



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB2997

Introduced 2/19/2021, by Rep. Dave Severin

SYNOPSIS AS INTRODUCED:

40 ILCS 5/1-160	
40 ILCS 5/16-127	from Ch. 108 1/2, par. 16-127
40 ILCS 5/16-133	from Ch. 108 1/2, par. 16-133
40 ILCS 5/16-203	

Amends the General Provisions and Downstate Teacher Articles of the Illinois Pension Code. Provides that a teacher may establish one additional day of service credit for each day of service credit that was earned between March 16, 2020 and June 30, 2021 in which the teacher provided in-person instruction if he or she pays certain contributions and supplies satisfactory evidence. For a Tier 1 member, provides that the System shall waive the reduction in retirement annuity for persons who retire before age 60 if the member has attained age 59 and earned service credit in the 2020-2021 school. For a Tier 2 member, provides that the reduction in retirement annuity for persons who retire before age 67 shall be waived if the member has attained age 66 and earned service credit in the 2020-2021 school year. For a Tier 1 member who earned service credit in the 2020-2021 school year and has not attained age 59 or a Tier 2 member who earned service credit in the 2020-2021 school year and has not attained age 66, provides that the member shall be deemed to be one year older than his or her actual age for purposes of provisions concerning a reduction in retirement annuity due to a member's age. Provides that any benefit increase that results from the amendatory Act is excluded from the definition of "new benefit increase". Effective immediately.

LRB102 14609 RPS 19962 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

1 AN ACT concerning 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
5 changing Sections 1-160, 16-127, 16-133, and 16-203 as
6 follows:

7 (40 ILCS 5/1-160)

8 Sec. 1-160. Provisions applicable to new hires.

9 (a) The provisions of this Section apply to a person who,
10 on or after January 1, 2011, first becomes a member or a
11 participant under any reciprocal retirement system or pension
12 fund established under this Code, other than a retirement
13 system or pension fund established under Article 2, 3, 4, 5, 6,
14 15 or 18 of this Code, notwithstanding any other provision of
15 this Code to the contrary, but do not apply to any self-managed
16 plan established under this Code, to any person with respect
17 to service as a sheriff's law enforcement employee under
18 Article 7, or to any participant of the retirement plan
19 established under Section 22-101. Notwithstanding anything to
20 the contrary in this Section, for purposes of this Section, a
21 person who participated in a retirement system under Article
22 15 prior to January 1, 2011 shall be deemed a person who first
23 became a member or participant prior to January 1, 2011 under

1 any retirement system or pension fund subject to this Section.
2 The changes made to this Section by Public Act 98-596 are a
3 clarification of existing law and are intended to be
4 retroactive to January 1, 2011 (the effective date of Public
5 Act 96-889), notwithstanding the provisions of Section 1-103.1
6 of this Code.

7 This Section does not apply to a person who first becomes a
8 noncovered employee under Article 14 on or after the
9 implementation date of the plan created under Section 1-161
10 for that Article, unless that person elects under subsection
11 (b) of Section 1-161 to instead receive the benefits provided
12 under this Section and the applicable provisions of that
13 Article.

14 This Section does not apply to a person who first becomes a
15 member or participant under Article 16 on or after the
16 implementation date of the plan created under Section 1-161
17 for that Article, unless that person elects under subsection
18 (b) of Section 1-161 to instead receive the benefits provided
19 under this Section and the applicable provisions of that
20 Article.

21 This Section does not apply to a person who elects under
22 subsection (c-5) of Section 1-161 to receive the benefits
23 under Section 1-161.

24 This Section does not apply to a person who first becomes a
25 member or participant of an affected pension fund on or after 6
26 months after the resolution or ordinance date, as defined in

1 Section 1-162, unless that person elects under subsection (c)
2 of Section 1-162 to receive the benefits provided under this
3 Section and the applicable provisions of the Article under
4 which he or she is a member or participant.

5 (b) "Final average salary" means the average monthly (or
6 annual) salary obtained by dividing the total salary or
7 earnings calculated under the Article applicable to the member
8 or participant during the 96 consecutive months (or 8
9 consecutive years) of service within the last 120 months (or
10 10 years) of service in which the total salary or earnings
11 calculated under the applicable Article was the highest by the
12 number of months (or years) of service in that period. For the
13 purposes of a person who first becomes a member or participant
14 of any retirement system or pension fund to which this Section
15 applies on or after January 1, 2011, in this Code, "final
16 average salary" shall be substituted for the following:

17 (1) In Article 7 (except for service as sheriff's law
18 enforcement employees), "final rate of earnings".

19 (2) In Articles 8, 9, 10, 11, and 12, "highest average
20 annual salary for any 4 consecutive years within the last
21 10 years of service immediately preceding the date of
22 withdrawal".

23 (3) In Article 13, "average final salary".

24 (4) In Article 14, "final average compensation".

25 (5) In Article 17, "average salary".

26 (6) In Section 22-207, "wages or salary received by

1 him at the date of retirement or discharge".

2 (b-5) Beginning on January 1, 2011, for all purposes under
3 this Code (including without limitation the calculation of
4 benefits and employee contributions), the annual earnings,
5 salary, or wages (based on the plan year) of a member or
6 participant to whom this Section applies shall not exceed
7 \$106,800; however, that amount shall annually thereafter be
8 increased by the lesser of (i) 3% of that amount, including all
9 previous adjustments, or (ii) one-half the annual unadjusted
10 percentage increase (but not less than zero) in the consumer
11 price index-u for the 12 months ending with the September
12 preceding each November 1, including all previous adjustments.

13 For the purposes of this Section, "consumer price index-u"
14 means the index published by the Bureau of Labor Statistics of
15 the United States Department of Labor that measures the
16 average change in prices of goods and services purchased by
17 all urban consumers, United States city average, all items,
18 1982-84 = 100. The new amount resulting from each annual
19 adjustment shall be determined by the Public Pension Division
20 of the Department of Insurance and made available to the
21 boards of the retirement systems and pension funds by November
22 1 of each year.

23 (c) A member or participant is entitled to a retirement
24 annuity upon written application if he or she has attained age
25 67 (beginning January 1, 2015, age 65 with respect to service
26 under Article 12 of this Code that is subject to this Section)

1 and has at least 10 years of service credit and is otherwise
2 eligible under the requirements of the applicable Article.

3 A member or participant who has attained age 62 (beginning
4 January 1, 2015, age 60 with respect to service under Article
5 12 of this Code that is subject to this Section) and has at
6 least 10 years of service credit and is otherwise eligible
7 under the requirements of the applicable Article may elect to
8 receive the lower retirement annuity provided in subsection
9 (d) of this Section.

10 (c-5) A person who first becomes a member or a participant
11 subject to this Section on or after July 6, 2017 (the effective
12 date of Public Act 100-23), notwithstanding any other
13 provision of this Code to the contrary, is entitled to a
14 retirement annuity under Article 8 or Article 11 upon written
15 application if he or she has attained age 65 and has at least
16 10 years of service credit and is otherwise eligible under the
17 requirements of Article 8 or Article 11 of this Code,
18 whichever is applicable.

19 (d) The retirement annuity of a member or participant who
20 is retiring after attaining age 62 (beginning January 1, 2015,
21 age 60 with respect to service under Article 12 of this Code
22 that is subject to this Section) with at least 10 years of
23 service credit shall be reduced by one-half of 1% for each full
24 month that the member's age is under age 67 (beginning January
25 1, 2015, age 65 with respect to service under Article 12 of
26 this Code that is subject to this Section). However, this

1 reduction shall be waived for any member under Article 16 who
2 has attained age 66 and has earned service credit under
3 Article 16 for the 2020-2021 school year. For the purposes of
4 this subsection, any member under Article 16 who has not
5 attained age 66 and has earned service credit under Article 16
6 for the 2020-2021 school year shall be deemed to be one year
7 older than his or her actual age.

8 (d-5) The retirement annuity payable under Article 8 or
9 Article 11 to an eligible person subject to subsection (c-5)
10 of this Section who is retiring at age 60 with at least 10
11 years of service credit shall be reduced by one-half of 1% for
12 each full month that the member's age is under age 65.

13 (d-10) Each person who first became a member or
14 participant under Article 8 or Article 11 of this Code on or
15 after January 1, 2011 and prior to the effective date of this
16 amendatory Act of the 100th General Assembly shall make an
17 irrevocable election either:

18 (i) to be eligible for the reduced retirement age
19 provided in subsections (c-5) and (d-5) of this Section,
20 the eligibility for which is conditioned upon the member
21 or participant agreeing to the increases in employee
22 contributions for age and service annuities provided in
23 subsection (a-5) of Section 8-174 of this Code (for
24 service under Article 8) or subsection (a-5) of Section
25 11-170 of this Code (for service under Article 11); or

26 (ii) to not agree to item (i) of this subsection

1 (d-10), in which case the member or participant shall
2 continue to be subject to the retirement age provisions in
3 subsections (c) and (d) of this Section and the employee
4 contributions for age and service annuity as provided in
5 subsection (a) of Section 8-174 of this Code (for service
6 under Article 8) or subsection (a) of Section 11-170 of
7 this Code (for service under Article 11).

8 The election provided for in this subsection shall be made
9 between October 1, 2017 and November 15, 2017. A person
10 subject to this subsection who makes the required election
11 shall remain bound by that election. A person subject to this
12 subsection who fails for any reason to make the required
13 election within the time specified in this subsection shall be
14 deemed to have made the election under item (ii).

15 (e) Any retirement annuity or supplemental annuity shall
16 be subject to annual increases on the January 1 occurring
17 either on or after the attainment of age 67 (beginning January
18 1, 2015, age 65 with respect to service under Article 12 of
19 this Code that is subject to this Section and beginning on the
20 effective date of this amendatory Act of the 100th General
21 Assembly, age 65 with respect to service under Article 8 or
22 Article 11 for eligible persons who: (i) are subject to
23 subsection (c-5) of this Section; or (ii) made the election
24 under item (i) of subsection (d-10) of this Section) or the
25 first anniversary of the annuity start date, whichever is
26 later. Each annual increase shall be calculated at 3% or

1 one-half the annual unadjusted percentage increase (but not
2 less than zero) in the consumer price index-u for the 12 months
3 ending with the September preceding each November 1, whichever
4 is less, of the originally granted retirement annuity. If the
5 annual unadjusted percentage change in the consumer price
6 index-u for the 12 months ending with the September preceding
7 each November 1 is zero or there is a decrease, then the
8 annuity shall not be increased.

9 For the purposes of Section 1-103.1 of this Code, the
10 changes made to this Section by this amendatory Act of the
11 100th General Assembly are applicable without regard to
12 whether the employee was in active service on or after the
13 effective date of this amendatory Act of the 100th General
14 Assembly.

15 (f) The initial survivor's or widow's annuity of an
16 otherwise eligible survivor or widow of a retired member or
17 participant who first became a member or participant on or
18 after January 1, 2011 shall be in the amount of 66 2/3% of the
19 retired member's or participant's retirement annuity at the
20 date of death. In the case of the death of a member or
21 participant who has not retired and who first became a member
22 or participant on or after January 1, 2011, eligibility for a
23 survivor's or widow's annuity shall be determined by the
24 applicable Article of this Code. The initial benefit shall be
25 66 2/3% of the earned annuity without a reduction due to age. A
26 child's annuity of an otherwise eligible child shall be in the

1 amount prescribed under each Article if applicable. Any
2 survivor's or widow's annuity shall be increased (1) on each
3 January 1 occurring on or after the commencement of the
4 annuity if the deceased member died while receiving a
5 retirement annuity or (2) in other cases, on each January 1
6 occurring after the first anniversary of the commencement of
7 the annuity. Each annual increase shall be calculated at 3% or
8 one-half the annual unadjusted percentage increase (but not
9 less than zero) in the consumer price index-u for the 12 months
10 ending with the September preceding each November 1, whichever
11 is less, of the originally granted survivor's annuity. If the
12 annual unadjusted percentage change in the consumer price
13 index-u for the 12 months ending with the September preceding
14 each November 1 is zero or there is a decrease, then the
15 annuity shall not be increased.

16 (g) The benefits in Section 14-110 apply only if the
17 person is a State policeman, a fire fighter in the fire
18 protection service of a department, a conservation police
19 officer, an investigator for the Secretary of State, an arson
20 investigator, a Commerce Commission police officer,
21 investigator for the Department of Revenue or the Illinois
22 Gaming Board, a security employee of the Department of
23 Corrections or the Department of Juvenile Justice, or a
24 security employee of the Department of Innovation and
25 Technology, as those terms are defined in subsection (b) and
26 subsection (c) of Section 14-110. A person who meets the

1 requirements of this Section is entitled to an annuity
2 calculated under the provisions of Section 14-110, in lieu of
3 the regular or minimum retirement annuity, only if the person
4 has withdrawn from service with not less than 20 years of
5 eligible creditable service and has attained age 60,
6 regardless of whether the attainment of age 60 occurs while
7 the person is still in service.

8 (h) If a person who first becomes a member or a participant
9 of a retirement system or pension fund subject to this Section
10 on or after January 1, 2011 is receiving a retirement annuity
11 or retirement pension under that system or fund and becomes a
12 member or participant under any other system or fund created
13 by this Code and is employed on a full-time basis, except for
14 those members or participants exempted from the provisions of
15 this Section under subsection (a) of this Section, then the
16 person's retirement annuity or retirement pension under that
17 system or fund shall be suspended during that employment. Upon
18 termination of that employment, the person's retirement
19 annuity or retirement pension payments shall resume and be
20 recalculated if recalculation is provided for under the
21 applicable Article of this Code.

22 If a person who first becomes a member of a retirement
23 system or pension fund subject to this Section on or after
24 January 1, 2012 and is receiving a retirement annuity or
25 retirement pension under that system or fund and accepts on a
26 contractual basis a position to provide services to a

1 governmental entity from which he or she has retired, then
2 that person's annuity or retirement pension earned as an
3 active employee of the employer shall be suspended during that
4 contractual service. A person receiving an annuity or
5 retirement pension under this Code shall notify the pension
6 fund or retirement system from which he or she is receiving an
7 annuity or retirement pension, as well as his or her
8 contractual employer, of his or her retirement status before
9 accepting contractual employment. A person who fails to submit
10 such notification shall be guilty of a Class A misdemeanor and
11 required to pay a fine of \$1,000. Upon termination of that
12 contractual employment, the person's retirement annuity or
13 retirement pension payments shall resume and, if appropriate,
14 be recalculated under the applicable provisions of this Code.

15 (i) (Blank).

16 (j) In the case of a conflict between the provisions of
17 this Section and any other provision of this Code, the
18 provisions of this Section shall control.

19 (Source: P.A. 100-23, eff. 7-6-17; 100-201, eff. 8-18-17;
20 100-563, eff. 12-8-17; 100-611, eff. 7-20-18; 100-1166, eff.
21 1-4-19; 101-610, eff. 1-1-20.)

22 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

23 Sec. 16-127. Computation of creditable service.

24 (a) Each member shall receive regular credit for all
25 service as a teacher from the date membership begins, for

1 which satisfactory evidence is supplied and all contributions
2 have been paid.

3 (b) The following periods of service shall earn optional
4 credit and each member shall receive credit for all such
5 service for which satisfactory evidence is supplied and all
6 contributions have been paid as of the date specified:

7 (1) Prior service as a teacher.

8 (2) Service in a capacity essentially similar or
9 equivalent to that of a teacher, in the public common
10 schools in school districts in this State not included
11 within the provisions of this System, or of any other
12 State, territory, dependency or possession of the United
13 States, or in schools operated by or under the auspices of
14 the United States, or under the auspices of any agency or
15 department of any other State, and service during any
16 period of professional speech correction or special
17 education experience for a public agency within this State
18 or any other State, territory, dependency or possession of
19 the United States, and service prior to February 1, 1951
20 as a recreation worker for the Illinois Department of
21 Public Safety, for a period not exceeding the lesser of
22 2/5 of the total creditable service of the member or 10
23 years. The maximum service of 10 years which is allowable
24 under this paragraph shall be reduced by the service
25 credit which is validated by other retirement systems
26 under paragraph (i) of Section 15-113 and paragraph 1 of

1 Section 17-133. Credit granted under this paragraph may
2 not be used in determination of a retirement annuity or
3 disability benefits unless the member has at least 5 years
4 of creditable service earned subsequent to this employment
5 with one or more of the following systems: Teachers'
6 Retirement System of the State of Illinois, State
7 Universities Retirement System, and the Public School
8 Teachers' Pension and Retirement Fund of Chicago. Whenever
9 such service credit exceeds the maximum allowed for all
10 purposes of this Article, the first service rendered in
11 point of time shall be considered. The changes to this
12 subdivision (b)(2) made by Public Act 86-272 shall apply
13 not only to persons who on or after its effective date
14 (August 23, 1989) are in service as a teacher under the
15 System, but also to persons whose status as such a teacher
16 terminated prior to such effective date, whether or not
17 such person is an annuitant on that date.

18 (3) Any periods immediately following teaching
19 service, under this System or under Article 17, (or
20 immediately following service prior to February 1, 1951 as
21 a recreation worker for the Illinois Department of Public
22 Safety) spent in active service with the military forces
23 of the United States; periods spent in educational
24 programs that prepare for return to teaching sponsored by
25 the federal government following such active military
26 service; if a teacher returns to teaching service within

1 one calendar year after discharge or after the completion
2 of the educational program, a further period, not
3 exceeding one calendar year, between time spent in
4 military service or in such educational programs and the
5 return to employment as a teacher under this System; and a
6 period of up to 2 years of active military service not
7 immediately following employment as a teacher.

8 The changes to this Section and Section 16-128
9 relating to military service made by P.A. 87-794 shall
10 apply not only to persons who on or after its effective
11 date are in service as a teacher under the System, but also
12 to persons whose status as a teacher terminated prior to
13 that date, whether or not the person is an annuitant on
14 that date. In the case of an annuitant who applies for
15 credit allowable under this Section for a period of
16 military service that did not immediately follow
17 employment, and who has made the required contributions
18 for such credit, the annuity shall be recalculated to
19 include the additional service credit, with the increase
20 taking effect on the date the System received written
21 notification of the annuitant's intent to purchase the
22 credit, if payment of all the required contributions is
23 made within 60 days of such notice, or else on the first
24 annuity payment date following the date of payment of the
25 required contributions. In calculating the automatic
26 annual increase for an annuity that has been recalculated

1 under this Section, the increase attributable to the
2 additional service allowable under P.A. 87-794 shall be
3 included in the calculation of automatic annual increases
4 accruing after the effective date of the recalculation.

5 Credit for military service shall be determined as
6 follows: if entry occurs during the months of July,
7 August, or September and the member was a teacher at the
8 end of the immediately preceding school term, credit shall
9 be granted from July 1 of the year in which he or she
10 entered service; if entry occurs during the school term
11 and the teacher was in teaching service at the beginning
12 of the school term, credit shall be granted from July 1 of
13 such year. In all other cases where credit for military
14 service is allowed, credit shall be granted from the date
15 of entry into the service.

16 The total period of military service for which credit
17 is granted shall not exceed 5 years for any member unless
18 the service: (A) is validated before July 1, 1964, and (B)
19 does not extend beyond July 1, 1963. Credit for military
20 service shall be granted under this Section only if not
21 more than 5 years of the military service for which credit
22 is granted under this Section is used by the member to
23 qualify for a military retirement allotment from any
24 branch of the armed forces of the United States. The
25 changes to this subdivision (b)(3) made by Public Act
26 86-272 shall apply not only to persons who on or after its

1 effective date (August 23, 1989) are in service as a
2 teacher under the System, but also to persons whose status
3 as such a teacher terminated prior to such effective date,
4 whether or not such person is an annuitant on that date.

5 (4) Any periods served as a member of the General
6 Assembly.

7 (5) (i) Any periods for which a teacher, as defined in
8 Section 16-106, is granted a leave of absence, provided he
9 or she returns to teaching service creditable under this
10 System or the State Universities Retirement System
11 following the leave; (ii) periods during which a teacher
12 is involuntarily laid off from teaching, provided he or
13 she returns to teaching following the lay-off; (iii)
14 periods prior to July 1, 1983 during which a teacher
15 ceased covered employment due to pregnancy, provided that
16 the teacher returned to teaching service creditable under
17 this System or the State Universities Retirement System
18 following the pregnancy and submits evidence satisfactory
19 to the Board documenting that the employment ceased due to
20 pregnancy; and (iv) periods prior to July 1, 1983 during
21 which a teacher ceased covered employment for the purpose
22 of adopting an infant under 3 years of age or caring for a
23 newly adopted infant under 3 years of age, provided that
24 the teacher returned to teaching service creditable under
25 this System or the State Universities Retirement System
26 following the adoption and submits evidence satisfactory

1 to the Board documenting that the employment ceased for
2 the purpose of adopting an infant under 3 years of age or
3 caring for a newly adopted infant under 3 years of age.
4 However, total credit under this paragraph (5) may not
5 exceed 3 years.

6 Any qualified member or annuitant may apply for credit
7 under item (iii) or (iv) of this paragraph (5) without
8 regard to whether service was terminated before the
9 effective date of this amendatory Act of 1997. In the case
10 of an annuitant who establishes credit under item (iii) or
11 (iv), the annuity shall be recalculated to include the
12 additional service credit. The increase in annuity shall
13 take effect on the date the System receives written
14 notification of the annuitant's intent to purchase the
15 credit, if the required evidence is submitted and the
16 required contribution paid within 60 days of that
17 notification, otherwise on the first annuity payment date
18 following the System's receipt of the required evidence
19 and contribution. The increase in an annuity recalculated
20 under this provision shall be included in the calculation
21 of automatic annual increases in the annuity accruing
22 after the effective date of the recalculation.

23 Optional credit may be purchased under this subsection
24 (b) (5) for periods during which a teacher has been granted
25 a leave of absence pursuant to Section 24-13 of the School
26 Code. A teacher whose service under this Article

1 terminated prior to the effective date of P.A. 86-1488
2 shall be eligible to purchase such optional credit. If a
3 teacher who purchases this optional credit is already
4 receiving a retirement annuity under this Article, the
5 annuity shall be recalculated as if the annuitant had
6 applied for the leave of absence credit at the time of
7 retirement. The difference between the entitled annuity
8 and the actual annuity shall be credited to the purchase
9 of the optional credit. The remainder of the purchase cost
10 of the optional credit shall be paid on or before April 1,
11 1992.

12 The change in this paragraph made by Public Act 86-273
13 shall be applicable to teachers who retire after June 1,
14 1989, as well as to teachers who are in service on that
15 date.

16 (6) Any days of unused and uncompensated accumulated
17 sick leave earned by a teacher. The service credit granted
18 under this paragraph shall be the ratio of the number of
19 unused and uncompensated accumulated sick leave days to
20 170 days, subject to a maximum of 2 years of service
21 credit. Prior to the member's retirement, each former
22 employer shall certify to the System the number of unused
23 and uncompensated accumulated sick leave days credited to
24 the member at the time of termination of service. The
25 period of unused sick leave shall not be considered in
26 determining the effective date of retirement. A member is

1 not required to make contributions in order to obtain
2 service credit for unused sick leave.

3 Credit for sick leave shall, at retirement, be granted
4 by the System for any retiring regional or assistant
5 regional superintendent of schools at the rate of 6 days
6 per year of creditable service or portion thereof
7 established while serving as such superintendent or
8 assistant superintendent.

9 (7) Periods prior to February 1, 1987 served as an
10 employee of the Illinois Mathematics and Science Academy
11 for which credit has not been terminated under Section
12 15-113.9 of this Code.

13 (8) Service as a substitute teacher for work performed
14 prior to July 1, 1990.

15 (9) Service as a part-time teacher for work performed
16 prior to July 1, 1990.

17 (10) Up to 2 years of employment with Southern
18 Illinois University - Carbondale from September 1, 1959 to
19 August 31, 1961, or with Governors State University from
20 September 1, 1972 to August 31, 1974, for which the
21 teacher has no credit under Article 15. To receive credit
22 under this item (10), a teacher must apply in writing to
23 the Board and pay the required contributions before May 1,
24 1993 and have at least 12 years of service credit under
25 this Article.

26 (11) One additional day of service credit for each day

1 of service credit that was earned between March 16, 2020
2 and June 30, 2021 for any day in which the teacher provided
3 in-person instruction during that period.

4 (b-1) A member may establish optional credit for up to 2
5 years of service as a teacher or administrator employed by a
6 private school recognized by the Illinois State Board of
7 Education, provided that the teacher (i) was certified under
8 the law governing the certification of teachers at the time
9 the service was rendered, (ii) applies in writing on or after
10 August 1, 2009 and on or before August 1, 2012, (iii) supplies
11 satisfactory evidence of the employment, (iv) completes at
12 least 10 years of contributing service as a teacher as defined
13 in Section 16-106, and (v) pays the contribution required in
14 subsection (d-5) of Section 16-128. The member may apply for
15 credit under this subsection and pay the required contribution
16 before completing the 10 years of contributing service
17 required under item (iv), but the credit may not be used until
18 the item (iv) contributing service requirement has been met.

19 (c) The service credits specified in this Section shall be
20 granted only if: (1) such service credits are not used for
21 credit in any other statutory tax-supported public employee
22 retirement system other than the federal Social Security
23 program; and (2) the member makes the required contributions
24 as specified in Section 16-128. Except as provided in
25 subsection (b-1) of this Section, the service credit shall be
26 effective as of the date the required contributions are

1 completed.

2 Any service credits granted under this Section shall
3 terminate upon cessation of membership for any cause.

4 Credit may not be granted under this Section covering any
5 period for which an age retirement or disability retirement
6 allowance has been paid.

7 Credit may not be granted under this Section for service
8 as an employee of an entity that provides substitute teaching
9 services under Section 2-3.173 of the School Code and is not a
10 school district.

11 (Source: P.A. 100-813, eff. 8-13-18.)

12 (40 ILCS 5/16-133) (from Ch. 108 1/2, par. 16-133)

13 (Text of Section WITHOUT the changes made by P.A. 98-599,
14 which has been held unconstitutional)

15 Sec. 16-133. Retirement annuity; amount.

16 (a) The amount of the retirement annuity shall be (i) in
17 the case of a person who first became a teacher under this
18 Article before July 1, 2005, the larger of the amounts
19 determined under paragraphs (A) and (B) below, or (ii) in the
20 case of a person who first becomes a teacher under this Article
21 on or after July 1, 2005, the amount determined under the
22 applicable provisions of paragraph (B):

23 (A) An amount consisting of the sum of the following:

24 (1) An amount that can be provided on an
25 actuarially equivalent basis by the member's

1 accumulated contributions at the time of retirement;
2 and

3 (2) The sum of (i) the amount that can be provided
4 on an actuarially equivalent basis by the member's
5 accumulated contributions representing service prior
6 to July 1, 1947, and (ii) the amount that can be
7 provided on an actuarially equivalent basis by the
8 amount obtained by multiplying 1.4 times the member's
9 accumulated contributions covering service subsequent
10 to June 30, 1947; and

11 (3) If there is prior service, 2 times the amount
12 that would have been determined under subparagraph (2)
13 of paragraph (A) above on account of contributions
14 which would have been made during the period of prior
15 service creditable to the member had the System been
16 in operation and had the member made contributions at
17 the contribution rate in effect prior to July 1, 1947.

18 This paragraph (A) does not apply to a person who
19 first becomes a teacher under this Article on or after
20 July 1, 2005.

21 (B) An amount consisting of the greater of the
22 following:

23 (1) For creditable service earned before July 1,
24 1998 that has not been augmented under Section
25 16-129.1: 1.67% of final average salary for each of
26 the first 10 years of creditable service, 1.90% of

1 final average salary for each year in excess of 10 but
2 not exceeding 20, 2.10% of final average salary for
3 each year in excess of 20 but not exceeding 30, and
4 2.30% of final average salary for each year in excess
5 of 30; and

6 For creditable service earned on or after July 1,
7 1998 by a member who has at least 24 years of
8 creditable service on July 1, 1998 and who does not
9 elect to augment service under Section 16-129.1: 2.2%
10 of final average salary for each year of creditable
11 service earned on or after July 1, 1998 but before the
12 member reaches a total of 30 years of creditable
13 service and 2.3% of final average salary for each year
14 of creditable service earned on or after July 1, 1998
15 and after the member reaches a total of 30 years of
16 creditable service; and

17 For all other creditable service: 2.2% of final
18 average salary for each year of creditable service; or

19 (2) 1.5% of final average salary for each year of
20 creditable service plus the sum \$7.50 for each of the
21 first 20 years of creditable service.

22 The amount of the retirement annuity determined under this
23 paragraph (B) shall be reduced by 1/2 of 1% for each month
24 that the member is less than age 60 at the time the
25 retirement annuity begins. However, this reduction shall
26 not apply (i) if the member has at least 35 years of

1 creditable service, or (ii) if the member retires on
2 account of disability under Section 16-149.2 of this
3 Article with at least 20 years of creditable service, or
4 (iii) if the member (1) has earned during the period
5 immediately preceding the last day of service at least one
6 year of contributing creditable service as an employee of
7 a department as defined in Section 14-103.04, (2) has
8 earned at least 5 years of contributing creditable service
9 as an employee of a department as defined in Section
10 14-103.04, (3) retires on or after January 1, 2001, and
11 (4) retires having attained an age which, when added to
12 the number of years of his or her total creditable
13 service, equals at least 85. Portions of years shall be
14 counted as decimal equivalents. The System shall waive
15 this reduction for any member who has attained age 59 and
16 has earned service credit for the 2020-2021 school year.
17 For the purposes of this paragraph, any member who has not
18 attained age 59 and has earned service credit for the
19 2020-2021 school year shall be deemed to be one year older
20 than his or her actual age.

21 (b) For purposes of this Section, final average salary
22 shall be the average salary for the highest 4 consecutive
23 years within the last 10 years of creditable service as
24 determined under rules of the board. The minimum final average
25 salary shall be considered to be \$2,400 per year.

26 In the determination of final average salary for members

1 other than elected officials and their appointees when such
2 appointees are allowed by statute, that part of a member's
3 salary for any year beginning after June 30, 1979 which
4 exceeds the member's annual full-time salary rate with the
5 same employer for the preceding year by more than 20% shall be
6 excluded. The exclusion shall not apply in any year in which
7 the member's creditable earnings are less than 50% of the
8 preceding year's mean salary for downstate teachers as
9 determined by the survey of school district salaries provided
10 in Section 2-3.103 of the School Code.

11 (c) In determining the amount of the retirement annuity
12 under paragraph (B) of this Section, a fractional year shall
13 be granted proportional credit.

14 (d) The retirement annuity determined under paragraph (B)
15 of this Section shall be available only to members who render
16 teaching service after July 1, 1947 for which member
17 contributions are required, and to annuitants who re-enter
18 under the provisions of Section 16-150.

19 (e) The maximum retirement annuity provided under
20 paragraph (B) of this Section shall be 75% of final average
21 salary.

22 (f) A member retiring after the effective date of this
23 amendatory Act of 1998 shall receive a pension equal to 75% of
24 final average salary if the member is qualified to receive a
25 retirement annuity equal to at least 74.6% of final average
26 salary under this Article or as proportional annuities under

1 Article 20 of this Code.

2 (Source: P.A. 94-4, eff. 6-1-05.)

3 (40 ILCS 5/16-203)

4 Sec. 16-203. Application and expiration of new benefit
5 increases.

6 (a) As used in this Section, "new benefit increase" means
7 an increase in the amount of any benefit provided under this
8 Article, or an expansion of the conditions of eligibility for
9 any benefit under this Article, that results from an amendment
10 to this Code that takes effect after June 1, 2005 (the
11 effective date of Public Act 94-4). "New benefit increase",
12 however, does not include any benefit increase resulting from
13 the changes made to Article 1 or this Article by Public Act
14 95-910, Public Act 100-23, Public Act 100-587, Public Act
15 100-743, ~~or~~ Public Act 100-769, Public Act 101-10, Public Act
16 101-49, or this amendatory Act of the 102nd General Assembly
17 ~~or this amendatory Act of the 101st General Assembly.~~

18 (b) Notwithstanding any other provision of this Code or
19 any subsequent amendment to this Code, every new benefit
20 increase is subject to this Section and shall be deemed to be
21 granted only in conformance with and contingent upon
22 compliance with the provisions of this Section.

23 (c) The Public Act enacting a new benefit increase must
24 identify and provide for payment to the System of additional
25 funding at least sufficient to fund the resulting annual

1 increase in cost to the System as it accrues.

2 Every new benefit increase is contingent upon the General
3 Assembly providing the additional funding required under this
4 subsection. The Commission on Government Forecasting and
5 Accountability shall analyze whether adequate additional
6 funding has been provided for the new benefit increase and
7 shall report its analysis to the Public Pension Division of
8 the Department of Insurance. A new benefit increase created by
9 a Public Act that does not include the additional funding
10 required under this subsection is null and void. If the Public
11 Pension Division determines that the additional funding
12 provided for a new benefit increase under this subsection is
13 or has become inadequate, it may so certify to the Governor and
14 the State Comptroller and, in the absence of corrective action
15 by the General Assembly, the new benefit increase shall expire
16 at the end of the fiscal year in which the certification is
17 made.

18 (d) Every new benefit increase shall expire 5 years after
19 its effective date or on such earlier date as may be specified
20 in the language enacting the new benefit increase or provided
21 under subsection (c). This does not prevent the General
22 Assembly from extending or re-creating a new benefit increase
23 by law.

24 (e) Except as otherwise provided in the language creating
25 the new benefit increase, a new benefit increase that expires
26 under this Section continues to apply to persons who applied

1 and qualified for the affected benefit while the new benefit
2 increase was in effect and to the affected beneficiaries and
3 alternate payees of such persons, but does not apply to any
4 other person, including, without limitation, a person who
5 continues in service after the expiration date and did not
6 apply and qualify for the affected benefit while the new
7 benefit increase was in effect.

8 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
9 100-743, eff. 8-10-18; 100-769, eff. 8-10-18; 101-10, eff.
10 6-5-19; 101-49, eff. 7-12-19; 101-81, eff. 7-12-19; revised
11 8-13-19.)

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