credit may be purchased under this subsection
26 (b) (5) for periods during which a teacher has been granted

1 a leave of absence pursuant to Section 24-13 of the School
2 Code. A teacher whose service under this Article terminated
3 prior to the effective date of P.A. 86-1488 shall be
4 eligible to purchase such optional credit. If a teacher who
5 purchases this optional credit is already receiving a
6 retirement annuity under this Article, the annuity shall be
7 recalculated as if the annuitant had applied for the leave
8 of absence credit at the time of retirement. The difference
9 between the entitled annuity and the actual annuity shall
10 be credited to the purchase of the optional credit. The
11 remainder of the purchase cost of the optional credit shall
12 be paid on or before April 1, 1992.

13 The change in this paragraph made by Public Act 86-273
14 shall be applicable to teachers who retire after June 1,
15 1989, as well as to teachers who are in service on that
16 date.

17 (6) Any days of unused and uncompensated accumulated
18 sick leave earned by a teacher who first became a
19 participant in the System before the effective date of this
20 amendatory Act of the 98th General Assembly. The service
21 credit granted under this paragraph shall be the ratio of
22 the number of unused and uncompensated accumulated sick
23 leave days to 170 days, subject to a maximum of 2 years of
24 service credit. Prior to the member's retirement, each
25 former employer shall certify to the System the number of
26 unused and uncompensated accumulated sick leave days

1 credited to the member at the time of termination of
2 service. The period of unused sick leave shall not be
3 considered in determining the effective date of
4 retirement. A member is not required to make contributions
5 in order to obtain service credit for unused sick leave.

6 Credit for sick leave shall, at retirement, be granted
7 by the System for any retiring regional or assistant
8 regional superintendent of schools who first became a
9 participant in this System before the effective date of
10 this amendatory Act of the 98th General Assembly at the
11 rate of 6 days per year of creditable service or portion
12 thereof established while serving as such superintendent
13 or assistant superintendent.

14 Service credit is not available for unused sick leave
15 accumulated by a teacher who first becomes a participant in
16 this System on or after the effective date of this amendatory
17 Act of the 98th General Assembly.

18 (7) Periods prior to February 1, 1987 served as an
19 employee of the Illinois Mathematics and Science Academy
20 for which credit has not been terminated under Section
21 15-113.9 of this Code.

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

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

26 (10) Up to 2 years of employment with Southern Illinois

1 University - Carbondale from September 1, 1959 to August
2 31, 1961, or with Governors State University from September
3 1, 1972 to August 31, 1974, for which the teacher has no
4 credit under Article 15. To receive credit under this item
5 (10), a teacher must apply in writing to the Board and pay
6 the required contributions before May 1, 1993 and have at
7 least 12 years of service credit under this Article.

8 (b-1) A member may establish optional credit for up to 2
9 years of service as a teacher or administrator employed by a
10 private school recognized by the Illinois State Board of
11 Education, provided that the teacher (i) was certified under
12 the law governing the certification of teachers at the time the
13 service was rendered, (ii) applies in writing on or after
14 August 1, 2009 and on or before August 1, 2012, (iii) supplies
15 satisfactory evidence of the employment, (iv) completes at
16 least 10 years of contributing service as a teacher as defined
17 in Section 16-106, and (v) pays the contribution required in
18 subsection (d-5) of Section 16-128. The member may apply for
19 credit under this subsection and pay the required contribution
20 before completing the 10 years of contributing service required
21 under item (iv), but the credit may not be used until the item
22 (iv) contributing service requirement has been met.

23 (c) The service credits specified in this Section shall be
24 granted only if: (1) such service credits are not used for
25 credit in any other statutory tax-supported public employee
26 retirement system other than the federal Social Security

1 program; and (2) the member makes the required contributions as
2 specified in Section 16-128. Except as provided in subsection
3 (b-1) of this Section, the service credit shall be effective as
4 of the date the required contributions are completed.

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

7 Credit may not be granted under this Section covering any
8 period for which an age retirement or disability retirement
9 allowance has been paid.

10 (Source: P.A. 96-546, eff. 8-17-09.)

11 (40 ILCS 5/16-133.1) (from Ch. 108 1/2, par. 16-133.1)

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

13 (a) Each member with creditable service and retiring on or
14 after August 26, 1969 is entitled to the automatic annual
15 increases in annuity provided under this Section while
16 receiving a retirement annuity or disability retirement
17 annuity from the system.

18 An annuitant shall first be entitled to an initial increase
19 under this Section on the January 1 next following the first
20 anniversary of retirement, or January 1 of the year next
21 following attainment of age 61, whichever is later. At such
22 time, the system shall pay an initial increase determined as
23 follows or as provided in subsections (a-1) and (a-2):

24 (1) 1.5% of the originally granted retirement annuity
25 or disability retirement annuity multiplied by the number

1 of years elapsed, if any, from the date of retirement until
2 January 1, 1972, plus

3 (2) 2% of the originally granted annuity multiplied by
4 the number of years elapsed, if any, from the date of
5 retirement or January 1, 1972, whichever is later, until
6 January 1, 1978, plus

7 (3) 3% of the originally granted annuity multiplied by
8 the number of years elapsed from the date of retirement or
9 January 1, 1978, whichever is later, until the effective
10 date of the initial increase.

11 However, the initial annual increase calculated under this
12 Section for the recipient of a disability retirement annuity
13 granted under Section 16-149.2 shall be reduced by an amount
14 equal to the total of all increases in that annuity received
15 under Section 16-149.5 (but not exceeding 100% of the amount of
16 the initial increase otherwise provided under this Section).

17 Following the initial increase, automatic annual increases
18 in annuity shall be payable on each January 1 thereafter during
19 the lifetime of the annuitant, determined as a percentage of
20 the originally granted retirement annuity or disability
21 retirement annuity for increases granted prior to January 1,
22 1990, and calculated as a percentage of the total amount of
23 annuity, including previous increases under this Section, for
24 increases granted on or after January 1, 1990, as follows: 1.5%
25 for periods prior to January 1, 1972, 2% for periods after
26 December 31, 1971 and prior to January 1, 1978, and 3% for

1 periods after December 31, 1977, or as provided in subsections
2 (a-1) and (a-2).

3 (a-1) Notwithstanding any other provision of this Article,
4 for a Tier I employee who made the election under paragraph (1)
5 of subsection (a) of Section 16-122.9, the amount of each
6 automatic annual increase in retirement annuity occurring on or
7 after the effective date of that election shall be 3% or
8 one-half of the annual unadjusted percentage increase, if any,
9 in the Consumer Price Index-U for the 12 months ending with the
10 preceding September, whichever is less, of the originally
11 granted retirement annuity. For the purposes of this Section,
12 "Consumer Price Index-U" means the index published by the
13 Bureau of Labor Statistics of the United States Department of
14 Labor that measures the average change in prices of goods and
15 services purchased by all urban consumers, United States city
16 average, all items, 1982-84 = 100.

17 (a-2) Notwithstanding any other provision of this Article,
18 for a Tier I employee who made the election under paragraph (1)
19 of subsection (a) of Section 16-122.9, the monthly retirement
20 annuity shall first be subject to annual increases on the
21 January 1 occurring on or next after either the attainment of
22 age 67 or the January 1 occurring on or next after the fifth
23 anniversary of the annuity start date, whichever occurs
24 earlier.

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

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

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

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

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

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

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

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

9 (40 ILCS 5/16-133.6 new)

10 Sec. 16-133.6. Optional teacher early retirement without
11 discount. A Tier I employee who makes an election under
12 paragraph (1) of subsection (a) of Section 16-122.9, retires on
13 or after July 1, 2014, and applies for a retirement annuity
14 within 6 months of the last day of teaching for which
15 retirement contributions were required may elect, at the time
16 of application for a retirement annuity, to make a one-time
17 member contribution to the System and, thereby, avoid the
18 reduction in the retirement annuity for retirement before age
19 60 specified in paragraph (B) of Section 16-133. The exercise
20 of the election shall also obligate the last employer to make a
21 one-time nonrefundable contribution to the System. Substitute
22 teachers wishing to exercise this election must teach 85 or
23 more days in one school term with one employer, who shall be
24 deemed the last employer for purposes of this Section. The last
25 day of teaching with that employer must be within 6 months of

1 the date of application for retirement. All substitute teaching
2 credit applied toward the required 85 days must be earned after
3 June 30, 1990.

4 The one-time member and employer contributions shall be a
5 percentage of the cost of this benefit as determined by the
6 System. However, when determining the one-time member and
7 employer contributions, that part of a member's salary with the
8 same employer which exceeds the annual salary rate for the
9 preceding year by more than 20% shall be excluded. The member
10 contribution shall be at the rate of 50% of the cost of the
11 benefits as determined by the System. The employer contribution
12 shall be at the rate of 50% of the cost of the benefits as
13 determined by the System.

14 Upon receipt of the application and election, the System
15 shall determine the one-time employee and employer
16 contributions required. The member contribution shall be
17 credited to the individual account of the member and the
18 employer contribution shall be credited to the Benefit Trust
19 Reserve. The avoidance of the reduction in retirement annuity
20 provided under this Section is not applicable until the
21 member's contribution, if any, has been received by the System;
22 however, the date that contribution is received shall not be
23 considered in determining the effective date of retirement.

24 The number of members working for a single employer who may
25 retire under this Section in any year may be limited at the
26 option of the employer to a specified percentage of those

1 eligible, not less than 10%, with the right to participate to
2 be allocated among those applying on the basis of seniority in
3 the service of the employer.

4 (40 ILCS 5/16-136.1) (from Ch. 108 1/2, par. 16-136.1)

5 Sec. 16-136.1. Annual increase for certain annuitants.

6 (a) Any annuitant receiving a retirement annuity on June
7 30, 1969 and any member retiring after June 30, 1969 shall be
8 eligible for the annual increases provided under this Section
9 provided the annuitant is ineligible for the automatic annual
10 increase in annuity provided under Section 16-133.1, and
11 provided further that (1) retirement occurred at age 55 or over
12 and was based on 5 or more years of creditable service or (2)
13 if retirement occurred prior to age 55, the retirement annuity
14 was based on 20 or more years of creditable service.

15 (b) Subject to the provisions of subsections (b-1) and
16 (b-2), an ~~An~~ annuitant entitled to increases under this Section
17 shall be entitled to the initial increase as of the later of:
18 (1) January 1 following attainment of age 65, (2) January 1
19 following the first anniversary of retirement, or (3) the first
20 day of the month following receipt of the required qualifying
21 contribution from the annuitant. The initial monthly increase
22 shall be computed on the basis of the period elapsed between
23 the later of the date of last retirement or attainment of age
24 50 and the date of qualification for the initial increase, at
25 the rate of 1 1/2% of the original monthly retirement annuity

1 per year for periods prior to September 1, 1971, and at the
2 rate of 2% per year for periods between September 1, 1971 and
3 September 1, 1978, and at the rate of 3% per year for periods
4 thereafter.

5 Subject to the provisions of subsections (b-1) and (b-2),
6 an An annuitant who has received an initial increase under this
7 Section, shall be entitled, on each January 1 following the
8 granting of the initial increase, to an increase of 3% of the
9 original monthly retirement annuity for increases granted
10 prior to January 1, 1990, and equal to 3% of the total annuity,
11 including previous increases under this Section, for increases
12 granted on or after January 1, 1990. The original monthly
13 retirement annuity for computations under this subsection (b)
14 shall be considered to be \$83.34 for any annuitant entitled to
15 benefits under Section 16-134. The minimum original disability
16 retirement annuity for computations under this subsection (b)
17 shall be considered to be \$33.34 per month for any annuitant
18 retired on account of disability.

19 (b-1) Notwithstanding any other provision of this Article,
20 for a Tier I employee who made the election under paragraph (1)
21 of subsection (a) of Section 16-122.9, the amount of each
22 automatic annual increase in retirement annuity occurring on or
23 after the effective date of that election shall be 3% or
24 one-half of the annual unadjusted percentage increase, if any,
25 in the Consumer Price Index-U for the 12 months ending with the
26 preceding September, whichever is less, of the originally

1 granted retirement annuity. For the purposes of this Section,
2 "Consumer Price Index-U" means the index published by the
3 Bureau of Labor Statistics of the United States Department of
4 Labor that measures the average change in prices of goods and
5 services purchased by all urban consumers, United States city
6 average, all items, 1982-84 = 100.

7 (b-2) Notwithstanding any other provision of this Article,
8 for a Tier I employee who made the election under paragraph (1)
9 of subsection (a) of Section 16-122.9, the monthly retirement
10 annuity shall first be subject to annual increases on the
11 January 1 occurring on or next after either the attainment of
12 age 67 or the January 1 occurring on or next after the fifth
13 anniversary of the annuity start date, whichever occurs
14 earlier.

15 (c) An annuitant who otherwise qualifies for annual
16 increases under this Section must make a one-time payment of 1%
17 of the monthly final average salary for each full year of the
18 creditable service forming the basis of the retirement annuity
19 or, if the retirement annuity was not computed using final
20 average salary, 1% of the original monthly retirement annuity
21 for each full year of service forming the basis of the
22 retirement annuity.

23 (d) In addition to other increases which may be provided by
24 this Section, regardless of creditable service, annuitants not
25 meeting the service requirements of Section 16-133.1 and whose
26 retirement annuity began on or before January 1, 1971 shall

1 receive, on January 1, 1981, an increase in the retirement
2 annuity then being paid of one dollar per month for each year
3 of creditable service forming the basis of the retirement
4 allowance. On January 1, 1982, annuitants whose retirement
5 annuity began on or before January 1, 1977, shall receive an
6 increase in the retirement annuity then being paid of one
7 dollar per month for each year of creditable service.

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

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

14 (40 ILCS 5/16-152) (from Ch. 108 1/2, par. 16-152)

15 Sec. 16-152. Contributions by members.

16 (a) Each member shall make contributions for membership
17 service to this System as follows:

18 (1) Effective July 1, 1998, contributions of 7.50% of
19 salary towards the cost of the retirement annuity. Such
20 contributions shall be deemed "normal contributions".

21 (2) Effective July 1, 1969, contributions of 1/2 of 1%
22 of salary toward the cost of the automatic annual increase
23 in retirement annuity provided under Section 16-133.1.

24 (3) Effective July 24, 1959, contributions of 1% of
25 salary towards the cost of survivor benefits. Such

1 contributions shall not be credited to the individual
2 account of the member and shall not be subject to refund
3 except as provided under Section 16-143.2.

4 (4) Effective July 1, 2005, contributions of 0.40% of
5 salary toward the cost of the early retirement without
6 discount option provided under Section 16-133.2. This
7 contribution shall cease upon termination of the early
8 retirement without discount option as provided in Section
9 16-176.

10 (a-1) In addition to the contributions required under
11 subsection (a), a member who elects to participate in the
12 optional cash balance plan under Section 1-162 shall pay to the
13 System for the purpose of participating in the optional cash
14 balance plan a contribution of 2% of each payment of
15 compensation received while he or she is a participant in the
16 optional cash balance plan. These contributions shall not be
17 used for the purpose of determining any benefit under this
18 Article except as provided in the optional cash balance plan.

19 (b) The minimum required contribution for any year of
20 full-time teaching service shall be \$192.

21 (c) Contributions shall not be required of any annuitant
22 receiving a retirement annuity who is given employment as
23 permitted under Section 16-118 or 16-150.1.

24 (d) A person who (i) was a member before July 1, 1998, (ii)
25 retires with more than 34 years of creditable service, and
26 (iii) does not elect to qualify for the augmented rate under

1 Section 16-129.1 shall be entitled, at the time of retirement,
2 to receive a partial refund of contributions made under this
3 Section for service occurring after the later of June 30, 1998
4 or attainment of 34 years of creditable service, in an amount
5 equal to 1.00% of the salary upon which those contributions
6 were based.

7 (e) A member's contributions toward the cost of early
8 retirement without discount made under item (a)(4) of this
9 Section shall not be refunded if the member has elected early
10 retirement without discount under Section 16-133.2 and has
11 begun to receive a retirement annuity under this Article
12 calculated in accordance with that election. Otherwise, a
13 member's contributions toward the cost of early retirement
14 without discount made under item (a)(4) of this Section shall
15 be refunded according to whichever one of the following
16 circumstances occurs first:

17 (1) The contributions shall be refunded to the member,
18 without interest, within 120 days after the member's
19 retirement annuity commences, if the member does not elect
20 early retirement without discount under Section 16-133.2.

21 (2) The contributions shall be included, without
22 interest, in any refund claimed by the member under Section
23 16-151.

24 (3) The contributions shall be refunded to the member's
25 designated beneficiary (or if there is no beneficiary, to
26 the member's estate), without interest, if the member dies

1 without having begun to receive a retirement annuity under
2 this Article.

3 (4) The contributions shall be refunded to the member,
4 without interest, within 120 days after the early
5 retirement without discount option provided under Section
6 16-133.2 is terminated under Section 16-176.

7 (Source: P.A. 93-320, eff. 7-23-03; 94-4, eff. 6-1-05.)

8 (40 ILCS 5/16-158.2 new)

9 Sec. 16-158.2. Obligations of State; funding guarantee. If
10 at least 30% of Tier I employees making an election under
11 Section 16-122.9 before June 1, 2014 choose the option under
12 paragraph (1) of subsection (a) of that Section, then the State
13 shall be contractually obligated to contribute to the System in
14 each State fiscal year an amount not less than the sum required
15 in Section 16-158 as that Section existed prior to the
16 effective date of this amendatory Act of the 98th General
17 Assembly notwithstanding the changes made to Section 16-158 by
18 Part A of this amendatory Act of the 98th General Assembly.

19 If at least 30% of Tier I employees making an election
20 under Section 16-122.9 before June 1, 2014 choose the option
21 under paragraph (1) of subsection (a) of that Section, then the
22 State shall be contractually obligated for purposes of this
23 Article 16 only (i) to make the transfer identified in
24 subsection (c-10) of Section 20 of the Budget Stabilization
25 Act, (ii) to apportion the amounts transferred pursuant to

1 subsection (c-10) of Section 20 of the Budget Stabilization Act
2 in accordance with subsection (b) of Section 25 of that Act,
3 (iii) to pay the apportioned amounts to the designated
4 retirement systems, and (iv) not to use the amounts transferred
5 pursuant to subsection (c-10) of Section 20 of the Budget
6 Stabilization Act to satisfy any portion of the required State
7 contributions due under Article 2, 14, 15, 16, or 18 of the
8 Illinois Pension Code.

9 The obligations created under this Section are contractual
10 obligations protected and enforceable under Article I, Section
11 16 and Article XIII, Section 5 of the Illinois Constitution.

12 Notwithstanding any other provision of law, if the State
13 fails to pay in a State fiscal year the amount guaranteed under
14 this Section, the System may bring a mandamus action in the
15 Circuit Court of Sangamon County to compel the State to make
16 that payment, irrespective of other remedies that may be
17 available to the System. It shall be the mandatory fiduciary
18 obligation of the Board of the System to bring that action if
19 the State fails to pay in the fiscal year the amount guaranteed
20 under this Section. Before commencing that action, the Board
21 shall submit a voucher for monthly contributions as required in
22 Section 16-158. If the State fails to pay a vouchered amount
23 within 90 days after receiving a voucher for that amount, then
24 the Board shall submit a written request to the Comptroller
25 seeking payment of that amount. A copy of the request shall be
26 filed with the Secretary of State, and the Secretary of State

1 shall provide copies of the request to the Governor and General
2 Assembly. No earlier than the 16th day after filing a request
3 with the Secretary, but no later than the 21st day after filing
4 that request, the Board may commence such an action in the
5 Circuit Court. If the Board fails to commence such action on or
6 before the 21st day after filing the request with the Secretary
7 of State, then any Tier I employee or Tier I retiree who chose
8 the option under paragraph (1) of subsection (a) or (a-5) of
9 Section 16-122.9 may file a mandamus action against the Board
10 to compel the Board to commence its mandamus action against the
11 State. This Section constitutes an express waiver of the
12 State's sovereign immunity. In ordering the State to make the
13 required payment, the court may order a reasonable payment
14 schedule to enable the State to make the required payment. The
15 obligations and causes of action created under this subsection
16 shall be in addition to any other right or remedy otherwise
17 accorded by common law, or State or federal law, and nothing in
18 this subsection shall be construed to deny, abrogate, impair,
19 or waive any such common law or statutory right or remedy.

20 Any payments required to be made by the State pursuant to
21 this Section are expressly subordinated to the payment of the
22 principal, interest, and premium, if any, on any bonded debt
23 obligation of the State or any other State-created entity,
24 either currently outstanding or to be issued, for which the
25 source of repayment or security thereon is derived directly or
26 indirectly from tax revenues collected by the State or any

1 other State-created entity. Payments on such bonded
2 obligations include any statutory fund transfers or other
3 prefunding mechanisms or formulas set forth, now or hereafter,
4 in State law or bond indentures, into debt service funds or
5 accounts of the State related to such bonded obligations,
6 consistent with the payment schedules associated with such
7 obligations.

8 (40 ILCS 5/16-203)

9 Sec. 16-203. Application and expiration of new benefit
10 increases.

11 (a) As used in this Section, "new benefit increase" means
12 an increase in the amount of any benefit provided under this
13 Article, or an expansion of the conditions of eligibility for
14 any benefit under this Article, that results from an amendment
15 to this Code that takes effect after June 1, 2005 (the
16 effective date of Public Act 94-4). "New benefit increase",
17 however, does not include any benefit increase resulting from
18 the changes made to this Article by Public Act 95-910 or this
19 amendatory Act of the 98th ~~95th~~ General Assembly.

20 (b) Notwithstanding any other provision of this Code or any
21 subsequent amendment to this Code, every new benefit increase
22 is subject to this Section and shall be deemed to be granted
23 only in conformance with and contingent upon compliance with
24 the provisions of this Section.

25 (c) The Public Act enacting a new benefit increase must

1 identify and provide for payment to the System of additional
2 funding at least sufficient to fund the resulting annual
3 increase in cost to the System as it accrues.

4 Every new benefit increase is contingent upon the General
5 Assembly providing the additional funding required under this
6 subsection. The Commission on Government Forecasting and
7 Accountability shall analyze whether adequate additional
8 funding has been provided for the new benefit increase and
9 shall report its analysis to the Public Pension Division of the
10 Department of Financial and Professional Regulation. A new
11 benefit increase created by a Public Act that does not include
12 the additional funding required under this subsection is null
13 and void. If the Public Pension Division determines that the
14 additional funding provided for a new benefit increase under
15 this subsection is or has become inadequate, it may so certify
16 to the Governor and the State Comptroller and, in the absence
17 of corrective action by the General Assembly, the new benefit
18 increase shall expire at the end of the fiscal year in which
19 the certification is made.

20 (d) Every new benefit increase shall expire 5 years after
21 its effective date or on such earlier date as may be specified
22 in the language enacting the new benefit increase or provided
23 under subsection (c). This does not prevent the General
24 Assembly from extending or re-creating a new benefit increase
25 by law.

26 (e) Except as otherwise provided in the language creating

1 the new benefit increase, a new benefit increase that expires
2 under this Section continues to apply to persons who applied
3 and qualified for the affected benefit while the new benefit
4 increase was in effect and to the affected beneficiaries and
5 alternate payees of such persons, but does not apply to any
6 other person, including without limitation a person who
7 continues in service after the expiration date and did not
8 apply and qualify for the affected benefit while the new
9 benefit increase was in effect.

10 (Source: P.A. 94-4, eff. 6-1-05; 95-910, eff. 8-26-08.)

11 Section 50. The School Code is amended by changing Sections
12 24-1 and 24-8 as follows:

13 (105 ILCS 5/24-1) (from Ch. 122, par. 24-1)

14 Sec. 24-1. Appointment-Salaries-Payment-School
15 month-School term.) School boards shall appoint all teachers,
16 determine qualifications of employment and fix the amount of
17 their salaries subject to any limitation set forth in this Act
18 and subject to any applicable restrictions in Section 16-122.9
19 of the Illinois Pension Code. They shall pay the wages of
20 teachers monthly, subject, however, to the provisions of
21 Section 24-21. The school month shall be the same as the
22 calendar month but by resolution the school board may adopt for
23 its use a month of 20 days, including holidays. The school term
24 shall consist of at least the minimum number of pupil

1 attendance days required by Section 10-19, any additional legal
2 school holidays, days of teachers' institutes, or equivalent
3 professional educational experiences, and one or two days at
4 the beginning of the school term when used as a teachers'
5 workshop.

6 (Source: P.A. 80-249.)

7 (105 ILCS 5/24-8) (from Ch. 122, par. 24-8)

8 Sec. 24-8. Minimum salary. In fixing the salaries of
9 teachers, school boards shall pay those who serve on a
10 full-time basis not less than a rate for the school year that
11 is based upon training completed in a recognized institution of
12 higher learning, as follows: for the school year beginning July
13 1, 1980 and thereafter, less than a bachelor's degree, \$9,000;
14 120 semester hours or more and a bachelor's degree, \$10,000;
15 150 semester hours or more and a master's degree, \$11,000.

16 Based upon previous public school experience in this State
17 or any other State, territory, dependency or possession of the
18 United States, or in schools operated by or under the auspices
19 of the United States, teachers who serve on a full-time basis
20 shall have their salaries increased to at least the following
21 amounts above the starting salary for a teacher in such
22 district in the same classification: with less than a
23 bachelor's degree, \$750 after 5 years; with 120 semester hours
24 or more and a bachelor's degree, \$1,000 after 5 years and
25 \$1,600 after 8 years; with 150 semester hours or more and a

1 master's degree, \$1,250 after 5 years, \$2,000 after 8 years and
2 \$2,750 after 13 years. However, any salary increase is subject
3 to any applicable restrictions in Section 16-122.9 of the
4 Illinois Pension Code.

5 For the purpose of this Section a teacher's salary shall
6 include any amount paid by the school district on behalf of the
7 teacher, as teacher contributions, to the Teachers' Retirement
8 System of the State of Illinois.

9 If a school board establishes a schedule for teachers'
10 salaries based on education and experience, not inconsistent
11 with this Section, all certificated nurses employed by that
12 board shall be paid in accordance with the provisions of such
13 schedule (subject to any applicable restrictions in Section
14 16-122.9 of the Illinois Pension Code).

15 For purposes of this Section, a teacher who submits a
16 certificate of completion to the school office prior to the
17 first day of the school term shall be considered to have the
18 degree stated in such certificate.

19 (Source: P.A. 83-913.)

20 Section 60. The Illinois Educational Labor Relations Act is
21 amended by changing Sections 4 and 17 as follows:

22 (115 ILCS 5/4) (from Ch. 48, par. 1704)

23 Sec. 4. Employer rights. Employers shall not be required to
24 bargain over matters of inherent managerial policy, which shall

1 include such areas of discretion or policy as the functions of
2 the employer, standards of services, its overall budget, the
3 organizational structure and selection of new employees and
4 direction of employees. Employers, however, shall be required
5 to bargain collectively with regard to policy matters directly
6 affecting wages (but subject to any applicable restrictions in
7 Section 16-122.9 of the Illinois Pension Code), hours and terms
8 and conditions of employment as well as the impact thereon upon
9 request by employee representatives, but excluding the
10 changes, the impact of changes, and the implementation of the
11 changes set forth in this amendatory Act of the 98th General
12 Assembly. To preserve the rights of employers and exclusive
13 representatives which have established collective bargaining
14 relationships or negotiated collective bargaining agreements
15 prior to the effective date of this Act, employers shall be
16 required to bargain collectively with regard to any matter
17 concerning wages (but subject to any applicable restrictions in
18 Section 16-122.9 of the Illinois Pension Code), hours or
19 conditions of employment about which they have bargained for
20 and agreed to in a collective bargaining agreement prior to the
21 effective date of this Act, but excluding the changes, the
22 impact of changes, and the implementation of the changes set
23 forth in this amendatory Act of the 98th General Assembly.

24 (Source: P.A. 83-1014.)

1 Sec. 17. Effect on other laws. In case of any conflict
2 between the provisions of this Act and any other law (other
3 than Section 16-122.9 of the Illinois Pension Code), executive
4 order or administrative regulation, the provisions of this Act
5 shall prevail and control. The provisions of this Act are
6 subject to any applicable restrictions in Section 16-122.9 of
7 the Illinois Pension Code, as well as the changes, impact of
8 changes, and implementation of changes set forth in this
9 amendatory Act of the 98th General Assembly. Nothing in this
10 Act shall be construed to replace or diminish the rights of
11 employees established by Section 36d of "An Act to create the
12 State Universities Civil Service System", approved May 11,
13 1905, as amended or modified.

14 (Source: P.A. 83-1014.)

15 Section 99. Effective date. This Act takes effect upon
16 becoming law."