

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 Pension Code is amended by changing Sections 1-114, 1-135, 3-110, 4-108, 5-214, 6-209, 8-138, 8-226, 8-233, 9-219, 11-134, 11-215, 11-217, 15-107, 16-106, and 17-134 as follows:

(40 ILCS 5/1-114) (from Ch. 108 1/2, par. 1-114)

Sec. 1-114. Liability for Breach of Fiduciary Duty. (a) Any person who is a fiduciary with respect to a retirement system or pension fund established under this Code who breaches any duty imposed upon fiduciaries by this Code, including, but not limited to, a failure to report a reasonable suspicion of a false statement specified in Section 1-135 of this Code, shall be personally liable to make good to such retirement system or pension fund any losses to it resulting from each such breach, and to restore to such retirement system or pension fund any profits of such fiduciary which have been made through use of assets of the retirement system or pension fund by the fiduciary, and shall be subject to such equitable or remedial relief as the court may deem appropriate, including the removal of such fiduciary.

(b) No person shall be liable with respect to a breach of

fiduciary duty under this Code if such breach occurred before such person became a fiduciary or after such person ceased to be a fiduciary.

(Source: P.A. 82-960.)

(40 ILCS 5/1-135)

Sec. 1-135. Fraud. Any person who knowingly makes any false statement or falsifies or permits to be falsified any record of a retirement system or pension fund created under this Code or the Illinois State Board of Investment in an attempt to defraud the retirement system or pension fund created under this Code or the Illinois State Board of Investment is guilty of a Class 3 felony. Any reasonable suspicion by any appointed or elected commissioner, trustee, director, or board member of a retirement system or pension fund created under this Code or the State Board of Investment of a false statement or falsified record being submitted or permitted by a person under this Code shall be immediately referred to the board of trustees of the applicable retirement system or pension fund created under this Code, the State Board of Investment, or the State's Attorney of the jurisdiction where the alleged fraudulent activity occurred. The board of trustees of a retirement system or pension fund created under this Code or the State Board of Investment shall immediately notify the State's Attorney of the jurisdiction where any alleged fraudulent activity occurred for investigation. For the purposes of this Section,

"reasonable suspicion" means a belief, based upon specific and articulable facts, taken together with rational inferences from those facts, that would lead a reasonable person to believe that fraud has been, or will be, committed. A reasonable suspicion is more than a non-particularized suspicion. A mere inconsistency, standing alone, does not give rise to a reasonable suspicion.

(Source: P.A. 96-6, eff. 4-3-09.)

(40 ILCS 5/3-110) (from Ch. 108 1/2, par. 3-110)

Sec. 3-110. Creditable service.

(a) "Creditable service" is the time served by a police officer as a member of a regularly constituted police force of a municipality. In computing creditable service furloughs without pay exceeding 30 days shall not be counted, but all leaves of absence for illness or accident, regardless of length, and all periods of disability retirement for which a police officer has received no disability pension payments under this Article shall be counted.

(a-5) Up to 3 years of time during which the police officer receives a disability pension under Section 3-114.1, 3-114.2, 3-114.3, or 3-114.6 shall be counted as creditable service, provided that (i) the police officer returns to active service after the disability for a period at least equal to the period for which credit is to be established and (ii) the police officer makes contributions to the fund based on the rates

specified in Section 3-125.1 and the salary upon which the disability pension is based. These contributions may be paid at any time prior to the commencement of a retirement pension. The police officer may, but need not, elect to have the contributions deducted from the disability pension or to pay them in installments on a schedule approved by the board. If not deducted from the disability pension, the contributions shall include interest at the rate of 6% per year, compounded annually, from the date for which service credit is being established to the date of payment. If contributions are paid under this subsection (a-5) in excess of those needed to establish the credit, the excess shall be refunded. This subsection (a-5) applies to persons receiving a disability pension under Section 3-114.1, 3-114.2, 3-114.3, or 3-114.6 on the effective date of this amendatory Act of the 91st General Assembly, as well as persons who begin to receive such a disability pension after that date.

(b) Creditable service includes all periods of service in the military, naval or air forces of the United States entered upon while an active police officer of a municipality, provided that upon applying for a permanent pension, and in accordance with the rules of the board, the police officer pays into the fund the amount the officer would have contributed if he or she had been a regular contributor during such period, to the extent that the municipality which the police officer served has not made such contributions in the officer's behalf. The

total amount of such creditable service shall not exceed 5 years, except that any police officer who on July 1, 1973 had more than 5 years of such creditable service shall receive the total amount thereof.

(b-5) Creditable service includes all periods of service in the military, naval, or air forces of the United States entered upon before beginning service as an active police officer of a municipality, provided that, in accordance with the rules of the board, the police officer pays into the fund the amount the police officer would have contributed if he or she had been a regular contributor during such period, plus an amount determined by the Board to be equal to the municipality's normal cost of the benefit, plus interest at the actuarially assumed rate calculated from the date the employee last became a police officer under this Article. The total amount of such creditable service shall not exceed 2 years.

(c) Creditable service also includes service rendered by a police officer while on leave of absence from a police department to serve as an executive of an organization whose membership consists of members of a police department, subject to the following conditions: (i) the police officer is a participant of a fund established under this Article with at least 10 years of service as a police officer; (ii) the police officer received no credit for such service under any other retirement system, pension fund, or annuity and benefit fund included in this Code; (iii) pursuant to the rules of the board

the police officer pays to the fund the amount he or she would have contributed had the officer been an active member of the police department; ~~and~~ (iv) the organization pays a contribution equal to the municipality's normal cost for that period of service; and (v) for all leaves of absence under this subsection (c), including those beginning before the effective date of this amendatory Act of the 97th General Assembly, the police officer continues to remain in sworn status, subject to the professional standards of the public employer or those terms established in statute.

(d) (1) Creditable service also includes periods of service originally established in another police pension fund under this Article or in the Fund established under Article 7 of this Code for which (i) the contributions have been transferred under Section 3-110.7 or Section 7-139.9 and (ii) any additional contribution required under paragraph (2) of this subsection has been paid in full in accordance with the requirements of this subsection (d).

(2) If the board of the pension fund to which creditable service and related contributions are transferred under Section 7-139.9 determines that the amount transferred is less than the true cost to the pension fund of allowing that creditable service to be established, then in order to establish that creditable service the police officer must pay to the pension fund, within the payment period specified in paragraph (3) of

this subsection, an additional contribution equal to the difference, as determined by the board in accordance with the rules and procedures adopted under paragraph (6) of this subsection. If the board of the pension fund to which creditable service and related contributions are transferred under Section 3-110.7 determines that the amount transferred is less than the true cost to the pension fund of allowing that creditable service to be established, then the police officer may elect (A) to establish that creditable service by paying to the pension fund, within the payment period specified in paragraph (3) of this subsection (d), an additional contribution equal to the difference, as determined by the board in accordance with the rules and procedures adopted under paragraph (6) of this subsection (d) or (B) to have his or her creditable service reduced by an amount equal to the difference between the amount transferred under Section 3-110.7 and the true cost to the pension fund of allowing that creditable service to be established, as determined by the board in accordance with the rules and procedures adopted under paragraph (6) of this subsection (d).

(3) Except as provided in paragraph (4), the additional contribution that is required or elected under paragraph (2) of this subsection (d) must be paid to the board (i) within 5 years from the date of the transfer of contributions under Section 3-110.7 or 7-139.9 and (ii)

before the police officer terminates service with the fund. The additional contribution may be paid in a lump sum or in accordance with a schedule of installment payments authorized by the board.

(4) If the police officer dies in service before payment in full has been made and before the expiration of the 5-year payment period, the surviving spouse of the officer may elect to pay the unpaid amount on the officer's behalf within 6 months after the date of death, in which case the creditable service shall be granted as though the deceased police officer had paid the remaining balance on the day before the date of death.

(5) If the additional contribution that is required or elected under paragraph (2) of this subsection (d) is not paid in full within the required time, the creditable service shall not be granted and the police officer (or the officer's surviving spouse or estate) shall be entitled to receive a refund of (i) any partial payment of the additional contribution that has been made by the police officer and (ii) those portions of the amounts transferred under subdivision (a)(1) of Section 3-110.7 or subdivisions (a)(1) and (a)(3) of Section 7-139.9 that represent employee contributions paid by the police officer (but not the accumulated interest on those contributions) and interest paid by the police officer to the prior pension fund in order to reinstate service

terminated by acceptance of a refund.

At the time of paying a refund under this item (5), the pension fund shall also repay to the pension fund from which the contributions were transferred under Section 3-110.7 or 7-139.9 the amount originally transferred under subdivision (a)(2) of that Section, plus interest at the rate of 6% per year, compounded annually, from the date of the original transfer to the date of repayment. Amounts repaid to the Article 7 fund under this provision shall be credited to the appropriate municipality.

Transferred credit that is not granted due to failure to pay the additional contribution within the required time is lost; it may not be transferred to another pension fund and may not be reinstated in the pension fund from which it was transferred.

(6) The Public Employee Pension Fund Division of the Department of Insurance shall establish by rule the manner of making the calculation required under paragraph (2) of this subsection, taking into account the appropriate actuarial assumptions; the police officer's service, age, and salary history; the level of funding of the pension fund to which the credits are being transferred; and any other factors that the Division determines to be relevant. The rules may require that all calculations made under paragraph (2) be reported to the Division by the board performing the calculation, together with documentation of

the creditable service to be transferred, the amounts of contributions and interest to be transferred, the manner in which the calculation was performed, the numbers relied upon in making the calculation, the results of the calculation, and any other information the Division may deem useful.

(e) (1) Creditable service also includes periods of service originally established in the Fund established under Article 7 of this Code for which the contributions have been transferred under Section 7-139.11.

(2) If the board of the pension fund to which creditable service and related contributions are transferred under Section 7-139.11 determines that the amount transferred is less than the true cost to the pension fund of allowing that creditable service to be established, then the amount of creditable service the police officer may establish under this subsection (e) shall be reduced by an amount equal to the difference, as determined by the board in accordance with the rules and procedures adopted under paragraph (3) of this subsection.

(3) The Public Pension Division of the Department of Financial and Professional Regulation shall establish by rule the manner of making the calculation required under paragraph (2) of this subsection, taking into account the appropriate actuarial assumptions; the police officer's service, age, and salary history; the level of funding of

the pension fund to which the credits are being transferred; and any other factors that the Division determines to be relevant. The rules may require that all calculations made under paragraph (2) be reported to the Division by the board performing the calculation, together with documentation of the creditable service to be transferred, the amounts of contributions and interest to be transferred, the manner in which the calculation was performed, the numbers relied upon in making the calculation, the results of the calculation, and any other information the Division may deem useful.

(4) Until January 1, 2010, a police officer who transferred service from the Fund established under Article 7 of this Code under the provisions of Public Act 94-356 may establish additional credit, but only for the amount of the service credit reduction in that transfer, as calculated under paragraph (3) of this subsection (e). This credit may be established upon payment by the police officer of an amount to be determined by the board, equal to (1) the amount that would have been contributed as employee and employer contributions had all of the service been as an employee under this Article, plus interest thereon at the rate of 6% per year, compounded annually from the date of service to the date of transfer, less (2) the total amount transferred from the Article 7 Fund, plus (3) interest on the difference at the rate of 6% per year,

compounded annually, from the date of the transfer to the date of payment. The additional service credit is allowed under this amendatory Act of the 95th General Assembly notwithstanding the provisions of Article 7 terminating all transferred credits on the date of transfer.

(Source: P.A. 95-812, eff. 8-13-08; 96-297, eff. 8-11-09; 96-1260, eff. 7-23-10.)

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

Sec. 4-108. Creditable service.

(a) Creditable service is the time served as a firefighter of a municipality. In computing creditable service, furloughs and leaves of absence without pay exceeding 30 days in any one year shall not be counted, but leaves of absence for illness or accident regardless of length, and periods of disability for which a firefighter received no disability pension payments under this Article, shall be counted.

(b) Furloughs and leaves of absence of 30 days or less in any one year may be counted as creditable service, if the firefighter makes the contribution to the fund that would have been required had he or she not been on furlough or leave of absence. To qualify for this creditable service, the firefighter must pay the required contributions to the fund not more than 90 days subsequent to the termination of the furlough or leave of absence, to the extent that the municipality has not made such contribution on his or her behalf.

(c) Creditable service includes:

(1) Service in the military, naval or air forces of the United States entered upon when the person was an active firefighter, provided that, upon applying for a permanent pension, and in accordance with the rules of the board the firefighter pays into the fund the amount that would have been contributed had he or she been a regular contributor during such period of service, if and to the extent that the municipality which the firefighter served made no such contributions in his or her behalf. The total amount of such creditable service shall not exceed 5 years, except that any firefighter who on July 1, 1973 had more than 5 years of such creditable service shall receive the total amount thereof as of that date.

(1.5) Up to 24 months of service in the military, naval, or air forces of the United States that was served prior to employment by a municipality or fire protection district as a firefighter. To receive the credit for the military service prior to the employment as a firefighter, the firefighter must apply in writing to the fund and must make contributions to the fund equal to (i) the employee contributions that would have been required had the service been rendered as a member, plus (ii) an amount determined by the fund to be equal to the employer's normal cost of the benefits accrued for that military service, plus (iii) interest at the actuarially assumed rate provided by the

Department of Financial and Professional Regulation, compounded annually from the first date of membership in the fund to the date of payment on items (i) and (ii). The changes to this paragraph (1.5) by this amendatory Act of the 95th General Assembly apply only to participating employees in service on or after its effective date.

(2) Service prior to July 1, 1976 by a firefighter initially excluded from participation by reason of age who elected to participate and paid the required contributions for such service.

(3) Up to 8 years of service by a firefighter as an officer in a statewide firefighters' association when he is on a leave of absence from a municipality's payroll, provided that (i) the firefighter has at least 10 years of creditable service as an active firefighter, (ii) the firefighter contributes to the fund the amount that he would have contributed had he remained an active member of the fund, ~~and~~ (iii) the employee or statewide firefighter association contributes to the fund an amount equal to the employer's required contribution as determined by the board, and (iv) for all leaves of absence under this subdivision (3), including those beginning before the effective date of this amendatory Act of the 97th General Assembly, the firefighter continues to remain in sworn status, subject to the professional standards of the public employer or those terms established in statute.

(4) Time spent as an on-call fireman for a municipality, calculated at the rate of one year of creditable service for each 5 years of time spent as an on-call fireman, provided that (i) the firefighter has at least 18 years of creditable service as an active firefighter, (ii) the firefighter spent at least 14 years as an on-call firefighter for the municipality, (iii) the firefighter applies for such creditable service within 30 days after the effective date of this amendatory Act of 1989, (iv) the firefighter contributes to the Fund an amount representing employee contributions for the number of years of creditable service granted under this subdivision (4), based on the salary and contribution rate in effect for the firefighter at the date of entry into the Fund, to be determined by the board, and (v) not more than 3 years of creditable service may be granted under this subdivision (4).

Except as provided in Section 4-108.5, creditable service shall not include time spent as a volunteer firefighter, whether or not any compensation was received therefor. The change made in this Section by Public Act 83-0463 is intended to be a restatement and clarification of existing law, and does not imply that creditable service was previously allowed under this Article for time spent as a volunteer firefighter.

(5) Time served between July 1, 1976 and July 1, 1988

in the position of protective inspection officer or administrative assistant for fire services, for a municipality with a population under 10,000 that is located in a county with a population over 3,000,000 and that maintains a firefighters' pension fund under this Article, if the position included firefighting duties, notwithstanding that the person may not have held an appointment as a firefighter, provided that application is made to the pension fund within 30 days after the effective date of this amendatory Act of 1991, and the corresponding contributions are paid for the number of years of service granted, based upon the salary and contribution rate in effect for the firefighter at the date of entry into the pension fund, as determined by the Board.

(6) Service before becoming a participant by a firefighter initially excluded from participation by reason of age who becomes a participant under the amendment to Section 4-107 made by this amendatory Act of 1993 and pays the required contributions for such service.

(7) Up to 3 years of time during which the firefighter receives a disability pension under Section 4-110, 4-110.1, or 4-111, provided that (i) the firefighter returns to active service after the disability for a period at least equal to the period for which credit is to be established and (ii) the firefighter makes contributions to the fund based on the rates specified in Section 4-118.1

and the salary upon which the disability pension is based. These contributions may be paid at any time prior to the commencement of a retirement pension. The firefighter may, but need not, elect to have the contributions deducted from the disability pension or to pay them in installments on a schedule approved by the board. If not deducted from the disability pension, the contributions shall include interest at the rate of 6% per year, compounded annually, from the date for which service credit is being established to the date of payment. If contributions are paid under this subdivision (c)(7) in excess of those needed to establish the credit, the excess shall be refunded. This subdivision (c)(7) applies to persons receiving a disability pension under Section 4-110, 4-110.1, or 4-111 on the effective date of this amendatory Act of the 91st General Assembly, as well as persons who begin to receive such a disability pension after that date.

(Source: P.A. 94-856, eff. 6-15-06; 95-1056, eff. 4-10-09.)

(40 ILCS 5/5-214) (from Ch. 108 1/2, par. 5-214)

Sec. 5-214. Credit for other service. Any participant in this fund (other than a member of the fire department of the city) who has rendered service as a member of the police department of the city for a period of 3 years or more is entitled to credit for the various purposes of this Article for service rendered prior to becoming a member or subsequent

thereto for the following periods:

(a) While on leave of absence from the police department assigned or detailed to investigative, protective, security or police work for the park district of the city, the department of the Port of Chicago or the sanitary district in which the city is located.

(b) As a temporary police officer in the city or while serving in the office of the mayor or in the office of the corporation counsel, as a member of the city council of the city, as an employee of the Policemen's Annuity and Benefit Fund created by this Article, as the head of an organization whose membership consists of members of the police department, the Public Vehicle License Commission and the board of election commissioners of the city, provided that, in each of these cases and for all periods specified in this item (b), including those beginning before the effective date of this amendatory Act of the 97th General Assembly, the police officer is on leave and continues to remain in sworn status, subject to the professional standards of the public employer or those terms established in statute.

(c) While performing safety or investigative work for the county in which such city is principally located or for the State of Illinois or for the federal government, on leave of absence from the department of police, or while performing investigative work for the department as a

civilian employee of the department.

(d) While on leave of absence from the police department of the city and serving as the chief of police of a police department outside the city.

No credit shall be granted in this fund, however, for this service if the policeman has credit therefor in any other annuity and benefit fund, or unless he contributes to this fund the amount he would have contributed with interest had he remained an active member of the police department in the position he occupied as a result of a civil service competitive examination, certification and appointment by the Civil Service Board; or in the case of a city operating under the provisions of a personnel ordinance the position he occupied as a result of a personnel ordinance competitive examination certification and appointment under the authority of a Municipal Personnel ordinance.

Concurrently with such contributions, the city shall contribute the amounts provided by this Article. No credit shall be allowed for any period of time for which contributions by the policeman have not been paid. The period of service rendered by such policeman prior to the date he became a member of the police department of the city or while detailed, assigned or on leave of absence and employed in any of the departments set forth hereinabove in this Section for which such policeman has contributed to this fund shall be credited to him as service for all the purposes of this Article, except

that he shall not have any of the rights conferred by the provisions of Sections 5-127 and 5-162 of this Article.

The changes in this Section made by Public Act 86-273 shall apply to members of the fund who have not begun receiving a pension under this Article on August 23, 1989, without regard to whether employment is terminated before that date.

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

(40 ILCS 5/6-209) (from Ch. 108 1/2, par. 6-209)

Sec. 6-209. In computing the service rendered by a fireman prior to the effective date, the following periods shall be counted, in addition to all periods during which he performed the duties of his position, as periods of service for annuity purposes only: All periods of (a) vacation, (b) leave of absence with whole or part pay, (c) leave of absence without pay which were necessary on account of disability, and (d) leave of absence during which he was engaged in the military or naval service of the United States of America. Service credit shall not be allowed for any period during which a fireman was in receipt of pension on account of disability from any pension fund superseded by this fund.

In computing the service rendered by a fireman on and after the effective date, the following periods shall be counted in addition to all periods during which he performed the duties of his position, as periods of service for annuity purposes only: All periods of (a) vacation, (b) leave of absence with whole or

part pay, (c) leave of absence during which he was engaged in the military or naval service of the United States of America, (d) disability for which he receives any disability benefit, (e) disability for which he receives whole or part pay, (f) leave of absence, or other authorized relief from active duty, during which he served as president of The Firemen's Association of Chicago, provided that for all leaves of absence or other authorized relief under this item (f), including those beginning before the effective date of this amendatory Act of the 97th General Assembly, the fireman continues to remain in sworn status, subject to the professional standards of the public employer or those terms established in statute, (g) periods of suspension from duty not to exceed a total of one year during the total period of service of the fireman, and (h) a period of time not to exceed 23 days in 1980 in accordance with an agreement with the City on a settlement of strike; provided that the fireman elects to make contributions to the Fund for the various annuity and benefit purposes according to the provisions of this Article as though he were an active fireman, based upon the salary attached to the civil service rank held by him during such absence from duty, and if the fireman so elects, the city shall make the prescribed concurrent contributions for such annuity and benefit purposes as provided in this Article, all to the end that such fireman shall be entitled to receive the same annuities and benefits for which he would otherwise be eligible if he had continued as

an active fireman during the periods of absence from duty.

In computing service on and after the effective date for ordinary disability benefit, all periods described in the preceding paragraph, except any period for which a fireman receives ordinary disability benefit, shall be counted as periods of service.

In computing service for any of the purposes of this Article, credit shall be given for any periods prior to January 9, 1997, during which an active fireman (or fire paramedic) who is a member of the General Assembly is on leave of absence or is otherwise authorized to be absent from duty to enable him to perform his legislative duties, notwithstanding any reduction in salary for such periods and notwithstanding that the contributions paid by the fireman were based on such reduced salary rather than the full amount of salary attached to his civil service rank.

In computing service for any of the purposes of this Article, no credit shall be given for any period during which a fireman was not rendering active service because of his discharge from the service, unless proceedings to test the legality of the discharge are filed in a court of competent jurisdiction within one year from the date of discharge and a final judgment is entered therein declaring the discharge illegal.

No overtime or extra service shall be included in computing service of a fireman and not more than one year or a proper

fractional part thereof of service shall be allowed for service rendered during any calendar year.

(Source: P.A. 86-273; 86-1488; 87-1265.)

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

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

(a) An employee who withdraws after age 65 or more with at least 20 years of service, for whom the amount of age and service and prior service annuity combined is less than the amount stated in this Section, shall from the date of withdrawal, instead of all annuities otherwise provided, be entitled to receive an annuity for life of \$150 a year, plus 1 1/2% for each year of service, to and including 20 years, and 1 2/3% for each year of service over 20 years, of his highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal.

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

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

An employee who withdraws after July 1, 1957 and before January 1, 1988, with 20 or more years of service, before age 60 years is entitled to annuity, to begin not earlier than upon attained age of 55 years, if under such age at withdrawal, as computed in the last preceding paragraph, reduced 0.25% for each full month or fractional part thereof that his attained age when annuity is to begin is less than 60 if the employee was born before January 1, 1936, or 0.5% for each such month if

the employee was born on or after January 1, 1936.

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

However, in the case of an employee who retired on or after

January 1, 1985 but before January 1, 1988, at age 55 or older and with at least 35 years of service, and who was subject under this subsection (b) to the reduction in retirement annuity because of retirement below age 60, that reduction shall cease to be effective January 1, 1991, and the retirement annuity shall be recalculated accordingly.

Any employee who withdraws on or after July 1, 1990, with 20 or more years of service, may elect to receive, in lieu of any other employee annuity provided in this Section, an annuity for life equal to 2.20% for each year of service if withdrawal is before January 1, 2002, or 2.40% for each year of service if withdrawal is on or after January 1, 2002, of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, to begin not earlier than upon attained age of 55 years, if under such age at withdrawal, reduced 0.25% for each full month or fractional part thereof that his attained age when annuity is to begin is less than 60; except that an employee retiring at age 55 or over but less than age 60, having at least 30 years of service, shall not be subject to the reduction in retirement annuity because of retirement below age 60.

Any employee who withdraws on or after the effective date of this amendatory Act of 1997 with 20 or more years of service may elect to receive, in lieu of any other employee annuity provided in this Section, an annuity for life equal to 2.20%

for each year of service, if withdrawal is before January 1, 2002, or 2.40% for each year of service if withdrawal is on or after January 1, 2002, of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, to begin not earlier than upon attainment of age 55 (age 50 if the employee has at least 30 years of service), reduced 0.25% for each full month or remaining fractional part thereof that the employee's attained age when annuity is to begin is less than 60; except that an employee retiring at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service shall not be subject to the reduction in retirement annuity because of retirement below age 60.

The maximum annuity payable under part (a) and (b) of this Section shall not exceed 70% of highest average annual salary in the case of an employee who withdraws prior to July 1, 1971, 75% if withdrawal takes place on or after July 1, 1971 and prior to January 1, 2002, or 80% if withdrawal takes place on or after January 1, 2002. For the purpose of the minimum annuity provided in this Section \$1,500 is considered the minimum annual salary for any year; and the maximum annual salary for the computation of such annuity is \$4,800 for any year before 1953, \$6000 for the years 1953 to 1956, inclusive, and the actual annual salary, as salary is defined in this Article, for any year thereafter.

To preserve rights existing on December 31, 1959, for

participants and contributors on that date to the fund created by the Court and Law Department Employees' Annuity Act, who became participants in the fund provided for on January 1, 1960, the maximum annual salary to be considered for such persons for the years 1955 and 1956 is \$7,500.

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

(d) An employee with 20 or more years of service, whose entire disability benefit credit period expires before attainment of age 55 while still disabled for service, is entitled upon withdrawal to the larger of (1) the minimum annuity provided above, assuming he is then age 55, and reducing such annuity to its actuarial equivalent as of his attained age on such date or (2) the annuity provided from his age and service and prior service annuity credits.

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

(f) An employee in service on July 1, 1947, or who became a contributor after July 1, 1947 and before attainment of age 70, who withdraws after age 65, with less than 20 years of service

for whom the annuity has been fixed under this Article shall, instead of the annuity so fixed, receive an annuity as follows:

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

(g) Instead of the annuity provided in this Article, an employee having attained age 65 with at least 15 years of service who withdraws from service on or after July 1, 1971 and whose annuity computed under other provisions of this Article is less than the amount provided under this paragraph, is entitled to a minimum annuity for life equal to 1% of the highest average annual salary, as salary is defined and limited in this Section for any 4 consecutive years within the last 10 years of service for each year of service, plus the sum of \$25 for each year of service. The annuity shall not exceed 60% of such highest average annual salary.

(g-1) Instead of any other retirement annuity provided in this Article, an employee who has at least 10 years of service and withdraws from service on or after January 1, 1999 may elect to receive a retirement annuity for life, beginning no earlier than upon attainment of age 60, equal to 2.2% if withdrawal is before January 1, 2002, or 2.4% if withdrawal is on or after January 1, 2002, of final average salary for each year of service, subject to a maximum of 75% of final average salary if withdrawal is before January 1, 2002, or 80% if withdrawal is on or after January 1, 2002. For the purpose of calculating this annuity, "final average salary" means the highest average annual salary for any 4 consecutive years in the last 10 years of service. Notwithstanding any provision of this subsection to the contrary, the "final average salary" for a participant that received credit under subsection (c) of Section 8-226 means the highest average salary for any 4 consecutive years (or any 8 consecutive years if the employee first became a participant on or after January 1, 2011) in the 10 years immediately prior to the leave of absence, and adding to that highest average salary, the product of (i) that highest average salary, (ii) the average percentage increase in the Consumer Price Index during each 12-month calendar year for the calendar years during the participant's leave of absence, and (iii) the length of the leave of absence in years, provided that this shall not exceed the participant's salary at the local labor organization. For purposes of this Section, the

Consumer Price Index is the Consumer Price Index for All Urban Consumers for all items published by the United States Department of Labor.

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

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

(j) The amendatory provisions of this amendatory Act of 1985 (P.A. 84-23) relating to the discount of annuity because of retirement prior to attainment of age 60, and to the retirement formula, for those born before January 1, 1936, shall apply only to qualifying employees withdrawing on or after July 18, 1985.

(j-1) The changes made to this Section by Public Act 92-609 (increasing the retirement formula to 2.4% per year of service and increasing the maximum to 80%) apply to persons who withdraw from service on or after January 1, 2002, regardless of whether that withdrawal takes place before the effective date of that Act. In the case of a person who withdraws from service on or after January 1, 2002 but begins to receive a retirement annuity before July 1, 2002, the annuity shall be recalculated, with the increase resulting from Public Act 92-609 accruing from the date the retirement annuity began. The changes made by Public Act 92-609 control over the changes made

by Public Act 92-599, as provided in Section 95 of P.A. 92-609.

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

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

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

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

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

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

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

(40 ILCS 5/8-226) (from Ch. 108 1/2, par. 8-226)

Sec. 8-226. Computation of service. In computing the term

of service of an employee prior to the effective date, the entire period beginning on the date he was first appointed and ending on the day before the effective date, except any intervening period during which he was separated by withdrawal from service, shall be counted for all purposes of this Article, except that for any employee who was not in service on the day before the effective date, service rendered prior to such date shall not be considered for the purposes of Section 8-138.

For a person employed by an employer for whom this Article was in effect prior to January 1, 1950, from whose salary deductions are first made under this Article after December 31, 1949, any period of service rendered prior to the effective date, unless he was in service on the day before the effective date, shall not be counted as service.

The time a person was an employee of any territory annexed to the city prior to the effective date shall be counted as a period of service.

In computing the term of service of any employee subsequent to the day before the effective date, the following periods shall be counted as periods of service for age and service, widow's and child's annuity purposes:

(a) The time during which he performed the duties of his position;

(b) Vacations, leaves of absence with whole or part pay, and leaves of absence without pay not longer than 90

days;

(c) Leaves of absence without pay that begin before the effective date of this amendatory Act of the 97th General Assembly and during which a participant is employed full-time by a local labor organization that represents municipal employees, provided that (1) the participant continues to make employee contributions to the Fund as though he were an active employee, based on the regular salary rate received by the participant for his municipal employment immediately prior to such leave of absence (and in the case of such employment prior to December 9, 1987, pays to the Fund an amount equal to the employee contributions for such employment plus regular interest thereon as calculated by the board), and based on his current salary with such labor organization after the effective date of this amendatory Act of 1991, (2) after January 1, 1989 the participant, or the labor organization on the participant's behalf, makes contributions to the Fund as though it were the employer, in the same amount and same manner as specified under this Article, based on the regular salary rate received by the participant for his municipal employment immediately prior to such leave of absence, and based on his current salary with such labor organization after the effective date of this amendatory Act of 1991, and (3) the participant does not receive credit in any pension plan established by the local labor

organization based on his employment by the organization;

(d) Any period of disability for which he received (i) a disability benefit under this Article, or (ii) a temporary total disability benefit under the Workers' Compensation Act if the disability results from a condition commonly termed heart attack or stroke or any other condition falling within the broad field of coronary involvement or heart disease, or (iii) whole or part pay;

(e) Any period for which contributions and service credit have been transferred to this Fund under subsection (d) of Section 9-121.1 or subsection (d) of Section 12-127.1 of this Code.

For a person employed by an employer in which the 1921 Act was in effect prior to January 1, 1950, from whose salary deductions are first made under the 1921 Act or this Article after December 31, 1949, any period of service rendered subsequent to the effective date and prior to the date he became an employee and contributor, shall not be counted as a period of service under this Article, except such period for which he made payment as provided in Section 8-230 of this Article, in which case such period shall be counted as a period of service for all annuity purposes hereunder.

In computing the term of service of an employee subsequent to the day before the effective date for ordinary disability benefit purposes, all periods described in the preceding paragraph, except any such period for which he receives

ordinary disability benefit, shall be counted as periods of service; provided, that for any person employed by an employer in which this Article was in effect prior to January 1, 1950, from whose salary deductions are first made under this Article after December 31, 1949, any period of service rendered subsequent to the effective date and prior to the date he became an employee and contributor, shall not be counted as a period of service for ordinary disability benefit purposes, unless the person made payment for the period as provided in Section 8-230 of this Article, in which case the period shall be counted as a period of service for ordinary disability purposes for periods of disability on or after the effective date of this amendatory Act of 1997.

Overtime or extra service shall not be included in computing any term of service. Not more than 1 year of service shall be allowed for service rendered during any calendar year.

For the purposes of this Section, the phrase "any pension plan established by the local labor organization" means any pension plan in which a participant may receive credit as a result of his or her membership in the local labor organization, including, but not limited to, the local labor organization itself and its affiliates at the local, intrastate, State, multi-state, national, or international level. The definition of this phrase is a declaration of existing law and shall not be construed as a new enactment.

(Source: P.A. 90-511, eff. 8-22-97.)

(40 ILCS 5/8-233) (from Ch. 108 1/2, par. 8-233)

Sec. 8-233. Basis of annual salary. For the purpose of this Article, the annual salary of an employee whose salary or wage is appropriated, fixed, or arranged in the annual appropriation ordinance upon other than an annual basis shall be determined as follows:

(a) If the employee is paid on a monthly basis, the annual salary is 12 times the monthly salary. If the employee is paid on a weekly basis, the annual salary is 52 times the weekly salary.

"Monthly salary" means the amount of compensation or salary appropriated and payable for a normal and regular month's work in the employee's position in the service. "Weekly salary" means the amount of compensation or salary appropriated and payable for a normal and regular week's work in the employee's position in the service. If the work is on a regularly scheduled part time basis, then "monthly salary" and "weekly salary" refer, respectively, to the part time monthly or weekly salary.

If the appropriation for the position is for a shorter period than 12 months a year, or 52 weeks a year if on a weekly basis, or the employee is in a class, grade, or category in which the employee normally works for fewer than 12 months or 52 weeks a year, then the basis shall be adjusted downward to the extent that the appropriated or customary work period is

less than the normal 12 months or 52 weeks of service in a year.

Compensation for overtime, at regular or overtime rates, that is paid in addition to the appropriated regular and normal monthly or weekly salary shall not be considered.

(b) If the employee is paid on a daily basis, the annual salary is 260 times the daily wage. If the employee is paid on an hourly basis, the annual salary is 2080 times the hourly wage.

The norm is based on a 12-month per year, 5-day work week of 8 hours per day and 40 hours per week, with consideration given only to time compensated for at the straight time rate of compensation or wage. The norm shall be increased (subject to a maximum of 300 days or 2400 hours per year) or decreased for an employee to the extent that the normal and established work period, at the straight time compensation or wage for the position held in the class, grade, or category in which the employee is assigned, is for a greater or lesser number of months, weeks, days, or hours than the period on which the established norm is based.

"Daily wage" and "hourly wage" mean, respectively, the normal, regular, or basic straight time rate of compensation or wage appropriated and payable for a normal and regular day's work, or hour's work, in the employee's position in the service.

Any time worked in excess of the norm (or the increased or

decreased norm, whichever is applicable) that is compensated for at overtime, premium, or other than regular or basic straight time rates shall not be considered as time worked, and the compensation for that work shall not be considered as salary or wage. Such time and compensation shall in every case and for all purposes be considered overtime and shall be excluded for all purposes under this Article. However, the straight time portion of compensation or wage, for time worked on holidays that fall within an employee's established norm, shall be included for all purposes under this Article.

(c) For minimum annuity purposes under Section 8-138, where a salary rate change occurs during the year, it shall be considered that the annual salary for that year is (1) the annual equivalent of the monthly, weekly, daily, or hourly salary or wage rate that was applicable for the greater number of months, weeks, days, or hours (whichever is applicable) in the year under consideration, or (2) the annual equivalent of the average salary or wage rate in effect for the employee during the year, whichever is greater. The average salary or wage rate shall be calculated by multiplying each salary or wage rate in effect for the employee during the year by the number of months, weeks, days, or hours (whichever is applicable) during which that rate was in effect, and dividing the sum of the resulting products by the total number of months, weeks, days, or hours (whichever is applicable) worked by the employee during the year.

(d) The changes to subsection (c) made by this amendatory Act of 1997 apply to persons withdrawing from service on or after July 1, 1990 and for each such person are intended to be retroactive to the date upon which the affected annuity began. The Fund shall recompute the affected annuity and shall pay the additional amount due for the period before the increase resulting from this amendatory Act in a lump sum, without interest.

(e) This Article shall not be construed to authorize a salary paid by an entity other than an employer, as defined in Section 8-110, to be used to calculate the highest average annual salary of a participant. This subsection (e) is a declaration of existing law and shall not be construed as a new enactment.

(Source: P.A. 90-31, eff. 6-27-97.)

(40 ILCS 5/9-219) (from Ch. 108 1/2, par. 9-219)

Sec. 9-219. Computation of service.

(1) In computing the term of service of an employee prior to the effective date, the entire period beginning on the date he was first appointed and ending on the day before the effective date, except any intervening period during which he was separated by withdrawal from service, shall be counted for all purposes of this Article.

(2) In computing the term of service of any employee on or after the effective date, the following periods of time shall

be counted as periods of service for age and service, widow's and child's annuity purposes:

(a) The time during which he performed the duties of his position.

(b) Vacations, leaves of absence with whole or part pay, and leaves of absence without pay not longer than 90 days.

(c) For an employee who is a member of a county police department or a correctional officer with the county department of corrections, approved leaves of absence without pay during which the employee serves as a full-time officer or employee of an employee association, the membership of which consists of other participants in the Fund, provided that the employee contributes to the Fund (1) the amount that he would have contributed had he remained an active employee in the position he occupied at the time the leave of absence was granted, (2) an amount calculated by the Board representing employer contributions, and (3) regular interest thereon from the date of service to the date of payment. However, if the employee's application to establish credit under this subsection is received by the Fund on or after July 1, 2002 and before July 1, 2003, the amount representing employer contributions specified in item (2) shall be waived.

For a former member of a county police department who has received a refund under Section 9-164, periods during

which the employee serves as head of an employee association, the membership of which consists of other police officers, provided that the employee contributes to the Fund (1) the amount that he would have contributed had he remained an active member of the county police department in the position he occupied at the time he left service, (2) an amount calculated by the Board representing employer contributions, and (3) regular interest thereon from the date of service to the date of payment. However, if the former member of the county police department retires on or after January 1, 1993 but no later than March 1, 1993, the amount representing employer contributions specified in item (2) shall be waived.

For leaves of absence to which this item (c) applies and for other periods to which this item (c) applies, including those leaves of absence and other periods of service beginning before the effective date of this amendatory Act of the 97th General Assembly, the employee or former member must continue to remain in sworn status, subject to the professional standards of the public employer or those terms established in statute.

(d) Any period of disability for which he received disability benefit or whole or part pay.

(e) Accumulated vacation or other time for which an employee who retires on or after November 1, 1990 receives a lump sum payment at the time of retirement, provided that

contributions were made to the fund at the time such lump sum payment was received. The service granted for the lump sum payment shall not change the employee's date of withdrawal for computing the effective date of the annuity.

(f) An employee may receive service credit for annuity purposes for accumulated sick leave as of the date of the employee's withdrawal from service, not to exceed a total of 180 days, provided that the amount of such accumulated sick leave is certified by the County Comptroller to the Board and the employee pays an amount equal to 8.5% (9% for members of the County Police Department who are eligible to receive an annuity under Section 9-128.1) of the amount that would have been paid had such accumulated sick leave been paid at the employee's final rate of salary. Such payment shall be made within 30 days after the date of withdrawal and prior to receipt of the first annuity check. The service credit granted for such accumulated sick leave shall not change the employee's date of withdrawal for the purpose of computing the effective date of the annuity.

(3) In computing the term of service of an employee on or after the effective date for ordinary disability benefit purposes, the following periods of time shall be counted as periods of service:

(a) Unless otherwise specified in Section 9-157, the time during which he performed the duties of his position.

(b) Paid vacations and leaves of absence with whole or

part pay.

(c) Any period for which he received duty disability benefit.

(d) Any period of disability for which he received whole or part pay.

(4) For an employee who on January 1, 1958, was transferred by Act of the 70th General Assembly from his position in a department of welfare of any city located in the county in which this Article is in force and effect to a similar position in a department of such county, service shall also be credited for ordinary disability benefit and child's annuity for such period of department of welfare service during which period he was a contributor to a statutory annuity and benefit fund in such city and for which purposes service credit would otherwise not be credited by virtue of such involuntary transfer.

(5) An employee described in subsection (e) of Section 9-108 shall receive credit for child's annuity and ordinary disability benefit for the period of time for which he was credited with service in the fund from which he was involuntarily separated through class or group transfer; provided, that no such credit shall be allowed to the extent that it results in a duplication of credits or benefits, and neither shall such credit be allowed to the extent that it was or may be forfeited by the application for and acceptance of a refund from the fund from which the employee was transferred.

(6) Overtime or extra service shall not be included in

computing service. Not more than 1 year of service shall be allowed for service rendered during any calendar year.

(Source: P.A. 92-599, eff. 6-28-02.)

(40 ILCS 5/11-134) (from Ch. 108 1/2, par. 11-134)

Sec. 11-134. Minimum annuities.

(a) An employee whose withdrawal occurs after July 1, 1957 at age 60 or over, with 20 or more years of service, (as service is defined or computed in Section 11-216), for whom the age and service and prior service annuity combined is less than the amount stated in this Section, shall, from and after the date of withdrawal, in lieu of all annuities otherwise provided in this Article, be entitled to receive an annuity for life of an amount equal to 1 2/3% for each year of service, of the highest average annual salary for any 5 consecutive years within the last 10 years of service immediately preceding the date of withdrawal; provided, that in the case of any employee who withdraws on or after July 1, 1971, such employee age 60 or over with 20 or more years of service, shall be entitled to instead receive an annuity for life equal to 1.67% for each of the first 10 years of service; 1.90% for each of the next 10 years of service; 2.10% for each year of service in excess of 20 but not exceeding 30; and 2.30% for each year of service in excess of 30, based on the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal.

An employee who withdraws after July 1, 1957 and before January 1, 1988, with 20 or more years of service, before age 60, shall be entitled to an annuity, to begin not earlier than age 55, if under such age at withdrawal, as computed in the last preceding paragraph, reduced 0.25% if the employee was born before January 1, 1936, or 0.5% if the employee was born on or after January 1, 1936, for each full month or fractional part thereof that his attained age when such annuity is to begin is less than 60.

Any employee born before January 1, 1936 who withdraws with 20 or more years of service, and any employee with 20 or more years of service who withdraws on or after January 1, 1988, may elect to receive, in lieu of any other employee annuity provided in this Section, an annuity for life equal to 1.80% for each of the first 10 years of service, 2.00% for each of the next 10 years of service, 2.20% for each year of service in excess of 20, but not exceeding 30, and 2.40% for each year of service in excess of 30, of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, to begin not earlier than upon attained age of 55 years, if under such age at withdrawal, reduced 0.25% for each full month or fractional part thereof that his attained age when annuity is to begin is less than 60; except that an employee retiring on or after January 1, 1988, at age 55 or over but less than age 60, having at least 35 years of service, or an employee retiring on or

after July 1, 1990, at age 55 or over but less than age 60, having at least 30 years of service, or an employee retiring on or after the effective date of this amendatory Act of 1997, at age 55 or over but less than age 60, having at least 25 years of service, shall not be subject to the reduction in retirement annuity because of retirement below age 60.

However, in the case of an employee who retired on or after January 1, 1985 but before January 1, 1988, at age 55 or older and with at least 35 years of service, and who was subject under this subsection (a) to the reduction in retirement annuity because of retirement below age 60, that reduction shall cease to be effective January 1, 1991, and the retirement annuity shall be recalculated accordingly.

Any employee who withdraws on or after July 1, 1990, with 20 or more years of service, may elect to receive, in lieu of any other employee annuity provided in this Section, an annuity for life equal to 2.20% for each year of service if withdrawal is before January 1, 2002, or 2.40% for each year of service if withdrawal is on or after January 1, 2002, of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, to begin not earlier than upon attained age of 55 years, if under such age at withdrawal, reduced 0.25% for each full month or fractional part thereof that his attained age when annuity is to begin is less than 60; except that an employee retiring at age 55 or over but less than age 60,

having at least 30 years of service, shall not be subject to the reduction in retirement annuity because of retirement below age 60.

Any employee who withdraws on or after the effective date of this amendatory Act of 1997 with 20 or more years of service may elect to receive, in lieu of any other employee annuity provided in this Section, an annuity for life equal to 2.20% for each year of service if withdrawal is before January 1, 2002, or 2.40% for each year of service if withdrawal is on or after January 1, 2002, of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, to begin not earlier than upon attainment of age 55 (age 50 if the employee has at least 30 years of service), reduced 0.25% for each full month or remaining fractional part thereof that the employee's attained age when annuity is to begin is less than 60; except that an employee retiring at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service shall not be subject to the reduction in retirement annuity because of retirement below age 60.

The maximum annuity payable under this paragraph (a) of this Section shall not exceed 70% of highest average annual salary in the case of an employee who withdraws prior to July 1, 1971, 75% if withdrawal takes place on or after July 1, 1971 and prior to January 1, 2002, or 80% if withdrawal is on or after January 1, 2002. For the purpose of the minimum annuity

provided in said paragraphs \$1,500 shall be considered the minimum annual salary for any year; and the maximum annual salary to be considered for the computation of such annuity shall be \$4,800 for any year prior to 1953, \$6,000 for the years 1953 to 1956, inclusive, and the actual annual salary, as salary is defined in this Article, for any year thereafter.

(b) For an employee receiving disability benefit, his salary for annuity purposes under this Section shall, for all periods of disability benefit subsequent to the year 1956, be the amount on which his disability benefit was based.

(c) An employee with 20 or more years of service, whose entire disability benefit credit period expires prior to attainment of age 55 while still disabled for service, shall be entitled upon withdrawal to the larger of (1) the minimum annuity provided above assuming that he is then age 55, and reducing such annuity to its actuarial equivalent at his attained age on such date, or (2) the annuity provided from his age and service and prior service annuity credits.

(d) The minimum annuity provisions as aforesaid shall not apply to any former employee receiving an annuity from the fund, and who re-enters service as an employee, unless he renders at least 3 years of additional service after the date of re-entry.

(e) An employee in service on July 1, 1947, or who became a contributor after July 1, 1947 and prior to July 1, 1950, or who shall become a contributor to the fund after July 1, 1950

prior to attainment of age 70, who withdraws after age 65 with less than 20 years of service, for whom the annuity has been fixed under the foregoing Sections of this Article shall, in lieu of the annuity so fixed, receive an annuity as follows:

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

(f) In lieu of the annuity provided in this or in any other Section of this Article, an employee having attained age 65 with at least 15 years of service who withdraws from service on or after July 1, 1971 and whose annuity computed under other provisions of this Article is less than the amount provided under this paragraph shall be entitled to receive a minimum annual annuity for life equal to 1% of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding retirement for each year

of his service plus the sum of \$25 for each year of service. Such annual annuity shall not exceed the maximum percentages stated under paragraph (a) of this Section of such highest average annual salary.

(f-1) Instead of any other retirement annuity provided in this Article, an employee who has at least 10 years of service and withdraws from service on or after January 1, 1999 may elect to receive a retirement annuity for life, beginning no earlier than upon attainment of age 60, equal to 2.2% if withdrawal is before January 1, 2002, or 2.4% for each year of service if withdrawal is on or after January 1, 2002, of final average salary for each year of service, subject to a maximum of 75% of final average salary if withdrawal is before January 1, 2002, or 80% if withdrawal is on or after January 1, 2002. For the purpose of calculating this annuity, "final average salary" means the highest average annual salary for any 4 consecutive years in the last 10 years of service. Notwithstanding any provision of this subsection to the contrary, the "final average salary" for a participant that received credit under item (3) of subsection (c) of Section 11-215 means the highest average salary for any 4 consecutive years (or any 8 consecutive years if the employee first became a participant on or after January 1, 2011) in the 10 years immediately prior to the leave of absence, and adding to that highest average salary, the product of (i) that highest average salary, (ii) the average percentage increase in the Consumer

Price Index during each 12-month calendar year for the calendar years during the participant's leave of absence, and (iii) the length of the leave of absence in years, provided that this shall not exceed the participant's salary at the local labor organization. For purposes of this Section, the Consumer Price Index is the Consumer Price Index for All Urban Consumers for all items published by the United States Department of Labor.

(g) Any annuity payable under the preceding subsections of this Section 11-134 shall be paid in equal monthly installments.

(h) The amendatory provisions of part (a) and (f) of this Section shall be effective July 1, 1971 and apply in the case of every qualifying employee withdrawing on or after July 1, 1971.

(h-1) The changes made to this Section by Public Act 92-609 (increasing the retirement formula to 2.4% per year of service and increasing the maximum to 80%) apply to persons who withdraw from service on or after January 1, 2002, regardless of whether that withdrawal takes place before the effective date of that Act. In the case of a person who withdraws from service on or after January 1, 2002 but begins to receive a retirement annuity before July 1, 2002, the annuity shall be recalculated, with the increase resulting from Public Act 92-609 accruing from the date the retirement annuity began. The changes made by Public Act 92-609 control over the changes made by Public Act 92-599, as provided in Section 95 of P.A. 92-609.

(i) The amendatory provisions of this amendatory Act of 1985 relating to the discount of annuity because of retirement prior to attainment of age 60 and increasing the retirement formula for those born before January 1, 1936, shall apply only to qualifying employees withdrawing on or after August 16, 1985.

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

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

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

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

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

The increases granted under items (1), (2) and (3) of this subsection (j) shall not be limited by any other Section of

this Act.

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

(40 ILCS 5/11-215) (from Ch. 108 1/2, par. 11-215)

Sec. 11-215. Computation of service.

(a) In computing the term of service of an employee prior to the effective date, the entire period beginning on the date he was first appointed and ending on the day before the effective date, except any intervening period during which he was separated by withdrawal from service, shall be counted for all purposes of this Article. Only the first year of each period of lay-off or leave of absence without pay, continuing or extending for a period in excess of one year, shall be counted as such service.

(b) For a person employed by an employer for whom this Article was in effect prior to August 1, 1949, from whose salary deductions are first made under this Article after July 31, 1949, any period of service rendered prior to the effective date, unless he was in service on the day before the effective date, shall not be counted as service.

(c) In computing the term of service of an employee subsequent to the day before the effective date, the following periods of time shall be counted as periods of service for annuity purposes:

(1) the time during which he performed the duties of his position;

(2) leaves of absence with whole or part pay, and leaves of absence without pay not longer than 90 days;

(3) leaves of absence without pay that begin before the effective date of this amendatory Act of the 97th General Assembly and during which a participant is employed full-time by a local labor organization that represents municipal employees, provided that (A) the participant continues to make employee contributions to the Fund as though he were an active employee, based on the regular salary rate received by the participant for his municipal employment immediately prior to such leave of absence (and in the case of such employment prior to December 9, 1987, pays to the Fund an amount equal to the employee contributions for such employment plus regular interest thereon as calculated by the board), and based on his current salary with such labor organization after the effective date of this amendatory Act of 1991, (B) after January 1, 1989 the participant, or the labor organization on the participant's behalf, makes contributions to the Fund as though it were the employer, in the same amount and same manner as specified under this Article, based on the regular salary rate received by the participant for his municipal employment immediately prior to such leave of absence, and based on his current salary with such labor organization after the effective date of this amendatory Act of 1991, and (C) the participant does not receive

credit in any pension plan established by the local labor organization based on his employment by the organization;

(4) any period of disability for which he received (i) a disability benefit under this Article, or (ii) a temporary total disability benefit under the Workers' Compensation Act if the disability results from a condition commonly termed heart attack or stroke or any other condition falling within the broad field of coronary involvement or heart disease, or (iii) whole or part pay.

(d) For a person employed by an employer, or the retirement board, in which "The 1935 Act" was in effect prior to August 1, 1949, from whose salary deductions are first made under "The 1935 Act" or this Article after July 31, 1949, any period of service rendered subsequent to the effective date and prior to August 1, 1949, shall not be counted as a period of service under this Article, except such period for which he made payment, as provided in Section 11-221 of this Article, in which case such period shall be counted as a period of service for all annuity purposes hereunder.

(e) In computing the term of service of an employee subsequent to the day before the effective date for ordinary disability benefit purposes, the following periods of time shall be counted as periods of service:

(1) any period during which he performed the duties of his position;

(2) leaves of absence with whole or part pay;

(3) any period of disability for which he received (i) a duty disability benefit under this Article, or (ii) a temporary total disability benefit under the Workers' Compensation Act if the disability results from a condition commonly termed heart attack or stroke or any other condition falling within the broad field of coronary involvement or heart disease, or (iii) whole or part pay.

However, any period of service rendered by an employee contributor prior to the date he became a contributor to the fund shall not be counted as a period of service for ordinary disability purposes, unless the person made payment for the period as provided in Section 11-221 of this Article, in which case the period shall be counted as a period of service for ordinary disability purposes for periods of disability on or after the effective date of this amendatory Act of 1997.

Overtime or extra service shall not be included in computing any term of service. Not more than 1 year of service shall be allowed for service rendered during any calendar year.

For the purposes of this Section, the phrase "any pension plan established by the local labor organization" means any pension plan in which a participant may receive credit as a result of his or her membership in the local labor organization, including, but not limited to, the local labor organization itself and its affiliates at the local, intrastate, State, multi-state, national, or international level. The definition of this phrase is a declaration of

existing law and shall not be construed as a new enactment.

(Source: P.A. 90-511, eff. 8-22-97.)

(40 ILCS 5/11-217) (from Ch. 108 1/2, par. 11-217)

Sec. 11-217. Basis of annual salary. For the purpose of this Article, the annual salary of an employee whose salary or wage is appropriated, fixed, or arranged in the annual appropriation ordinance upon other than an annual basis shall be determined as follows:

(a) If the employee is paid on a monthly basis, the annual salary is 12 times the monthly salary. If the employee is paid on a weekly basis, the annual salary is 52 times the weekly salary.

"Monthly salary" means the amount of compensation or salary appropriated and payable for a normal and regular month's work in the employee's position in the service. "Weekly salary" means the amount of compensation or salary appropriated and payable for a normal and regular week's work in the employee's position in the service. If the work is on a regularly scheduled part time basis, then "monthly salary" and "weekly salary" refer, respectively, to the part time monthly or weekly salary.

If the appropriation for the position is for a shorter period than 12 months a year, or 52 weeks a year if on a weekly basis, or the employee is in a class, grade, or category in which the employee normally works for fewer than 12 months or

52 weeks a year, then the basis shall be adjusted downward to the extent that the appropriated or customary work period is less than the normal 12 months or 52 weeks of service in a year.

Compensation for overtime, at regular or overtime rates, that is paid in addition to the appropriated regular and normal monthly or weekly salary shall not be considered.

(b) If the employee is paid on a daily basis, the annual salary is 260 times the daily wage. If the employee is paid on an hourly basis, the annual salary is 2080 times the hourly wage.

The norm is based on a 12-month per year, 5-day work week of 8 hours per day and 40 hours per week, with consideration given only to time compensated for at the straight time rate of compensation or wage. The norm shall be increased (subject to a maximum of 300 days or 2400 hours per year) or decreased for an employee to the extent that the normal and established work period, at the straight time compensation or wage for the position held in the class, grade, or category in which the employee is assigned, is for a greater or lesser number of months, weeks, days, or hours than the period on which the established norm is based.

"Daily wage" and "hourly wage" mean, respectively, the normal, regular, or basic straight time rate of compensation or wage appropriated and payable for a normal and regular day's work, or hour's work, in the employee's position in the

service.

Any time worked in excess of the norm (or the increased or decreased norm, whichever is applicable) that is compensated for at overtime, premium, or other than regular or basic straight time rates shall not be considered as time worked, and the compensation for that work shall not be considered as salary or wage. Such time and compensation shall in every case and for all purposes be considered overtime and shall be excluded for all purposes under this Article. However, the straight time portion of compensation or wage, for time worked on holidays that fall within an employee's established norm, shall be included for all purposes under this Article.

(c) For minimum annuity purposes under Section 11-134, where a salary rate change occurs during the year, it shall be considered that the annual salary for that year is (1) the annual equivalent of the monthly, weekly, daily, or hourly salary or wage rate that was applicable for the greater number of months, weeks, days, or hours (whichever is applicable) in the year under consideration, or (2) the annual equivalent of the average salary or wage rate in effect for the employee during the year, whichever is greater. The average salary or wage rate shall be calculated by multiplying each salary or wage rate in effect for the employee during the year by the number of months, weeks, days, or hours (whichever is applicable) during which that rate was in effect, and dividing the sum of the resulting products by the total number of

months, weeks, days, or hours (whichever is applicable) worked by the employee during the year.

(d) The changes to subsection (c) made by this amendatory Act of 1997 apply to persons withdrawing from service on or after July 1, 1990 and for each such person are intended to be retroactive to the date upon which the affected annuity began. The Fund shall recompute the affected annuity and shall pay the additional amount due for the period before the increase resulting from this amendatory Act in a lump sum, without interest.

(e) This Article shall not be construed to authorize a salary paid by an entity other than an employer, as defined in Section 11-107, to be used to calculate the highest average annual salary of a participant. This subsection (e) is a declaration of existing law and shall not be construed as a new enactment.

(Source: P.A. 90-31, eff. 6-27-97.)

(40 ILCS 5/15-107) (from Ch. 108 1/2, par. 15-107)

Sec. 15-107. Employee.

(a) "Employee" means any member of the educational, administrative, secretarial, clerical, mechanical, labor or other staff of an employer whose employment is permanent and continuous or who is employed in a position in which services are expected to be rendered on a continuous basis for at least 4 months or one academic term, whichever is less, who (A)

receives payment for personal services on a warrant issued pursuant to a payroll voucher certified by an employer and drawn by the State Comptroller upon the State Treasurer or by an employer upon trust, federal or other funds, or (B) is on a leave of absence without pay. Employment which is irregular, intermittent or temporary shall not be considered continuous for purposes of this paragraph.

However, a person is not an "employee" if he or she:

(1) is a student enrolled in and regularly attending classes in a college or university which is an employer, and is employed on a temporary basis at less than full time;

(2) is currently receiving a retirement annuity or a disability retirement annuity under Section 15-153.2 from this System;

(3) is on a military leave of absence;

(4) is eligible to participate in the Federal Civil Service Retirement System and is currently making contributions to that system based upon earnings paid by an employer;

(5) is on leave of absence without pay for more than 60 days immediately following termination of disability benefits under this Article;

(6) is hired after June 30, 1979 as a public service employment program participant under the Federal Comprehensive Employment and Training Act and receives

earnings in whole or in part from funds provided under that Act; or

(7) is employed on or after July 1, 1991 to perform services that are excluded by subdivision (a)(7)(f) or (a)(19) of Section 210 of the federal Social Security Act from the definition of employment given in that Section (42 U.S.C. 410).

(b) Any employer may, by filing a written notice with the board, exclude from the definition of "employee" all persons employed pursuant to a federally funded contract entered into after July 1, 1982 with a federal military department in a program providing training in military courses to federal military personnel on a military site owned by the United States Government, if this exclusion is not prohibited by the federally funded contract or federal laws or rules governing the administration of the contract.

(c) Any person appointed by the Governor under the Civil Administrative Code of the State is an employee, if he or she is a participant in this system on the effective date of the appointment.

(d) A participant on lay-off status under civil service rules is considered an employee for not more than 120 days from the date of the lay-off.

(e) A participant is considered an employee during (1) the first 60 days of disability leave, (2) the period, not to exceed one year, in which his or her eligibility for disability

benefits is being considered by the board or reviewed by the courts, and (3) the period he or she receives disability benefits under the provisions of Section 15-152, workers' compensation or occupational disease benefits, or disability income under an insurance contract financed wholly or partially by the employer.

(f) Absences without pay, other than formal leaves of absence, of less than 30 calendar days, are not considered as an interruption of a person's status as an employee. If such absences during any period of 12 months exceed 30 work days, the employee status of the person is considered as interrupted as of the 31st work day.

(g) A staff member whose employment contract requires services during an academic term is to be considered an employee during the summer and other vacation periods, unless he or she declines an employment contract for the succeeding academic term or his or her employment status is otherwise terminated, and he or she receives no earnings during these periods.

(h) An individual who was a participating employee employed in the fire department of the University of Illinois's Champaign-Urbana campus immediately prior to the elimination of that fire department and who immediately after the elimination of that fire department became employed by the fire department of the City of Urbana or the City of Champaign shall continue to be considered as an employee for purposes of this

Article for so long as the individual remains employed as a firefighter by the City of Urbana or the City of Champaign. The individual shall cease to be considered an employee under this subsection (h) upon the first termination of the individual's employment as a firefighter by the City of Urbana or the City of Champaign.

(i) An individual who is employed on a full-time basis as an officer or employee of a statewide teacher organization that serves System participants or an officer of a national teacher organization that serves System participants may participate in the System and shall be deemed an employee, provided that (1) the individual has previously earned creditable service under this Article, (2) the individual files with the System an irrevocable election to become a participant before the effective date of this amendatory Act of the 97th General Assembly, ~~and~~ (3) the individual does not receive credit for that employment under any other Article of this Code, and (4) the individual first became a full-time employee of the teacher organization and becomes a participant before the effective date of this amendatory Act of the 97th General Assembly. An employee under this subsection (i) is responsible for paying to the System both (A) employee contributions based on the actual compensation received for service with the teacher organization and (B) employer contributions equal to the normal costs (as defined in Section 15-155) resulting from that service; all or any part of these contributions may be paid on

the employee's behalf or picked up for tax purposes (if authorized under federal law) by the teacher organization.

A person who is an employee as defined in this subsection (i) may establish service credit for similar employment prior to becoming an employee under this subsection by paying to the System for that employment the contributions specified in this subsection, plus interest at the effective rate from the date of service to the date of payment. However, credit shall not be granted under this subsection for any such prior employment for which the applicant received credit under any other provision of this Code, or during which the applicant was on a leave of absence under Section 15-113.2.

(j) A person employed by the State Board of Higher Education in a position with the Illinois Century Network as of June 30, 2004 shall be considered to be an employee for so long as he or she remains continuously employed after that date by the Department of Central Management Services in a position with the Illinois Century Network, the Bureau of Communication and Computer Services, or, if applicable, any successor bureau and meets the requirements of subsection (a).

(Source: P.A. 95-369, eff. 8-23-07.)

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

Sec. 16-106. Teacher. "Teacher": The following individuals, provided that, for employment prior to July 1, 1990, they are employed on a full-time basis, or if not

full-time, on a permanent and continuous basis in a position in which services are expected to be rendered for at least one school term:

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

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

(3) Any regional superintendent of schools, assistant regional superintendent of schools, State Superintendent of Education; any person employed by the State Board of

Education as an executive; any executive of the boards engaged in the service of public common school education in school districts covered under this system of which the State Superintendent of Education is an ex-officio member;

(4) Any employee of a school board association operating in compliance with Article 23 of the School Code who is certificated under the law governing the certification of teachers;

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

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

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

(6) Any educational, administrative, professional or other staff employed by and under the supervision and control of a regional superintendent of schools, provided such employment position requires the person to be certificated under the law governing the certification of teachers and is in an educational program serving 2 or more districts in accordance with a joint agreement authorized by the School Code or by federal legislation;

(7) Any educational, administrative, professional or other staff employed in an educational program serving 2 or more school districts in accordance with a joint agreement authorized by the School Code or by federal legislation and

in a position requiring certification under the laws governing the certification of teachers;

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

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

(10) Any person employed, on the effective date of this amendatory Act of the 94th General Assembly, by the Macon-Piatt Regional Office of Education in a birth-through-age-three pilot program receiving funds under Section 2-389 of the School Code who is required by the Macon-Piatt Regional Office of Education to hold a

teaching certificate, provided that the Macon-Piatt Regional Office of Education makes an election, within 6 months after the effective date of this amendatory Act of the 94th General Assembly, to have the person participate in the system. Any service established prior to the effective date of this amendatory Act of the 94th General Assembly for service as an employee of the Macon-Piatt Regional Office of Education in a birth-through-age-three pilot program receiving funds under Section 2-389 of the School Code shall be considered service as a teacher if employee and employer contributions have been received by the system and the system has not refunded those contributions.

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

~~A person who is a teacher as described in item (8) of this Section may establish service credit for similar employment prior to becoming certified as a teacher if he or she (i) is certified as a teacher on or before the effective date of this amendatory Act of the 94th General Assembly, (ii) applies in writing to the system within 6 months after the effective date~~

~~of this amendatory Act of the 94th General Assembly, and (iii) pays to the system contributions equal to the normal costs calculated from the date of first full-time employment as described in item (8) to the date of payment, compounded annually at the rate of 8.5% per year for periods before the effective date of this amendatory Act of the 94th General Assembly and for subsequent periods at a rate equal to the System's actuarially assumed rate of return on investments. However, credit shall not be granted under this paragraph for any such prior employment for which the applicant received credit under any other provision of this Code.~~

(Source: P.A. 93-320, eff. 7-23-03; 94-1111, eff. 2-27-07.)

(40 ILCS 5/17-134) (from Ch. 108 1/2, par. 17-134)

Sec. 17-134. Contributions for leaves of absence; military service; computing service. In computing service for pension purposes the following periods of service shall stand in lieu of a like number of years of teaching service upon payment therefor in the manner hereinafter provided: (a) time spent on a leave of absence granted by the employer; (b) service with teacher or labor organizations based upon special leaves of absence therefor granted by an Employer; (c) a maximum of 5 years spent in the military service of the United States, of which up to 2 years may have been served outside the pension period; (d) unused sick days at termination of service to a maximum of 244 days; (e) time lost due to layoff and

curtailment of the school term from June 6 through June 21, 1976; and (f) time spent after June 30, 1982 as a member of the Board of Education, if required to resign from an administrative or teaching position in order to qualify as a member of the Board of Education.

(1) For time spent on or after September 6, 1948 on sabbatical leaves of absence or sick leaves, for which salaries are paid, an Employer shall make payroll deductions at the applicable rates in effect during such periods.

(2) For time spent on a leave of absence granted by the employer for which no salaries are paid, teachers desiring credit therefor shall pay the required contributions at the rates in effect during such periods as though they were in teaching service. If an Employer pays salary for vacations which occur during a teacher's sick leave or maternity or paternity leave without salary, vacation pay for which the teacher would have qualified while in active service shall be considered part of the teacher's total salary for pension purposes. No more than 36 months of leave credit may be allowed any person during the entire term of service. Sabbatical leave credit shall be limited to the time the person on leave without salary under an Employer's rules is allowed to engage in an activity for which he receives salary or compensation.

(3) For time spent prior to September 6, 1948, on

sabbatical leaves of absence or sick leaves for which salaries were paid, teachers desiring service credit therefor shall pay the required contributions at the maximum applicable rates in effect during such periods.

(4) For service with teacher or labor organizations authorized by special leaves of absence, for which no payroll deductions are made by an Employer, teachers desiring service credit therefor shall contribute to the Fund upon the basis of the actual salary received from such organizations at the percentage rates in effect during such periods for certified positions with such Employer. To the extent the actual salary exceeds the regular salary, which shall be defined as the salary rate, as calculated by the Board, in effect for the teacher's regular position in teaching service on September 1, 1983 or on the effective date of the leave with the organization, whichever is later, the organization shall pay to the Fund the employer's normal cost as set by the Board on the increment. Notwithstanding any other provision of this subdivision (4), teachers are only eligible for credit for service under this subdivision (4) if the special leave of absence begins before the effective date of this amendatory Act of the 97th General Assembly.

(5) For time spent in the military service, teachers entitled to and desiring credit therefor shall contribute the amount required for each year of service or fraction

thereof at the rates in force (a) at the date of appointment, or (b) on return to teaching service as a regularly certified teacher, as the case may be; provided such rates shall not be less than \$450 per year of service. These conditions shall apply unless an Employer elects to and does pay into the Fund the amount which would have been due from such person had he been employed as a teacher during such time. In the case of credit for military service not during the pension period, the teacher must also pay to the Fund an amount determined by the Board to be equal to the employer's normal cost of the benefits accrued from such service, plus interest thereon at 5% per year, compounded annually, from the date of appointment to the date of payment.

The changes to this Section made by Public Act 87-795 shall apply not only to persons who on or after its effective date are in service under the Fund, but also to persons whose status as a teacher terminated prior to that date, whether or not the person is an annuitant on that date. In the case of an annuitant who applies for credit allowable under this Section for a period of military service that did not immediately follow employment, and who has made the required contributions for such credit, the annuity shall be recalculated to include the additional service credit, with the increase taking effect on the date the Fund received written notification of the annuitant's

intent to purchase the credit, if payment of all the required contributions is made within 60 days of such notice, or else on the first annuity payment date following the date of payment of the required contributions. In calculating the automatic annual increase for an annuity that has been recalculated under this Section, the increase attributable to the additional service allowable under this amendatory Act of 1991 shall be included in the calculation of automatic annual increases accruing after the effective date of the recalculation.

The total credit for military service shall not exceed 5 years, except that any teacher who on July 1, 1963, had validated credit for more than 5 years of military service shall be entitled to the total amount of such credit.

(6) A maximum of 244 unused sick days credited to his account by an Employer on the date of termination of employment. Members, upon verification of unused sick days, may add this service time to total creditable service.

(7) In all cases where time spent on leave is creditable and no payroll deductions therefor are made by an Employer, persons desiring service credit shall make the required contributions directly to the Fund.

(8) For time lost without pay due to layoff and curtailment of the school term from June 6 through June 21, 1976, as provided in item (e) of the first paragraph of

this Section, persons who were contributors on the days immediately preceding such layoff shall receive credit upon paying to the Fund a contribution based on the rates of compensation and employee contributions in effect at the time of such layoff, together with an additional amount equal to 12.2% of the compensation computed for such period of layoff, plus interest on the entire amount at 5% per annum from January 1, 1978 to the date of payment. If such contribution is paid, salary for pension purposes for any year in which such a layoff occurred shall include the compensation recognized for purposes of computing that contribution.

(9) For time spent after June 30, 1982, as a nonsalaried member of the Board of Education, if required to resign from an administrative or teaching position in order to qualify as a member of the Board of Education, an administrator or teacher desiring credit therefor shall pay the required contributions at the rates and salaries in effect during such periods as though the member were in service.

Effective September 1, 1974, the interest charged for validation of service described in paragraphs (2) through (5) of this Section shall be compounded annually at a rate of 5% commencing one year after the termination of the leave or return to service.

(Source: P.A. 92-599, eff. 6-28-02.)

Section 97. Retroactive repeal. This amendatory Act of the 97th General Assembly hereby repeals and declares void ab initio the last paragraph of Section 16-106 of the Illinois Pension Code as contained in Public Act 94-1111 as that paragraph furnishes no vested rights because it violates multiple provisions of the 1970 Illinois Constitution, including, but not limited to, Article VIII, Section 1. Upon receipt of an application within 6 months after the effective date of this amendatory Act of the 97th General Assembly, the System shall immediately refund any contributions made by or on behalf of a person to receive service credit pursuant to the text set forth in Public Act 94-1111, as well as any amount determined by the Board to be equal to the investment earned by the System on those contributions since their receipt.

Section 98. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

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