**Section 1600.210 Crediting Interest on Participant Contributions and Other Reserves**

a) On the first of each month, participant contributions and all other reserves, except the reserves for undistributed interest and gains and losses on investments, shall be credited with interest at the effective rate in accordance with subsections (b) and (c) of this Section.

b) The balance in the account at the end of the preceding fiscal year shall be credited with one-twelfth of one year of interest at the effective rate.

c) A participant accepting a refund shall be entitled to interest to the first day of the month in which the refund is paid.

d) The prescribed rate of interest shall be compounded annually, and the rate shall be determined periodically by the Board based upon the probable average effective rate of interest on a long-term basis.

(Source: Amended at 32 Ill. Reg. 16515, effective September 25, 2008)