

1 AN ACT in relation to public employee pensions, amending
2 named Acts.

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

5 Section 5. The Illinois Pension Code is amended by
6 changing Sections 14-114, 14-119, 14-121, 15-136, 15-136.3,
7 15-145, 16-133.1, 16-143.1, 17-119, and 17-122 as follows:

8 (40 ILCS 5/14-114) (from Ch. 108 1/2, par. 14-114)
9 Sec. 14-114. Automatic increase in retirement annuity.

10 (a) Any person receiving a retirement annuity under this
11 Article who retires having attained age 60, or who retires
12 before age 60 having at least 35 years of creditable service,
13 or who retires on or after January 1, 2001 at an age which,
14 when added to the number of years of his or her creditable
15 service, equals at least 85, shall, on January 1 next
16 following the first full year of retirement, have the amount
17 of the then fixed and payable monthly retirement annuity
18 increased 3%. Any person receiving a retirement annuity
19 under this Article who retires before attainment of age 60
20 and with less than (i) 35 years of creditable service if
21 retirement is before January 1, 2001, or (ii) the number of
22 years of creditable service which, when added to the member's
23 age, would equal 85, if retirement is on or after January 1,
24 2001, shall have the amount of the fixed and payable
25 retirement annuity increased by 3% on the January 1 occurring
26 on or next following (1) attainment of age 60, or (2) the
27 first anniversary of retirement, whichever occurs later.
28 However, for persons who receive the alternative retirement
29 annuity under Section 14-110, references in this subsection
30 (a) to attainment of age 60 shall be deemed to refer to
31 attainment of age 55. For a person receiving early

1 retirement incentives under Section 14-108.3 whose retirement
2 annuity began after January 1, 1992 pursuant to an extension
3 granted under subsection (e) of that Section, the first
4 anniversary of retirement shall be deemed to be January 1,
5 1993. For a person who retires on or after June 28, 2001 and
6 on or before October 1, 2001, and whose retirement annuity is
7 calculated, in whole or in part, under Section 14-110 or
8 subsection (g) or (h) of Section 14-108, the first
9 anniversary of retirement shall be deemed to be January 1,
10 2002.

11 On each January 1 following the date of the initial
12 increase under this subsection, the employee's monthly
13 retirement annuity shall be increased by an additional 3%.

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

19 (b) The provisions of subsection (a) of this Section
20 shall be applicable to an employee only if the employee makes
21 the additional contributions required after December 31, 1969
22 for the purpose of the automatic increases for not less than
23 the equivalent of one full year. If an employee becomes an
24 annuitant before his additional contributions equal one full
25 year's contributions based on his salary at the date of
26 retirement, the employee may pay the necessary balance of the
27 contributions to the system, without interest, and be
28 eligible for the increasing annuity authorized by this
29 Section.

30 (c) The provisions of subsection (a) of this Section
31 shall not be applicable to any annuitant who is on retirement
32 on December 31, 1969, and thereafter returns to State
33 service, unless the member has established at least one year
34 of additional creditable service following reentry into

1 service.

2 (d) In addition to other increases which may be provided
3 by this Section, on January 1, 1981 any annuitant who was
4 receiving a retirement annuity on or before January 1, 1971
5 shall have his retirement annuity then being paid increased
6 \$1 per month for each year of creditable service. On January
7 1, 1982, any annuitant who began receiving a retirement
8 annuity on or before January 1, 1977, shall have his
9 retirement annuity then being paid increased \$1 per month for
10 each year of creditable service.

11 On January 1, 1987, any annuitant who began receiving a
12 retirement annuity on or before January 1, 1977, shall have
13 the monthly retirement annuity increased by an amount equal
14 to 8¢ per year of creditable service times the number of
15 years that have elapsed since the annuity began.

16 (d-1) On January 1, 2004, every annuitant who began
17 receiving a retirement annuity on or before January 1, 1991
18 shall have the monthly retirement annuity increased by an
19 amount equal to 25¢ multiplied by the number of full years of
20 creditable service multiplied by the number of full years
21 that have elapsed since the annuity began. Every annuitant
22 who begins receiving a retirement annuity after January 1,
23 1991 and before January 1, 1998 shall have the monthly
24 retirement annuity increased on January 1, 2004 or on the
25 January 1 occurring on or next following the seventh
26 anniversary of retirement, whichever is later, by an amount
27 equal to \$1.75 multiplied by the number of full years of
28 creditable service upon which the retirement annuity is
29 based. The increase under this subsection shall be included
30 in the calculation of increases granted simultaneously or
31 thereafter under subsection (a).

32 (e) Every person who receives the alternative retirement
33 annuity under Section 14-110 and who is eligible to receive
34 the 3% increase under subsection (a) on January 1, 1986,

1 shall also receive on that date a one-time increase in
2 retirement annuity equal to the difference between (1) his
3 actual retirement annuity on that date, including any
4 increases received under subsection (a), and (2) the amount
5 of retirement annuity he would have received on that date if
6 the amendments to subsection (a) made by Public Act 84-162
7 had been in effect since the date of his retirement.

8 (Source: P.A. 91-927, eff. 12-14-00; 92-14, eff. 6-28-01;
9 92-651, eff. 7-11-02.)

10 (40 ILCS 5/14-119) (from Ch. 108 1/2, par. 14-119)

11 Sec. 14-119. Amount of widow's annuity.

12 (a) The widow's annuity shall be 50% of the amount of
13 retirement annuity payable to the member on the date of death
14 while on retirement if an annuitant, or on the date of his
15 death while in service if an employee, regardless of his age
16 on such date, or on the date of withdrawal if death occurred
17 after termination of service under the conditions prescribed
18 in the preceding Section.

19 (b) If an eligible widow, regardless of age, has in her
20 care any unmarried child or children of the member under age
21 18 (under age 22 if a full-time student), the widow's annuity
22 shall be increased in the amount of 5% of the retirement
23 annuity for each such child, but the combined payments for a
24 widow and children shall not exceed 66 2/3% of the member's
25 earned retirement annuity.

26 The amount of retirement annuity from which the widow's
27 annuity is derived shall be that earned by the member without
28 regard to whether he attained age 60 prior to his withdrawal
29 under the conditions stated or prior to his death.

30 (c) Adopted children shall be considered as children of
31 the member only if the proceedings for adoption were
32 commenced at least 1 year prior to the member's death.

33 Marriage of a child shall render the child ineligible for

1 further consideration in the increase in the amount of the
2 widow's annuity.

3 Attainment of age 18 (age 22 if a full-time student)
4 shall render a child ineligible for further consideration in
5 the increase of the widow's annuity, but the annuity to the
6 widow shall be continued thereafter, without regard to her
7 age at that time.

8 (d) A widow's annuity payable on account of any covered
9 employee who shall have been a covered employee for at least
10 18 months shall be reduced by 1/2 of the amount of survivors
11 benefits to which his beneficiaries are eligible under the
12 provisions of the Federal Social Security Act, except that
13 (1) the amount of any widow's annuity payable under this
14 Article shall not be reduced by reason of any increase under
15 that Act which occurs after the offset required by this
16 subsection is first applied to that annuity, and (2) for
17 benefits granted on or after January 1, 1992, the offset
18 under this subsection (d) shall not exceed 50% of the amount
19 of widow's annuity otherwise payable.

20 (e) Upon the death of a recipient of a widow's annuity
21 the excess, if any, of the member's accumulated
22 contributions plus credited interest over all annuity
23 payments to the member and widow, exclusive of the \$500 lump
24 sum payment, shall be paid to the named beneficiary of the
25 widow, or if none has been named, to the estate of the widow,
26 provided no reversionary annuity is payable.

27 (f) On January 1, 1981, any recipient of a widow's
28 annuity who was receiving a widow's annuity on or before
29 January 1, 1971, shall have her widow's annuity then being
30 paid increased by 1% for each full year which has elapsed
31 from the date the widow's annuity began. On January 1, 1982,
32 any recipient of a widow's annuity who began receiving a
33 widow's annuity after January 1, 1971, but before January 1,
34 1981, shall have her widow's annuity then being paid

1 increased by 1% for each full year which has elapsed from the
2 date the widow's annuity began. On January 1, 1987, any
3 recipient of a widow's annuity who began receiving the
4 widow's annuity on or before January 1, 1977, shall have the
5 monthly widow's annuity increased by \$1 for each full year
6 which has elapsed since the date the annuity began.

7 (f-1) On January 1, 2004, every widow who began
8 receiving a widow's annuity on or before January 1, 1991
9 shall have the monthly widow's annuity increased by an amount
10 equal to 25¢ multiplied by the number of full years of the
11 deceased spouse's creditable service multiplied by the sum of
12 (i) the number of full years that have elapsed since the
13 widow's annuity began and (ii) the number of full years, if
14 any, during which the deceased spouse received a retirement
15 annuity under this Article. Every widow who begins receiving
16 a widow's annuity after January 1, 1991 and before January 1,
17 2004 shall have the monthly widow's annuity increased on
18 January 1, 2004 or on the January 1 occurring on or next
19 following the seventh anniversary of the commencement of the
20 widow's annuity, whichever is later, by an amount equal to
21 25¢ multiplied by the number of full years of the deceased
22 spouse's creditable service multiplied by the sum of (i) the
23 number of full years that have elapsed since the widow's
24 annuity began and (ii) the number of full years, if any,
25 during which the deceased spouse received a retirement
26 annuity under this Article. The increase under this
27 subsection shall be included in the calculation of increases
28 granted simultaneously or thereafter under subsection (g).

29 (g) Beginning January 1, 1990, every widow's annuity
30 shall be increased (1) on each January 1 occurring on or
31 after the commencement of the annuity if the deceased member
32 died while receiving a retirement annuity, or (2) in other
33 cases, on each January 1 occurring on or after the first
34 anniversary of the commencement of the annuity, by an amount

1 equal to 3% of the current amount of the annuity, including
2 any previous increases under this Article. Such increases
3 shall apply without regard to whether the deceased member was
4 in service on or after the effective date of Public Act
5 86-1488, but shall not accrue for any period prior to January
6 1, 1990.

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

8 (40 ILCS 5/14-121) (from Ch. 108 1/2, par. 14-121)

9 Sec. 14-121. Amount of survivors annuity. A survivors
10 annuity beneficiary shall be entitled upon death of the
11 member to a single sum payment of \$1,000, payable pro rata
12 among all persons entitled thereto, together with a survivors
13 annuity payable at the rates and under the conditions
14 specified in this Article.

15 (a) If the survivors annuity beneficiary is a spouse,
16 the survivors annuity shall be 30% of final average
17 compensation subject to a maximum payment of \$400 per month.

18 (b) If an eligible child or children under the care of a
19 spouse also survives the member, such spouse as natural
20 guardian of the child or children shall receive, in addition
21 to the foregoing annuity, 20% of final average compensation
22 on account of each such child and 10% of final average
23 compensation divided pro rata among such children, subject to
24 a maximum payment on account of all survivor annuity
25 beneficiaries of \$600 per month, or 80% of the member's final
26 average compensation, whichever is the lesser.

27 (c) If the survivors annuity beneficiary or
28 beneficiaries consists of an unmarried child or children, the
29 amount of survivors annuity shall be 20% of final average
30 compensation to each child, and 10% of final average
31 compensation divided pro rata among all such children
32 entitled to such annuity, subject to a maximum payment to all
33 children combined of \$600 per month or 80% of the member's

1 final average compensation, whichever is the lesser.

2 (d) If the survivors annuity beneficiary is one or more
3 dependent parents, the annuity shall be 20% of final average
4 compensation to each parent and 10% of final average
5 compensation divided pro rata among the parents who qualify
6 for this annuity, subject to a maximum payment to both
7 dependent parents of \$400 per month.

8 (e) The survivors annuity to the spouse, children or
9 dependent parents of a member whose death occurs after the
10 date of last withdrawal, or after retirement, or while in
11 service following reentry into service after retirement but
12 before completing 1 1/2 years of additional creditable
13 service, shall not exceed the lesser of 80% of the member's
14 earned retirement annuity at the date of death or the maximum
15 previously established in this Section.

16 (f) In applying the limitation prescribed on the
17 combined payments to 2 or more survivors annuity
18 beneficiaries, the annuity on account of each beneficiary
19 shall be reduced pro rata until such time as the number of
20 beneficiaries makes the reduction no longer applicable.

21 (g) A survivors annuity payable on account of any
22 covered employee who shall have been a covered employee for
23 at least 18 months at date of death or last withdrawal,
24 whichever is the later, shall be reduced by 1/2 of the
25 survivors benefits to which his beneficiaries are eligible
26 under the federal Social Security Act, except that (1) the
27 survivors annuity payable under this Article shall not be
28 reduced by any increase under that Act which occurs after the
29 offset required by this subsection is first applied to that
30 annuity, and (2) for benefits granted on or after January 1,
31 1992, the offset under this subsection (g) shall not exceed
32 50% of the amount of survivors annuity otherwise payable.

33 (h) The minimum payment to a beneficiary hereunder shall
34 be \$60 per month, which shall be reduced in accordance with

1 the limitation prescribed on the combined payments to all
2 beneficiaries of a member.

3 (i) Subject to the conditions set forth in Section
4 14-120, the minimum total survivors annuity benefit payable
5 to the survivors annuity beneficiaries of a deceased member
6 or annuitant whose death occurs on or after January 1, 1984,
7 shall be 50% of the amount of retirement annuity that was or
8 would have been payable to the deceased on the date of death,
9 regardless of the age of the deceased on such date. If the
10 minimum total benefit provided by this subsection exceeds the
11 maximum otherwise imposed by this Section, the minimum total
12 benefit shall nevertheless be payable. Any increase in the
13 total survivors annuity benefit resulting from the operation
14 of this subsection shall be divided among the survivors
15 annuity beneficiaries of the deceased in proportion to their
16 shares of the total survivors annuity benefit otherwise
17 payable under this Section.

18 (j) Any survivors annuity beneficiary whose annuity
19 terminates due to any condition specified in this Article
20 other than death shall be entitled to a refund of the excess,
21 if any, of the accumulated contributions of the member plus
22 credited interest over all payments to the member and
23 beneficiary or beneficiaries, exclusive of the single sum
24 payment of \$1,000, provided no future survivors or
25 reversionary annuity benefits are payable.

26 (k) Upon the death of the last eligible recipient of a
27 survivors annuity the excess, if any, of the member's
28 accumulated contributions plus credited interest over all
29 annuity payments to the member and survivors exclusive of the
30 single sum payment of \$1000, shall be paid to the named
31 beneficiary of the last eligible survivor, or if none has
32 been named, to the estate of the last eligible survivor,
33 provided no reversionary annuity is payable.

34 (l) On January 1, 1981, any survivor who was receiving a

1 survivors annuity on or before January 1, 1971, shall have
2 his survivors annuity then being paid increased by 1% for
3 each full year which has elapsed from the date the annuity
4 began. On January 1, 1982, any survivor who began receiving
5 a survivor's annuity after January 1, 1971, but before
6 January 1, 1981, shall have his survivor's annuity then being
7 paid increased by 1% for each full year that has elapsed from
8 the date the annuity began. On January 1, 1987, any survivor
9 who began receiving a survivor's annuity on or before January
10 1, 1977, shall have the monthly survivor's annuity increased
11 by \$1 for each full year which has elapsed since the date the
12 survivor's annuity began.

13 (m) Beginning January 1, 1990, every survivor's annuity
14 shall be increased (1) on each January 1 occurring on or
15 after the commencement of the annuity if the deceased member
16 died while receiving a retirement annuity, or (2) in other
17 cases, on each January 1 occurring on or after the first
18 anniversary of the commencement of the annuity, by an amount
19 equal to 3% of the current amount of the annuity, including
20 any previous increases under this Article. Such increases
21 shall apply without regard to whether the deceased member was
22 in service on or after the effective date of Public Act
23 86-1488, but shall not accrue for any period prior to January
24 1, 1990.

25 (n) On January 1, 2004, every survivor who began
26 receiving a survivor's annuity on or before January 1, 1991
27 shall have the monthly survivor's annuity increased by an
28 amount equal to 25¢ multiplied by the number of full years of
29 the deceased's creditable service multiplied by the sum of
30 (i) the number of full years that have elapsed since the
31 survivor's annuity began and (ii) the number of full years,
32 if any, during which the deceased received a retirement
33 annuity under this Article. Every survivor who begins
34 receiving a survivor's annuity after January 1, 1991 and

1 before January 1, 2004 shall have the monthly survivor's
2 annuity increased on January 1, 2004 or on the January 1
3 occurring on or next following the seventh anniversary of the
4 commencement of the survivor's annuity, whichever is later,
5 by an amount equal to 25¢ multiplied by the number of full
6 years of the deceased's creditable service multiplied by the
7 sum of (i) the number of full years that have elapsed since
8 the survivor's annuity began and (ii) the number of full
9 years, if any, during which the deceased received a
10 retirement annuity under this Article. The increase under
11 this subsection shall be included in the calculation of
12 increases granted simultaneously or thereafter under
13 subsection (m).

14 (Source: P.A. 86-273; 86-1488; 87-794.)

15 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

16 Sec. 15-136. Retirement annuities - Amount. The
17 provisions of this Section 15-136 apply only to those
18 participants who are participating in the traditional benefit
19 package or the portable benefit package and do not apply to
20 participants who are participating in the self-managed plan.

21 (a) The amount of a participant's retirement annuity,
22 expressed in the form of a single-life annuity, shall be
23 determined by whichever of the following rules is applicable
24 and provides the largest annuity:

25 Rule 1: The retirement annuity shall be 1.67% of final
26 rate of earnings for each of the first 10 years of service,
27 1.90% for each of the next 10 years of service, 2.10% for
28 each year of service in excess of 20 but not exceeding 30,
29 and 2.30% for each year in excess of 30; or for persons who
30 retire on or after January 1, 1998, 2.2% of the final rate of
31 earnings for each year of service.

32 Rule 2: The retirement annuity shall be the sum of the
33 following, determined from amounts credited to the

1 participant in accordance with the actuarial tables and the
2 prescribed rate of interest in effect at the time the
3 retirement annuity begins:

4 (i) the normal annuity which can be provided on an
5 actuarially equivalent basis, by the accumulated normal
6 contributions as of the date the annuity begins; and

7 (ii) an annuity from employer contributions of an
8 amount equal to that which can be provided on an
9 actuarially equivalent basis from the accumulated normal
10 contributions made by the participant under Section
11 15-113.6 and Section 15-113.7 plus 1.4 times all other
12 accumulated normal contributions made by the participant.

13 With respect to a police officer or firefighter who
14 retires on or after August 14, 1998, the accumulated normal
15 contributions taken into account under clauses (i) and (ii)
16 of this Rule 2 shall include the additional normal
17 contributions made by the police officer or firefighter under
18 Section 15-157(a).

19 The amount of a retirement annuity calculated under this
20 Rule 2 shall be computed solely on the basis of the
21 participant's accumulated normal contributions, as specified
22 in this Rule and defined in Section 15-116. Neither an
23 employee or employer contribution for early retirement under
24 Section 15-136.2 nor any other employer contribution shall be
25 used in the calculation of the amount of a retirement annuity
26 under this Rule 2.

27 This amendatory Act of the 91st General Assembly is a
28 clarification of existing law and applies to every
29 participant and annuitant without regard to whether status as
30 an employee terminates before the effective date of this
31 amendatory Act.

32 Rule 3: The retirement annuity of a participant who is
33 employed at least one-half time during the period on which
34 his or her final rate of earnings is based, shall be equal to

1 the participant's years of service not to exceed 30,
2 multiplied by (1) \$96 if the participant's final rate of
3 earnings is less than \$3,500, (2) \$108 if the final rate of
4 earnings is at least \$3,500 but less than \$4,500, (3) \$120 if
5 the final rate of earnings is at least \$4,500 but less than
6 \$5,500, (4) \$132 if the final rate of earnings is at least
7 \$5,500 but less than \$6,500, (5) \$144 if the final rate of
8 earnings is at least \$6,500 but less than \$7,500, (6) \$156 if
9 the final rate of earnings is at least \$7,500 but less than
10 \$8,500, (7) \$168 if the final rate of earnings is at least
11 \$8,500 but less than \$9,500, and (8) \$180 if the final rate
12 of earnings is \$9,500 or more, except that the annuity for
13 those persons having made an election under Section
14 15-154(a-1) shall be calculated and payable under the
15 portable retirement benefit program pursuant to the
16 provisions of Section 15-136.4.

17 Rule 4: A participant who is at least age 50 and has 25
18 or more years of service as a police officer or firefighter,
19 and a participant who is age 55 or over and has at least 20
20 but less than 25 years of service as a police officer or
21 firefighter, shall be entitled to a retirement annuity of
22 2 1/4% of the final rate of earnings for each of the first 10
23 years of service as a police officer or firefighter, 2 1/2%
24 for each of the next 10 years of service as a police officer
25 or firefighter, and 2 3/4% for each year of service as a
26 police officer or firefighter in excess of 20. The
27 retirement annuity for all other service shall be computed
28 under Rule 1.

29 For purposes of this Rule 4, a participant's service as a
30 firefighter shall also include the following:

- 31 (i) service that is performed while the person is
32 an employee under subsection (h) of Section 15-107; and
- 33 (ii) in the case of an individual who was a
34 participating employee employed in the fire department of

1 the University of Illinois's Champaign-Urbana campus
2 immediately prior to the elimination of that fire
3 department and who immediately after the elimination of
4 that fire department transferred to another job with the
5 University of Illinois, service performed as an employee
6 of the University of Illinois in a position other than
7 police officer or firefighter, from the date of that
8 transfer until the employee's next termination of service
9 with the University of Illinois.

10 Rule 5: The retirement annuity of a participant who
11 elected early retirement under the provisions of Section
12 15-136.2 and who, on or before February 16, 1995, brought
13 administrative proceedings pursuant to the administrative
14 rules adopted by the System to challenge the calculation of
15 his or her retirement annuity shall be the sum of the
16 following, determined from amounts credited to the
17 participant in accordance with the actuarial tables and the
18 prescribed rate of interest in effect at the time the
19 retirement annuity begins:

20 (i) the normal annuity which can be provided on an
21 actuarially equivalent basis, by the accumulated normal
22 contributions as of the date the annuity begins; and

23 (ii) an annuity from employer contributions of an
24 amount equal to that which can be provided on an
25 actuarially equivalent basis from the accumulated normal
26 contributions made by the participant under Section
27 15-113.6 and Section 15-113.7 plus 1.4 times all other
28 accumulated normal contributions made by the participant;
29 and

30 (iii) an annuity which can be provided on an
31 actuarially equivalent basis from the employee
32 contribution for early retirement under Section 15-136.2,
33 and an annuity from employer contributions of an amount
34 equal to that which can be provided on an actuarially

1 equivalent basis from the employee contribution for early
2 retirement under Section 15-136.2.

3 In no event shall a retirement annuity under this Rule 5
4 be lower than the amount obtained by adding (1) the monthly
5 amount obtained by dividing the combined employee and
6 employer contributions made under Section 15-136.2 by the
7 System's annuity factor for the age of the participant at the
8 beginning of the annuity payment period and (2) the amount
9 equal to the participant's annuity if calculated under Rule
10 1, reduced under Section 15-136(b) as if no contributions had
11 been made under Section 15-136.2.

12 With respect to a participant who is qualified for a
13 retirement annuity under this Rule 5 whose retirement annuity
14 began before the effective date of this amendatory Act of the
15 91st General Assembly, and for whom an employee contribution
16 was made under Section 15-136.2, the System shall recalculate
17 the retirement annuity under this Rule 5 and shall pay any
18 additional amounts due in the manner provided in Section
19 15-186.1 for benefits mistakenly set too low.

20 The amount of a retirement annuity calculated under this
21 Rule 5 shall be computed solely on the basis of those
22 contributions specifically set forth in this Rule 5. Except
23 as provided in clause (iii) of this Rule 5, neither an
24 employee nor employer contribution for early retirement under
25 Section 15-136.2, nor any other employer contribution, shall
26 be used in the calculation of the amount of a retirement
27 annuity under this Rule 5.

28 The General Assembly has adopted the changes set forth in
29 Section 25 of this amendatory Act of the 91st General
30 Assembly in recognition that the decision of the Appellate
31 Court for the Fourth District in *Mattis v. State Universities*
32 *Retirement System et al.* might be deemed to give some right
33 to the plaintiff in that case. The changes made by Section
34 25 of this amendatory Act of the 91st General Assembly are a

1 legislative implementation of the decision of the Appellate
2 Court for the Fourth District in *Mattis v. State Universities*
3 *Retirement System et al.* with respect to that plaintiff.

4 The changes made by Section 25 of this amendatory Act of
5 the 91st General Assembly apply without regard to whether the
6 person is in service as an employee on or after its effective
7 date.

8 (b) The retirement annuity provided under Rules 1 and 3
9 above shall be reduced by 1/2 of 1% for each month the
10 participant is under age 60 at the time of retirement.
11 However, this reduction shall not apply in the following
12 cases:

13 (1) For a disabled participant whose disability
14 benefits have been discontinued because he or she has
15 exhausted eligibility for disability benefits under
16 clause (6) of Section 15-152;

17 (2) For a participant who has at least the number
18 of years of service required to retire at any age under
19 subsection (a) of Section 15-135; or

20 (3) For that portion of a retirement annuity which
21 has been provided on account of service of the
22 participant during periods when he or she performed the
23 duties of a police officer or firefighter, if these
24 duties were performed for at least 5 years immediately
25 preceding the date the retirement annuity is to begin.

26 (c) The maximum retirement annuity provided under Rules
27 1, 2, 4, and 5 shall be the lesser of (1) the annual limit of
28 benefits as specified in Section 415 of the Internal Revenue
29 Code of 1986, as such Section may be amended from time to
30 time and as such benefit limits shall be adjusted by the
31 Commissioner of Internal Revenue, and (2) 80% of final rate
32 of earnings.

33 (d) An annuitant whose status as an employee terminates
34 after August 14, 1969 shall receive automatic increases in

1 his or her retirement annuity as follows:

2 Effective January 1 immediately following the date the
3 retirement annuity begins, the annuitant shall receive an
4 increase in his or her monthly retirement annuity of 0.125%
5 of the monthly retirement annuity provided under Rule 1, Rule
6 2, Rule 3, Rule 4, or Rule 5, contained in this Section,
7 multiplied by the number of full months which elapsed from
8 the date the retirement annuity payments began to January 1,
9 1972, plus 0.1667% of such annuity, multiplied by the number
10 of full months which elapsed from January 1, 1972, or the
11 date the retirement annuity payments began, whichever is
12 later, to January 1, 1978, plus 0.25% of such annuity
13 multiplied by the number of full months which elapsed from
14 January 1, 1978, or the date the retirement annuity payments
15 began, whichever is later, to the effective date of the
16 increase.

17 The annuitant shall receive an increase in his or her
18 monthly retirement annuity on each January 1 thereafter
19 during the annuitant's life of 3% of the monthly annuity
20 provided under Rule 1, Rule 2, Rule 3, Rule 4, or Rule 5
21 contained in this Section. The change made under this
22 subsection by P.A. 81-970 is effective January 1, 1980 and
23 applies to each annuitant whose status as an employee
24 terminates before or after that date.

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

30 The change made in this subsection by P.A. 85-1008 is
31 effective January 26, 1988, and is applicable without regard
32 to whether status as an employee terminated before that date.

33 (e) If, on January 1, 1987, or the date the retirement
34 annuity payment period begins, whichever is later, the sum of

1 the retirement annuity provided under Rule 1 or Rule 2 of
2 this Section and the automatic annual increases provided
3 under the preceding subsection or Section 15-136.1, amounts
4 to less than the retirement annuity which would be provided
5 by Rule 3, the retirement annuity shall be increased as of
6 January 1, 1987, or the date the retirement annuity payment
7 period begins, whichever is later, to the amount which would
8 be provided by Rule 3 of this Section. Such increased amount
9 shall be considered as the retirement annuity in determining
10 benefits provided under other Sections of this Article. This
11 paragraph applies without regard to whether status as an
12 employee terminated before the effective date of this
13 amendatory Act of 1987, provided that the annuitant was
14 employed at least one-half time during the period on which
15 the final rate of earnings was based.

16 (f) A participant is entitled to such additional annuity
17 as may be provided on an actuarially equivalent basis, by any
18 accumulated additional contributions to his or her credit.
19 However, the additional contributions made by the participant
20 toward the automatic increases in annuity provided under this
21 Section shall not be taken into account in determining the
22 amount of such additional annuity.

23 (g) If, (1) by law, a function of a governmental unit,
24 as defined by Section 20-107 of this Code, is transferred in
25 whole or in part to an employer, and (2) a participant
26 transfers employment from such governmental unit to such
27 employer within 6 months after the transfer of the function,
28 and (3) the sum of (A) the annuity payable to the participant
29 under Rule 1, 2, or 3 of this Section (B) all proportional
30 annuities payable to the participant by all other retirement
31 systems covered by Article 20, and (C) the initial primary
32 insurance amount to which the participant is entitled under
33 the Social Security Act, is less than the retirement annuity
34 which would have been payable if all of the participant's

1 pension credits validated under Section 20-109 had been
2 validated under this system, a supplemental annuity equal to
3 the difference in such amounts shall be payable to the
4 participant.

5 (h) On January 1, 1981, an annuitant who was receiving a
6 retirement annuity on or before January 1, 1971 shall have
7 his or her retirement annuity then being paid increased \$1
8 per month for each year of creditable service. On January 1,
9 1982, an annuitant whose retirement annuity began on or
10 before January 1, 1977, shall have his or her retirement
11 annuity then being paid increased \$1 per month for each year
12 of creditable service.

13 (i) On January 1, 1987, any annuitant whose retirement
14 annuity began on or before January 1, 1977, shall have the
15 monthly retirement annuity increased by an amount equal to 8¢
16 per year of creditable service times the number of years that
17 have elapsed since the annuity began.

18 (j) On January 1, 2004, every annuitant who began
19 receiving a retirement annuity on or before January 1, 1991
20 shall have the monthly retirement annuity increased by an
21 amount equal to 25¢ multiplied by the number of full years of
22 creditable service multiplied by the number of full years
23 that have elapsed since the annuity began. Every annuitant
24 who begins receiving a retirement annuity after January 1,
25 1991 and before January 1, 1998 shall have the monthly
26 retirement annuity increased on January 1, 2004 or on the
27 January 1 occurring on or next following the seventh
28 anniversary of retirement, whichever is later, by an amount
29 equal to \$1.75 multiplied by the number of full years of
30 creditable service upon which the retirement annuity is
31 based. The increase under this subsection shall be included
32 in the calculation of increases granted simultaneously or
33 thereafter under subsection (d).

34 (Source: P.A. 91-887 (Sections 20 and 25), eff. 7-6-00;

1 92-16, eff. 6-28-01.)

2 (40 ILCS 5/15-136.3)

3 Sec. 15-136.3. Minimum retirement annuity.

4 (a) Beginning January 1, 1997, any person who is
5 receiving a monthly retirement annuity under this Article
6 which, after inclusion of (1) all one-time and automatic
7 annual increases to which the person is entitled, (2) any
8 supplemental annuity payable under Section 15-136.1, and (3)
9 any amount deducted under Section 15-138 or 15-140 to provide
10 a reversionary annuity, is less than the minimum monthly
11 retirement benefit amount specified in subsection (b) of this
12 Section, shall be entitled to a monthly supplemental payment
13 equal to the difference.

14 (b) For purposes of the calculation in subsection (a),
15 the minimum monthly retirement benefit amount is the sum of
16 \$25 for each year of service credit, up to a maximum of 30
17 years of service, plus the amount of the increase received by
18 the annuitant under subsection (j) of Section 15-136, if any.

19 (c) This Section applies to all persons receiving a
20 retirement annuity under this Article, without regard to
21 whether or not employment terminated prior to the effective
22 date of this Section.

23 (Source: P.A. 89-616, eff. 8-9-96.)

24 (40 ILCS 5/15-145) (from Ch. 108 1/2, par. 15-145)

25 Sec. 15-145. Survivors insurance benefits; conditions
26 and amounts.

27 (a) The survivors insurance benefits provided under this
28 Section shall be payable to the eligible survivors of a
29 participant covered under the traditional benefit package
30 upon the death of (1) a participating employee with at least
31 1 1/2 years of service, (2) a participant who terminated
32 employment with at least 10 years of service, and (3) an

1 annuitant in receipt of a retirement annuity or disability
2 retirement annuity under this Article.

3 Service under the State Employees' Retirement System of
4 Illinois, the Teachers' Retirement System of the State of
5 Illinois and the Public School Teachers' Pension and
6 Retirement Fund of Chicago shall be considered in determining
7 eligibility for survivors benefits under this Section.

8 If by law, a function of a governmental unit, as defined
9 by Section 20-107, is transferred in whole or in part to an
10 employer, and an employee transfers employment from this
11 governmental unit to such employer within 6 months after the
12 transfer of this function, the service credits in the
13 governmental unit's retirement system which have been
14 validated under Section 20-109 shall be considered in
15 determining eligibility for survivors benefits under this
16 Section.

17 (b) A surviving spouse of a deceased participant, or of
18 a deceased annuitant who did not take a refund or additional
19 annuity consisting of accumulated survivors insurance
20 contributions, shall receive a survivors annuity of 30% of
21 the final rate of earnings. Payments shall begin on the day
22 following the participant's or annuitant's death or the date
23 the surviving spouse attains age 50, whichever is later, and
24 continue until the death of the surviving spouse. The
25 annuity shall be payable to the surviving spouse prior to
26 attainment of age 50 if the surviving spouse has in his or
27 her care a deceased participant's or annuitant's dependent
28 unmarried child under age 18 (under age 22 if a full-time
29 student) who is eligible for a survivors annuity.

30 Remarriage of a surviving spouse prior to attainment of
31 age 55 that occurs before the effective date of this
32 amendatory Act of the 91st General Assembly shall disqualify
33 him or her for the receipt of a survivors annuity until July
34 6, 2000.

1 A surviving spouse whose survivors annuity has been
2 terminated due to remarriage may apply for reinstatement of
3 that annuity. The reinstated annuity shall begin to accrue
4 on July 6, 2000, except that if, on July 6, 2000, the annuity
5 is payable to an eligible surviving child or parent, payment
6 of the annuity to the surviving spouse shall not be
7 reinstated until the annuity is no longer payable to any
8 eligible surviving child or parent. The reinstated annuity
9 shall include any one-time or annual increases received prior
10 to the date of termination, as well as any increases that
11 would otherwise have accrued from the date of termination to
12 the date of reinstatement. An eligible surviving spouse
13 whose expectation of receiving a survivors annuity was lost
14 due to remarriage before attainment of age 50 shall also be
15 entitled to reinstatement under this subsection, but the
16 resulting survivors annuity shall not begin to accrue sooner
17 than upon the surviving spouse's attainment of age 50.

18 The changes made to this subsection by this amendatory
19 Act of the 92nd General Assembly (pertaining to remarriage
20 prior to age 55 or 50) apply without regard to whether the
21 deceased participant or annuitant was in service on or after
22 the effective date of this amendatory Act.

23 (c) Each dependent unmarried child under age 18 (under
24 age 22 if a full-time student) of a deceased participant, or
25 of a deceased annuitant who did not take a refund or
26 additional annuity consisting of accumulated survivors
27 insurance contributions, shall receive a survivors annuity
28 equal to the sum of (1) 20% of the final rate of earnings,
29 and (2) 10% of the final rate of earnings divided by the
30 number of children entitled to this benefit. Payments shall
31 begin on the day following the participant's or annuitant's
32 death and continue until the child marries, dies, or attains
33 age 18 (age 22 if a full-time student). If the child is in
34 the care of a surviving spouse who is eligible for survivors

1 insurance benefits, the child's benefit shall be paid to the
2 surviving spouse.

3 Each unmarried child over age 18 of a deceased
4 participant or of a deceased annuitant who had a survivor's
5 insurance beneficiary at the time of his or her retirement,
6 and who was dependent upon the participant or annuitant by
7 reason of a physical or mental disability which began prior
8 to the date the child attained age 18 (age 22 if a full-time
9 student), shall receive a survivor's annuity equal to the sum
10 of (1) 20% of the final rate of earnings, and (2) 10% of the
11 final rate of earnings divided by the number of children
12 entitled to survivors benefits. Payments shall begin on the
13 day following the participant's or annuitant's death and
14 continue until the child marries, dies, or is no longer
15 disabled. If the child is in the care of a surviving spouse
16 who is eligible for survivors insurance benefits, the child's
17 benefit may be paid to the surviving spouse. For the
18 purposes of this Section, disability means inability to
19 engage in any substantial gainful activity by reason of any
20 medically determinable physical or mental impairment that can
21 be expected to result in death or that has lasted or can be
22 expected to last for a continuous period of at least one
23 year.

24 (d) Each dependent parent of a deceased participant, or
25 of a deceased annuitant who did not take a refund or
26 additional annuity consisting of accumulated survivors
27 insurance contributions, shall receive a survivors annuity
28 equal to the sum of (1) 20% of final rate of earnings, and
29 (2) 10% of final rate of earnings divided by the number of
30 parents who qualify for the benefit. Payments shall begin
31 when the parent reaches age 55 or the day following the
32 participant's or annuitant's death, whichever is later, and
33 continue until the parent dies. Remarriage of a parent prior
34 to attainment of age 55 shall disqualify the parent for the

1 receipt of a survivors annuity.

2 (e) In addition to the survivors annuity provided above,
3 each survivors insurance beneficiary shall, upon death of the
4 participant or annuitant, receive a lump sum payment of
5 \$1,000 divided by the number of such beneficiaries.

6 (f) The changes made in this Section by Public Act
7 81-712 pertaining to survivors annuities in cases of
8 remarriage prior to age 55 shall apply to each survivors
9 insurance beneficiary who remarries after June 30, 1979,
10 regardless of the date that the participant or annuitant
11 terminated his employment or died.

12 The change made to this Section by this amendatory Act of
13 the 91st General Assembly, pertaining to remarriage prior to
14 age 55, applies without regard to whether the deceased
15 participant or annuitant was in service on or after the
16 effective date of this amendatory Act of the 91st General
17 Assembly.

18 (g) On January 1, 1981, any person who was receiving a
19 survivors annuity on or before January 1, 1971 shall have the
20 survivors annuity then being paid increased by 1% for each
21 full year which has elapsed from the date the annuity began.
22 On January 1, 1982, any survivor whose annuity began after
23 January 1, 1971, but before January 1, 1981, shall have the
24 survivor's annuity then being paid increased by 1% for each
25 year which has elapsed from the date the survivor's annuity
26 began. On January 1, 1987, any survivor who began receiving a
27 survivor's annuity on or before January 1, 1977, shall have
28 the monthly survivor's annuity increased by \$1 for each full
29 year which has elapsed since the date the survivor's annuity
30 began.

31 (g-1) On January 1, 2004, every survivor who began
32 receiving a survivor's annuity on or before January 1, 1991
33 shall have the monthly survivor's annuity increased by an
34 amount equal to 25¢ multiplied by the number of full years of

1 the deceased's creditable service multiplied by the sum of
2 (i) the number of full years that have elapsed since the
3 survivor's annuity began and (ii) the number of full years,
4 if any, during which the deceased received a retirement
5 annuity under this Article. Every survivor who begins
6 receiving a survivor's annuity after January 1, 1991 and
7 before January 1, 2004 shall have the monthly survivor's
8 annuity increased on January 1, 2004 or on the January 1
9 occurring on or next following the seventh anniversary of the
10 commencement of the survivor's annuity, whichever is later,
11 by an amount equal to 25¢ multiplied by the number of full
12 years of the deceased's creditable service multiplied by the
13 sum of (i) the number of full years that have elapsed since
14 the survivor's annuity began and (ii) the number of full
15 years, if any, during which the deceased received a
16 retirement annuity under this Article. The increase under
17 this subsection shall be included in the calculation of
18 increases granted simultaneously or thereafter under
19 subsection (j).

20 (h) If the sum of the lump sum and total monthly
21 survivor benefits payable under this Section upon the death
22 of a participant amounts to less than the sum of the death
23 benefits payable under items (2) and (3) of Section 15-141,
24 the difference shall be paid in a lump sum to the beneficiary
25 of the participant who is living on the date that this
26 additional amount becomes payable.

27 (i) If the sum of the lump sum and total monthly
28 survivor benefits payable under this Section upon the death
29 of an annuitant receiving a retirement annuity or disability
30 retirement annuity amounts to less than the death benefit
31 payable under Section 15-142, the difference shall be paid to
32 the beneficiary of the annuitant who is living on the date
33 that this additional amount becomes payable.

34 (j) Effective on the later of (1) January 1, 1990, or

1 (2) the January 1 on or next after the date on which the
2 survivor annuity begins, if the deceased member died while
3 receiving a retirement annuity, or in all other cases the
4 January 1 nearest the first anniversary of the date the
5 survivor annuity payments begin, every survivors insurance
6 beneficiary shall receive an increase in his or her monthly
7 survivors annuity of 3%. On each January 1 after the initial
8 increase, the monthly survivors annuity shall be increased by
9 3% of the total survivors annuity provided under this
10 Article, including previous increases provided by this
11 subsection. Such increases shall apply to the survivors
12 insurance beneficiaries of each participant and annuitant,
13 whether or not the employment status of the participant or
14 annuitant terminates before the effective date of this
15 amendatory Act of 1990. This subsection (j) also applies to
16 persons receiving a survivor annuity under the portable
17 benefit package.

18 (k) If the Internal Revenue Code of 1986, as amended,
19 requires that the survivors benefits be payable at an age
20 earlier than that specified in this Section the benefits
21 shall begin at the earlier age, in which event, the
22 survivor's beneficiary shall be entitled only to that amount
23 which is equal to the actuarial equivalent of the benefits
24 provided by this Section.

25 (l) The changes made to this Section and Section 15-131
26 by this amendatory Act of 1997, relating to benefits for
27 certain unmarried children who are full-time students under
28 age 22, apply without regard to whether the deceased member
29 was in service on or after the effective date of this
30 amendatory Act of 1997. These changes do not authorize the
31 repayment of a refund or a re-election of benefits, and any
32 benefit or increase in benefits resulting from these changes
33 is not payable retroactively for any period before the
34 effective date of this amendatory Act of 1997.

1 (Source: P.A. 91-887, eff. 7-6-00; 92-749, eff. 8-2-02.)

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

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

4 (a) Each member with creditable service and retiring on
5 or after August 26, 1969 is entitled to the automatic annual
6 increases in annuity provided under this Section while
7 receiving a retirement annuity or disability retirement
8 annuity from the system.

9 An annuitant shall first be entitled to an initial
10 increase under this Section on the January 1 next following
11 the first anniversary of retirement, or January 1 of the year
12 next following attainment of age 61, whichever is later. At
13 such time, the system shall pay an initial increase
14 determined as follows:

15 (1) 1.5% of the originally granted retirement
16 annuity or disability retirement annuity multiplied by
17 the number of years elapsed, if any, from the date of
18 retirement until January 1, 1972, plus

19 (2) 2% of the originally granted annuity multiplied
20 by the number of years elapsed, if any, from the date of
21 retirement or January 1, 1972, whichever is later, until
22 January 1, 1978, plus

23 (3) 3% of the originally granted annuity multiplied
24 by the number of years elapsed from the date of
25 retirement or January 1, 1978, whichever is later, until
26 the effective date of the initial increase.

27 However, the initial annual increase calculated under this
28 Section for the recipient of a disability retirement annuity
29 granted under Section 16-149.2 shall be reduced by an amount
30 equal to the total of all increases in that annuity received
31 under Section 16-149.5 (but not exceeding 100% of the amount
32 of the initial increase otherwise provided under this
33 Section).

1 Following the initial increase, automatic annual
2 increases in annuity shall be payable on each January 1
3 thereafter during the lifetime of the annuitant, determined
4 as a percentage of the originally granted retirement annuity
5 or disability retirement annuity for increases granted prior
6 to January 1, 1990, and calculated as a percentage of the
7 total amount of annuity, including previous increases under
8 this Section, for increases granted on or after January 1,
9 1990, as follows: 1.5% for periods prior to January 1, 1972,
10 2% for periods after December 31, 1971 and prior to January
11 1, 1978, and 3% for periods after December 31, 1977.

12 (b) The automatic annual increases in annuity provided
13 under this Section shall not be applicable unless a member
14 has made contributions toward such increases for a period
15 equivalent to one full year of creditable service. If a
16 member contributes for service performed after August 26,
17 1969 but the member becomes an annuitant before such
18 contributions amount to one full year's contributions based
19 on the salary at the date of retirement, he or she may pay
20 the necessary balance of the contributions to the system and
21 be eligible for the automatic annual increases in annuity
22 provided under this Section.

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

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

32 (e) In addition to the automatic annual increases in
33 annuity provided under this Section, an annuitant who meets
34 the service requirements of this Section and whose retirement

1 annuity or disability retirement annuity began on or before
2 January 1, 1971 shall receive, on January 1, 1981, an
3 increase in the annuity then being paid of one dollar per
4 month for each year of creditable service. On January 1,
5 1982, an annuitant whose retirement annuity or disability
6 retirement annuity began on or before January 1, 1977 shall
7 receive an increase in the annuity then being paid of one
8 dollar per month for each year of creditable service.

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

14 (f) On January 1, 2004, every annuitant who began
15 receiving a retirement annuity on or before January 1, 1991
16 shall have the monthly retirement annuity increased by an
17 amount equal to 25¢ multiplied by the number of full years of
18 creditable service multiplied by the number of full years
19 that have elapsed since the annuity began. Every annuitant
20 who begins receiving a retirement annuity after January 1,
21 1991 and before July 1, 1998 shall have the monthly
22 retirement annuity increased on January 1, 2004 or on the
23 January 1 occurring on or next following the seventh
24 anniversary of retirement, whichever is later, by an amount
25 equal to \$1.75 multiplied by the number of full years of
26 creditable service upon which the retirement annuity is
27 based. The increase under this subsection shall be included
28 in the calculation of increases granted simultaneously or
29 thereafter under subsection (a).

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

31 (40 ILCS 5/16-143.1) (from Ch. 108 1/2, par. 16-143.1)
32 Sec. 16-143.1. Increase in survivor benefits.

33 (a) Beginning January 1, 1990, each survivor's benefit

1 and each reversionary annuity payable under Section 16-136
2 shall be increased by 3% of the currently payable amount
3 thereof (1) on each January 1 occurring on or after the
4 commencement of the annuity if the deceased teacher died
5 while receiving a retirement or disability retirement
6 annuity, or (2) in other cases, on each January 1 occurring
7 on or after the first anniversary of the granting of the
8 benefit, without regard to whether the deceased teacher was
9 in service on or after the effective date of this amendatory
10 Act of 1991, but such increases shall not accrue for any
11 period prior to January 1, 1990.

12 (b) On January 1, 1981, any beneficiary who was
13 receiving a survivor's monthly benefit on or before January
14 1, 1971, shall have the benefit then being paid increased by
15 1% for each full year elapsed from the date the survivor's
16 benefit began. On January 1, 1982, any beneficiary who began
17 receiving a survivor's monthly benefit after January 1, 1971,
18 but before January 1, 1981 shall have the benefit then being
19 paid increased by 1% for each year elapsed from the date the
20 survivor's benefit began.

21 On January 1, 1987, any beneficiary whose monthly
22 survivor's benefit began on or before January 1, 1977, shall
23 have the monthly survivor's benefit increased by \$1 for each
24 full year which has elapsed since the date the survivor's
25 benefit began.

26 (c) On January 1, 2004, every survivor who began
27 receiving a survivor's benefit on or before January 1, 1991
28 shall have the monthly survivor's benefit increased by an
29 amount equal to 25¢ multiplied by the number of full years of
30 the deceased's creditable service multiplied by the sum of
31 (i) the number of full years that have elapsed since the
32 survivor's benefit began and (ii) the number of full years,
33 if any, during which the deceased received a retirement
34 annuity under this Article. Every survivor who begins

1 receiving a survivor's benefit after January 1, 1991 and
 2 before January 1, 2004 shall have the monthly survivor's
 3 benefit increased on January 1, 2004 or on the January 1
 4 occurring on or next following the seventh anniversary of the
 5 commencement of the survivor's benefit, whichever is later,
 6 by an amount equal to 25¢ multiplied by the number of full
 7 years of the deceased's creditable service multiplied by the
 8 sum of (i) the number of full years that have elapsed since
 9 the survivor's benefit began and (ii) the number of full
 10 years, if any, during which the deceased received a
 11 retirement annuity under this Article. The increase under
 12 this subsection shall be included in the calculation of
 13 increases granted simultaneously or thereafter under
 14 subsection (a).

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

16 (40 ILCS 5/17-119) (from Ch. 108 1/2, par. 17-119)

17 Sec. 17-119. Automatic annual increase in pension.

18 (a) Each teacher retiring on or after September 1, 1959,
 19 is entitled to the annual increase in pension, defined
 20 herein, while he is receiving a pension from the Fund.

21 1. The term "base pension" means a service
 22 retirement or disability retirement pension in the amount
 23 fixed and payable at the date of retirement of a teacher.

24 2. The annual increase in pension shall be at the
 25 rate of 1 1/2% of base pension. This increase shall first
 26 occur in January of the year next following the first
 27 anniversary of retirement. At such time the Fund shall
 28 pay the pro rata part of the increase for the period from
 29 the first anniversary date to the date of the first
 30 increase in pension. Beginning January 1, 1972, the rate
 31 of annual increase in pension shall be 2% of the base
 32 pension. Beginning January 1, 1979, the rate of annual
 33 increase in pension shall be 3% of the base pension.

1 Beginning January 1, 1990, all automatic annual increases
2 payable under this Section shall be calculated as a
3 percentage of the total pension payable at the time of
4 the increase, including all increases previously granted
5 under this Article, notwithstanding Section 17-157.

6 3. An increase in pension shall be granted only if
7 the retired teacher is age 60 or over. If the teacher
8 attains age 60 after retirement, the increase in pension
9 shall begin in January of the year following the 61st
10 birthday. At such time the Fund also shall pay the pro
11 rata part of the increase from the 61st birthday to the
12 date of first increase in pension.

13 (b) In addition to other increases which may be provided
14 by this Section, on January 1, 1981 any teacher who was
15 receiving a retirement pension on or before January 1, 1971
16 shall have his retirement pension then being paid increased
17 \$1 per month for each year of creditable service. On January
18 1, 1982, any teacher whose retirement pension began on or
19 before January 1, 1977, shall have his retirement pension
20 then being paid increased \$1 per month for each year of
21 creditable service.

22 On January 1, 1987, any teacher whose retirement pension
23 began on or before January 1, 1977, shall have the monthly
24 retirement pension increased by an amount equal to 8¢ per
25 year of creditable service times the number of years that
26 have elapsed since the retirement pension began.

27 (c) On January 1, 2004, every pensioner who began
28 receiving a retirement pension on or before January 1, 1991
29 shall have the monthly retirement pension increased by an
30 amount equal to 25¢ multiplied by the number of full years of
31 creditable service multiplied by the number of full years
32 that have elapsed since the pension began. Every pensioner
33 who begins receiving a retirement pension after January 1,
34 1991 and before July 1, 1998 shall have the monthly

1 retirement pension increased on January 1, 2004 or on the
2 January 1 occurring on or next following the seventh
3 anniversary of retirement, whichever is later, by an amount
4 equal to \$1.75 multiplied by the number of full years of
5 creditable service upon which the retirement pension is
6 based. The increase under this subsection shall be included
7 in the calculation of increases granted simultaneously or
8 thereafter under subsection (a). Section 17-157 does not
9 apply to the increase provided under this subsection.

10 (Source: P.A. 90-566, eff. 1-2-98.)

11 (40 ILCS 5/17-122) (from Ch. 108 1/2, par. 17-122)

12 Sec. 17-122. Survivor's and children's pensions - Amount.

13 (a) Upon the death of a teacher who has completed at
14 least 1 1/2 years of contributing service with either this
15 Fund or the State Universities Retirement System or the
16 Teachers' Retirement System of the State of Illinois,
17 provided his death occurred while (a) in active service
18 covered by the Fund or during his first 18 months of
19 continuous employment without a break in service under any
20 other participating system as defined in the Illinois
21 Retirement Systems Reciprocal Act except the State
22 Universities Retirement System and the Teachers' Retirement
23 System of the State of Illinois, (b) on a creditable leave of
24 absence, (c) on a noncreditable leave of absence of no more
25 than one year, or (d) a pension was deferred or pending
26 provided the teacher had at least 10 years of validated
27 service credit, or upon the death of a pensioner otherwise
28 qualified for such benefit, the surviving spouse and
29 unmarried minor children of the deceased teacher under age 18
30 shall be entitled to pensions, under the conditions stated
31 hereinafter. Such survivor's and children's pensions shall
32 be based on the average of the 4 highest consecutive years of
33 salary in the last 10 years of service or on the average

1 salary for total service, if total service has been less than
2 4 years, according to the following percentages:

3 30% of average salary or 50% of the retirement
4 pension earned by the teacher, whichever is larger,
5 subject to the prescribed maximum monthly payment, for a
6 surviving spouse alone on attainment of age 50;

7 60% of average salary for a surviving spouse and
8 eligible minor children of the deceased teacher.

9 If no eligible spouse survives, or the surviving spouse
10 remarries, or the parent of the children of the deceased
11 member is otherwise ineligible for a survivor's pension, a
12 children's pension for eligible minor children under age 18
13 shall be paid to their parent or legal guardian for their
14 benefit according to the following percentages:

15 30% of average salary for one child;

16 60% of average salary for 2 or more children.

17 (b) On January 1, 1981, any survivor or child who was
18 receiving a survivor's or children's pension on or before
19 January 1, 1971, shall have his survivor's or children's
20 pension then being paid increased by 1% for each full year
21 which has elapsed from the date the pension began. On
22 January 1, 1982, any survivor or child whose pension began
23 after January 1, 1971, but before January 1, 1981, shall have
24 his survivor's or children's pension then being paid
25 increased 1% for each full year which has elapsed from the
26 date the pension began. On January 1, 1987, any survivor or
27 child whose pension began on or before January 1, 1977, shall
28 have the monthly survivor's or children's pension increased
29 by \$1 for each full year which has elapsed since the pension
30 began.

31 (c) On January 1, 2004, every survivor or child who
32 began receiving a survivor's or children's pension on or
33 before January 1, 1991 shall have the monthly pension
34 increased by an amount equal to 25¢ multiplied by the number

1 of full years of the deceased's creditable service multiplied
2 by the sum of (i) the number of full years that have elapsed
3 since the survivor's or children's pension began and (ii) the
4 number of full years, if any, during which the deceased
5 received a retirement pension under this Article. Every
6 survivor or child who begins receiving a survivor's or
7 children's pension after January 1, 1991 and before January
8 1, 2004 shall have the monthly pension increased on January
9 1, 2004 or on the January 1 occurring on or next following
10 the seventh anniversary of the commencement of the pension,
11 whichever is later, by an amount equal to 25¢ multiplied by
12 the number of full years of the deceased's creditable service
13 multiplied by the sum of (i) the number of full years that
14 have elapsed since the survivor's annuity began and (ii) the
15 number of full years, if any, during which the deceased
16 received a retirement pension under this Article. The
17 increase under this subsection shall be included in the
18 calculation of increases granted simultaneously or thereafter
19 under subsection (d). Section 17-157 does not apply to the
20 increase provided under this subsection.

21 (d) Beginning January 1, 1990, every survivor's and
22 children's pension shall be increased (1) on each January 1
23 occurring on or after the commencement of the pension if the
24 deceased teacher died while receiving a retirement pension,
25 or (2) in other cases, on each January 1 occurring on or
26 after the first anniversary of the commencement of the
27 pension, by an amount equal to 3% of the current amount of
28 the pension, including all increases previously granted under
29 this Article, notwithstanding Section 17-157. Such increases
30 shall apply without regard to whether the deceased teacher
31 was in service on or after the effective date of this
32 amendatory Act of 1991, but shall not accrue for any period
33 prior to January 1, 1990.

34 (e) Subject to the minimum established below, the

1 maximum amount of pension for a surviving spouse alone or one
2 minor child shall be \$400 per month, and the maximum combined
3 pensions for a surviving spouse and children of the deceased
4 teacher shall be \$600 per month, with individual pensions
5 adjusted for all beneficiaries pro rata to conform with this
6 limitation. If proration is unnecessary the minimum
7 survivor's and children's pensions shall be \$40 per month.
8 The minimum total survivor's and children's pension payable
9 upon the death of a contributor or annuitant which occurs
10 after December 31, 1986, shall be 50% of the earned
11 retirement pension of such contributor or annuitant,
12 calculated without early retirement discount in the case of
13 death in service.

14 On death after retirement, the total survivor's and
15 children's pensions shall not exceed the monthly retirement
16 or disability pension paid to the deceased retirant.
17 Survivor's and children's benefits described in this Section
18 shall apply to all service and disability pensioners eligible
19 for a pension as of July 1, 1981.

20 (Source: P.A. 90-32, eff. 6-27-97; 90-566, eff. 1-2-98.)

21 Section 90. The State Mandates Act is amended by adding
22 Section 8.27 as follows:

23 (30 ILCS 805/8.27 new)

24 Sec. 8.27. Exempt mandate. Notwithstanding Sections 6
25 and 8 of this Act, no reimbursement by the State is required
26 for the implementation of any mandate created by this
27 amendatory Act of the 93rd General Assembly.

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