

1 AN ACT in relation to public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by
5 changing Sections 8-120, 8-137, 8-138, 8-150.1, 8-158, 8-161,
6 8-168, and 8-171 as follows:

7 (40 ILCS 5/8-120) (from Ch. 108 1/2, par. 8-120)

8 Sec. 8-120. Child or children. "Child" or "children":
9 The natural child or children, or any child or children
10 legally adopted by an employee at least one year prior to the
11 date any benefit for the child or children accrues, ~~and~~
12 ~~adopted prior to the date the employee attained age 55.~~

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

14 (40 ILCS 5/8-137) (from Ch. 108 1/2, par. 8-137)

15 Sec. 8-137. Automatic increase in annuity.

16 (a) An employee who retired or retires from service
17 after December 31, 1959 and before January 1, 1987, having
18 attained age 60 or more, shall, in January of the year after
19 the year in which the first anniversary of retirement occurs,
20 have the amount of his then fixed and payable monthly annuity
21 increased by 1 1/2%, and such first fixed annuity as granted
22 at retirement increased by a further 1 1/2% in January of
23 each year thereafter. Beginning with January of the year
24 1972, such increases shall be at the rate of 2% in lieu of
25 the aforesaid specified 1 1/2%, and beginning with January of
26 the year 1984 such increases shall be at the rate of 3%.
27 Beginning in January of 1999, such increases shall be at the
28 rate of 3% of the currently payable monthly annuity,
29 including any increases previously granted under this
30 Article. An employee who retires on annuity after December

1 31, 1959 and before January 1, 1987, but before age 60, shall
 2 receive such increases beginning in January of the year after
 3 the year in which he attains age 60.

4 An employee who retires from service on or after January
 5 1, 1987 shall, upon the first annuity payment date following
 6 the first anniversary of the date of retirement, or upon the
 7 first annuity payment date following attainment of age 60,
 8 whichever occurs later, have his then fixed and payable
 9 monthly annuity increased by 3%, and such annuity shall be
 10 increased by an additional 3% of the original fixed annuity
 11 on the same date each year thereafter. Beginning in January
 12 of 1999, such increases shall be at the rate of 3% of the
 13 currently payable monthly annuity, including any increases
 14 previously granted under this Article.

15 (a-5) Notwithstanding the provisions of subsection (a),
 16 upon the first annuity payment date following (1) the third
 17 anniversary of retirement, (2) the attainment of age 53, or
 18 (3) the date 60 days after the effective date of this
 19 amendatory Act of the 92nd General Assembly, whichever occurs
 20 latest, the monthly pension of an employee who retires on
 21 annuity prior to the attainment of age 60 who has not
 22 received an increase under subsection (a) shall be increased
 23 by 3%, and such annuity shall be increased by an additional
 24 3% of the current payable monthly annuity, including such
 25 increases previously granted under this Article, on the same
 26 date each year thereafter. The increases provided under this
 27 subsection are in lieu of the increases provided in
 28 subsection (a).

29 (b) Subsections (a) and (a-5) are ~~The--foregoing~~
 30 ~~provision-is~~ not applicable to an employee retiring and
 31 receiving a term annuity, as herein defined, nor to any
 32 otherwise qualified employee who retires before he makes
 33 employee contributions (at the 1/2 of 1% rate as provided in
 34 this Act) for this additional annuity for not less than the

1 equivalent of one full year. Such employee, however, shall
2 make arrangement to pay to the fund a balance of such 1/2 of
3 1% contributions, based on his final salary, as will bring
4 such 1/2 of 1% contributions, computed without interest, to
5 the equivalent of or completion of one year's contributions.

6 Beginning with January, 1960, each employee shall
7 contribute by means of salary deductions 1/2 of 1% of each
8 salary payment, concurrently with and in addition to the
9 employee contributions otherwise made for annuity purposes.

10 Each such additional contribution shall be credited to an
11 account in the prior service annuity reserve, to be used,
12 together with city contributions, to defray the cost of the
13 specified annuity increments. Any balance in such account at
14 the beginning of each calendar year shall be credited with
15 interest at the rate of 3% per annum.

16 Such additional employee contributions are not
17 refundable, except to an employee who withdraws and applies
18 for refund under this Article, and in cases where a term
19 annuity becomes payable. In such cases his contributions
20 shall be refunded, without interest, and charged to such
21 account in the prior service annuity reserve.

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

23 (40 ILCS 5/8-138) (from Ch. 108 1/2, par. 8-138)

24 Sec. 8-138. Minimum annuities - Additional provisions.

25 (a) An employee who withdraws after age 65 or more with
26 at least 20 years of service, for whom the amount of age and
27 service and prior service annuity combined is less than the
28 amount stated in this Section, shall from the date of
29 withdrawal, instead of all annuities otherwise provided, be
30 entitled to receive an annuity for life of \$150 a year, plus
31 1 1/2% for each year of service, to and including 20 years,
32 and 1 2/3% for each year of service over 20 years, of his
33 highest average annual salary for any 4 consecutive years

1 within the last 10 years of service immediately preceding the
2 date of withdrawal.

3 An employee who withdraws after 20 or more years of
4 service, before age 65, shall be entitled to such annuity, to
5 begin not earlier than upon attained age of 55 years if under
6 such age at withdrawal, reduced by 2% for each full year or
7 fractional part thereof that his attained age is less than
8 65, plus an additional 2% reduction for each full year or
9 fractional part thereof that his attained age when annuity is
10 to begin is less than 60 so that the total reduction at age
11 55 shall be 30%.

12 (b) An employee who withdraws after July 1, 1957, at age
13 60 or over, with 20 or more years of service, for whom the
14 age and service and prior service annuity combined, is less
15 than the amount stated in this paragraph, shall, from the
16 date of withdrawal, instead of such annuities, be entitled to
17 receive an annuity for life equal to 1 2/3% for each year of
18 service, of the highest average annual salary for any 5
19 consecutive years within the last 10 years of service
20 immediately preceding the date of withdrawal; provided, that
21 in the case of any employee who withdraws on or after July 1,
22 1971, such employee age 60 or over with 20 or more years of
23 service, shall receive an annuity for life equal to 1.67% for
24 each of the first 10 years of service; 1.90% for each of the
25 next 10 years of service; 2.10% for each year of service in
26 excess of 20 but not exceeding 30; and 2.30% for each year of
27 service in excess of 30, based on the highest average annual
28 salary for any 4 consecutive years within the last 10 years
29 of service immediately preceding the date of withdrawal.

30 An employee who withdraws after July 1, 1957 and before
31 January 1, 1988, with 20 or more years of service, before age
32 60 years is entitled to annuity, to begin not earlier than
33 upon attained age of 55 years, if under such age at
34 withdrawal, as computed in the last preceding paragraph,

1 reduced 0.25% for each full month or fractional part thereof
2 that his attained age when annuity is to begin is less than
3 60 if the employee was born before January 1, 1936, or 0.5%
4 for each such month if the employee was born on or after
5 January 1, 1936.

6 Any employee born before January 1, 1936, who withdraws
7 with 20 or more years of service, and any employee with 20 or
8 more years of service who withdraws on or after January 1,
9 1988, may elect to receive, in lieu of any other employee
10 annuity provided in this Section, an annuity for life equal
11 to 1.80% for each of the first 10 years of service, 2.00% for
12 each of the next 10 years of service, 2.20% for each year of
13 service in excess of 20 but not exceeding 30, and 2.40% for
14 each year of service in excess of 30, of the highest average
15 annual salary for any 4 consecutive years within the last 10
16 years of service immediately preceding the date of
17 withdrawal, to begin not earlier than upon attained age of 55
18 years, if under such age at withdrawal, reduced 0.25% for
19 each full month or fractional part thereof that his attained
20 age when annuity is to begin is less than 60; except that an
21 employee retiring on or after January 1, 1988, at age 55 or
22 over but less than age 60, having at least 35 years of
23 service, or an employee retiring on or after July 1, 1990, at
24 age 55 or over but less than age 60, having at least 30 years
25 of service, or an employee retiring on or after the effective
26 date of this amendatory Act of 1997, at age 55 or over but
27 less than age 60, having at least 25 years of service, shall
28 not be subject to the reduction in retirement annuity because
29 of retirement below age 60.

30 However, in the case of an employee who retired on or
31 after January 1, 1985 but before January 1, 1988, at age 55
32 or older and with at least 35 years of service, and who was
33 subject under this subsection (b) to the reduction in
34 retirement annuity because of retirement below age 60, that

1 reduction shall cease to be effective January 1, 1991, and
2 the retirement annuity shall be recalculated accordingly.

3 Any employee who withdraws on or after July 1, 1990, with
4 20 or more years of service, may elect to receive, in lieu of
5 any other employee annuity provided in this Section, an
6 annuity for life equal to 2.20% for each year of service if
7 withdrawal is before 60 days after the effective date of this
8 amendatory Act of the 92nd General Assembly, or 2.40% for
9 each year of service if withdrawal is 60 days after the
10 effective date of this amendatory Act of the 92nd General
11 Assembly or later, of the highest average annual salary for
12 any 4 consecutive years within the last 10 years of service
13 immediately preceding the date of withdrawal, to begin not
14 earlier than upon attained age of 55 years, if under such age
15 at withdrawal, reduced 0.25% for each full month or
16 fractional part thereof that his attained age when annuity is
17 to begin is less than 60; except that an employee retiring at
18 age 55 or over but less than age 60, having at least 30 years
19 of service, shall not be subject to the reduction in
20 retirement annuity because of retirement below age 60.

21 Any employee who withdraws on or after the effective date
22 of this amendatory Act of 1997 with 20 or more years of
23 service may elect to receive, in lieu of any other employee
24 annuity provided in this Section, an annuity for life equal
25 to 2.20%, for each year of service, if withdrawal is before
26 60 days after the effective date of this amendatory Act of
27 the 92nd General Assembly, or 2.40% for each year of service
28 if withdrawal is 60 days after the effective date of this
29 amendatory Act of the 92nd General Assembly or later, of the
30 highest average annual salary for any 4 consecutive years
31 within the last 10 years of service immediately preceding the
32 date of withdrawal, to begin not earlier than upon attainment
33 of age 55 (age 50 if the employee has at least 30 years of
34 service), reduced 0.25% for each full month or remaining

1 fractional part thereof that the employee's attained age when
2 annuity is to begin is less than 60; except that an employee
3 retiring at age 50 or over with at least 30 years of service
4 or at age 55 or over with at least 25 years of service shall
5 not be subject to the reduction in retirement annuity because
6 of retirement below age 60.

7 The maximum annuity payable under part (a) and (b) of
8 this Section shall not exceed 70% of highest average annual
9 salary in the case of an employee who withdraws prior to July
10 1, 1971, and 75% if withdrawal takes place on or after July
11 1, 1971 and prior to 60 days after the effective date of this
12 amendatory Act of the 92nd General Assembly, or 80% if
13 withdrawal is 60 days after the effective date of this
14 amendatory Act of the 92nd General Assembly or later. For the
15 purpose of the minimum annuity provided in this Section
16 \$1,500 is considered the minimum annual salary for any year;
17 and the maximum annual salary for the computation of such
18 annuity is \$4,800 for any year before 1953, \$6000 for the
19 years 1953 to 1956, inclusive, and the actual annual salary,
20 as salary is defined in this Article, for any year
21 thereafter.

22 To preserve rights existing on December 31, 1959, for
23 participants and contributors on that date to the fund
24 created by the Court and Law Department Employees' Annuity
25 Act, who became participants in the fund provided for on
26 January 1, 1960, the maximum annual salary to be considered
27 for such persons for the years 1955 and 1956 is \$7,500.

28 (c) For an employee receiving disability benefit, his
29 salary for annuity purposes under paragraphs (a) and (b) of
30 this Section, for all periods of disability benefit
31 subsequent to the year 1956, is the amount on which his
32 disability benefit was based.

33 (d) An employee with 20 or more years of service, whose
34 entire disability benefit credit period expires before

1 attainment of age 55 while still disabled for service, is
2 entitled upon withdrawal to the larger of (1) the minimum
3 annuity provided above, assuming he is then age 55, and
4 reducing such annuity to its actuarial equivalent as of his
5 attained age on such date or (2) the annuity provided from
6 his age and service and prior service annuity credits.

7 (e) The minimum annuity provisions do not apply to any
8 former municipal employee receiving an annuity from the fund
9 who re-enters service as a municipal employee, unless he
10 renders at least 3 years of additional service after the date
11 of re-entry.

12 (f) An employee in service on July 1, 1947, or who
13 became a contributor after July 1, 1947 and before attainment
14 of age 70, who withdraws after age 65, with less than 20
15 years of service for whom the annuity has been fixed under
16 this Article shall, instead of the annuity so fixed, receive
17 an annuity as follows:

18 Such amount as he could have received had the accumulated
19 amounts for annuity been improved with interest at the
20 effective rate to the date of his withdrawal, or to
21 attainment of age 70, whichever is earlier, and had the city
22 contributed to such earlier date for age and service annuity
23 the amount that it would have contributed had he been under
24 age 65, after the date his annuity was fixed in accordance
25 with this Article, and assuming his annuity were computed
26 from such accumulations as of his age on such earlier date.
27 The annuity so computed shall not exceed the annuity which
28 would be payable under the other provisions of this Section
29 if the employee was credited with 20 years of service and
30 would qualify for annuity thereunder.

31 (g) Instead of the annuity provided in this Article, an
32 employee having attained age 65 with at least 15 years of
33 service who withdraws from service on or after July 1, 1971
34 and whose annuity computed under other provisions of this

1 Article is less than the amount provided under this
2 paragraph, is entitled to a minimum annuity for life equal to
3 1% of the highest average annual salary, as salary is defined
4 and limited in this Section for any 4 consecutive years
5 within the last 10 years of service for each year of service,
6 plus the sum of \$25 for each year of service. The annuity
7 shall not exceed 60% of such highest average annual salary.

8 (g-1) Instead of any other retirement annuity provided
9 in this Article, an employee who has at least 10 years of
10 service and withdraws from service on or after January 1,
11 1999 may elect to receive a retirement annuity for life,
12 beginning no earlier than upon attainment of age 60, equal to
13 2.2% if withdrawal is before 60 days after the effective date
14 of this amendatory Act of the 92nd General Assembly or 2.4%
15 if withdrawal is 60 days after the effective date of this
16 amendatory Act of the 92nd General Assembly or later, of
17 final average salary for each year of service, subject to a
18 maximum of 75% of final average salary if withdrawal is
19 before 60 days after the effective date of this amendatory
20 Act of the 92nd General Assembly, or 80% if withdrawal is 60
21 days after the effective date of this amendatory Act of the
22 92nd General Assembly or later. For the purpose of
23 calculating this annuity, "final average salary" means the
24 highest average annual salary for any 4 consecutive years in
25 the last 10 years of service.

26 (h) The minimum annuities provided under this Section
27 shall be paid in equal monthly installments.

28 (i) The amendatory provisions of part (b) and (g) of
29 this Section shall be effective July 1, 1971 and apply in the
30 case of every qualifying employee withdrawing on or after
31 July 1, 1971.

32 (j) The amendatory provisions of this amendatory Act of
33 1985 (P.A. 84-23) relating to the discount of annuity because
34 of retirement prior to attainment of age 60, and to the

1 retirement formula, for those born before January 1, 1936,
2 shall apply only to qualifying employees withdrawing on or
3 after July 18, 1985.

4 (k) Beginning on January 1, 1999, the minimum amount of
5 employee's annuity shall be \$850 per month for life for the
6 following classes of employees, without regard to the fact
7 that withdrawal occurred prior to the effective date of this
8 amendatory Act of 1998:

9 (1) any employee annuitant alive and receiving a
10 life annuity on the effective date of this amendatory Act
11 of 1998, except a reciprocal annuity;

12 (2) any employee annuitant alive and receiving a
13 term annuity on the effective date of this amendatory Act
14 of 1998, except a reciprocal annuity;

15 (3) any employee annuitant alive and receiving a
16 reciprocal annuity on the effective date of this
17 amendatory Act of 1998, whose service in this fund is at
18 least 5 years;

19 (4) any employee annuitant withdrawing after age 60
20 on or after the effective date of this amendatory Act of
21 1998, with at least 10 years of service in this fund.

22 The increases granted under items (1), (2) and (3) of
23 this subsection (k) shall not be limited by any other Section
24 of this Act.

25 (Source: P.A. 90-32, eff. 6-27-97; 90-511, eff. 8-22-97;
26 90-766, eff. 8-14-98.)

27 (40 ILCS 5/8-150.1) (from Ch. 108 1/2, par. 8-150.1)
28 Sec. 8-150.1. Minimum annuities for widows. The widow
29 (otherwise eligible for widow's annuity under other Sections
30 of this Article 8) of an employee hereinafter described, who
31 retires from service or dies while in the service subsequent
32 to the effective date of this amendatory provision, and for
33 which widow the amount of widow's annuity and widow's prior

1 service annuity combined, fixed or provided for such widow
2 under other provisions of this Article is less than the
3 amount provided in this Section, shall, from and after the
4 date her otherwise provided annuity would begin, in lieu of
5 such otherwise provided widow's and widow's prior service
6 annuity, be entitled to the following indicated amount of
7 annuity:

8 (a) The widow of any employee who dies while in service
9 on or after the date on which he attains age 60 if the death
10 occurs before July 1, 1990, or on or after the date on which
11 he attains age 55 if the death occurs on or after July 1,
12 1990, with at least 20 years of service, or on or after the
13 date on which he attains age 50 if the death occurs on or
14 after the effective date of this amendatory Act of 1997 with
15 at least 30 years of service, shall be entitled to an annuity
16 equal to one-half of the amount of annuity which her deceased
17 husband would have been entitled to receive had he withdrawn
18 from the service on the day immediately preceding the date of
19 his death, conditional upon such widow having attained the
20 age of 60 or more years on such date if the death occurs
21 before July 1, 1990, or age 55 or more if the death occurs on
22 or after July 1, 1990, or age 50 or more if the death occurs
23 on or after January 1, 1998 and the employee is age 50 or
24 over with at least 30 years of service or age 55 or over with
25 at least 25 years of service. Except as provided in
26 subsection (k), this widow's annuity shall not, however,
27 exceed the sum of \$500 a month if the employee's death in
28 service occurs before January 23, 1987. The widow's annuity
29 shall not be limited to a maximum dollar amount if the
30 employee's death in service occurs on or after January 23,
31 1987.

32 If the employee dies in service before July 1, 1990, and
33 if such widow of such described employee shall not be 60 or
34 more years of age on such date of death, the amount provided

1 in the immediately preceding paragraph for a widow 60 or more
2 years of age, shall, in the case of such younger widow, be
3 reduced by 0.25% for each month that her then attained age is
4 less than 60 years if the employee was born before January 1,
5 1936 or dies in service on or after January 1, 1988, or by
6 0.5% for each month that her then attained age is less than
7 60 years if the employee was born on or after July 1, 1936
8 and dies in service before January 1, 1988.

9 If the employee dies in service on or after July 1, 1990,
10 and if the widow of the employee has not attained age 55 on
11 or before the employee's date of death, the amount otherwise
12 provided in this subsection (a) shall be reduced by 0.25% for
13 each month that her then attained age is less than 55 years;
14 except that if the employee dies in service on or after
15 January 1, 1998 at age 50 or over with at least 30 years of
16 service or at age 55 or over with at least 25 years of
17 service, there shall be no reduction due to the widow's age
18 if she has attained age 50 on or before the employee's date
19 of death, and if the widow has not attained age 50 on or
20 before the employee's date of death the amount otherwise
21 provided in this subsection (a) shall be reduced by 0.25% for
22 each month that her then attained age is less than 50 years.

23 (b) The widow of any employee who dies subsequent to the
24 date of his retirement on annuity, and who so retired on or
25 after the date on which he attained the age of 60 or more
26 years if retirement occurs before July 1, 1990, or on or
27 after the date on which he attained age 55 if retirement
28 occurs on or after July 1, 1990, with at least 20 years of
29 service, or on or after the date on which he attained age 50
30 if the retirement occurs on or after the effective date of
31 this amendatory Act of 1997 with at least 30 years of
32 service, shall be entitled to an annuity equal to one-half of
33 the amount of annuity which her deceased husband received as
34 of the date of his retirement on annuity, conditional upon

1 such widow having attained the age of 60 or more years on the
2 date of her husband's retirement on annuity if retirement
3 occurs before July 1, 1990, or age 55 or more if retirement
4 occurs on or after July 1, 1990, or age 50 or more if the
5 retirement on annuity occurs on or after January 1, 1998 and
6 the employee is age 50 or over with at least 30 years of
7 service or age 55 or over with at least 25 years of service.
8 Except as provided in subsection (k), this widow's annuity
9 shall not, however, exceed the sum of \$500 a month if the
10 employee's death occurs before January 23, 1987. The widow's
11 annuity shall not be limited to a maximum dollar amount if
12 the employee's death occurs on or after January 23, 1987,
13 regardless of the date of retirement; provided that, if
14 retirement was before January 23, 1987, the employee or
15 eligible spouse repays the excess spouse refund with interest
16 at the effective rate from the date of refund to the date of
17 repayment.

18 If the date of the employee's retirement on annuity is
19 before July 1, 1990, and if such widow of such described
20 employee shall not have attained such age of 60 or more years
21 on such date of her husband's retirement on annuity, the
22 amount provided in the immediately preceding paragraph for a
23 widow 60 or more years of age on the date of her husband's
24 retirement on annuity, shall, in the case of such then
25 younger widow, be reduced by 0.25% for each month that her
26 then attained age was less than 60 years if the employee was
27 born before January 1, 1936 or withdraws from service on or
28 after January 1, 1988, or by 0.5% for each month that her
29 then attained age is less than 60 years if the employee was
30 born on or after January 1, 1936 and withdraws from service
31 before January 1, 1988.

32 If the date of the employee's retirement on annuity is on
33 or after July 1, 1990, and if the widow of the employee has
34 not attained age 55 by the date of the employee's retirement

1 on annuity, the amount otherwise provided in this subsection
2 (b) shall be reduced by 0.25% for each month that her then
3 attained age is less than 55 years; except that if the
4 employee retires on annuity on or after January 1, 1998 at
5 age 50 or over with at least 30 years of service or at age 55
6 or over with at least 25 years of service, there shall be no
7 reduction due to the widow's age if she has attained age 50
8 on or before the employee's date of death, and if the widow
9 has not attained age 50 on or before the employee's date of
10 death the amount otherwise provided in this subsection (b)
11 shall be reduced by 0.25% for each month that her then
12 attained age is less than 50 years.

13 (c) The foregoing provisions relating to minimum
14 annuities for widows shall not apply to the widow of any
15 former municipal employee receiving an annuity from the fund
16 on August 9, 1965 or on the effective date of this amendatory
17 provision, who re-enters service as a municipal employee,
18 unless such employee renders at least 3 years of additional
19 service after the date of re-entry.

20 (d) In computing the amount of annuity which the husband
21 specified in the foregoing paragraphs (a) and (b) of this
22 Section would have been entitled to receive, or received,
23 such amount shall be the annuity to which such husband would
24 have been, or was entitled, before reduction in the amount of
25 his annuity for the purposes of the voluntary optional
26 reversionary annuity provided for in Sec. 8-139 of this
27 Article, if such option was elected.

28 (e) (Blank).

29 (f) (Blank).

30 (g) The amendatory provisions of this amendatory Act of
31 1985 relating to annuity discount because of age for widows
32 of employees born before January 1, 1936, shall apply only to
33 qualifying widows of employees withdrawing or dying in
34 service on or after July 18, 1985.

1 (h) Beginning on January 1, 1999, the minimum amount of
2 widow's annuity shall be \$800 per month for life for the
3 following classes of widows, without regard to the fact that
4 the death of the employee occurred prior to the effective
5 date of this amendatory Act of 1998:

6 (1) any widow annuitant alive and receiving a life
7 annuity on the effective date of this amendatory Act of
8 1998, except a reciprocal annuity;

9 (2) any widow annuitant alive and receiving a term
10 annuity on the effective date of this amendatory Act of
11 1998, except a reciprocal annuity;

12 (3) any widow annuitant alive and receiving a
13 reciprocal annuity on the effective date of this
14 amendatory Act of 1998, whose employee spouse's service
15 in this fund was at least 5 years;

16 (4) the widow of an employee with at least 10 years
17 of service in this fund who dies after retirement, if the
18 retirement occurred prior to the effective date of this
19 amendatory Act of 1998;

20 (5) the widow of an employee with at least 10 years
21 of service in this fund who dies after retirement, if
22 withdrawal occurs on or after the effective date of this
23 amendatory Act of 1998;

24 (6) the widow of an employee who dies in service
25 with at least 5 years of service in this fund, if the
26 death in service occurs on or after the effective date of
27 this amendatory Act of 1998.

28 The increases granted under items (1), (2), (3) and (4)
29 of this subsection (h) shall not be limited by any other
30 Section of this Act.

31 (i) The widow of an employee who retired or died in
32 service on or after January 1, 1985 and before July 1, 1990,
33 at age 55 or older, and with at least 35 years of service
34 credit, shall be entitled to have her widow's annuity

1 increased, effective January 1, 1991, to an amount equal to
2 50% of the retirement annuity that the deceased employee
3 received on the date of retirement, or would have been
4 eligible to receive if he had retired on the day preceding
5 the date of his death in service, provided that if the widow
6 had not attained age 60 by the date of the employee's
7 retirement or death in service, the amount of the annuity
8 shall be reduced by 0.25% for each month that her then
9 attained age was less than age 60 if the employee's
10 retirement or death in service occurred on or after January
11 1, 1988, or by 0.5% for each month that her attained age is
12 less than age 60 if the employee's retirement or death in
13 service occurred prior to January 1, 1988. However, in cases
14 where a refund of excess contributions for widow's annuity
15 has been paid by the Fund, the increase in benefit provided
16 by this subsection (i) shall be contingent upon repayment of
17 the refund to the Fund with interest at the effective rate
18 from the date of refund to the date of payment.

19 (j) If a deceased employee is receiving a retirement
20 annuity at the time of death and that death occurs on or
21 after June 27, 1997, the widow may elect to receive, in lieu
22 of any other annuity provided under this Article, 50% of the
23 deceased employee's retirement annuity at the time of death
24 reduced by 0.25% for each month that the widow's age on the
25 date of death is less than 55; except that if the employee
26 dies on or after January 1, 1998 and withdrew from service on
27 or after June 27, 1997 at age 50 or over with at least 30
28 years of service or at age 55 or over with at least 25 years
29 of service, there shall be no reduction due to the widow's
30 age if she has attained age 50 on or before the employee's
31 date of death, and if the widow has not attained age 50 on or
32 before the employee's date of death the amount otherwise
33 provided in this subsection (j) shall be reduced by 0.25% for
34 each month that her age on the date of death is less than 50

1 years. However, in cases where a refund of excess
2 contributions for widow's annuity has been paid by the Fund,
3 the benefit provided by this subsection (j) is contingent
4 upon repayment of the refund to the Fund with interest at the
5 effective rate from the date of refund to the date of
6 payment.

7 (k) For widows of employees who died before January 23,
8 1987 after retirement on annuity or in service, the maximum
9 dollar amount limitation on widow's annuity shall cease to
10 apply, beginning with the first annuity payment after the
11 effective date of this amendatory Act of 1997; except that if
12 a refund of excess contributions for widow's annuity has been
13 paid by the Fund, the increase resulting from this subsection
14 (k) shall not begin before the refund has been repaid to the
15 Fund, together with interest at the effective rate from the
16 date of the refund to the date of repayment.

17 (l) In lieu of any other annuity provided in this
18 Article, an eligible spouse of an employee who dies in
19 service at least 60 days after the effective date of this
20 amendatory Act of the 92nd General Assembly with at least 10
21 years of service shall be entitled to an annuity of 50% of
22 the minimum formula annuity earned and accrued to the credit
23 of the employee at the date of death. For the purposes of
24 this subsection, the minimum formula annuity earned and
25 accrued to the credit of the employee is equal to 2.40% for
26 each year of service of the highest average annual salary for
27 any 4 consecutive years within the last 10 years of service
28 immediately preceding the date of death, up to a maximum of
29 80% of the highest average annual salary. This annuity shall
30 not be reduced due to the age of the employee or spouse. In
31 addition to any other eligibility requirements under this
32 Article, the spouse is eligible for this annuity only if the
33 marriage was in effect for 10 full years or more.

34 (Source: P.A. 90-32, eff. 6-27-97; 90-511, eff. 8-22-97;

1 90-766, eff. 8-14-98.)

2 (40 ILCS 5/8-158) (from Ch. 108 1/2, par. 8-158)

3 Sec. 8-158. Child's annuity. A child's annuity is
4 payable monthly after the death of an employee parent to the
5 child until the child's attainment of age 18, under the
6 following conditions, if the child was born before the
7 employee attained age 65, and before he withdrew from
8 service:

9 (a) ~~upon death resulting from injury incurred in~~
10 ~~the performance of an act of duty;~~

11 (b) upon death in service from any cause other than
12 ~~injury incurred in the performance of an act of duty, if~~
13 ~~the employee has at least 4 years of service after the~~
14 ~~date of his original entry into service, and at least 2~~
15 ~~years after the date of his latest re-entry;~~

16 (b) (e) upon death of an employee who withdraws
17 from service after age 55 (or after age 50 with at least
18 30 years of service if withdrawal is on or after June 27,
19 1997) and who has entered upon or is eligible for
20 annuity.

21 Payment shall be made as provided in Section 8-125.

22 (Source: P.A. 90-31, eff. 6-27-97; 90-766, eff. 8-14-98.)

23 (40 ILCS 5/8-161) (from Ch. 108 1/2, par. 8-161)

24 Sec. 8-161. Ordinary disability benefit. An employee
25 while under age 65 and prior to January 1, 1979, or while
26 under age 70 and after January 1, 1979, who becomes disabled
27 after the effective date as the result of any cause other
28 than injury incurred in the performance of duty, shall be
29 entitled to ordinary disability benefit during such
30 disability, after the first 30 days thereof.

31 The first payment shall be made not later than one month
32 after the benefit is granted and each subsequent payment

1 shall be made not later than one month after the last
2 preceding payment.

3 The disability benefit prescribed herein shall cease when
4 the first of the following dates shall occur and the
5 employee, if still disabled, shall thereafter be entitled to
6 such annuity as is otherwise provided in this Article:

7 (a) the date disability ceases.

8 (b) the date the disabled employee attains age 65 for
9 disability commencing prior to January 1, 1979.

10 (c) the date the disabled employee attains age 65 for
11 disability commencing prior to attainment of age 60 in the
12 service and after January 1, 1979.

13 (d) the date the disabled employee attains the age of 70
14 for disability commencing after attainment of age 60 in the
15 service and after January 1, 1979.

16 (e) the date the payments of the benefit shall exceed in
17 the aggregate, throughout the employee's service, a period
18 equal to 1/4 of the total service rendered prior to the date
19 of disability but in no event more than 5 years. In
20 computing such total service any period during which the
21 employee received ordinary disability benefit shall be
22 excluded.

23 Any employee whose ordinary disability benefit was
24 terminated after January 1, 1979 by reason of his attainment
25 of age 65 and who continues disabled after age 65 may elect
26 before July 1, 1986 to have such benefits resumed beginning
27 at the time of such termination and continuing until
28 termination is required under this Section as amended by this
29 amendatory Act of 1985. The amount payable to any employee
30 for such resumed benefit for any period shall be reduced by
31 the amount of any retirement annuity paid to such employee
32 under this Article for the same period of time or by any
33 refund paid in lieu of annuity.

34 Ordinary disability benefit shall be 50% of the

1 employee's salary at the date of disability.

2 For ordinary disability benefits paid before January 1,
3 2002, before any payment, an amount equal to less the sum
4 ordinarily deducted from salary for all annuity purposes for
5 such period for which the ordinary disability benefit is made
6 shall be deducted from such payment and credited to the
7 employee as a deduction from salary for that period. The sums
8 so deducted shall ~~be credited to the employee--and--shall~~ be
9 regarded, for annuity and refund purposes, as an amount
10 contributed by him.

11 For ordinary disability benefits paid on or after January
12 1, 2002, the fund shall credit sums equal to the amounts
13 ordinarily contributed by an employee for annuity purposes
14 for any period during which the employee receives ordinary
15 disability, and those sums shall be deemed for annuity
16 purposes and purposes of Section 8-173 as amounts contributed
17 by the employee. These amounts credited for annuity purposes
18 shall not be credited for refund purposes.

19 (Source: P.A. 84-23.)

20 (40 ILCS 5/8-168) (from Ch. 108 1/2, par. 8-168)

21 Sec. 8-168. Refunds - Withdrawal before age 55 or with
22 less than 10 years of service.

23 1. An employee, without regard to length of service, who
24 withdraws before age 55, and any employee with less than 10
25 years of service who withdraws before age 60, shall be
26 entitled to a refund of the accumulated sums to his credit,
27 as of the date of withdrawal, for age and service annuity and
28 widow's annuity from amounts contributed by him, including
29 interest credited and including amounts contributed for him
30 for age and service and widow's annuity purposes by the city
31 while receiving duty disability benefits; provided that such
32 amounts contributed by the city after December 31, 1981,
33 while the employee is receiving duty disability benefits, and

1 amounts credited to the employee for annuity purposes by the
2 fund after December 31, 2001, while the employee is receiving
3 ordinary disability benefits, shall not be credited for
4 refund purposes. If he is a present employee he shall also be
5 entitled to a refund of the accumulations from any sums
6 contributed by him, and applied to any municipal pension fund
7 superseded by this fund.

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

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

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

26 5. Any such municipal employee who shall have served
27 less than 10 years and who shall not withdraw the amounts to
28 which he shall have a right to refund shall have a right to
29 have all such amounts and all other amounts to his credit for
30 annuity purposes on date of his withdrawal from service
31 retained to his credit and improved by interest while he
32 shall be out of the service at the rate of 3 1/2% or 3% per
33 annum (whichever rate shall apply under the provisions of
34 Section 8-155 of this Article) and used for annuity purposes

1 for his benefit and the benefit of any person who may have
2 any right to annuity through him because of his service,
3 according to the provisions of this Article in the event that
4 he shall subsequently re-enter the service and complete the
5 number of years of service necessary to attain a right to
6 annuity; but such sum shall be improved by interest to his
7 credit while he shall be out of the service only until he
8 shall have become 65 years of age.

9 (Source: P.A. 82-283.)

10 (40 ILCS 5/8-171) (from Ch. 108 1/2, par. 8-171)

11 Sec. 8-171. Refund in lieu of annuity. In lieu of an
12 annuity, an employee who withdraws and whose annuity would
13 amount to less than \$800 a month for life, may elect to
14 receive a refund of his accumulated contributions for annuity
15 purposes, based on the amounts contributed by him.

16 The widow of any employee, eligible for annuity upon the
17 death of her husband, whose widow's annuity would amount to
18 less than \$800 a month for life, may, in lieu of widow's
19 annuity, elect to receive a refund of the accumulated
20 contributions for annuity purposes, based on the amounts
21 contributed by her deceased employee husband, but reduced by
22 any amounts theretofore paid to him in the form of an annuity
23 or refund out of such accumulated contributions.

24 Accumulated contributions shall mean the amounts -
25 including the interest credited thereon - contributed by the
26 employee for age and service and widow's annuity to the date
27 of his withdrawal or death, whichever first occurs, including
28 any amounts contributed for him as salary deductions while
29 receiving duty disability benefits, and, if not otherwise
30 included, any accumulations from sums contributed by him and
31 applied to any pension fund superseded by this fund; provided
32 that such amounts contributed by the city after December 31,
33 1981 while the employee is receiving duty disability benefits

1 and amounts credited to the employee for annuity purposes by
2 the fund after December 31, 2001 while the employee is
3 receiving ordinary disability shall not be included.

4 The acceptance of such refund in lieu of widow's annuity,
5 on the part of a widow, shall not deprive a child or children
6 of the right to receive a child's annuity as provided for in
7 Sections 8-158 and 8-159 of this Article, and neither shall
8 the payment of a child's annuity in the case of such refund
9 to a widow reduce the amount herein set forth as refundable
10 to such widow electing a refund in lieu of widow's annuity.
11 (Source: P.A. 91-887, eff. 7-6-00.)

12 Section 95. The State Mandates Act is amended by adding
13 Section 8.25 as follows:

14 (30 ILCS 805/8.25 new)

15 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6
16 and 8 of this Act, no reimbursement by the State is required
17 for the implementation of any mandate created by this
18 amendatory Act of the 92nd General Assembly.

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