

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 7-132, 7-139, 7-146, 7-151, 7-152, 7-166,
6 7-172, 15-148, and 15-154 as follows:

7 (40 ILCS 5/7-132) (from Ch. 108 1/2, par. 7-132)

8 Sec. 7-132. Municipalities, instrumentalities and
9 participating instrumentalities included and effective dates.

10 (A) Municipalities and their instrumentalities.

11 (a) The following described municipalities, but not
12 including any with more than 1,000,000 inhabitants, and the
13 instrumentalities thereof, shall be included within and be
14 subject to this Article beginning upon the effective dates
15 specified by the Board:

16 (1) Except as to the municipalities and
17 instrumentalities thereof specifically excluded under
18 this Article, every county shall be subject to this
19 Article, and all cities, villages and incorporated towns
20 having a population in excess of 5,000 inhabitants as
21 determined by the last preceding decennial or subsequent
22 federal census, shall be subject to this Article
23 following publication of the census by the Bureau of the
24 Census. Within 90 days after publication of the census,
25 the Board shall notify any municipality that has become
26 subject to this Article as a result of that census, and
27 shall provide information to the corporate authorities of
28 the municipality explaining the duties and consequences
29 of participation. The notification shall also include a
30 proposed date upon which participation by the
31 municipality will commence.

1 However, for any city, village or incorporated town
2 that attains a population over 5,000 inhabitants after
3 having provided social security coverage for its
4 employees under the Social Security Enabling Act,
5 participation under this Article shall not be mandatory
6 but may be elected in accordance with subparagraph (3) or
7 (4) of this paragraph (a), whichever is applicable.

8 (2) School districts, other than those specifically
9 excluded under this Article, shall be subject to this
10 Article, without election, with respect to all employees
11 thereof.

12 (3) Towns and all other bodies politic and
13 corporate which are formed by vote of, or are subject to
14 control by, the electors in towns and are located in
15 towns which are not participating municipalities on the
16 effective date of this Act, may become subject to this
17 Article by election pursuant to Section 7-132.1.

18 (4) Any other municipality (together with its
19 instrumentalities), other than those specifically
20 excluded from participation and those described in
21 paragraph (3) above, may elect to be included either by
22 referendum under Section 7-134 or by the adoption of a
23 resolution or ordinance by its governing body. A copy of
24 such resolution or ordinance duly authenticated and
25 certified by the clerk of the municipality or other
26 appropriate official of its governing body shall
27 constitute the required notice to the board of such
28 action.

29 (b) A municipality that is about to begin participation
30 shall submit to the Board an application to participate, in a
31 form acceptable to the Board, not later than 90 days prior to
32 the proposed effective date of participation. The Board
33 shall act upon the application within 90 days, and if it
34 finds that the application is in conformity with its

1 requirements and the requirements of this Article,
 2 participation by the applicant shall commence on a date
 3 acceptable to the municipality and specified by the Board,
 4 but in no event more than one year from the date of
 5 application.

6 (c) A participating municipality which succeeds to the
 7 functions of a participating municipality which is dissolved
 8 or terminates its existence shall assume and be transferred
 9 the net accumulation balance in the municipality reserve and
 10 the municipality account receivable balance of the terminated
 11 municipality.

12 (d) In the case of a Veterans Assistance Commission
 13 whose employees were being treated by the Fund on January 1,
 14 1990 as employees of the county served by the Commission, the
 15 Fund may continue to treat the employees of the Veterans
 16 Assistance Commission as county employees for the purposes of
 17 this Article, unless the Commission becomes a participating
 18 instrumentality in accordance with subsection (B) of this
 19 Section.

20 (B) Participating instrumentalities.

21 (a) The participating instrumentalities designated in
 22 paragraph (b) of this subsection shall be included within and
 23 be subject to this Article if:

24 (1) an application to participate, in a form
 25 acceptable to the Board and adopted by a two-thirds vote
 26 of the governing body, is presented to the Board not
 27 later than 90 days prior to the proposed effective date;
 28 and

29 (2) the Board finds that the application is in
 30 conformity with its requirements, that the applicant has
 31 reasonable expectation to continue as a political entity
 32 for a period of at least 10 years and has the prospective
 33 financial capacity to meet its current and future
 34 obligations to the Fund, and that the actuarial soundness

1 of the Fund may be reasonably expected to be unimpaired
2 by approval of participation by the applicant.

3 The Board shall notify the applicant of its findings
4 within 90 days after receiving the application, and if the
5 Board approves the application, participation by the
6 applicant shall commence on the effective date specified by
7 the Board.

8 (b) The following participating instrumentalities, so
9 long as they meet the requirements of Section 7-108 and the
10 area served by them or within their jurisdiction is not
11 located entirely within a municipality having more than one
12 million inhabitants, may be included hereunder:

13 i. Township School District Trustees.

14 ii. Multiple County and Consolidated Health
15 Departments created under Division 5-25 of the Counties
16 Code or its predecessor law.

17 iii. Public Building Commissions created under the
18 Public Building Commission Act, and located in counties
19 of less than 1,000,000 inhabitants.

20 iv. A multitype, consolidated or cooperative
21 library system created under the Illinois Library System
22 Act. Any library system created under the Illinois
23 Library System Act that has one or more predecessors that
24 participated in the Fund may participate in the Fund upon
25 application. The Board shall establish procedures for
26 implementing the transfer of rights and obligations from
27 the predecessor system to the successor system.

28 v. Regional Planning Commissions created under
29 Division 5-14 of the Counties Code or its predecessor
30 law.

31 vi. Local Public Housing Authorities created under
32 the Housing Authorities Act, located in counties of less
33 than 1,000,000 inhabitants.

34 vii. Illinois Municipal League.

- 1 viii. Northeastern Illinois Metropolitan Area
2 Planning Commission.
- 3 ix. Southwestern Illinois Metropolitan Area
4 Planning Commission.
- 5 x. Illinois Association of Park Districts.
- 6 xi. Illinois Supervisors, County Commissioners and
7 Superintendents of Highways Association.
- 8 xii. Tri-City Regional Port District.
- 9 xiii. An association, or not-for-profit
10 corporation, membership in which is authorized under
11 Section 85-15 of the Township Code.
- 12 xiv. Drainage Districts operating under the
13 Illinois Drainage Code.
- 14 xv. Local mass transit districts created under the
15 Local Mass Transit District Act.
- 16 xvi. Soil and water conservation districts created
17 under the Soil and Water Conservation Districts Law.
- 18 xvii. Commissions created to provide water supply
19 or sewer services or both under Division 135 or Division
20 136 of Article 11 of the Illinois Municipal Code.
- 21 xviii. Public water districts created under the
22 Public Water District Act.
- 23 xix. Veterans Assistance Commissions established
24 under Section 9 of the Military Veterans Assistance Act
25 that serve counties with a population of less than
26 1,000,000.
- 27 xx. The governing body of an entity, other than a
28 vocational education cooperative, created under an
29 intergovernmental cooperative agreement established
30 between participating municipalities under the
31 Intergovernmental Cooperation Act, which by the terms of
32 the agreement is the employer of the persons performing
33 services under the agreement under the usual common law
34 rules determining the employer-employee relationship.

1 The governing body of such an intergovernmental
2 cooperative entity established prior to July 1, 1988 may
3 make participation retroactive to the effective date of
4 the agreement and, if so, the effective date of
5 participation shall be the date the required application
6 is filed with the fund. If any such entity is unable to
7 pay the required employer contributions to the fund, then
8 the participating municipalities shall make payment of
9 the required contributions and the payments shall be
10 allocated as provided in the agreement or, if not so
11 provided, equally among them.

12 xxi. The Illinois Municipal Electric Agency.

13 xxii. The Waukegan Port District.

14 xxiii. The Fox Waterway Agency created under the
15 Fox Waterway Agency Act.

16 xxiv. The Illinois Municipal Gas Agency.

17 xxv. The Kaskaskia Regional Port District.

18 xxvi. The Southwestern Illinois Development
19 Authority.

20 (c) The governing boards of special education joint
21 agreements created under Section 10-22.31 of the School Code
22 without designation of an administrative district shall be
23 included within and be subject to this Article as
24 participating instrumentalities when the joint agreement
25 becomes effective. However, the governing board of any such
26 special education joint agreement in effect before September
27 5, 1975 shall not be subject to this Article unless the joint
28 agreement is modified by the school districts to provide that
29 the governing board is subject to this Article, except as
30 otherwise provided by this Section.

31 The governing board of the Special Education District of
32 Lake County shall become subject to this Article as a
33 participating instrumentality on July 1, 1997.
34 Notwithstanding subdivision (a)1 of Section 7-139, on the

1 effective date of participation, employees of the governing
2 board of the Special Education District of Lake County shall
3 receive creditable service for their prior service with that
4 employer, up to a maximum of 5 years, without any employee
5 contribution. Employees may establish creditable service for
6 the remainder of their prior service with that employer, if
7 any, by applying in writing and paying an employee
8 contribution in an amount determined by the Fund, based on
9 the employee contribution rates in effect at the time of
10 application for the creditable service and the employee's
11 salary rate on the effective date of participation for that
12 employer, plus interest at the effective rate from the date
13 of the prior service to the date of payment. Application for
14 this creditable service must be made before July 1, 1998; the
15 payment may be made at any time while the employee is still
16 in service. The employer may elect to make the required
17 contribution on behalf of the employee.

18 The governing board of a special education joint
19 agreement created under Section 10-22.31 of the School Code
20 for which an administrative district has been designated, if
21 there are employees of the cooperative educational entity who
22 are not employees of the administrative district, may elect
23 to participate in the Fund and be included within this
24 Article as a participating instrumentality, subject to such
25 application procedures and rules as the Board may prescribe.

26 The Boards of Control of cooperative or joint educational
27 programs or projects created and administered under Section
28 3-15.14 of the School Code, whether or not the Boards act as
29 their own administrative district, shall be included within
30 and be subject to this Article as participating
31 instrumentalities when the agreement establishing the
32 cooperative or joint educational program or project becomes
33 effective.

34 The governing board of a special education joint

1 agreement entered into after June 30, 1984 and prior to
2 September 17, 1985 which provides for representation on the
3 governing board by less than all the participating districts
4 shall be included within and subject to this Article as a
5 participating instrumentality. Such participation shall be
6 effective as of the date the joint agreement becomes
7 effective.

8 The governing boards of educational service centers
9 established under Section 2-3.62 of the School Code shall be
10 included within and subject to this Article as participating
11 instrumentalities. The governing boards of vocational
12 education cooperative agreements created under the
13 Intergovernmental Cooperation Act and approved by the State
14 Board of Education shall be included within and be subject to
15 this Article as participating instrumentalities. If any such
16 governing boards or boards of control are unable to pay the
17 required employer contributions to the fund, then the school
18 districts served by such boards shall make payment of
19 required contributions as provided in Section 7-172. The
20 payments shall be allocated among the several school
21 districts in proportion to the number of students in average
22 daily attendance for the last full school year for each
23 district in relation to the total number of students in
24 average attendance for such period for all districts served.
25 If such educational service centers, vocational education
26 cooperatives or cooperative or joint educational programs or
27 projects created and administered under Section 3-15.14 of
28 the School Code are dissolved, the assets and obligations
29 shall be distributed among the districts in the same
30 proportions unless otherwise provided.

31 (d) The governing boards of special recreation joint
32 agreements created under Section 8-10b of the Park District
33 Code, operating without designation of an administrative
34 district or an administrative municipality appointed to

1 administer the program operating under the authority of such
2 joint agreement shall be included within and be subject to
3 this Article as participating instrumentalities when the
4 joint agreement becomes effective. However, the governing
5 board of any such special recreation joint agreement in
6 effect before January 1, 1980 shall not be subject to this
7 Article unless the joint agreement is modified, by the
8 districts and municipalities which are parties to the
9 agreement, to provide that the governing board is subject to
10 this Article.

11 If the Board returns any employer and employee
12 contributions to any employer which erroneously submitted
13 such contributions on behalf of a special recreation joint
14 agreement, the Board shall include interest computed from the
15 end of each year to the date of payment, not compounded, at
16 the rate of 7% per annum.

17 (e) Each multi-township assessment district, the board
18 of trustees of which has adopted this Article by ordinance
19 prior to April 1, 1982, shall be a participating
20 instrumentality included within and subject to this Article
21 effective December 1, 1981. The contributions required under
22 Section 7-172 shall be included in the budget prepared under
23 and allocated in accordance with Section 2-30 of the Property
24 Tax Code.

25 (f) Beginning January 1, 1992, each prospective
26 participating municipality or participating instrumentality
27 shall pay to the Fund the cost, as determined by the Board,
28 of a study prepared by the Fund or its actuary, detailing the
29 prospective costs of participation in the Fund to be expected
30 by the municipality or instrumentality.

31 (Source: P.A. 89-162, eff. 7-19-95; 90-511, eff. 8-22-97.)

32 (40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)

33 Sec. 7-139. Credits and creditable service to employees.

1 (a) Each participating employee shall be granted credits
2 and creditable service, for purposes of determining the
3 amount of any annuity or benefit to which he or a beneficiary
4 is entitled, as follows:

5 1. For prior service: Each participating employee
6 who is an employee of a participating municipality or
7 participating instrumentality on the effective date shall
8 be granted creditable service, but no credits under
9 paragraph 2 of this subsection (a), for periods of prior
10 service for which credit has not been received under any
11 other pension fund or retirement system established under
12 this Code, as follows:

13 If the effective date of participation for the
14 participating municipality or participating
15 instrumentality is on or before January 1, 1998,
16 creditable service shall be granted for the entire period
17 of prior service with that employer without any employee
18 contribution.

19 If the effective date of participation for the
20 participating municipality or participating
21 instrumentality is after January 1, 1998, creditable
22 service shall be granted for the last 20% of the period
23 of prior service with that employer, but no more than 5
24 years, without any employee contribution. A
25 participating employee may establish creditable service
26 for the remainder of the period of prior service with
27 that employer by making an application in writing,
28 accompanied by payment of an employee contribution in an
29 amount determined by the Fund, based on the employee
30 contribution rates in effect at the time of application
31 for the creditable service and the employee's salary rate
32 on the effective date of participation for that employer,
33 plus interest at the effective rate from the date of the
34 prior service to the date of payment. Application for

1 this creditable service may be made at any time while the
2 employee is still in service.

3 Any person who has withdrawn from the service of a
4 participating municipality or participating
5 instrumentality prior to the effective date, who reenters
6 the service of the same municipality or participating
7 instrumentality after the effective date and becomes a
8 participating employee is entitled to creditable service
9 for prior service as otherwise provided in this
10 subdivision (a)(1) only if he or she renders 2 years of
11 service as a participating employee after the effective
12 date. Application for such service must be made while in
13 a participating status. The salary rate to be used in
14 the calculation of the required employee contribution, if
15 any, shall be the employee's salary rate at the time of
16 first reentering service with the employer after the
17 employer's effective date of participation.

18 2. For current service, each participating employee
19 shall be credited with:

20 a. Additional credits of amounts equal to each
21 payment of additional contributions received from
22 him under Section 7-173, as of the date the
23 corresponding payment of earnings is payable to him.

24 b. Normal credits of amounts equal to each
25 payment of normal contributions received from him,
26 as of the date the corresponding payment of earnings
27 is payable to him, and normal contributions made for
28 the purpose of establishing out-of-state service
29 credits as permitted under the conditions set forth
30 in paragraph 6 of this subsection (a).

31 c. Municipality credits in an amount equal to
32 1.4 times the normal credits, except those
33 established by out-of-state service credits, as of
34 the date of computation of any benefit if these

1 credits would increase the benefit.

2 d. Survivor credits equal to each payment of
3 survivor contributions received from the
4 participating employee as of the date the
5 corresponding payment of earnings is payable, and
6 survivor contributions made for the purpose of
7 establishing out-of-state service credits.

8 3. For periods of temporary and total and permanent
9 disability benefits, each employee receiving disability
10 benefits shall be granted creditable service for the
11 period during which disability benefits are payable.
12 Normal and survivor credits, based upon the rate of
13 earnings applied for disability benefits, shall also be
14 granted if such credits would result in a higher benefit
15 to any such employee or his beneficiary.

16 4. For authorized leave of absence without pay: A
17 participating employee shall be granted credits and
18 creditable service for periods of authorized leave of
19 absence without pay under the following conditions:

20 a. An application for credits and creditable
21 service is submitted to the board while the employee
22 is in a status of active employment, and within 2
23 years after termination of the leave of absence
24 period for which credits and creditable service are
25 sought.

26 b. Not more than 12 complete months of
27 creditable service for authorized leave of absence
28 without pay shall be counted for purposes of
29 determining any benefits payable under this Article.

30 c. Credits and creditable service shall be
31 granted for leave of absence only if such leave is
32 approved by the governing body of the municipality,
33 including approval of the estimated cost thereof to
34 the municipality as determined by the fund, and

1 employee contributions, plus interest at the
2 effective rate applicable for each year from the end
3 of the period of leave to date of payment, have been
4 paid to the fund in accordance with Section 7-173.
5 The contributions shall be computed upon the
6 assumption earnings continued during the period of
7 leave at the rate in effect when the leave began.

8 d. Benefits under the provisions of Sections
9 7-141, 7-146, 7-150 and 7-163 shall become payable
10 to employees on authorized leave of absence, or
11 their designated beneficiary, only if such leave of
12 absence is creditable hereunder, and if the employee
13 has at least one year of creditable service other
14 than the service granted for leave of absence. Any
15 employee contributions due may be deducted from any
16 benefits payable.

17 e. No credits or creditable service shall be
18 allowed for leave of absence without pay during any
19 period of prior service.

20 5. For military service: The governing body of a
21 municipality or participating instrumentality may elect
22 to allow creditable service to participating employees
23 who leave their employment to serve in the armed forces
24 of the United States for all periods of such service,
25 provided that the person returns to active employment
26 within 90 days after completion of full time active duty,
27 but no creditable service shall be allowed such person
28 for any period that can be used in the computation of a
29 pension or any other pay or benefit, other than pay for
30 active duty, for service in any branch of the armed
31 forces of the United States. If necessary to the
32 computation of any benefit, the board shall establish
33 municipality credits for participating employees under
34 this paragraph on the assumption that the employee

1 received earnings at the rate received at the time he
2 left the employment to enter the armed forces. A
3 participating employee in the armed forces shall not be
4 considered an employee during such period of service and
5 no additional death and no disability benefits are
6 payable for death or disability during such period.

7 Any participating employee who left his employment
8 with a municipality or participating instrumentality to
9 serve in the armed forces of the United States and who
10 again became a participating employee within 90 days
11 after completion of full time active duty by entering the
12 service of a different municipality or participating
13 instrumentality, which has elected to allow creditable
14 service for periods of military service under the
15 preceding paragraph, shall also be allowed creditable
16 service for his period of military service on the same
17 terms that would apply if he had been employed, before
18 entering military service, by the municipality or
19 instrumentality which employed him after he left the
20 military service and the employer costs arising in
21 relation to such grant of creditable service shall be
22 charged to and paid by that municipality or
23 instrumentality.

24 Notwithstanding the foregoing, any participating
25 employee shall be entitled to creditable service as
26 required by any federal law relating to re-employment
27 rights of persons who served in the United States Armed
28 Services. Such creditable service shall be granted upon
29 payment by the member of an amount equal to the employee
30 contributions which would have been required had the
31 employee continued in service at the same rate of
32 earnings during the military leave period, plus interest
33 at the effective rate.

34 5.1. In addition to any creditable service

1 established under paragraph 5 of this subsection (a),
2 creditable service may be granted for up to 24 months of
3 service in the armed forces of the United States.

4 In order to receive creditable service for military
5 service under this paragraph 5.1, a participating
6 employee must (1) apply to the Fund in writing and
7 provide evidence of the military service that is
8 satisfactory to the Board; (2) obtain the written
9 approval of the current employer; and (3) make
10 contributions to the Fund equal to (i) the employee
11 contributions that would have been required had the
12 service been rendered as a member, plus (ii) an amount
13 determined by the board to be equal to the employer's
14 normal cost of the benefits accrued for that military
15 service, plus (iii) interest on items (i) and (ii) from
16 the date of first membership in the Fund to the date of
17 payment. If payment is made during the 6-month period
18 that begins 3 months after the effective date of this
19 amendatory Act of 1997, the required interest shall be at
20 the rate of 2.5% per year, compounded annually;
21 otherwise, the required interest shall be calculated at
22 the regular interest rate.

23 6. For out-of-state service: Creditable service
24 shall be granted for service rendered to an out-of-state
25 local governmental body under the following conditions:
26 The employee had participated and has irrevocably
27 forfeited all rights to benefits in the out-of-state
28 public employees pension system; the governing body of
29 his participating municipality or instrumentality
30 authorizes the employee to establish such service; the
31 employee has 2 years current service with this
32 municipality or participating instrumentality; the
33 employee makes a payment of contributions, which shall be
34 computed at 8% (normal) plus 2% (survivor) times length

1 of service purchased times the average rate of earnings
2 for the first 2 years of service with the municipality or
3 participating instrumentality whose governing body
4 authorizes the service established plus interest at the
5 effective rate on the date such credits are established,
6 payable from the date the employee completes the required
7 2 years of current service to date of payment. In no
8 case shall more than 120 months of creditable service be
9 granted under this provision.

10 7. For retroactive service: Any employee who could
11 have but did not elect to become a participating
12 employee, or who should have been a participant in the
13 Municipal Public Utilities Annuity and Benefit Fund
14 before that fund was superseded, may receive creditable
15 service for the period of service not to exceed 50
16 months; however, a current or former elected or appointed
17 official of a participating municipality ~~county--board~~
18 ~~member~~ may establish credit under this paragraph 7 for
19 more than 50 months of service as an official of that
20 municipality, ~~a-member-of-the-county-board~~ if the excess
21 over 50 months is approved by resolution of the governing
22 body of the affected municipality ~~county-board~~ filed with
23 the Fund before January 1, 2002 ~~1999~~.

24 Any employee who is a participating employee on or
25 after September 24, 1981 and who was excluded from
26 participation by the age restrictions removed by Public
27 Act 82-596 may receive creditable service for the period,
28 on or after January 1, 1979, excluded by the age
29 restriction and, in addition, if the governing body of
30 the participating municipality or participating
31 instrumentality elects to allow creditable service for
32 all employees excluded by the age restriction prior to
33 January 1, 1979, for service during the period prior to
34 that date excluded by the age restriction. Any employee

1 who was excluded from participation by the age
2 restriction removed by Public Act 82-596 and who is not a
3 participating employee on or after September 24, 1981 may
4 receive creditable service for service after January 1,
5 1979. Creditable service under this paragraph shall be
6 granted upon payment of the employee contributions which
7 would have been required had he participated, with
8 interest at the effective rate for each year from the end
9 of the period of service established to date of payment.

10 8. For accumulated unused sick leave: A
11 participating employee who is applying for a retirement
12 annuity shall be entitled to creditable service for that
13 portion of the employee's accumulated unused sick leave
14 for which payment is not received, as follows:

15 a. Sick leave days shall be limited to those
16 accumulated under a sick leave plan established by a
17 participating municipality or participating
18 instrumentality which is available to all employees
19 or a class of employees.

20 b. Only sick leave days accumulated with a
21 participating municipality or participating
22 instrumentality with which the employee was in
23 service within 60 days of the effective date of his
24 retirement annuity shall be credited; If the
25 employee was in service with more than one employer
26 during this period only the sick leave days with the
27 employer with which the employee has the greatest
28 number of unpaid sick leave days shall be
29 considered.

30 c. The creditable service granted shall be
31 considered solely for the purpose of computing the
32 amount of the retirement annuity and shall not be
33 used to establish any minimum service period
34 required by any provision of the Illinois Pension

1 Code, the effective date of the retirement annuity,
2 or the final rate of earnings.

3 d. The creditable service shall be at the rate
4 of 1/20 of a month for each full sick day, provided
5 that no more than 12 months may be credited under
6 this subdivision 8.

7 e. Employee contributions shall not be
8 required for creditable service under this
9 subdivision 8.

10 f. Each participating municipality and
11 participating instrumentality with which an employee
12 has service within 60 days of the effective date of
13 his retirement annuity shall certify to the board
14 the number of accumulated unpaid sick leave days
15 credited to the employee at the time of termination
16 of service.

17 9. For service transferred from another system:
18 Credits and creditable service shall be granted for
19 service under Article 3, 4, 5, 14 or 16 of this Act, to
20 any active member of this Fund, and to any inactive
21 member who has been a county sheriff, upon transfer of
22 such credits pursuant to Section 3-110.3, 4-108.3, 5-235,
23 14-105.6 or 16-131.4, and payment by the member of the
24 amount by which (1) the employer and employee
25 contributions that would have been required if he had
26 participated in this Fund as a sheriff's law enforcement
27 employee during the period for which credit is being
28 transferred, plus interest thereon at the effective rate
29 for each year, compounded annually, from the date of
30 termination of the service for which credit is being
31 transferred to the date of payment, exceeds (2) the
32 amount actually transferred to the Fund. Such transferred
33 service shall be deemed to be service as a sheriff's law
34 enforcement employee for the purposes of Section 7-142.1.

1 (b) Creditable service - amount:

2 1. One month of creditable service shall be allowed
3 for each month for which a participating employee made
4 contributions as required under Section 7-173, or for
5 which creditable service is otherwise granted hereunder.
6 Not more than 1 month of service shall be credited and
7 counted for 1 calendar month, and not more than 1 year of
8 service shall be credited and counted for any calendar
9 year. A calendar month means a nominal month beginning
10 on the first day thereof, and a calendar year means a
11 year beginning January 1 and ending December 31.

12 2. A seasonal employee shall be given 12 months of
13 creditable service if he renders the number of months of
14 service normally required by the position in a 12-month
15 period and he remains in service for the entire 12-month
16 period. Otherwise a fractional year of service in the
17 number of months of service rendered shall be credited.

18 3. An intermittent employee shall be given
19 creditable service for only those months in which a
20 contribution is made under Section 7-173.

21 (c) No application for correction of credits or
22 creditable service shall be considered unless the board
23 receives an application for correction while (1) the
24 applicant is a participating employee and in active
25 employment with a participating municipality or
26 instrumentality, or (2) while the applicant is actively
27 participating in a pension fund or retirement system which is
28 a participating system under the Retirement Systems
29 Reciprocal Act. A participating employee or other applicant
30 shall not be entitled to credits or creditable service unless
31 the required employee contributions are made in a lump sum or
32 in installments made in accordance with board rule.

33 (d) Upon the granting of a retirement, surviving spouse
34 or child annuity, a death benefit or a separation benefit, on

1 account of any employee, all individual accumulated credits
 2 shall thereupon terminate. Upon the withdrawal of additional
 3 contributions, the credits applicable thereto shall thereupon
 4 terminate. Terminated credits shall not be applied to
 5 increase the benefits any remaining employee would otherwise
 6 receive under this Article.

7 (Source: P.A. 90-448, eff. 8-16-97; 91-887, eff. 7-6-00.)

8 (40 ILCS 5/7-146) (from Ch. 108 1/2, par. 7-146)
 9 Sec. 7-146. Temporary disability benefits - Eligibility.
 10 Temporary disability benefits shall be payable to
 11 participating employees as hereinafter provided.

12 (a) The participating employee shall be considered
 13 temporarily disabled if:

14 1. He is unable to perform the duties of any
 15 position which might reasonably be assigned to him by his
 16 employing municipality or instrumentality thereof or
 17 participating instrumentality due to mental or physical
 18 disability caused by bodily injury or disease, other than
 19 as a result of self-inflicted injury or addiction to
 20 narcotic drugs;

21 2. The Board has received written certifications
 22 from at least one ± licensed and practicing physician and
 23 the governing body of the employing municipality or
 24 instrumentality thereof or participating instrumentality
 25 stating that the employee meets the conditions set forth
 26 in subparagraph 1 of this paragraph (a).

27 (b) A temporary disability benefit shall be payable to a
 28 temporarily disabled employee provided:

29 1. He:
 30 (i) has at least one year of service
 31 immediately preceding at the date the temporary
 32 disability was incurred and has made contributions
 33 to the fund for at least the number of months of

1 service normally required in his position during a
 2 12-month period, or has at least 5 years of service
 3 credit, the last year of which immediately precedes
 4 such date; or

5 (ii) had qualified under clause (i) above, but
 6 had an interruption in service with the same
 7 participating municipality or participating
 8 instrumentality of not more than 3 months in the 12
 9 months preceding the date the temporary disability
 10 was incurred and was not paid a separation benefit;
 11 or

12 (iii) had qualified under clause (i) above,
 13 but had an interruption after 20 or more years of
 14 creditable service, was not paid a separation
 15 benefit, and returned to service prior to the date
 16 the disability was incurred.

17 Item (iii) of this subdivision shall apply to all
 18 employees whose disabilities were incurred on or after
 19 July 1, 1985, and any such employee who becomes eligible
 20 for a disability benefit under item (iii) shall be
 21 entitled to receive a lump sum payment of any accumulated
 22 disability benefits which may accrue from the date the
 23 disability was incurred until the effective date of this
 24 amendatory Act of 1987.

25 Periods of qualified leave granted in compliance
 26 with the federal Family and Medical Leave Act shall be
 27 ignored for purposes of determining the number of
 28 consecutive months of employment under this subdivision
 29 (b)1.

30 2. He has been temporarily disabled for at least 30
 31 days, except where a former temporary or permanent and
 32 total disability has reoccurred within 6 months after the
 33 employee has returned to service.

34 3. He is receiving no earnings from a participating

1 municipality or instrumentality thereof or participating
2 instrumentality, except as allowed under subsection (f)
3 of Section 7-152.

4 4. He has not refused to submit to a reasonable
5 physical examination by a physician appointed by the
6 Board.

7 5. His disability is not the result of a mental or
8 physical condition which existed on the earliest date of
9 service from which he has uninterrupted service,
10 including prior service, at the date of his disability,
11 provided that this limitation is not applicable if the
12 date of disability is after December 31, 2001, nor is it
13 shall--not-be applicable to a participating employee who:
14 (i) on the date of disability has 5 years of creditable
15 service, exclusive of creditable service for periods of
16 disability; or (ii) received no medical treatment for the
17 condition for the 3 years immediately prior to such
18 earliest date of service.

19 6. He is not separated from the service of the
20 participating municipality or instrumentality thereof or
21 participating instrumentality which employed him on the
22 date his temporary disability was incurred; for the
23 purposes of payment of temporary disability benefits, a
24 participating employee, whose employment relationship is
25 terminated by his employing municipality, shall be deemed
26 not to be separated from the service of his employing
27 municipality or participating instrumentality if he
28 continues disabled by the same condition and so long as
29 he is otherwise entitled to such disability benefit.

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

31 (40 ILCS 5/7-151) (from Ch. 108 1/2, par. 7-151)
32 Sec. 7-151. Total and permanent disability benefits -
33 Commencement and duration. Permanent disability benefits

1 shall be payable:

2 (a) As of the date temporary disability benefits are
3 exhausted;

4 (b) Once a month as of the end of each month;

5 (c) For less than a month in a fraction equal to that
6 created by making the number of days of disability in the
7 month the numerator and the number of the days in the month
8 the denominator;

9 (d) To the beneficiary of a deceased employee for the
10 unpaid amount accrued to the date of death;

11 (e) While total and permanent disability continues;

12 (f) For the period ending on the last day of the month
13 which is the later of the following:

14 1. the month that the participating employee attains the
15 age for a full Social Security old-age insurance benefit age
16 65;

17 2. the month which is 5 years after the month the
18 participating employee became disabled as provided in Section
19 7-146.

20 (Source: P.A. 86-272.)

21 (40 ILCS 5/7-152) (from Ch. 108 1/2, par. 7-152)

22 Sec. 7-152. Disability benefits - Amount. The amount of
23 the monthly temporary and total and permanent disability
24 benefits shall be 50% of the participating employee's final
25 rate of earnings on the date disability was incurred, subject
26 to the following adjustments:

27 (a) If the participating employee has a reduced rate of
28 earnings at the time his employment ceases because of
29 disability, the rate of earnings shall be computed on the
30 basis of his last 12 month period of full-time employment.

31 (b) If the participating employee is eligible for a
32 disability benefit under the federal Social Security Act, the
33 amount of monthly disability benefits shall be reduced, but

1 not to less than \$10 a month, by the amount he would be
2 eligible to receive as a disability benefit under the federal
3 Social Security Act, whether or not because of service as a
4 covered employee under this Article. The reduction shall be
5 effective as of the month the employee is eligible for Social
6 Security disability benefits. The Board may make such
7 reduction if it appears that the employee may be so eligible
8 pending determination of eligibility and make an appropriate
9 adjustment if necessary after such determination. If the
10 employee, because of his refusal to accept rehabilitation
11 services under the federal Rehabilitation Act of 1973 or the
12 federal Social Security Act, or because he is receiving
13 workers' compensation benefits, has his Social Security
14 benefits reduced or terminated, the disability benefit shall
15 be reduced as if the employee were receiving his full Social
16 Security disability benefit.

17 (c) If the employee (i) is over the age for a full
18 Social Security old-age insurance benefit age--65, (ii) was
19 not eligible for a Social Security disability benefit
20 immediately before reaching that age, age--65 and (iii) is
21 eligible for a full Social Security old-age insurance
22 benefit, then the amount of the monthly disability benefit
23 shall be reduced, but not to less than \$10 a month, by the
24 amount of the old-age insurance benefit to which the employee
25 is entitled, whether or not the employee applies for the
26 Social Security old-age insurance benefit. This reduction
27 shall be made in the month after the month in which the
28 employee attains the age for a full Social Security old-age
29 insurance benefit age--65. However, if the employee was
30 receiving a Social Security disability benefit before
31 reaching the age for a full Social Security old-age insurance
32 benefit age-65, the disability benefits after that age age-65
33 shall be determined under subsection (b) of this Section.

34 (d) The amount of disability benefits shall not be

1 reduced by reason of any increase, other than one resulting
2 from a correction in the employee's wage records, in the
3 amount of disability or old-age insurance benefits under the
4 federal Social Security Act which takes effect after the
5 month of the initial reduction under paragraph (b) or (c) of
6 this Section.

7 (e) If the employee in any month receives compensation
8 from gainful employment which is more than 25% of the final
9 rate of earnings on which his disability benefits are based,
10 the temporary disability benefit payable for that month shall
11 be reduced by an amount equal to such excess.

12 (f) An employee who has been disabled for at least 30
13 days may return to work for the employer on a part-time basis
14 for a trial work period of up to one year, during which the
15 disability shall be deemed to continue. Service credit shall
16 continue to accrue and the disability benefit shall continue
17 to be paid during the trial work period, but the benefit
18 shall be reduced by the amount of earnings received by the
19 disabled employee. Return to service on a full-time basis
20 shall terminate the trial work period. The reduction under
21 this subsection (f) shall be in lieu of the reduction, if
22 any, required under subsection (e).

23 (g) Beginning January 1, 1988, every total and permanent
24 disability benefit shall be increased by 3% of the original
25 amount of the benefit, not compounded, on each January 1
26 following the later of (1) the date the total and permanent
27 disability benefit begins, or (2) the date the total and
28 permanent disability benefit would have begun if the employee
29 had been paid a temporary disability benefit for 30 months.

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

31 (40 ILCS 5/7-166) (from Ch. 108 1/2, par. 7-166)

32 Sec. 7-166. Separation benefits - Eligibility.
33 Separation benefits shall be payable as hereinafter set

1 forth:

2 1. Upon separation from the service of all
3 participating municipalities and instrumentalities
4 thereof and participating instrumentalities, any
5 participating employee who, on the date of application
6 for such benefit, is not entitled to a retirement annuity
7 shall be entitled to a separation benefit.†

8 2. Upon separation from the service of all
9 participating municipalities and instrumentalities
10 thereof and participating instrumentalities, any
11 participating employee who, on the date of application
12 for such benefit, is entitled to a retirement annuity of
13 less than \$30 per month for life may elect to take a
14 separation benefit in lieu of the retirement annuity.

15 3. Upon separation from the service of all
16 participating municipalities and instrumentalities
17 thereof and participating instrumentalities, any
18 participating employee who, on the date of application
19 for such benefit, is entitled to a retirement annuity,
20 but wishes instead to use the amounts to his or her
21 credit in the Fund to purchase credit in another
22 retirement plan, may elect to take a separation benefit
23 in lieu of the retirement annuity.

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

25 (40 ILCS 5/7-172) (from Ch. 108 1/2, par. 7-172)

26 Sec. 7-172. Contributions by participating
27 municipalities and participating instrumentalities.

28 (a) Each participating municipality and each
29 participating instrumentality shall make payment to the fund
30 as follows:

31 1. municipality contributions in an amount
32 determined by applying the municipality contribution rate
33 to each payment of earnings paid to each of its

1 participating employees;

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

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

8 4. if it has no participating employees with
9 current earnings, an amount payable which, over a period
10 of 20 years beginning with the year following an award of
11 benefit, will amortize, at the effective rate for that
12 year, any negative balance in its municipality reserve
13 resulting from the award. This amount when established
14 will be payable as a separate contribution whether or not
15 it later has participating employees.

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

23 1. The percentage of earnings of all the
24 participating employees of all participating
25 municipalities and participating instrumentalities which,
26 if paid over the entire period of their service, will be
27 sufficient when combined with all employee contributions
28 available for the payment of benefits, to provide all
29 annuities for participating employees, and the \$3,000
30 death benefit payable under Sections 7-158 and 7-164,
31 such percentage to be known as the normal cost rate.

32 2. The percentage of earnings of the participating
33 employees of each participating municipality and
34 participating instrumentalities necessary to adjust for

1 the difference between the present value of all benefits,
2 excluding temporary and total and permanent disability
3 and death benefits, to be provided for its participating
4 employees and the sum of its accumulated municipality
5 contributions and the accumulated employee contributions
6 and the present value of expected future employee and
7 municipality contributions pursuant to subparagraph 1 of
8 this paragraph (b). This adjustment shall be spread over
9 the remainder of the period that is allowable under
10 generally accepted accounting principles of 40 years from
11 the first of the year following the date of
12 determination.

13 3. The percentage of earnings of the participating
14 employees of all municipalities and participating
15 instrumentalities necessary to provide the present value
16 of all temporary and total and permanent disability
17 benefits granted during the most recent year for which
18 information is available.

19 4. The percentage of earnings of the participating
20 employees of all participating municipalities and
21 participating instrumentalities necessary to provide the
22 present value of the net single sum death benefits
23 expected to become payable from the reserve established
24 under Section 7-206 during the year for which this rate
25 is fixed.

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

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

32 A separate municipality contribution rate shall be
33 computed for the sheriff's law enforcement employees of each
34 forest preserve district that elects to have such employees.

1 For the period from January 1, 1986 to December 31, 1986,
2 such rate shall be the forest preserve district's regular
3 rate plus 2%.

4 In the event that the Board determines that there is an
5 actuarial deficiency in the account of any municipality with
6 respect to a person who has elected to participate in the
7 Fund under Section 3-109.1 of this Code, the Board may adjust
8 the municipality's contribution rate so as to make up that
9 deficiency over such reasonable period of time as the Board
10 may determine.

11 (d) The Board may establish a separate municipality
12 contribution rate for all employees who are program
13 participants employed under the federal Comprehensive
14 Employment Training Act by all of the participating
15 municipalities and instrumentalities. The Board may also
16 provide that, in lieu of a separate municipality rate for
17 these employees, a portion of the municipality contributions
18 for such program participants shall be refunded or an extra
19 charge assessed so that the amount of municipality
20 contributions retained or received by the fund for all CETA
21 program participants shall be an amount equal to that which
22 would be provided by the separate municipality contribution
23 rate for all such program participants. Refunds shall be
24 made to prime sponsors of programs upon submission of a claim
25 therefor and extra charges shall be assessed to participating
26 municipalities and instrumentalities. In establishing the
27 municipality contribution rate as provided in paragraph (b)
28 of this Section, the use of a separate municipality
29 contribution rate for program participants or the refund of a
30 portion of the municipality contributions, as the case may
31 be, may be considered.

32 (e) Computations of municipality contribution rates for
33 the following calendar year shall be made prior to the
34 beginning of each year, from the information available at the

1 time the computations are made, and on the assumption that
2 the employees in each participating municipality or
3 participating instrumentality at such time will continue in
4 service until the end of such calendar year at their
5 respective rates of earnings at such time.

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

25 (g) Municipality contributions for the several purposes
26 specified shall, for township treasurers and employees in the
27 offices of the township treasurers who meet the qualifying
28 conditions for coverage hereunder, be allocated among the
29 several school districts and parts of school districts
30 serviced by such treasurers and employees in the proportion
31 which the amount of school funds of each district or part of
32 a district handled by the treasurer bears to the total amount
33 of all school funds handled by the treasurer.

34 From the funds subject to allocation among districts and

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

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

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

19 (h) Each participating municipality and participating
20 instrumentality shall make the contributions in the amounts
21 provided in this Section in the manner prescribed from time
22 to time by the Board and all such contributions shall be
23 obligations of the respective participating municipalities
24 and participating instrumentalities to this fund. The
25 failure to deduct any employee contributions shall not
26 relieve the participating municipality or participating
27 instrumentality of its obligation to this fund. Delinquent
28 payments of contributions due under this Section may, with
29 interest, be recovered by civil action against the
30 participating municipalities or participating
31 instrumentalities. Municipality contributions, other than
32 the amount necessary for employee contributions and Social
33 Security contributions, for periods of service by employees
34 from whose earnings no deductions were made for employee

1 contributions to the fund, may be charged to the municipality
2 reserve for the municipality or participating
3 instrumentality.

4 (i) Contributions by participating instrumentalities
5 shall be determined as provided herein except that the
6 percentage derived under subparagraph 2 of paragraph (b) of
7 this Section, and the amount payable under subparagraph 5 of
8 paragraph (a) of this Section, shall be based on an
9 amortization period of 10 years.

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

11 (40 ILCS 5/15-148) (from Ch. 108 1/2, par. 15-148)

12 Sec. 15-148. Survivors insurance benefits - General
13 provisions. The survivors annuity is payable monthly. Any
14 annuity due but unpaid upon the death of the annuitant, shall
15 be paid to the annuitant's estate.

16 A person who becomes entitled to more than one survivors
17 insurance benefit because of the death of 2 or more persons
18 shall receive only the largest of the benefits; except that
19 this limitation does not apply to a survivors insurance
20 beneficiary who is entitled to a survivor's annuity by reason
21 of a mental or physical disability.

22 A survivors insurance beneficiary or the personal
23 representative of the estate of a deceased survivors
24 insurance beneficiary or the personal representative of a
25 survivors insurance beneficiary who is under a legal
26 disability may waive the right to receive survivorship
27 benefits, provided written notice of the waiver is given by
28 the beneficiary or representative to the board within 6
29 months after the death of the participant or annuitant and
30 before any payment is made pursuant to an application filed
31 by such person.

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

1 (40 ILCS 5/15-154) (from Ch. 108 1/2, par. 15-154)
2 Sec. 15-154. Refunds.

3 (a) A participant whose status as an employee is
4 terminated, regardless of cause, or who has been on lay off
5 status for more than 120 days, and who is not on leave of
6 absence, is entitled to a refund of contributions upon
7 application; except that not more than one such refund
8 application may be made during any academic year.

9 Except as set forth in subsections (a-1) and (a-2), the
10 refund shall be the sum of the accumulated normal, additional
11 and survivors insurance contributions, less the amount of
12 interest credited on these contributions each year in excess
13 of 4 1/2% of the amount on which interest was calculated.

14 (a-1) A person who elects, in accordance with the
15 requirements of Section 15-134.5, to participate in the
16 portable benefit package and who becomes a participating
17 employee under that retirement program upon the conclusion of
18 the one-year waiting period applicable to the portable
19 benefit package election shall have his or her refund
20 calculated in accordance with the provisions of subsection
21 (a-2).

22 (a-2) The refund payable to a participant described in
23 subsection (a-1) shall be the sum of the participant's
24 accumulated normal and additional contributions, as defined
25 in Sections 15-116 and 15-117. If the participant terminates
26 with 5 or more years of service for employment as defined in
27 Section 15-113.1, he or she shall also be entitled to a
28 distribution of employer contributions in an amount equal to
29 the sum of the accumulated normal and additional
30 contributions, as defined in Sections 15-116 and 15-117.

31 (b) Upon acceptance of a refund, the participant
32 forfeits all accrued rights and credits in the System, and if
33 subsequently reemployed, the participant shall be considered
34 a new employee subject to all the qualifying conditions for

1 participation and eligibility for benefits applicable to new
2 employees. If such person again becomes a participating
3 employee and continues as such for 2 years, or is employed by
4 an employer and participates for at least 2 years in the
5 Federal Civil Service Retirement System, all such rights,
6 credits, and previous status as a participant shall be
7 restored upon repayment of the amount of the refund, together
8 with compound interest thereon from the date the refund was
9 received to the date of repayment at the rate of 6% per annum
10 through August 31, 1982, and at the effective rates after
11 that date. Notwithstanding Section 1-103.1 and the other
12 provisions of this Section, a person who was a participant in
13 the System from February 14, 1966 until March 13, 1981 may
14 restore credits previously forfeited by acceptance of a
15 refund, without returning to service, by applying in writing
16 and repaying to the System by July 1, 2002 the amount of the
17 refund plus interest at the effective rate calculated from
18 the date of the refund to the date of repayment.

19 (c) If a participant covered under the traditional
20 benefit package has made survivors insurance contributions,
21 but has no survivors insurance beneficiary upon retirement,
22 he or she shall be entitled to elect a refund of the
23 accumulated survivors insurance contributions, or to elect an
24 additional annuity the value of which is equal to the
25 accumulated survivors insurance contributions. This election
26 must be made prior to the date the person's retirement
27 annuity is approved by the Board of Trustees.

28 (d) A participant, upon application, is entitled to a
29 refund of his or her accumulated additional contributions
30 attributable to the additional contributions described in the
31 last sentence of subsection (c) of Section 15-157. Upon the
32 acceptance of such a refund of accumulated additional
33 contributions, the participant forfeits all rights and
34 credits which may have accrued because of such contributions.

1 (e) A participant who terminates his or her employee
2 status and elects to waive service credit under Section
3 15-154.2, is entitled to a refund of the accumulated normal,
4 additional and survivors insurance contributions, if any,
5 which were credited the participant for this service, or to
6 an additional annuity the value of which is equal to the
7 accumulated normal, additional and survivors insurance
8 contributions, if any; except that not more than one such
9 refund application may be made during any academic year. Upon
10 acceptance of this refund, the participant forfeits all
11 rights and credits accrued because of this service.

12 (f) If a police officer or firefighter receives a
13 retirement annuity under Rule 1 or 3 of Section 15-136, he or
14 she shall be entitled at retirement to a refund of the
15 difference between his or her accumulated normal
16 contributions and the normal contributions which would have
17 accumulated had such person filed a waiver of the retirement
18 formula provided by Rule 4 of Section 15-136.

19 (g) If, at the time of retirement, a participant would
20 be entitled to a retirement annuity under Rule 1, 2, 3, 4, or
21 5 of Section 15-136, or under Section 15-136.4, that exceeds
22 the maximum specified in clause (1) of subsection (c) of
23 Section 15-136, he or she shall be entitled to a refund of
24 the employee contributions, if any, paid under Section 15-157
25 after the date upon which continuance of such contributions
26 would have otherwise caused the retirement annuity to exceed
27 this maximum, plus compound interest at the effective rates.
28 (Source: P.A. 90-448, eff. 8-16-97; 90-576, eff. 3-31-98;
29 90-766, eff. 8-14-98; 91-887 (Sections 10 and 25), eff.
30 7-6-00; revised 9-1-00.)

31 Section 90. The State Mandates Act is amended by adding
32 Section 8.25 as follows:

1 (30 ILCS 805/8.25 new)
2 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6
3 and 8 of this Act, no reimbursement by the State is required
4 for the implementation of any mandate created by this
5 amendatory Act of the 92nd General Assembly.

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.