

AN ACT concerning public employee benefits.

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

Section 5. The Illinois Public Labor Relations Act is amended by changing Section 15 as follows:

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

Sec. 15. Act Takes Precedence.

(a) In case of any conflict between the provisions of this Act and any other law (other than Section 5 of the State Employees Group Insurance Act of 1971 and other than the changes made to the Illinois Pension Code by this amendatory Act of the 96th General Assembly), executive order or administrative regulation relating to wages, hours and conditions of employment and employment relations, the provisions of this Act or any collective bargaining agreement negotiated thereunder shall prevail and control. Nothing in this Act shall be construed to replace or diminish the rights of employees established by Sections 28 and 28a of the Metropolitan Transit Authority Act, Sections 2.15 through 2.19 of the Regional Transportation Authority Act. The provisions of this Act are subject to Section 5 of the State Employees Group Insurance Act of 1971. Nothing in this Act shall be construed to replace the necessity of complaints against a sworn peace

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

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

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

(Source: P.A. 95-331, eff. 8-21-07.)

Section 10. The Illinois Pension Code is amended by adding Section 1-160 and by amending Sections 2-108.1, 2-119, 2-119.01, 2-119.1, 2-121.1, 2-122, 17-129, 18-124, 18-125,

18-125.1, 18-127, and 18-128.01 as follows:

(40 ILCS 5/1-160 new)

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

(a) The provisions of this Section apply to a person who first becomes an employee and a participant under any retirement system or pension fund under this Code, other than a retirement system or pension fund established under Article 2, 3, 4, 5, 6, or 18 of this Code, on or after the effective date of this amendatory Act of the 96th General Assembly notwithstanding any other provision of this Code to the contrary, but do not apply to any self-managed plan established under this Code, to any person with respect to service as a sheriff's law enforcement employee under Article 7, or to any participant of the retirement plan established under Section 22-101.

(b) "Final average salary" means the average monthly salary obtained by dividing the total salary of the participant during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period; however, the annual final average salary may not exceed \$106,800, as automatically increased by the lesser of 3% or one-half of the annual increase in the consumer price index-u during the preceding 12-month calendar year. For the purposes of a person who first becomes an employee of any retirement system or pension fund to

which this Section applies on or after the effective date of this amendatory Act of the 96th General Assembly, in this Code, "final average salary" shall be substituted for the following:

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

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

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

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

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

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

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

(c) A participant is entitled to a retirement annuity beginning on the date specified by the participant in a written application only if, on that specified date, he or she has

attained age 67 and has at least 10 years of service credit.

A participant who has attained age 62 and has at least 10 years of service credit may elect to receive the lower retirement annuity provided in subsection (d) of this Section.

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

(e) Any retirement annuity or supplemental annuity shall be subject to annual increases upon (1) attainment of age 67 or (2) the first anniversary of the commencement of the annuity, whichever occurs later. Each annual increase shall be calculated at 3% or one-half the annual increase in the consumer price index-u for the preceding calendar year, whichever is less, of the originally granted retirement annuity. If the increase in the consumer price index-u for the preceding calendar year is zero or there is a decrease, then the annuity shall not be increased.

(f) The initial survivor's annuity of an otherwise eligible survivor of a participant who first becomes a participant on or after the effective date of this amendatory Act of the 96th General Assembly shall be in the amount of 66 2/3% of the participant's earned retirement annuity at the date of death and shall be increased (1) on each January 1 occurring on or after the commencement of the annuity if the deceased member died while receiving a retirement annuity or (2) in other

cases, on each January 1 occurring after the first anniversary of the commencement of the annuity. Each annual increase shall be calculated at 3% or one-half the annual increase in the consumer price index-u for the preceding calendar year, whichever is less, of the originally granted survivor's annuity. If the increase in the consumer price index-u for the preceding calendar year is zero or there is a decrease, then the annuity shall not be increased.

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

(h) If a person who first becomes a member of a retirement system or pension fund subject to this Section on or after the effective date of this amendatory Act of the 96th General Assembly is receiving a retirement annuity or retirement pension under that system or fund and accepts employment in a

position covered under the same Article or any other Article of this Code on a full-time basis, then the person's retirement annuity or retirement pension under that system or fund shall be suspended during that employment. Upon termination of that employment, the person's retirement annuity or retirement pension payments shall resume and, if appropriate, be recalculated under the applicable provisions of this Code.

(i) Notwithstanding any other provision of this Section, a person who first becomes a participant of the retirement system established under Article 15 on or after the effective date of this amendatory Act of the 96th General Assembly shall have the option to enroll in the self-managed plan created under Section 15-158.2 of this Code.

(j) In the case of a conflict between the provisions of this Section and any other provision of this Code, the provisions of this Section shall control.

(40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)

Sec. 2-108.1. Highest salary for annuity purposes.

(a) "Highest salary for annuity purposes" means whichever of the following is applicable to the participant:

For a participant who first becomes a participant of this System before August 10, 2009 (the effective date of Public Act 96-207) ~~this amendatory Act of the 96th General Assembly:~~

(1) For a participant who is a member of the General Assembly on his or her last day of service: the highest

salary that is prescribed by law, on the participant's last day of service, for a member of the General Assembly who is not an officer; plus, if the participant was elected or appointed to serve as an officer of the General Assembly for 2 or more years and has made contributions as required under subsection (d) of Section 2-126, the highest additional amount of compensation prescribed by law, at the time of the participant's service as an officer, for members of the General Assembly who serve in that office.

(2) For a participant who holds one of the State executive offices specified in Section 2-105 on his or her last day of service: the highest salary prescribed by law for service in that office on the participant's last day of service.

(3) For a participant who is Clerk or Assistant Clerk of the House of Representatives or Secretary or Assistant Secretary of the Senate on his or her last day of service: the salary received for service in that capacity on the last day of service, but not to exceed the highest salary (including additional compensation for service as an officer) that is prescribed by law on the participant's last day of service for the highest paid officer of the General Assembly.

(4) For a participant who is a continuing participant under Section 2-117.1 on his or her last day of service: the salary received for service in that capacity on the



last day of service, but not to exceed the highest salary (including additional compensation for service as an officer) that is prescribed by law on the participant's last day of service for the highest paid officer of the General Assembly.

For a participant who first becomes a participant of this System on or after August 10, 2009 (the effective date of Public Act 96-207) and before the effective date of this amendatory Act of the 96th General Assembly ~~this amendatory Act of the 96th General Assembly~~, the average monthly salary obtained by dividing the total salary of the participant during the period of: (1) the 48 consecutive months of service within the last 120 months of service in which the total compensation was the highest, or (2) the total period of service, if less than 48 months, by the number of months of service in that period.

For a participant who first becomes a participant of this System on or after the effective date of this amendatory Act of the 96th General Assembly, the average monthly salary obtained by dividing the total salary of the participant during the 96 consecutive months of service within the last 120 months of service in which the total compensation was the highest by the number of months of service in that period; however, the highest salary for annuity purposes may not exceed the Social Security Covered Wage Base for 2010, and shall automatically be increased or decreased, as applicable, by a percentage equal to

the percentage change in the consumer price index-u during the preceding 12-month calendar year. "Consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the Board.

(b) The earnings limitations of subsection (a) apply to earnings under any other participating system under the Retirement Systems Reciprocal Act that are considered in calculating a proportional annuity under this Article, except in the case of a person who first became a member of this System before August 22, 1994.

(c) In calculating the subsection (a) earnings limitation to be applied to earnings under any other participating system under the Retirement Systems Reciprocal Act for the purpose of calculating a proportional annuity under this Article, the participant's last day of service shall be deemed to mean the last day of service in any participating system from which the person has applied for a proportional annuity under the Retirement Systems Reciprocal Act.

(Source: P.A. 96-207, eff. 8-10-09.)

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

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

1. The date the annuity begins does not precede the date of final termination of service, or is not more than 30 days before the receipt of the application by the board in the case of annuities based on disability or one year before the receipt of the application in the case of annuities based on attained age;

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

For a participant who first becomes a participant of this System before the effective date of this amendatory Act of the 96th General Assembly:

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

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

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

For a participant who first becomes a participant of

this System on or after the effective date of this amendatory Act of the 96th General Assembly, he or she has attained age 67 and has at least 8 years of service credit.

(a-5) A participant who first becomes a participant of this System on or after the effective date of this amendatory Act of the 96th General Assembly who has attained age 62 and has at least 8 years of service credit may elect to receive the lower retirement annuity provided in paragraph (c) of Section 2-119.01 of this Code.

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

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

(40 ILCS 5/2-119.01) (from Ch. 108 1/2, par. 2-119.01)

Sec. 2-119.01. Retirement annuities - Amount.

(a) For a participant in service after June 30, 1977 who has not made contributions to this System after January 1, 1982, the annual retirement annuity is 3% for each of the first 8 years of service, plus 4% for each of the next 4 years of service, plus 5% for each year of service in excess of 12 years, based on the participant's highest salary for annuity

purposes. The maximum retirement annuity payable shall be 80% of the participant's highest salary for annuity purposes.

(b) For a participant in service after June 30, 1977 who has made contributions to this System on or after January 1, 1982, the annual retirement annuity is 3% for each of the first 4 years of service, plus 3 1/2% for each of the next 2 years of service, plus 4% for each of the next 2 years of service, plus 4 1/2% for each of the next 4 years of service, plus 5% for each year of service in excess of 12 years, of the participant's highest salary for annuity purposes. The maximum retirement annuity payable shall be 85% of the participant's highest salary for annuity purposes.

(c) Notwithstanding any other provision of this Article, for a participant who first becomes a participant on or after the effective date of this amendatory Act of the 96th General Assembly, the annual retirement annuity is 3% of the participant's highest salary for annuity purposes for each year of service. The maximum retirement annuity payable shall be 60% of the participant's highest salary for annuity purposes.

(d) Notwithstanding any other provision of this Article, for a participant who first becomes a participant on or after the effective date of this amendatory Act of the 96th General Assembly and who is retiring after attaining age 62 with at least 8 years of service credit, the retirement annuity shall be reduced by one-half of 1% for each month that the member's age is under age 67.

(Source: P.A. 86-1488.)

(40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

Sec. 2-119.1. Automatic increase in retirement annuity.

(a) A participant who retires after June 30, 1967, and who has not received an initial increase under this Section before the effective date of this amendatory Act of 1991, shall, in January or July next following the first anniversary of retirement, whichever occurs first, and in the same month of each year thereafter, but in no event prior to age 60, have the amount of the originally granted retirement annuity increased as follows: for each year through 1971, 1 1/2%; for each year from 1972 through 1979, 2%; and for 1980 and each year thereafter, 3%. Annuitants who have received an initial increase under this subsection prior to the effective date of this amendatory Act of 1991 shall continue to receive their annual increases in the same month as the initial increase.

(b) Beginning January 1, 1990, for eligible participants who remain in service after attaining 20 years of creditable service, the 3% increases provided under subsection (a) shall begin to accrue on the January 1 next following the date upon which the participant (1) attains age 55, or (2) attains 20 years of creditable service, whichever occurs later, and shall continue to accrue while the participant remains in service; such increases shall become payable on January 1 or July 1, whichever occurs first, next following the first anniversary of

retirement. For any person who has service credit in the System for the entire period from January 15, 1969 through December 31, 1992, regardless of the date of termination of service, the reference to age 55 in clause (1) of this subsection (b) shall be deemed to mean age 50.

This subsection (b) does not apply to any person who first becomes a member of the System after the effective date of this amendatory Act of the 93rd General Assembly.

(b-5) Notwithstanding any other provision of this Article, a participant who first becomes a participant on or after the effective date of this amendatory Act of the 96th General Assembly shall, in January or July next following the first anniversary of retirement, whichever occurs first, and in the same month of each year thereafter, but in no event prior to age 67, have the amount of the retirement annuity then being paid increased by 3% or the annual change in the Consumer Price Index for All Urban Consumers, whichever is less.

(c) The foregoing provisions relating to automatic increases are not applicable to a participant who retires before having made contributions (at the rate prescribed in Section 2-126) for automatic increases for less than the equivalent of one full year. However, in order to be eligible for the automatic increases, such a participant may make arrangements to pay to the system the amount required to bring the total contributions for the automatic increase to the equivalent of one year's contributions based upon his or her

last salary.

(d) A participant who terminated service prior to July 1, 1967, with at least 14 years of service is entitled to an increase in retirement annuity beginning January, 1976, and to additional increases in January of each year thereafter.

The initial increase shall be 1 1/2% of the originally granted retirement annuity multiplied by the number of full years that the annuitant was in receipt of such annuity prior to January 1, 1972, plus 2% of the originally granted retirement annuity for each year after that date. The subsequent annual increases shall be at the rate of 2% of the originally granted retirement annuity for each year through 1979 and at the rate of 3% for 1980 and thereafter.

(e) Beginning January 1, 1990, all automatic annual increases payable under this Section shall be calculated as a percentage of the total annuity payable at the time of the increase, including previous increases granted under this Article.

(Source: P.A. 93-494, eff. 8-8-03.)

(40 ILCS 5/2-121.1) (from Ch. 108 1/2, par. 2-121.1)

Sec. 2-121.1. Survivor's annuity - amount.

(a) A surviving spouse shall be entitled to 66 2/3% of the amount of retirement annuity to which the participant or annuitant was entitled on the date of death, without regard to whether the participant had attained age 55 prior to his or her



death, subject to a minimum payment of 10% of salary. If a surviving spouse, regardless of age, has in his or her care at the date of death any eligible child or children of the participant, the survivor's annuity shall be the greater of the following: (1) 66 2/3% of the amount of retirement annuity to which the participant or annuitant was entitled on the date of death, or (2) 30% of the participant's salary increased by 10% of salary on account of each such child, subject to a total payment for the surviving spouse and children of 50% of salary. If eligible children survive but there is no surviving spouse, or if the surviving spouse dies or becomes disqualified by remarriage while eligible children survive, each eligible child shall be entitled to an annuity of 20% of salary, subject to a maximum total payment for all such children of 50% of salary.

However, the survivor's annuity payable under this Section shall not be less than 100% of the amount of retirement annuity to which the participant or annuitant was entitled on the date of death, if he or she is survived by a dependent disabled child.

The salary to be used for determining these benefits shall be the salary used for determining the amount of retirement annuity as provided in Section 2-119.01.

(b) Upon the death of a participant after the termination of service or upon death of an annuitant, the maximum total payment to a surviving spouse and eligible children, or to

eligible children alone if there is no surviving spouse, shall be 75% of the retirement annuity to which the participant or annuitant was entitled, unless there is a dependent disabled child among the survivors.

(c) When a child ceases to be an eligible child, the annuity to that child, or to the surviving spouse on account of that child, shall thereupon cease, and the annuity payable to the surviving spouse or other eligible children shall be recalculated if necessary.

Upon the ineligibility of the last eligible child, the annuity shall immediately revert to the amount payable upon death of a participant or annuitant who leaves no eligible children. If the surviving spouse is then under age 50, the annuity as revised shall be deferred until the attainment of age 50.

(d) Beginning January 1, 1990, every survivor's annuity shall be increased (1) on each January 1 occurring on or after the commencement of the annuity if the deceased member died while receiving a retirement annuity, or (2) in other cases, on each January 1 occurring on or after the first anniversary of the commencement of the annuity, by an amount equal to 3% of the current amount of the annuity, including any previous increases under this Article. Such increases shall apply without regard to whether the deceased member was in service on or after the effective date of this amendatory Act of 1991, but shall not accrue for any period prior to January 1, 1990.

(d-5) Notwithstanding any other provision of this Article, the initial survivor's annuity of a survivor of a participant who first becomes a participant on or after the effective date of this amendatory Act of the 96th General Assembly shall be in the amount of 66 2/3% of the amount of the retirement annuity to which the participant or annuitant was entitled on the date of death and shall be increased (1) on each January 1 occurring on or after the commencement of the annuity if the deceased member died while receiving a retirement annuity or (2) in other cases, on each January 1 occurring on or after the first anniversary of the commencement of the annuity, by an amount equal to 3% or the annual change in the Consumer Price Index for All Urban Consumers, whichever is less, of the survivor's annuity then being paid.

(e) Notwithstanding any other provision of this Article, beginning January 1, 1990, the minimum survivor's annuity payable to any person who is entitled to receive a survivor's annuity under this Article shall be \$300 per month, without regard to whether or not the deceased participant was in service on the effective date of this amendatory Act of 1989.

(f) In the case of a proportional survivor's annuity arising under the Retirement Systems Reciprocal Act where the amount payable by the System on January 1, 1993 is less than \$300 per month, the amount payable by the System shall be increased beginning on that date by a monthly amount equal to \$2 for each full year that has expired since the annuity began.

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

(40 ILCS 5/2-122) (from Ch. 108 1/2, par. 2-122)

Sec. 2-122. Re-entry after retirement. An annuitant who re-enters service as a member shall become a participant on the date of re-entry and retirement annuity payments shall cease at that time. The participant shall resume contributions to the system on the date of re-entry at the rates then in effect and shall begin to accrue additional service credit. He or she shall be entitled to all rights and privileges in the system, including death and disability benefits, subject to the limitations herein provided, except refund of retirement annuity contributions.

Upon subsequent retirement, the participant shall be entitled to a retirement annuity consisting of: (1) the amount of retirement annuity previously granted and terminated by re-entry into service; and (2) the amount of additional retirement annuity earned during the additional service based on the provisions in effect at the date of such subsequent retirement. However, the total retirement annuity shall not exceed the maximum retirement annuity applicable at the date of the participant's last retirement. If the salary of the participant following the latest re-entry into service is higher than that in effect at the date of the previous retirement and the participant restores to the system all amounts previously received as retirement annuity payments,

upon subsequent retirement, the retirement annuity shall be recalculated for all service credited under the system as though the participant had not previously retired.

The repayment of retirement annuity payments must be made by the participant in a single sum or by a withholding from salary within a period of 6 years from date of re-entry and in any event before subsequent retirement. If previous annuity payments have not been repaid to the system at the date of death of the participant, any remaining balance must be fully repaid to the system before any further annuity shall be payable.

Such member, if unmarried at date of his last retirement, shall also be entitled to a refund of widow's and widower's annuity contributions, without interest, covering the period from the date of re-entry into service to the date of last retirement.

Notwithstanding any other provision of this Article, if a person who first becomes a participant under this System on or after the effective date of this amendatory Act of the 96th General Assembly is receiving a retirement annuity under this Article and accepts employment in a position covered under this Article or any other Article of this Code on a full-time basis, then the person's retirement annuity under this System shall be suspended during that employment. Upon termination of that employment, the person's retirement annuity shall resume and, if appropriate, be recalculated under the applicable

provisions of this Article.

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

(40 ILCS 5/17-129) (from Ch. 108 1/2, par. 17-129)

Sec. 17-129. Employer contributions; deficiency in Fund.

(a) If in any fiscal year of the Board of Education ending prior to 1997 the total amounts paid to the Fund from the Board of Education (other than under this subsection, and other than amounts used for making or "picking up" contributions on behalf of teachers) and from the State do not equal the total contributions made by or on behalf of the teachers for such year, or if the total income of the Fund in any such fiscal year of the Board of Education from all sources is less than the total such expenditures by the Fund for such year, the Board of Education shall, in the next succeeding year, in addition to any other payment to the Fund set apart and appropriate from moneys from its tax levy for educational purposes, a sum sufficient to remove such deficiency or deficiencies, and promptly pay such sum into the Fund in order to restore any of the reserves of the Fund that may have been so temporarily applied. Any amounts received by the Fund after December 4, 1997 from State appropriations, including under Section 17-127, shall be a credit against and shall fully satisfy any obligation that may have arisen, or be claimed to have arisen, under this subsection (a) as a result of any deficiency or deficiencies in the fiscal year of the Board of

Education ending in calendar year 1997.

(b) (i) Notwithstanding any other provision of this Section, and notwithstanding any prior certification by the Board under subsection (c) for fiscal year 2011, the Board of Education's total required contribution to the Fund for fiscal year 2011 under this Section is \$187,000,000.

(ii) Notwithstanding any other provision of this Section, the Board of Education's total required contribution to the Fund for fiscal year 2012 under this Section is \$192,000,000.

(iii) Notwithstanding any other provision of this Section, the Board of Education's total required contribution to the Fund for fiscal year 2013 under this Section is \$196,000,000.

(iv) For fiscal years 2014 through 2059, the minimum contribution to the Fund to be made by the Board of Education in each fiscal year shall be an amount determined by the Fund to be sufficient to bring the total assets of the Fund up to 90% of the total actuarial liabilities of the Fund by the end of fiscal year 2059. In making these determinations, the required Board of Education contribution shall be calculated each year as a level percentage of the applicable employee payrolls over the years remaining to and including fiscal year 2059 and shall be determined under the projected unit credit actuarial cost method.

(v) Beginning in fiscal year 2060, the minimum Board of Education contribution for each fiscal year shall be the amount needed to maintain the total assets of the Fund at 90% of the

total actuarial liabilities of the Fund.

(vi) Notwithstanding any other provision of this subsection (b), for any fiscal year, the contribution to the Fund from the Board of Education shall not be required to be in excess of the amount calculated as needed to maintain the assets (or cause the assets to be) at the 90% level by the end of the fiscal year.

(vii) Any contribution by the State to or for the benefit of the Fund, including, without limitation, as referred to under Section 17-127, shall be a credit against any contribution required to be made by the Board of Education under this subsection (b).

~~(b) (i) For fiscal years 2011 through 2045, the minimum contribution to the Fund to be made by the Board of Education in each fiscal year shall be an amount determined by the Fund to be sufficient to bring the total assets of the Fund up to 90% of the total actuarial liabilities of the Fund by the end of fiscal year 2045. In making these determinations, the required Board of Education contribution shall be calculated each year as a level percentage of the applicable employee payrolls over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.~~

~~(ii) For fiscal years 1999 through 2010, the Board of Education's contribution to the Fund, as a percentage of the applicable employee payroll, shall be increased in equal annual~~



~~increments so that by fiscal year 2011, the Board of Education is contributing at the rate required under this subsection.~~

~~(iii) Beginning in fiscal year 2046, the minimum Board of Education contribution for each fiscal year shall be the amount needed to maintain the total assets of the Fund at 90% of the total actuarial liabilities of the Fund.~~

~~(iv) Notwithstanding the provisions of paragraphs (i), (ii), and (iii) of this subsection (b), for any fiscal year the contribution to the Fund from the Board of Education shall not be required to be in excess of the amount calculated as needed to maintain the assets (or cause the assets to be) at the 90% level by the end of the fiscal year.~~

~~(v) Any contribution by the State to or for the benefit of the Fund, including, without limitation, as referred to under Section 17-127, shall be a credit against any contribution required to be made by the Board of Education under this subsection (b).~~

(c) The Board shall determine the amount of Board of Education contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the recommendations of the actuary, in order to meet the minimum contribution requirements of subsections (a) and (b). Annually, on or before February 28, the Board shall certify to the Board of Education the amount of the required Board of Education contribution for the coming fiscal year. The certification shall include a copy of the actuarial

recommendations upon which it is based.

(Source: P.A. 89-15, eff. 5-30-95; 90-548, eff. 12-4-97; 90-566, eff. 1-2-98; 90-655, eff. 7-30-98.)

(40 ILCS 5/18-124) (from Ch. 108 1/2, par. 18-124)

Sec. 18-124. Retirement annuities - conditions for eligibility.

(a) This subsection (a) applies to a participant who first serves as a judge before the effective date of this amendatory Act of the 96th General Assembly.

A participant whose employment as a judge is terminated, regardless of age or cause is entitled to a retirement annuity beginning on the date specified in a written application subject to the following:

(1) the date the annuity begins is subsequent to the date of final termination of employment, or the date 30 days prior to the receipt of the application by the board for annuities based on disability, or one year before the receipt of the application by the board for annuities based on attained age;

(2) the participant is at least age 55, or has become permanently disabled and as a consequence is unable to perform the duties of his or her office;

(3) the participant has at least 10 years of service credit except that a participant terminating service after June 30 1975, with at least 6 years of service credit,

shall be entitled to a retirement annuity at age 62 or over;

(4) the participant is not receiving or entitled to receive, at the date of retirement, any salary from an employer for service currently performed.

(b) This subsection (b) applies to a participant who first serves as a judge on or after the effective date of this amendatory Act of the 96th General Assembly.

A participant who has at least 8 years of creditable service is entitled to a retirement annuity when he or she has attained age 67.

A member who has attained age 62 and has at least 8 years of service credit may elect to receive the lower retirement annuity provided in subsection (d) of Section 18-125 of this Code.

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

(40 ILCS 5/18-125) (from Ch. 108 1/2, par. 18-125)

Sec. 18-125. Retirement annuity amount.

(a) The annual retirement annuity for a participant who terminated service as a judge prior to July 1, 1971 shall be based on the law in effect at the time of termination of service.

(b) Except as provided in subsection (b-5), effective ~~Effective~~ July 1, 1971, the retirement annuity for any participant in service on or after such date shall be 3 1/2% of

final average salary, as defined in this Section, for each of the first 10 years of service, and 5% of such final average salary for each year of service on excess of 10.

For purposes of this Section, final average salary for a participant who first serves as a judge before August 10, 2009 (the effective date of Public Act 96-207) ~~this amendatory Act of the 96th General Assembly~~ shall be:

(1) the average salary for the last 4 years of credited service as a judge for a participant who terminates service before July 1, 1975.

(2) for a participant who terminates service after June 30, 1975 and before July 1, 1982, the salary on the last day of employment as a judge.

(3) for any participant who terminates service after June 30, 1982 and before January 1, 1990, the average salary for the final year of service as a judge.

(4) for a participant who terminates service on or after January 1, 1990 but before the effective date of this amendatory Act of 1995, the salary on the last day of employment as a judge.

(5) for a participant who terminates service on or after the effective date of this amendatory Act of 1995, the salary on the last day of employment as a judge, or the highest salary received by the participant for employment as a judge in a position held by the participant for at least 4 consecutive years, whichever is greater.

However, in the case of a participant who elects to discontinue contributions as provided in subdivision (a)(2) of Section 18-133, the time of such election shall be considered the last day of employment in the determination of final average salary under this subsection.

For a participant who first serves as a judge on or after August 10, 2009 (the effective date of Public Act 96-207) and before the effective date of this amendatory Act of the 96th General Assembly ~~this amendatory Act of the 96th General Assembly~~, final average salary shall be the average monthly salary obtained by dividing the total salary of the participant during the period of: (1) the 48 consecutive months of service within the last 120 months of service in which the total compensation was the highest, or (2) the total period of service, if less than 48 months, by the number of months of service in that period.

The maximum retirement annuity for any participant shall be 85% of final average salary.

(b-5) Notwithstanding any other provision of this Article, for a participant who first serves as a judge on or after the effective date of this amendatory Act of the 96th General Assembly, the annual retirement annuity is 3% of the participant's final average salary for each year of service. The maximum retirement annuity payable shall be 60% of the participant's final average salary.

For a participant who first serves as a judge on or after

the effective date of this amendatory Act of the 96th General Assembly, final average salary shall be the average monthly salary obtained by dividing the total salary of the judge during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period; however, the final average salary may not exceed the Social Security Covered Wage Base for 2010, and shall automatically be increased or decreased, as applicable, by a percentage equal to the percentage change in the consumer price index-u during the preceding 12-month calendar year. "Consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the Board.

(c) The retirement annuity for a participant who retires prior to age 60 with less than 28 years of service in the System shall be reduced  $\frac{1}{2}$  of 1% for each month that the participant's age is under 60 years at the time the annuity commences. However, for a participant who retires on or after the effective date of this amendatory Act of the 91st General Assembly, the percentage reduction in retirement annuity imposed under this subsection shall be reduced by  $\frac{5}{12}$  of 1%

for every month of service in this System in excess of 20 years, and therefore a participant with at least 26 years of service in this System may retire at age 55 without any reduction in annuity.

The reduction in retirement annuity imposed by this subsection shall not apply in the case of retirement on account of disability.

(d) Notwithstanding any other provision of this Article, for a participant who first serves as a judge on or after the effective date of this amendatory Act of the 96th General Assembly and who is retiring after attaining age 62, the retirement annuity shall be reduced by 1/2 of 1% for each month that the participant's age is under age 67 at the time the annuity commences.

(Source: P.A. 96-207, eff. 8-10-09; revised 10-30-09.)

(40 ILCS 5/18-125.1) (from Ch. 108 1/2, par. 18-125.1)

Sec. 18-125.1. Automatic increase in retirement annuity. A participant who retires from service after June 30, 1969, shall, in January of the year next following the year in which the first anniversary of retirement occurs, and in January of each year thereafter, have the amount of his or her originally granted retirement annuity increased as follows: for each year up to and including 1971, 1 1/2%; for each year from 1972 through 1979 inclusive, 2%; and for 1980 and each year thereafter, 3%.

Notwithstanding any other provision of this Article, a retirement annuity for a participant who first serves as a judge on or after the effective date of this amendatory Act of the 96th General Assembly shall be increased in January of the year next following the year in which the first anniversary of retirement occurs, and in January of each year thereafter, by an amount equal to 3% or the annual change in the Consumer Price Index for All Urban Consumers, whichever is less, of the retirement annuity then being paid.

This Section is not applicable to a participant who retires before he or she has made contributions at the rate prescribed in Section 18-133 for automatic increases for not less than the equivalent of one full year, unless such a participant arranges to pay the system the amount required to bring the total contributions for the automatic increase to the equivalent of one year's contribution based upon his or her last year's salary.

This Section is applicable to all participants in service after June 30, 1969 unless a participant has elected, prior to September 1, 1969, in a written direction filed with the board not to be subject to the provisions of this Section. Any participant in service on or after July 1, 1992 shall have the option of electing prior to April 1, 1993, in a written direction filed with the board, to be covered by the provisions of the 1969 amendatory Act. Such participant shall be required to make the aforesaid additional contributions with compound



interest at 4% per annum.

Any participant who has become eligible to receive the maximum rate of annuity and who resumes service as a judge after receiving a retirement annuity under this Article shall have the amount of his or her retirement annuity increased by 3% of the originally granted annuity amount for each year of such resumed service, beginning in January of the year next following the date of such resumed service, upon subsequent termination of such resumed service.

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

(Source: P.A. 86-273; 87-1265.)

(40 ILCS 5/18-127) (from Ch. 108 1/2, par. 18-127)

Sec. 18-127. Retirement annuity - suspension on reemployment.

(a) A participant receiving a retirement annuity who is regularly employed for compensation by an employer other than a county, in any capacity, shall have his or her retirement annuity payments suspended during such employment. Upon termination of such employment, retirement annuity payments at the previous rate shall be resumed.

If such a participant resumes service as a judge, he or she shall receive credit for any additional service. Upon

subsequent retirement, his or her retirement annuity shall be the amount previously granted, plus the amount earned by the additional judicial service under the provisions in effect during the period of such additional service. However, if the participant was receiving the maximum rate of annuity at the time of re-employment, he or she may elect, in a written direction filed with the board, not to receive any additional service credit during the period of re-employment. In such case, contributions shall not be required during the period of re-employment. Any such election shall be irrevocable.

(b) Beginning January 1, 1991, any participant receiving a retirement annuity who accepts temporary employment from an employer other than a county for a period not exceeding 75 working days in any calendar year shall not be deemed to be regularly employed for compensation or to have resumed service as a judge for the purposes of this Article. A day shall be considered a working day if the annuitant performs on it any of his duties under the temporary employment agreement.

(c) Except as provided in subsection (a), beginning January 1, 1993, retirement annuities shall not be subject to suspension upon resumption of employment for an employer, and any retirement annuity that is then so suspended shall be reinstated on that date.

(d) The changes made in this Section by this amendatory Act of 1993 shall apply to judges no longer in service on its effective date, as well as to judges serving on or after that

date.

(e) A participant receiving a retirement annuity under this Article who serves as a part-time employee in any of the following positions: Legislative Inspector General, Special Legislative Inspector General, employee of the Office of the Legislative Inspector General, Executive Director of the Legislative Ethics Commission, or staff of the Legislative Ethics Commission, but has not elected to participate in the Article 14 System with respect to that service, shall not be deemed to be regularly employed for compensation by an employer other than a county, nor to have resumed service as a judge, on the basis of that service, and the retirement annuity payments and other benefits of that person under this Code shall not be suspended, diminished, or otherwise impaired solely as a consequence of that service. This subsection (e) applies without regard to whether the person is in service as a judge under this Article on or after the effective date of this amendatory Act of the 93rd General Assembly. In this subsection, a "part-time employee" is a person who is not required to work at least 35 hours per week.

(f) A participant receiving a retirement annuity under this Article who has made an election under Section 1-123 and who is serving either as legal counsel in the Office of the Governor or as Chief Deputy Attorney General shall not be deemed to be regularly employed for compensation by an employer other than a county, nor to have resumed service as a judge, on the basis of

that service, and the retirement annuity payments and other benefits of that person under this Code shall not be suspended, diminished, or otherwise impaired solely as a consequence of that service. This subsection (f) applies without regard to whether the person is in service as a judge under this Article on or after the effective date of this amendatory Act of the 93rd General Assembly.

(g) Notwithstanding any other provision of this Article, if a person who first becomes a participant under this System on or after the effective date of this amendatory Act of the 96th General Assembly is receiving a retirement annuity under this Article and accepts employment in a position covered under this Article or any other Article of this Code on a full-time basis, then the person's retirement annuity under this System shall be suspended during that employment. Upon termination of that employment, the person's retirement annuity shall resume and, if appropriate, be recalculated under the applicable provisions of this Article.

(Source: P.A. 93-685, eff. 7-8-04; 93-1069, eff. 1-15-05.)

(40 ILCS 5/18-128.01) (from Ch. 108 1/2, par. 18-128.01)

Sec. 18-128.01. Amount of survivor's annuity.

(a) Upon the death of an annuitant, his or her surviving spouse shall be entitled to a survivor's annuity of 66 2/3% of the annuity the annuitant was receiving immediately prior to his or her death, inclusive of annual increases in the

retirement annuity to the date of death.

(b) Upon the death of an active participant, his or her surviving spouse shall receive a survivor's annuity of  $66 \frac{2}{3}\%$  of the annuity earned by the participant as of the date of his or her death, determined without regard to whether the participant had attained age 60 as of that time, or  $7 \frac{1}{2}\%$  of the last salary of the decedent, whichever is greater.

(c) Upon the death of a participant who had terminated service with at least 10 years of service, his or her surviving spouse shall be entitled to a survivor's annuity of  $66 \frac{2}{3}\%$  of the annuity earned by the deceased participant at the date of death.

(d) Upon the death of an annuitant, active participant, or participant who had terminated service with at least 10 years of service, each surviving child under the age of 18 or disabled as defined in Section 18-128 shall be entitled to a child's annuity in an amount equal to 5% of the decedent's final salary, not to exceed in total for all such children the greater of 20% of the decedent's last salary or  $66 \frac{2}{3}\%$  of the annuity received or earned by the decedent as provided under subsections (a) and (b) of this Section. This child's annuity shall be paid whether or not a survivor's annuity was elected under Section 18-123.

(e) The changes made in the survivor's annuity provisions by Public Act 82-306 shall apply to the survivors of a deceased participant or annuitant whose death occurs on or after August

21, 1981.

(f) Beginning January 1, 1990, every survivor's annuity shall be increased (1) on each January 1 occurring on or after the commencement of the annuity if the deceased member died while receiving a retirement annuity, or (2) in other cases, on each January 1 occurring on or after the first anniversary of the commencement of the annuity, by an amount equal to 3% of the current amount of the annuity, including any previous increases under this Article. Such increases shall apply without regard to whether the deceased member was in service on or after the effective date of this amendatory Act of 1991, but shall not accrue for any period prior to January 1, 1990.

(g) Notwithstanding any other provision of this Article, the initial survivor's annuity for a survivor of a participant who first serves as a judge after the effective date of this amendatory Act of the 96th General Assembly shall be in the amount of 66 2/3% of the annuity received or earned by the decedent, and shall be increased (1) on each January 1 occurring on or after the commencement of the annuity if the deceased participant died while receiving a retirement annuity, or (2) in other cases, on each January 1 occurring on or after the first anniversary of the commencement of the annuity, by an amount equal to 3% or the annual change in the Consumer Price Index for All Urban Consumers, whichever is less, of the survivor's annuity then being paid.

(Source: P.A. 86-273; 86-1488.)

Section 90. The State Mandates Act is amended by adding Section 8.34 as follows:

(30 ILCS 805/8.34 new)

Sec. 8.34. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 96th General Assembly.

Section 97. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Section 99. Effective date. This Section and the changes to Section 17-129 of the Illinois Pension Code take effect upon becoming law.