



## 93RD GENERAL ASSEMBLY

### State of Illinois

2003 and 2004

HB4642

Introduced 2/4/2004, by Lou Lang

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/14-114	from Ch. 108 1/2, par. 14-114
40 ILCS 5/14-119	from Ch. 108 1/2, par. 14-119
40 ILCS 5/14-121	from Ch. 108 1/2, par. 14-121
40 ILCS 5/15-136	from Ch. 108 1/2, par. 15-136
40 ILCS 5/15-136.3	
40 ILCS 5/15-145	from Ch. 108 1/2, par. 15-145
40 ILCS 5/16-133.1	from Ch. 108 1/2, par. 16-133.1
40 ILCS 5/16-143.1	from Ch. 108 1/2, par. 16-143.1
40 ILCS 5/17-119	from Ch. 108 1/2, par. 17-119
40 ILCS 5/17-122	from Ch. 108 1/2, par. 17-122
30 ILCS 805/8.28 new	

Amends the State Employee, State Universities, Downstate Teacher, and Chicago Teacher Articles of the Illinois Pension Code to provide for a one-time increase in certain retirement and survivor's annuities. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB093 14988 LRD 40557 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

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 changing  
6 Sections 14-114, 14-119, 14-121, 15-136, 15-136.3, 15-145,  
7 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 following  
16 the first full year of retirement, have the amount of the then  
17 fixed and payable monthly retirement annuity increased 3%. Any  
18 person receiving a retirement annuity under this Article who  
19 retires before attainment of age 60 and with less than (i) 35  
20 years of creditable service if retirement is before January 1,  
21 2001, or (ii) the number of years of creditable service which,  
22 when added to the member's age, would equal 85, if retirement  
23 is on or after January 1, 2001, shall have the amount of the  
24 fixed and payable retirement annuity increased by 3% on the  
25 January 1 occurring on or next following (1) attainment of age  
26 60, or (2) the first anniversary of retirement, whichever  
27 occurs later. However, for persons who receive the alternative  
28 retirement annuity under Section 14-110, references in this  
29 subsection (a) to attainment of age 60 shall be deemed to refer  
30 to attainment of age 55. For a person receiving early  
31 retirement incentives under Section 14-108.3 whose retirement  
32 annuity began after January 1, 1992 pursuant to an extension

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

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

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

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

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

30 (d) In addition to other increases which may be provided by  
31 this Section, on January 1, 1981 any annuitant who was  
32 receiving a retirement annuity on or before January 1, 1971  
33 shall have his retirement annuity then being paid increased \$1  
34 per month for each year of creditable service. On January 1,  
35 1982, any annuitant who began receiving a retirement annuity on  
36 or before January 1, 1977, shall have his retirement annuity

1 then being paid increased \$1 per month for each year of  
2 creditable service.

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

8 (d-1) On January 1, 2005, every annuitant who began  
9 receiving a retirement annuity on or before January 1, 1991  
10 shall have the monthly retirement annuity increased by an  
11 amount equal to 25¢ multiplied by the number of full years of  
12 creditable service multiplied by the number of full years that  
13 have elapsed since the annuity began. Every annuitant who  
14 begins receiving a retirement annuity after January 1, 1991 and  
15 before January 1, 1998 shall have the monthly retirement  
16 annuity increased on January 1, 2005 or on the January 1  
17 occurring on or next following the seventh anniversary of  
18 retirement, whichever is later, by an amount equal to \$1.75  
19 multiplied by the number of full years of creditable service  
20 upon which the retirement annuity is based. The increase under  
21 this subsection shall be included in the calculation of  
22 increases granted simultaneously or thereafter under  
23 subsection (a).

24 (e) Every person who receives the alternative retirement  
25 annuity under Section 14-110 and who is eligible to receive the  
26 3% increase under subsection (a) on January 1, 1986, shall also  
27 receive on that date a one-time increase in retirement annuity  
28 equal to the difference between (1) his actual retirement  
29 annuity on that date, including any increases received under  
30 subsection (a), and (2) the amount of retirement annuity he  
31 would have received on that date if the amendments to  
32 subsection (a) made by Public Act 84-162 had been in effect  
33 since the date of his retirement.

34 (Source: P.A. 91-927, eff. 12-14-00; 92-14, eff. 6-28-01;  
35 92-651, eff. 7-11-02.)

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

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

3 (a) The widow's annuity shall be 50% of the amount of  
4 retirement annuity payable to the member on the date of death  
5 while on retirement if an annuitant, or on the date of his  
6 death while in service if an employee, regardless of his age on  
7 such date, or on the date of withdrawal if death occurred after  
8 termination of service under the conditions prescribed in the  
9 preceding Section.

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

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

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

24 Marriage of a child shall render the child ineligible for  
25 further consideration in the increase in the amount of the  
26 widow's annuity.

27 Attainment of age 18 (age 22 if a full-time student) shall  
28 render a child ineligible for further consideration in the  
29 increase of the widow's annuity, but the annuity to the widow  
30 shall be continued thereafter, without regard to her age at  
31 that time.

32 (d) A widow's annuity payable on account of any covered  
33 employee who shall have been a covered employee for at least 18  
34 months shall be reduced by 1/2 of the amount of survivors  
35 benefits to which his beneficiaries are eligible under the  
36 provisions of the Federal Social Security Act, except that (1)

1 the amount of any widow's annuity payable under this Article  
2 shall not be reduced by reason of any increase under that Act  
3 which occurs after the offset required by this subsection is  
4 first applied to that annuity, and (2) for benefits granted on  
5 or after January 1, 1992, the offset under this subsection (d)  
6 shall not exceed 50% of the amount of widow's annuity otherwise  
7 payable.

8 (e) Upon the death of a recipient of a widow's annuity the  
9 excess, if any, of the member's accumulated contributions plus  
10 credited interest over all annuity payments to the member and  
11 widow, exclusive of the \$500 lump sum payment, shall be paid to  
12 the named beneficiary of the widow, or if none has been named,  
13 to the estate of the widow, provided no reversionary annuity is  
14 payable.

15 (f) On January 1, 1981, any recipient of a widow's annuity  
16 who was receiving a widow's annuity on or before January 1,  
17 1971, shall have her widow's annuity then being paid increased  
18 by 1% for each full year which has elapsed from the date the  
19 widow's annuity began. On January 1, 1982, any recipient of a  
20 widow's annuity who began receiving a widow's annuity after  
21 January 1, 1971, but before January 1, 1981, shall have her  
22 widow's annuity then being paid increased by 1% for each full  
23 year which has elapsed from the date the widow's annuity began.  
24 On January 1, 1987, any recipient of a widow's annuity who  
25 began receiving the widow's annuity on or before January 1,  
26 1977, shall have the monthly widow's annuity increased by \$1  
27 for each full year which has elapsed since the date the annuity  
28 began.

29 (f-1) On January 1, 2005, every widow who began receiving a  
30 widow's annuity on or before January 1, 1991 shall have the  
31 monthly widow's annuity increased by an amount equal to 25¢  
32 multiplied by the number of full years of the deceased spouse's  
33 creditable service multiplied by the sum of (i) the number of  
34 full years that have elapsed since the widow's annuity began  
35 and (ii) the number of full years, if any, during which the  
36 deceased spouse received a retirement annuity under this

1 Article. Every widow who begins receiving a widow's annuity  
2 after January 1, 1991 and before January 1, 2005 shall have the  
3 monthly widow's annuity increased on January 1, 2005 or on the  
4 January 1 occurring on or next following the seventh  
5 anniversary of the commencement of the widow's annuity,  
6 whichever is later, by an amount equal to 25¢ multiplied by the  
7 number of full years of the deceased spouse's creditable  
8 service multiplied by the sum of (i) the number of full years  
9 that have elapsed since the widow's annuity began and (ii) the  
10 number of full years, if any, during which the deceased spouse  
11 received a retirement annuity under this Article. The increase  
12 under this subsection shall be included in the calculation of  
13 increases granted simultaneously or thereafter under  
14 subsection (g).

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

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

27 (40 ILCS 5/14-121) (from Ch. 108 1/2, par. 14-121)

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

34 (a) If the survivors annuity beneficiary is a spouse, the  
35 survivors annuity shall be 30% of final average compensation

1 subject to a maximum payment of \$400 per month.

2 (b) If an eligible child or children under the care of a  
3 spouse also survives the member, such spouse as natural  
4 guardian of the child or children shall receive, in addition to  
5 the foregoing annuity, 20% of final average compensation on  
6 account of each such child and 10% of final average  
7 compensation divided pro rata among such children, subject to a  
8 maximum payment on account of all survivor annuity  
9 beneficiaries of \$600 per month, or 80% of the member's final  
10 average compensation, whichever is the lesser.

11 (c) If the survivors annuity beneficiary or beneficiaries  
12 consists of an unmarried child or children, the amount of  
13 survivors annuity shall be 20% of final average compensation to  
14 each child, and 10% of final average compensation divided pro  
15 rata among all such children entitled to such annuity, subject  
16 to a maximum payment to all children combined of \$600 per month  
17 or 80% of the member's final average compensation, whichever is  
18 the lesser.

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

25 (e) The survivors annuity to the spouse, children or  
26 dependent parents of a member whose death occurs after the date  
27 of last withdrawal, or after retirement, or while in service  
28 following reentry into service after retirement but before  
29 completing 1 1/2 years of additional creditable service, shall  
30 not exceed the lesser of 80% of the member's earned retirement  
31 annuity at the date of death or the maximum previously  
32 established in this Section.

33 (f) In applying the limitation prescribed on the combined  
34 payments to 2 or more survivors annuity beneficiaries, the  
35 annuity on account of each beneficiary shall be reduced pro  
36 rata until such time as the number of beneficiaries makes the



1 reduction no longer applicable.

2 (g) A survivors annuity payable on account of any covered  
3 employee who shall have been a covered employee for at least 18  
4 months at date of death or last withdrawal, whichever is the  
5 later, shall be reduced by 1/2 of the survivors benefits to  
6 which his beneficiaries are eligible under the federal Social  
7 Security Act, except that (1) the survivors annuity payable  
8 under this Article shall not be reduced by any increase under  
9 that Act which occurs after the offset required by this  
10 subsection is first applied to that annuity, and (2) for  
11 benefits granted on or after January 1, 1992, the offset under  
12 this subsection (g) shall not exceed 50% of the amount of  
13 survivors annuity otherwise payable.

14 (h) The minimum payment to a beneficiary hereunder shall be  
15 \$60 per month, which shall be reduced in accordance with the  
16 limitation prescribed on the combined payments to all  
17 beneficiaries of a member.

18 (i) Subject to the conditions set forth in Section 14-120,  
19 the minimum total survivors annuity benefit payable to the  
20 survivors annuity beneficiaries of a deceased member or  
21 annuitant whose death occurs on or after January 1, 1984, shall  
22 be 50% of the amount of retirement annuity that was or would  
23 have been payable to the deceased on the date of death,  
24 regardless of the age of the deceased on such date. If the  
25 minimum total benefit provided by this subsection exceeds the  
26 maximum otherwise imposed by this Section, the minimum total  
27 benefit shall nevertheless be payable. Any increase in the  
28 total survivors annuity benefit resulting from the operation of  
29 this subsection shall be divided among the survivors annuity  
30 beneficiaries of the deceased in proportion to their shares of  
31 the total survivors annuity benefit otherwise payable under  
32 this Section.

33 (j) Any survivors annuity beneficiary whose annuity  
34 terminates due to any condition specified in this Article other  
35 than death shall be entitled to a refund of the excess, if any,  
36 of the accumulated contributions of the member plus credited

1 interest over all payments to the member and beneficiary or  
2 beneficiaries, exclusive of the single sum payment of \$1,000,  
3 provided no future survivors or reversionary annuity benefits  
4 are payable.

5 (k) Upon the death of the last eligible recipient of a  
6 survivors annuity the excess, if any, of the member's  
7 accumulated contributions plus credited interest over all  
8 annuity payments to the member and survivors exclusive of the  
9 single sum payment of \$1000, shall be paid to the named  
10 beneficiary of the last eligible survivor, or if none has been  
11 named, to the estate of the last eligible survivor, provided no  
12 reversionary annuity is payable.

13 (l) On January 1, 1981, any survivor who was receiving a  
14 survivors annuity on or before January 1, 1971, shall have his  
15 survivors annuity then being paid increased by 1% for each full  
16 year which has elapsed from the date the annuity began. On  
17 January 1, 1982, any survivor who began receiving a survivor's  
18 annuity after January 1, 1971, but before January 1, 1981,  
19 shall have his survivor's annuity then being paid increased by  
20 1% for each full year that has elapsed from the date the  
21 annuity began. On January 1, 1987, any survivor who began  
22 receiving a survivor's annuity on or before January 1, 1977,  
23 shall have the monthly survivor's annuity increased by \$1 for  
24 each full year which has elapsed since the date the survivor's  
25 annuity began.

26 (m) Beginning January 1, 1990, every survivor's annuity  
27 shall be increased (1) on each January 1 occurring on or after  
28 the commencement of the annuity if the deceased member died  
29 while receiving a retirement annuity, or (2) in other cases, on  
30 each January 1 occurring on or after the first anniversary of  
31 the commencement of the annuity, by an amount equal to 3% of  
32 the current amount of the annuity, including any previous  
33 increases under this Article. Such increases shall apply  
34 without regard to whether the deceased member was in service on  
35 or after the effective date of Public Act 86-1488, but shall  
36 not accrue for any period prior to January 1, 1990.

1       (n) On January 1, 2005, every survivor who began receiving  
2       a survivor's annuity on or before January 1, 1991 shall have  
3       the monthly survivor's annuity increased by an amount equal to  
4       25¢ multiplied by the number of full years of the deceased's  
5       creditable service multiplied by the sum of (i) the number of  
6       full years that have elapsed since the survivor's annuity began  
7       and (ii) the number of full years, if any, during which the  
8       deceased received a retirement annuity under this Article.  
9       Every survivor who begins receiving a survivor's annuity after  
10       January 1, 1991 and before January 1, 2005 shall have the  
11       monthly survivor's annuity increased on January 1, 2005 or on  
12       the January 1 occurring on or next following the seventh  
13       anniversary of the commencement of the survivor's annuity,  
14       whichever is later, by an amount equal to 25¢ multiplied by the  
15       number of full years of the deceased's creditable service  
16       multiplied by the sum of (i) the number of full years that have  
17       elapsed since the survivor's annuity began and (ii) the number  
18       of full years, if any, during which the deceased received a  
19       retirement annuity under this Article. The increase under this  
20       subsection shall be included in the calculation of increases  
21       granted simultaneously or thereafter under subsection (m).

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

23       (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

24       Sec. 15-136. Retirement annuities - Amount. The provisions  
25       of this Section 15-136 apply only to those participants who are  
26       participating in the traditional benefit package or the  
27       portable benefit package and do not apply to participants who  
28       are participating in the self-managed plan.

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

33       Rule 1: The retirement annuity shall be 1.67% of final rate  
34       of earnings for each of the first 10 years of service, 1.90%  
35       for each of the next 10 years of service, 2.10% for each year

1 of service in excess of 20 but not exceeding 30, and 2.30% for  
2 each year in excess of 30; or for persons who retire on or  
3 after January 1, 1998, 2.2% of the final rate of earnings for  
4 each year of service.

5 Rule 2: The retirement annuity shall be the sum of the  
6 following, determined from amounts credited to the participant  
7 in accordance with the actuarial tables and the prescribed rate  
8 of interest in effect at the time the retirement annuity  
9 begins:

10 (i) the normal annuity which can be provided on an  
11 actuarially equivalent basis, by the accumulated normal  
12 contributions as of the date the annuity begins;

13 (ii) an annuity from employer contributions of an  
14 amount equal to that which can be provided on an  
15 actuarially equivalent basis from the accumulated normal  
16 contributions made by the participant under Section  
17 15-113.6 and Section 15-113.7 plus 1.4 times all other  
18 accumulated normal contributions made by the participant;  
19 and

20 (iii) the annuity that can be provided on an  
21 actuarially equivalent basis from the entire contribution  
22 made by the participant under Section 15-113.3.

23 With respect to a police officer or firefighter who retires  
24 on or after August 14, 1998, the accumulated normal  
25 contributions taken into account under clauses (i) and (ii) of  
26 this Rule 2 shall include the additional normal contributions  
27 made by the police officer or firefighter under Section  
28 15-157(a).

29 The amount of a retirement annuity calculated under this  
30 Rule 2 shall be computed solely on the basis of the  
31 participant's accumulated normal contributions, as specified  
32 in this Rule and defined in Section 15-116. Neither an employee  
33 or employer contribution for early retirement under Section  
34 15-136.2 nor any other employer contribution shall be used in  
35 the calculation of the amount of a retirement annuity under  
36 this Rule 2.

1           This amendatory Act of the 91st General Assembly is a  
2 clarification of existing law and applies to every participant  
3 and annuitant without regard to whether status as an employee  
4 terminates before the effective date of this amendatory Act.

5           Rule 3: The retirement annuity of a participant who is  
6 employed at least one-half time during the period on which his  
7 or her final rate of earnings is based, shall be equal to the  
8 participant's years of service not to exceed 30, multiplied by  
9 (1) \$96 if the participant's final rate of earnings is less  
10 than \$3,500, (2) \$108 if the final rate of earnings is at least  
11 \$3,500 but less than \$4,500, (3) \$120 if the final rate of  
12 earnings is at least \$4,500 but less than \$5,500, (4) \$132 if  
13 the final rate of earnings is at least \$5,500 but less than  
14 \$6,500, (5) \$144 if the final rate of earnings is at least  
15 \$6,500 but less than \$7,500, (6) \$156 if the final rate of  
16 earnings is at least \$7,500 but less than \$8,500, (7) \$168 if  
17 the final rate of earnings is at least \$8,500 but less than  
18 \$9,500, and (8) \$180 if the final rate of earnings is \$9,500 or  
19 more, except that the annuity for those persons having made an  
20 election under Section 15-154(a-1) shall be calculated and  
21 payable under the portable retirement benefit program pursuant  
22 to the provisions of Section 15-136.4.

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

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

36           (i) service that is performed while the person is an

1 employee under subsection (h) of Section 15-107; and

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

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

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

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

32 (iii) an annuity which can be provided on an  
33 actuarially equivalent basis from the employee  
34 contribution for early retirement under Section 15-136.2,  
35 and an annuity from employer contributions of an amount  
36 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 be  
4 lower than the amount obtained by adding (1) the monthly amount  
5 obtained by dividing the combined employee and employer  
6 contributions made under Section 15-136.2 by the System's  
7 annuity factor for the age of the participant at the beginning  
8 of the annuity payment period and (2) the amount equal to the  
9 participant's annuity if calculated under Rule 1, reduced under  
10 Section 15-136(b) as if no contributions had been made under  
11 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 as  
23 provided in clause (iii) of this Rule 5, neither an employee  
24 nor employer contribution for early retirement under Section  
25 15-136.2, nor any other employer contribution, shall be used in  
26 the calculation of the amount of a retirement annuity under  
27 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 Assembly  
30 in recognition that the decision of the Appellate Court for the  
31 Fourth District in *Mattis v. State Universities Retirement*  
32 *System et al.* might be deemed to give some right to the  
33 plaintiff in that case. The changes made by Section 25 of this  
34 amendatory Act of the 91st General Assembly are a legislative  
35 implementation of the decision of the Appellate Court for the  
36 Fourth District in *Mattis v. State Universities Retirement*

1 System et al. with respect to that plaintiff.

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

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

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

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

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

23 (c) The maximum retirement annuity provided under Rules 1,  
24 2, 4, and 5 shall be the lesser of (1) the annual limit of  
25 benefits as specified in Section 415 of the Internal Revenue  
26 Code of 1986, as such Section may be amended from time to time  
27 and as such benefit limits shall be adjusted by the  
28 Commissioner of Internal Revenue, and (2) 80% of final rate of  
29 earnings.

30 (d) An annuitant whose status as an employee terminates  
31 after August 14, 1969 shall receive automatic increases in his  
32 or her retirement annuity as follows:

33 Effective January 1 immediately following the date the  
34 retirement annuity begins, the annuitant shall receive an  
35 increase in his or her monthly retirement annuity of 0.125% of  
36 the monthly retirement annuity provided under Rule 1, Rule 2,



1 Rule 3, Rule 4, or Rule 5, contained in this Section,  
2 multiplied by the number of full months which elapsed from the  
3 date the retirement annuity payments began to January 1, 1972,  
4 plus 0.1667% of such annuity, multiplied by the number of full  
5 months which elapsed from January 1, 1972, or the date the  
6 retirement annuity payments began, whichever is later, to  
7 January 1, 1978, plus 0.25% of such annuity multiplied by the  
8 number of full months which elapsed from January 1, 1978, or  
9 the date the retirement annuity payments began, whichever is  
10 later, to the effective date of the increase.

11 The annuitant shall receive an increase in his or her  
12 monthly retirement annuity on each January 1 thereafter during  
13 the annuitant's life of 3% of the monthly annuity provided  
14 under Rule 1, Rule 2, Rule 3, Rule 4, or Rule 5 contained in  
15 this Section. The change made under this subsection by P.A.  
16 81-970 is effective January 1, 1980 and applies to each  
17 annuitant whose status as an employee terminates before or  
18 after that date.

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

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

26 (e) If, on January 1, 1987, or the date the retirement  
27 annuity payment period begins, whichever is later, the sum of  
28 the retirement annuity provided under Rule 1 or Rule 2 of this  
29 Section and the automatic annual increases provided under the  
30 preceding subsection or Section 15-136.1, amounts to less than  
31 the retirement annuity which would be provided by Rule 3, the  
32 retirement annuity shall be increased as of January 1, 1987, or  
33 the date the retirement annuity payment period begins,  
34 whichever is later, to the amount which would be provided by  
35 Rule 3 of this Section. Such increased amount shall be  
36 considered as the retirement annuity in determining benefits

1 provided under other Sections of this Article. This paragraph  
2 applies without regard to whether status as an employee  
3 terminated before the effective date of this amendatory Act of  
4 1987, provided that the annuitant was employed at least  
5 one-half time during the period on which the final rate of  
6 earnings was based.

7 (f) A participant is entitled to such additional annuity as  
8 may be provided on an actuarially equivalent basis, by any  
9 accumulated additional contributions to his or her credit.  
10 However, the additional contributions made by the participant  
11 toward the automatic increases in annuity provided under this  
12 Section shall not be taken into account in determining the  
13 amount of such additional annuity.

14 (g) If, (1) by law, a function of a governmental unit, as  
15 defined by Section 20-107 of this Code, is transferred in whole  
16 or in part to an employer, and (2) a participant transfers  
17 employment from such governmental unit to such employer within  
18 6 months after the transfer of the function, and (3) the sum of  
19 (A) the annuity payable to the participant under Rule 1, 2, or  
20 3 of this Section (B) all proportional annuities payable to the  
21 participant by all other retirement systems covered by Article  
22 20, and (C) the initial primary insurance amount to which the  
23 participant is entitled under the Social Security Act, is less  
24 than the retirement annuity which would have been payable if  
25 all of the participant's pension credits validated under  
26 Section 20-109 had been validated under this system, a  
27 supplemental annuity equal to the difference in such amounts  
28 shall be payable to the participant.

29 (h) On January 1, 1981, an annuitant who was receiving a  
30 retirement annuity on or before January 1, 1971 shall have his  
31 or her retirement annuity then being paid increased \$1 per  
32 month for each year of creditable service. On January 1, 1982,  
33 an annuitant whose retirement annuity began on or before  
34 January 1, 1977, shall have his or her retirement annuity then  
35 being paid increased \$1 per month for each year of creditable  
36 service.

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

6 (j) On January 1, 2005, every annuitant who began receiving  
7 a retirement annuity on or before January 1, 1991 shall have  
8 the monthly retirement annuity increased by an amount equal to  
9 25¢ multiplied by the number of full years of creditable  
10 service multiplied by the number of full years that have  
11 elapsed since the annuity began. Every annuitant who begins  
12 receiving a retirement annuity after January 1, 1991 and before  
13 January 1, 1998 shall have the monthly retirement annuity  
14 increased on January 1, 2005 or on the January 1 occurring on  
15 or next following the seventh anniversary of retirement,  
16 whichever is later, by an amount equal to \$1.75 multiplied by  
17 the number of full years of creditable service upon which the  
18 retirement annuity is based. The increase under this subsection  
19 shall be included in the calculation of increases granted  
20 simultaneously or thereafter under subsection (d).

21 (Source: P.A. 92-16, eff. 6-28-01; 93-347, eff. 7-24-03.)

22 (40 ILCS 5/15-136.3)

23 Sec. 15-136.3. Minimum retirement annuity.

24 (a) Beginning January 1, 1997, any person who is receiving  
25 a monthly retirement annuity under this Article which, after  
26 inclusion of (1) all one-time and automatic annual increases to  
27 which the person is entitled, (2) any supplemental annuity  
28 payable under Section 15-136.1, and (3) any amount deducted  
29 under Section 15-138 or 15-140 to provide a reversionary  
30 annuity, is less than the minimum monthly retirement benefit  
31 amount specified in subsection (b) of this Section, shall be  
32 entitled to a monthly supplemental payment equal to the  
33 difference.

34 (b) For purposes of the calculation in subsection (a), the  
35 minimum monthly retirement benefit amount is the sum of \$25 for

1 each year of service credit, up to a maximum of 30 years of  
2 service, plus the amount of the increase received by the  
3 annuitant under subsection (j) of Section 15-136, if any.

4 (c) This Section applies to all persons receiving a  
5 retirement annuity under this Article, without regard to  
6 whether or not employment terminated prior to the effective  
7 date of this Section.

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

9 (40 ILCS 5/15-145) (from Ch. 108 1/2, par. 15-145)

10 Sec. 15-145. Survivors insurance benefits; conditions and  
11 amounts.

12 (a) The survivors insurance benefits provided under this  
13 Section shall be payable to the eligible survivors of a  
14 participant covered under the traditional benefit package upon  
15 the death of (1) a participating employee with at least 1 1/2  
16 years of service, (2) a participant who terminated employment  
17 with at least 10 years of service, and (3) an annuitant in  
18 receipt of a retirement annuity or disability retirement  
19 annuity under this Article.

20 Service under the State Employees' Retirement System of  
21 Illinois, the Teachers' Retirement System of the State of  
22 Illinois and the Public School Teachers' Pension and Retirement  
23 Fund of Chicago shall be considered in determining eligibility  
24 for survivors benefits under this Section.

25 If by law, a function of a governmental unit, as defined by  
26 Section 20-107, is transferred in whole or in part to an  
27 employer, and an employee transfers employment from this  
28 governmental unit to such employer within 6 months after the  
29 transfer of this function, the service credits in the  
30 governmental unit's retirement system which have been  
31 validated under Section 20-109 shall be considered in  
32 determining eligibility for survivors benefits under this  
33 Section.

34 (b) A surviving spouse of a deceased participant, or of a  
35 deceased annuitant who did not take a refund or additional

1 annuity consisting of accumulated survivors insurance  
2 contributions, shall receive a survivors annuity of 30% of the  
3 final rate of earnings. Payments shall begin on the day  
4 following the participant's or annuitant's death or the date  
5 the surviving spouse attains age 50, whichever is later, and  
6 continue until the death of the surviving spouse. The annuity  
7 shall be payable to the surviving spouse prior to attainment of  
8 age 50 if the surviving spouse has in his or her care a  
9 deceased participant's or annuitant's dependent unmarried  
10 child under age 18 (under age 22 if a full-time student) who is  
11 eligible for a survivors annuity.

12 Remarriage of a surviving spouse prior to attainment of age  
13 55 that occurs before the effective date of this amendatory Act  
14 of the 91st General Assembly shall disqualify him or her for  
15 the receipt of a survivors annuity until July 6, 2000.

16 A surviving spouse whose survivors annuity has been  
17 terminated due to remarriage may apply for reinstatement of  
18 that annuity. The reinstated annuity shall begin to accrue on  
19 July 6, 2000, except that if, on July 6, 2000, the annuity is  
20 payable to an eligible surviving child or parent, payment of  
21 the annuity to the surviving spouse shall not be reinstated  
22 until the annuity is no longer payable to any eligible  
23 surviving child or parent. The reinstated annuity shall include  
24 any one-time or annual increases received prior to the date of  
25 termination, as well as any increases that would otherwise have  
26 accrued from the date of termination to the date of  
27 reinstatement. An eligible surviving spouse whose expectation  
28 of receiving a survivors annuity was lost due to remarriage  
29 before attainment of age 50 shall also be entitled to  
30 reinstatement under this subsection, but the resulting  
31 survivors annuity shall not begin to accrue sooner than upon  
32 the surviving spouse's attainment of age 50.

33 The changes made to this subsection by this amendatory Act  
34 of the 92nd General Assembly (pertaining to remarriage prior to  
35 age 55 or 50) apply without regard to whether the deceased  
36 participant or annuitant was in service on or after the

1 effective date of this amendatory Act.

2 (c) Each dependent unmarried child under age 18 (under age  
3 22 if a full-time student) of a deceased participant, or of a  
4 deceased annuitant who did not take a refund or additional  
5 annuity consisting of accumulated survivors insurance  
6 contributions, shall receive a survivors annuity equal to the  
7 sum of (1) 20% of the final rate of earnings, and (2) 10% of the  
8 final rate of earnings divided by the number of children  
9 entitled to this benefit. Payments shall begin on the day  
10 following the participant's or annuitant's death and continue  
11 until the child marries, dies, or attains age 18 (age 22 if a  
12 full-time student). If the child is in the care of a surviving  
13 spouse who is eligible for survivors insurance benefits, the  
14 child's benefit shall be paid to the surviving spouse.

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

35 (d) Each dependent parent of a deceased participant, or of  
36 a deceased annuitant who did not take a refund or additional

1 annuity consisting of accumulated survivors insurance  
2 contributions, shall receive a survivors annuity equal to the  
3 sum of (1) 20% of final rate of earnings, and (2) 10% of final  
4 rate of earnings divided by the number of parents who qualify  
5 for the benefit. Payments shall begin when the parent reaches  
6 age 55 or the day following the participant's or annuitant's  
7 death, whichever is later, and continue until the parent dies.  
8 Remarriage of a parent prior to attainment of age 55 shall  
9 disqualify the parent for the receipt of a survivors annuity.

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

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

19 The change made to this Section by this amendatory Act of  
20 the 91st General Assembly, pertaining to remarriage prior to  
21 age 55, applies without regard to whether the deceased  
22 participant or annuitant was in service on or after the  
23 effective date of this amendatory Act of the 91st General  
24 Assembly.

25 (g) On January 1, 1981, any person who was receiving a  
26 survivors annuity on or before January 1, 1971 shall have the  
27 survivors annuity then being paid increased by 1% for each full  
28 year which has elapsed from the date the annuity began. On  
29 January 1, 1982, any survivor whose annuity began after January  
30 1, 1971, but before January 1, 1981, shall have the survivor's  
31 annuity then being paid increased by 1% for each year which has  
32 elapsed from the date the survivor's annuity began. On January  
33 1, 1987, any survivor who began receiving a survivor's annuity  
34 on or before January 1, 1977, shall have the monthly survivor's  
35 annuity increased by \$1 for each full year which has elapsed  
36 since the date the survivor's annuity began.

1       (g-1) On January 1, 2005, every survivor who began  
2 receiving a survivor's annuity on or before January 1, 1991  
3 shall have the monthly survivor's annuity increased by an  
4 amount equal to 25¢ multiplied by the number of full years of  
5 the deceased's creditable service multiplied by the sum of (i)  
6 the number of full years that have elapsed since the survivor's  
7 annuity began and (ii) the number of full years, if any, during  
8 which the deceased received a retirement annuity under this  
9 Article. Every survivor who begins receiving a survivor's  
10 annuity after January 1, 1991 and before January 1, 2005 shall  
11 have the monthly survivor's annuity increased on January 1,  
12 2005 or on the January 1 occurring on or next following the  
13 seventh anniversary of the commencement of the survivor's  
14 annuity, whichever is later, by an amount equal to 25¢  
15 multiplied by the number of full years of the deceased's  
16 creditable service multiplied by the sum of (i) the number of  
17 full years that have elapsed since the survivor's annuity began  
18 and (ii) the number of full years, if any, during which the  
19 deceased received a retirement annuity under this Article. The  
20 increase under this subsection shall be included in the  
21 calculation of increases granted simultaneously or thereafter  
22 under subsection (j).

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

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



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

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

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

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

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

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

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

14 (1) 1.5% of the originally granted retirement annuity  
15 or disability retirement annuity multiplied by the number  
16 of years elapsed, if any, from the date of retirement until  
17 January 1, 1972, plus

18 (2) 2% of the originally granted annuity multiplied by  
19 the number of years elapsed, if any, from the date of  
20 retirement or January 1, 1972, whichever is later, until  
21 January 1, 1978, plus

22 (3) 3% of the originally granted annuity multiplied by  
23 the number of years elapsed from the date of retirement or  
24 January 1, 1978, whichever is later, until the effective  
25 date of the initial increase.

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

32 Following the initial increase, automatic annual increases  
33 in annuity shall be payable on each January 1 thereafter during  
34 the lifetime of the annuitant, determined as a percentage of  
35 the originally granted retirement annuity or disability  
36 retirement annuity for increases granted prior to January 1,

1 1990, and calculated as a percentage of the total amount of  
2 annuity, including previous increases under this Section, for  
3 increases granted on or after January 1, 1990, as follows: 1.5%  
4 for periods prior to January 1, 1972, 2% for periods after  
5 December 31, 1971 and prior to January 1, 1978, and 3% for  
6 periods after December 31, 1977.

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

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

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

26 (e) In addition to the automatic annual increases in  
27 annuity provided under this Section, an annuitant who meets the  
28 service requirements of this Section and whose retirement  
29 annuity or disability retirement annuity began on or before  
30 January 1, 1971 shall receive, on January 1, 1981, an increase  
31 in the annuity then being paid of one dollar per month for each  
32 year of creditable service. On January 1, 1982, an annuitant  
33 whose retirement annuity or disability retirement annuity  
34 began on or before January 1, 1977 shall receive an increase in  
35 the annuity then being paid of one dollar per month for each  
36 year of creditable service.

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

6           (f) On January 1, 2005, every annuitant who began receiving  
7 a retirement annuity on or before January 1, 1991 shall have  
8 the monthly retirement annuity increased by an amount equal to  
9 25¢ multiplied by the number of full years of creditable  
10 service multiplied by the number of full years that have  
11 elapsed since the annuity began. Every annuitant who begins  
12 receiving a retirement annuity after January 1, 1991 and before  
13 July 1, 1998 shall have the monthly retirement annuity  
14 increased on January 1, 2005 or on the January 1 occurring on  
15 or next following the seventh anniversary of retirement,  
16 whichever is later, by an amount equal to \$1.75 multiplied by  
17 the number of full years of creditable service upon which the  
18 retirement annuity is based. The increase under this subsection  
19 shall be included in the calculation of increases granted  
20 simultaneously or thereafter under subsection (a).

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

22           (40 ILCS 5/16-143.1) (from Ch. 108 1/2, par. 16-143.1)

23           Sec. 16-143.1. Increase in survivor benefits.

24           (a) Beginning January 1, 1990, each survivor's benefit and  
25 each reversionary annuity payable under Section 16-136 shall be  
26 increased by 3% of the currently payable amount thereof (1) on  
27 each January 1 occurring on or after the commencement of the  
28 annuity if the deceased teacher died while receiving a  
29 retirement or disability retirement annuity, or (2) in other  
30 cases, on each January 1 occurring on or after the first  
31 anniversary of the granting of the benefit, without regard to  
32 whether the deceased teacher was in service on or after the  
33 effective date of this amendatory Act of 1991, but such  
34 increases shall not accrue for any period prior to January 1,  
35 1990.

1 (b) On January 1, 1981, any beneficiary who was receiving a  
2 survivor's monthly benefit on or before January 1, 1971, shall  
3 have the benefit then being paid increased by 1% for each full  
4 year elapsed from the date the survivor's benefit began. On  
5 January 1, 1982, any beneficiary who began receiving a  
6 survivor's monthly benefit after January 1, 1971, but before  
7 January 1, 1981 shall have the benefit then being paid  
8 increased by 1% for each year elapsed from the date the  
9 survivor's benefit began.

10 On January 1, 1987, any beneficiary whose monthly  
11 survivor's benefit began on or before January 1, 1977, shall  
12 have the monthly survivor's benefit increased by \$1 for each  
13 full year which has elapsed since the date the survivor's  
14 benefit began.

15 (c) On January 1, 2005, every survivor who began receiving  
16 a survivor's benefit on or before January 1, 1991 shall have  
17 the monthly survivor's benefit increased by an amount equal to  
18 25¢ multiplied by the number of full years of the deceased's  
19 creditable service multiplied by the sum of (i) the number of  
20 full years that have elapsed since the survivor's benefit began  
21 and (ii) the number of full years, if any, during which the  
22 deceased received a retirement annuity under this Article.  
23 Every survivor who begins receiving a survivor's benefit after  
24 January 1, 1991 and before January 1, 2005 shall have the  
25 monthly survivor's benefit increased on January 1, 2005 or on  
26 the January 1 occurring on or next following the seventh  
27 anniversary of the commencement of the survivor's benefit,  
28 whichever is later, by an amount equal to 25¢ multiplied by the  
29 number of full years of the deceased's creditable service  
30 multiplied by the sum of (i) the number of full years that have  
31 elapsed since the survivor's benefit began and (ii) the number  
32 of full years, if any, during which the deceased received a  
33 retirement annuity under this Article. The increase under this  
34 subsection shall be included in the calculation of increases  
35 granted simultaneously or thereafter under subsection (a).

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

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

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

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

6 1. The term "base pension" means a service retirement  
7 or disability retirement pension in the amount fixed and  
8 payable at the date of retirement of a teacher.

9 2. The annual increase in pension shall be at the rate  
10 of 1 1/2% of base pension. This increase shall first occur  
11 in January of the year next following the first anniversary  
12 of retirement. At such time the Fund shall pay the pro rata  
13 part of the increase for the period from the first  
14 anniversary date to the date of the first increase in  
15 pension. Beginning January 1, 1972, the rate of annual  
16 increase in pension shall be 2% of the base pension.  
17 Beginning January 1, 1979, the rate of annual increase in  
18 pension shall be 3% of the base pension. Beginning January  
19 1, 1990, all automatic annual increases payable under this  
20 Section shall be calculated as a percentage of the total  
21 pension payable at the time of the increase, including all  
22 increases previously granted under this Article,  
23 notwithstanding Section 17-157.

24 3. An increase in pension shall be granted only if the  
25 retired teacher is age 60 or over. If the teacher attains  
26 age 60 after retirement, the increase in pension shall  
27 begin in January of the year following the 61st birthday.  
28 At such time the Fund also shall pay the pro rata part of  
29 the increase from the 61st birthday to the date of first  
30 increase in pension.

31 (b) In addition to other increases which may be provided by  
32 this Section, on January 1, 1981 any teacher who was receiving  
33 a retirement pension on or before January 1, 1971 shall have  
34 his retirement pension then being paid increased \$1 per month  
35 for each year of creditable service. On January 1, 1982, any

1 teacher whose retirement pension began on or before January 1,  
2 1977, shall have his retirement pension then being paid  
3 increased \$1 per month for each year of creditable service.

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

9 (c) On January 1, 2005, every pensioner who began receiving  
10 a retirement pension on or before January 1, 1991 shall have  
11 the monthly retirement pension increased by an amount equal to  
12 25¢ multiplied by the number of full years of creditable  
13 service multiplied by the number of full years that have  
14 elapsed since the pension began. Every pensioner who begins  
15 receiving a retirement pension after January 1, 1991 and before  
16 July 1, 1998 shall have the monthly retirement pension  
17 increased on January 1, 2005 or on the January 1 occurring on  
18 or next following the seventh anniversary of retirement,  
19 whichever is later, by an amount equal to \$1.75 multiplied by  
20 the number of full years of creditable service upon which the  
21 retirement pension is based. The increase under this subsection  
22 shall be included in the calculation of increases granted  
23 simultaneously or thereafter under subsection (a). Section  
24 17-157 does not apply to the increase provided under this  
25 subsection.

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

27 (40 ILCS 5/17-122) (from Ch. 108 1/2, par. 17-122)

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

29 (a) Upon the death of a teacher who has completed at least  
30 1 1/2 years of contributing service with either this Fund or  
31 the State Universities Retirement System or the Teachers'  
32 Retirement System of the State of Illinois, provided his death  
33 occurred while (a) in active service covered by the Fund or  
34 during his first 18 months of continuous employment without a  
35 break in service under any other participating system as

1 defined in the Illinois Retirement Systems Reciprocal Act  
2 except the State Universities Retirement System and the  
3 Teachers' Retirement System of the State of Illinois, (b) on a  
4 creditable leave of absence, (c) on a noncreditable leave of  
5 absence of no more than one year, or (d) a pension was deferred  
6 or pending provided the teacher had at least 10 years of  
7 validated service credit, or upon the death of a pensioner  
8 otherwise qualified for such benefit, the surviving spouse and  
9 unmarried minor children of the deceased teacher under age 18  
10 shall be entitled to pensions, under the conditions stated  
11 hereinafter. Such survivor's and children's pensions shall be  
12 based on the average of the 4 highest consecutive years of  
13 salary in the last 10 years of service or on the average salary  
14 for total service, if total service has been less than 4 years,  
15 according to the following percentages:

16           30% of average salary or 50% of the retirement pension  
17           earned by the teacher, whichever is larger, subject to the  
18           prescribed maximum monthly payment, for a surviving spouse  
19           alone on attainment of age 50;

20           60% of average salary for a surviving spouse and  
21           eligible minor children of the deceased teacher.

22           If no eligible spouse survives, or the surviving spouse  
23           remarries, or the parent of the children of the deceased member  
24           is otherwise ineligible for a survivor's pension, a children's  
25           pension for eligible minor children under age 18 shall be paid  
26           to their parent or legal guardian for their benefit according  
27           to the following percentages:

28           30% of average salary for one child;

29           60% of average salary for 2 or more children.

30           (b) On January 1, 1981, any survivor or child who was  
31           receiving a survivor's or children's pension on or before  
32           January 1, 1971, shall have his survivor's or children's  
33           pension then being paid increased by 1% for each full year  
34           which has elapsed from the date the pension began. On January  
35           1, 1982, any survivor or child whose pension began after  
36           January 1, 1971, but before January 1, 1981, shall have his



1 survivor's or children's pension then being paid increased 1%  
2 for each full year which has elapsed from the date the pension  
3 began. On January 1, 1987, any survivor or child whose pension  
4 began on or before January 1, 1977, shall have the monthly  
5 survivor's or children's pension increased by \$1 for each full  
6 year which has elapsed since the pension began.

7 (c) On January 1, 2005, every survivor or child who began  
8 receiving a survivor's or children's pension on or before  
9 January 1, 1991 shall have the monthly pension increased by an  
10 amount equal to 25¢ multiplied by the number of full years of  
11 the deceased's creditable service multiplied by the sum of (i)  
12 the number of full years that have elapsed since the survivor's  
13 or children's pension began and (ii) the number of full years,  
14 if any, during which the deceased received a retirement pension  
15 under this Article. Every survivor or child who begins  
16 receiving a survivor's or children's pension after January 1,  
17 1991 and before January 1, 2005 shall have the monthly pension  
18 increased on January 1, 2005 or on the January 1 occurring on  
19 or next following the seventh anniversary of the commencement  
20 of the pension, whichever is later, by an amount equal to 25¢  
21 multiplied by the number of full years of the deceased's  
22 creditable service multiplied by the sum of (i) the number of  
23 full years that have elapsed since the survivor's annuity began  
24 and (ii) the number of full years, if any, during which the  
25 deceased received a retirement pension under this Article. The  
26 increase under this subsection shall be included in the  
27 calculation of increases granted simultaneously or thereafter  
28 under subsection (d). Section 17-157 does not apply to the  
29 increase provided under this subsection.

30 (d) Beginning January 1, 1990, every survivor's and  
31 children's pension shall be increased (1) on each January 1  
32 occurring on or after the commencement of the pension if the  
33 deceased teacher died while receiving a retirement pension, or  
34 (2) in other cases, on each January 1 occurring on or after the  
35 first anniversary of the commencement of the pension, by an  
36 amount equal to 3% of the current amount of the pension,

1 including all increases previously granted under this Article,  
2 notwithstanding Section 17-157. Such increases shall apply  
3 without regard to whether the deceased teacher was in service  
4 on or after the effective date of this amendatory Act of 1991,  
5 but shall not accrue for any period prior to January 1, 1990.

6 (e) Subject to the minimum established below, the maximum  
7 amount of pension for a surviving spouse alone or one minor  
8 child shall be \$400 per month, and the maximum combined  
9 pensions for a surviving spouse and children of the deceased  
10 teacher shall be \$600 per month, with individual pensions  
11 adjusted for all beneficiaries pro rata to conform with this  
12 limitation. If proration is unnecessary the minimum survivor's  
13 and children's pensions shall be \$40 per month. The minimum  
14 total survivor's and children's pension payable upon the death  
15 of a contributor or annuitant which occurs after December 31,  
16 1986, shall be 50% of the earned retirement pension of such  
17 contributor or annuitant, calculated without early retirement  
18 discount in the case of death in service.

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

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

26 Section 90. The State Mandates Act is amended by adding  
27 Section 8.28 as follows:

28 (30 ILCS 805/8.28 new)

29 Sec. 8.28. Exempt mandate. Notwithstanding Sections 6 and 8  
30 of this Act, no reimbursement by the State is required for the  
31 implementation of any mandate created by this amendatory Act of  
32 the 93rd General Assembly.

33 Section 99. Effective date. This Act takes effect upon

1 becoming law.