

1 AN ACT in relation to public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by changing
5 Sections 7-142.1, 7-156, 7-169, and 7-173.1 as follows:

6 (40 ILCS 5/7-142.1) (from Ch. 108 1/2, par. 7-142.1)

7 Sec. 7-142.1. Sheriff's law enforcement employees.

8 (a) In lieu of the retirement annuity provided by
9 subparagraph 1 of paragraph (a) of Section 7-142:

10 Any sheriff's law enforcement employee who has 20 or more
11 years of service in that capacity and who terminates service
12 prior to January 1, 1988 shall be entitled at his option to
13 receive a monthly retirement annuity for his service as a
14 sheriff's law enforcement employee computed by multiplying 2%
15 for each year of such service up to 10 years, 2 1/4% for each
16 year of such service above 10 years and up to 20 years, and 2
17 1/2% for each year of such service above 20 years, by his
18 annual final rate of earnings and dividing by 12.

19 Any sheriff's law enforcement employee who has 20 or more
20 years of service in that capacity and who terminates service on
21 or after January 1, 1988 and before July 1, 2004 shall be
22 entitled at his option to receive a monthly retirement annuity
23 for his service as a sheriff's law enforcement employee
24 computed by multiplying 2.5% for each year of such service up
25 to 20 years, 2% for each year of such service above 20 years
26 and up to 30 years, and 1% for each year of such service above
27 30 years, by his annual final rate of earnings and dividing by
28 12.

29 Any sheriff's law enforcement employee who has 20 or more
30 years of service in that capacity and who terminates service on
31 or after July 1, 2004 shall be entitled at his or her option to
32 receive a monthly retirement annuity for service as a sheriff's

1 law enforcement employee computed by multiplying 2.5% for each
2 year of such service by his annual final rate of earnings and
3 dividing by 12.

4 If a sheriff's law enforcement employee has service in any
5 other capacity, his retirement annuity for service as a
6 sheriff's law enforcement employee may be computed under this
7 Section and the retirement annuity for his other service under
8 Section 7-142.

9 In no case shall the total monthly retirement annuity for
10 persons who retire before July 1, 2004 exceed 75% of the
11 monthly final rate of earnings. In no case shall the total
12 monthly retirement annuity for persons who retire on or after
13 July 1, 2004 exceed 80% of the monthly final rate of earnings.

14 (b) Whenever continued group insurance coverage is elected
15 in accordance with the provisions of Section 367h of the
16 Illinois Insurance Code, as now or hereafter amended, the total
17 monthly premium for such continued group insurance coverage or
18 such portion thereof as is not paid by the municipality shall,
19 upon request of the person electing such continued group
20 insurance coverage, be deducted from any monthly pension
21 benefit otherwise payable to such person pursuant to this
22 Section, to be remitted by the Fund to the insurance company or
23 other entity providing the group insurance coverage.

24 (c) A sheriff's law enforcement employee who has service in
25 any other capacity may convert up to 10 years of that service
26 into service as a sheriff's law enforcement employee by paying
27 to the Fund an amount equal to (1) the additional employee
28 contribution required under Section 7-173.1, (2) the
29 additional employer contribution required under Section 7-172,
30 plus (3) interest on those contributions at the prescribed rate
31 from the date of the service to the date of payment.

32 (Source: P.A. 85-941.)

33 (40 ILCS 5/7-156) (from Ch. 108 1/2, par. 7-156)

34 Sec. 7-156. Surviving spouse annuities - amount.

35 (a) The amount of surviving spouse annuity shall be:

1 1. Upon the death of an employee annuitant or such person
2 entitled, upon application, to a retirement annuity at date of
3 death, (i) an amount equal to 1/2 of the retirement annuity
4 which was or would have been payable exclusive of the amount so
5 payable which was provided from additional credits, and
6 disregarding any election made under paragraph (b) of Section
7 7-142, plus (ii) an annuity which could be provided at the then
8 attained age of the surviving spouse and under actuarial tables
9 then in effect, from the excess of the additional credits,
10 (excluding any such credits used to create a reversionary
11 annuity) used to provide the annuity granted pursuant to
12 paragraph (a) (2) of Section 7-142 of this article over the
13 total annuity payments made pursuant thereto.

14 2. Upon the death of a participating employee on or after
15 attainment of age 55, an amount equal to 1/2 of the retirement
16 annuity which he could have had as of the date of death had he
17 then retired and applied for annuity, exclusive of the portion
18 thereof which could have been provided from additional credits,
19 and disregarding paragraph (b) of Section 7-142, plus an amount
20 equal to the annuity which could be provided from the total of
21 his accumulated additional credits at date of death, on the
22 basis of the attained age of the surviving spouse on such date.

23 3. Upon the death of a participating employee before age
24 55, an amount equal to 1/2 of the retirement annuity which he
25 could have had as of his attained age on the date of death, had
26 he then retired and applied for annuity, and the provisions of
27 this Article that no such annuity shall begin until the
28 employee has attained at least age 55 were not applicable,
29 exclusive of the portion thereof which could have been provided
30 from additional credits and disregarding paragraph (b) of
31 Section 7-142, plus an amount equal to the annuity which could
32 be provided from the total of his accumulated additional
33 credits at date of death, on the basis of the attained age of
34 the surviving spouse on such date.

35 In the case of the surviving spouse of a person who dies
36 before the effective date of this amendatory Act of the 93rd

1 General Assembly, if the ~~a~~ surviving spouse is more than 5
2 years younger than the deceased, that portion of the annuity
3 which is not based on additional credits shall be reduced in
4 the ratio of the value of a life annuity of \$1 per year at an
5 age of 5 years less than the attained age of the deceased, at
6 the earlier of the date of the death or the date his retirement
7 annuity begins, to the value of a life annuity of \$1 per year
8 at the attained age of the surviving spouse on such date,
9 according to actuarial tables approved by the Board. This
10 reduction does not apply to the surviving spouse of a person
11 who dies on or after the effective date of this amendatory Act
12 of the 93rd General Assembly.

13 In computing the amount of a surviving spouse annuity,
14 incremental increases of retirement annuities to the date of
15 death of the employee annuitant shall be considered.

16 (b) Each surviving spouse annuity payable on January 1,
17 1988 shall be increased on that date by 3% of the original
18 amount of the annuity. Each surviving spouse annuity that
19 begins after January 1, 1988 shall be increased on the January
20 1 next occurring after the annuity begins, by an amount equal
21 to (i) 3% of the original amount thereof if the deceased
22 employee was receiving a retirement annuity at the time of his
23 death; otherwise (ii) 0.167% of the original amount thereof for
24 each complete month which has elapsed since the date the
25 annuity began.

26 On each January 1 after the date of the initial increase
27 under this subsection, each surviving spouse annuity shall be
28 increased by 3% of the originally granted amount of the
29 annuity.

30 (Source: P.A. 85-941.)

31 (40 ILCS 5/7-169) (from Ch. 108 1/2, par. 7-169)

32 Sec. 7-169. Separation benefits; repayments. If an
33 employee who has received a separation benefit subsequently
34 becomes a participating employee, and renders at least 2 years
35 of contributing service from the date of such re-entry, he may

1 pay to the fund the amount of the separation benefit, plus
2 interest at the effective rate for each year from the date of
3 payment of the separation benefit to the date of repayment.
4 Upon payment his creditable service shall be reinstated and the
5 payment shall be credited to his account as normal
6 contributions. Beginning July 1, 2004, the requirement of
7 returning to service for at least 2 years does not apply to
8 persons who return to service as a sheriff's law enforcement
9 employee.

10 (Source: P.A. 84-1028.)

11 (40 ILCS 5/7-173.1) (from Ch. 108 1/2, par. 7-173.1)

12 Sec. 7-173.1. Additional contribution by sheriff's law
13 enforcement employees.

14 (a) Each sheriff's law enforcement employee shall make an
15 additional contribution of 1% of earnings, which shall be
16 considered as normal contributions. For earnings on or after
17 July 1, 1988, the additional contribution shall be 2% of
18 earnings. For earnings on or after July 1, 2004, the additional
19 contribution shall be 2.5% of earnings; this increase is
20 intended to defray the employee's portion of the cost of the
21 benefit increases provided by this amendatory Act of the 93rd
22 General Assembly.

23 This additional contribution shall be payable for
24 retroactive service periods which the employee elects to
25 establish and to periods of authorized leave of absence.

26 (b) If the employee is awarded a retirement annuity under
27 Section 7-142 and not under Section 7-142.1, then the
28 additional contribution required under this Section shall be
29 refunded with interest or paid as provided in subsection (c).
30 If the employee returns to a participating status as a
31 sheriff's law enforcement employee, the employee may repay the
32 amount refunded with interest and upon subsequent retirement be
33 entitled to a recomputation of the retirement annuity under
34 Section 7-142.1 if the total service as a sheriff's law
35 enforcement employee meets the requirements of that Section.

1 (c) Instead of a refund under subsection (b), the retiring
2 employee may elect to convert the amount of the refund into an
3 annuity, payable separately from the retirement annuity. If the
4 annuitant dies before the guaranteed amount has been
5 distributed, the remainder shall be paid in a lump sum to the
6 designated beneficiary of the annuitant. The Board shall adopt
7 any rules necessary for the implementation of this subsection.
8 (Source: P.A. 90-766, eff. 8-14-98.)

9 Section 90. The State Mandates Act is amended by adding
10 Section 8.28 as follows:

11 (30 ILCS 805/8.28 new)

12 Sec. 8.28. Exempt mandate. Notwithstanding Sections 6 and 8
13 of this Act, no reimbursement by the State is required for the
14 implementation of any mandate created by this amendatory Act of
15 the 93rd General Assembly.

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