



Rep. Michael Halpin

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1 AMENDMENT TO SENATE BILL 1056

2 AMENDMENT NO. _____. Amend Senate Bill 1056 by replacing
3 everything after the enacting clause with the following:

4 "Article 5.

5 Section 5-5. The Illinois Pension Code is amended by
6 changing Sections 2-121.3, 7-141, 14-121.1, 15-135, 16-142.3,
7 and 18-128.3 as follows:

8 (40 ILCS 5/2-121.3) (from Ch. 108 1/2, par. 2-121.3)

9 Sec. 2-121.3. Required distributions.

10 (a) A person who would be eligible to receive a survivor's
11 annuity under this Article but for the fact that the person has
12 not yet attained age 50, shall be eligible for a monthly
13 distribution under this subsection (a), provided that the
14 payment of such distribution is required by federal law.

15 The distribution shall become payable on (i) July 1, 1987,

1 (ii) December 1 of the calendar year immediately following the
2 calendar year in which the deceased spouse died, or (iii)
3 December 1 of the calendar year in which the deceased spouse
4 would have attained age 72 ~~70-1/2~~, whichever occurs last, and
5 shall remain payable until the first of the following to
6 occur: (1) the person becomes eligible to receive a survivor's
7 annuity under this Article; (2) the end of the month in which
8 the person ceases to be eligible to receive a survivor's
9 annuity upon attainment of age 50, due to remarriage or death;
10 or (3) the end of the month in which such distribution ceases
11 to be required by federal law.

12 The amount of the distribution shall be fixed at the time
13 the distribution first becomes payable, and shall be
14 calculated in the same manner as a survivor's annuity under
15 Sections 2-121, 2-121.1 and 2-121.2, but excluding: (A) any
16 requirement for an application for the distribution; (B) any
17 automatic annual increases, supplemental increases, or
18 one-time increases that may be provided by law for survivor's
19 annuities; and (C) any lump-sum or death benefit.

20 (b) For the purpose of this Section, a distribution shall
21 be deemed to be required by federal law if: (1) directly
22 mandated by federal statute, rule, or administrative or court
23 decision; or (2) indirectly mandated through imposition of
24 substantial tax or other penalties for noncompliance.

25 (c) Notwithstanding Section 1-103.1 of this Code, a member
26 need not be in service on or after the effective date of this

1 amendatory Act of 1989 for the member's surviving spouse to be
2 eligible for a distribution under this Section.

3 (Source: P.A. 86-273.)

4 (40 ILCS 5/7-141) (from Ch. 108 1/2, par. 7-141)

5 Sec. 7-141. Retirement annuities; conditions ~~annuities~~
6 ~~Conditions~~. Retirement annuities shall be payable as
7 hereinafter set forth:

8 (a) A participating employee who, regardless of cause, is
9 separated from the service of all participating municipalities
10 and instrumentalities thereof and participating
11 instrumentalities shall be entitled to a retirement annuity
12 provided:

13 1. He is at least age 55, or in the case of a person
14 who is eligible to have his annuity calculated under
15 Section 7-142.1, he is at least age 50;

16 2. He is not entitled to receive earnings for
17 employment in a position requiring him, or entitling him
18 to elect, to be a participating employee;

19 3. The amount of his annuity, before the application
20 of paragraph (b) of Section 7-142 is at least \$10 per
21 month;

22 4. If he first became a participating employee after
23 December 31, 1961, he has at least 8 years of service. This
24 service requirement shall not apply to any participating
25 employee, regardless of participation date, if the General

1 Assembly terminates the Fund.

2 (b) Retirement annuities shall be payable:

3 1. As provided in Section 7-119;

4 2. Except as provided in item 3, upon receipt by the
5 fund of a written application. The effective date may be
6 not more than one year prior to the date of the receipt by
7 the fund of the application;

8 3. Upon attainment of the required age of distribution
9 under Section 401(a)(9) of the Internal Revenue Code of
10 1986, as amended, age 70 1/2 if the member (i) is no longer
11 in service, and (ii) is otherwise entitled to an annuity
12 under this Article;

13 4. To the beneficiary of the deceased annuitant for
14 the unpaid amount accrued to date of death, if any.

15 (Source: P.A. 97-328, eff. 8-12-11; 97-609, eff. 1-1-12.)

16 (40 ILCS 5/14-121.1) (from Ch. 108 1/2, par. 14-121.1)

17 Sec. 14-121.1. Required distributions.

18 (a) A person who would be eligible to receive a widow's or
19 survivor's annuity under this Article but for the fact that
20 the person has not yet attained age 50, shall be eligible for a
21 monthly distribution under this subsection (a), provided that
22 the payment of such distribution is required by federal law.

23 The distribution shall become payable on (i) July 1, 1987,
24 (ii) December 1 of the calendar year immediately following the
25 calendar year in which the deceased spouse died, or (iii)

1 December 1 of the calendar year in which the deceased spouse
2 would have attained age 72 ~~70-1/2~~, whichever occurs last, and
3 shall remain payable until the first of the following to
4 occur: (1) the person becomes eligible to receive a widow's or
5 survivor's annuity under this Article; (2) the end of the
6 month in which the person ceases to be eligible to receive a
7 widow's or survivor's annuity upon attainment of age 50, due
8 to remarriage or death; or (3) the end of the month in which
9 such distribution ceases to be required by federal law.

10 The amount of the distribution shall be fixed at the time
11 the distribution first becomes payable, and shall be
12 calculated in the same manner as a survivor's annuity under
13 Sections 14-120, 14-121 and 14-122 (or, in the case of a person
14 who has elected to receive a widow's annuity instead of a
15 survivor's annuity, in the same manner as the widow's annuity
16 under Sections 14-118 and 14-119), but excluding: (A) any
17 requirement for an application for the distribution; (B) any
18 automatic annual increases, supplemental increases, or
19 one-time increases that may be provided by law for survivor's
20 or widow's annuities; and (C) any lump-sum or death benefit.

21 (b) For the purpose of this Section, a distribution shall
22 be deemed to be required by federal law if: (1) directly
23 mandated by federal statute, rule, or administrative or court
24 decision; or (2) indirectly mandated through imposition of
25 substantial tax or other penalties for noncompliance.

26 (c) Notwithstanding Section 1-103.1 of this Code, a member

1 need not be in service on or after the effective date of this
2 amendatory Act of 1989 for the member's surviving spouse to be
3 eligible for a distribution under this Section.

4 (Source: P.A. 86-273.)

5 (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)

6 Sec. 15-135. Retirement annuities; conditions ~~annuities~~
7 ~~Conditions.~~

8 (a) This subsection (a) applies only to a Tier 1 member. A
9 participant who retires in one of the following specified
10 years with the specified amount of service is entitled to a
11 retirement annuity at any age under the retirement program
12 applicable to the participant:

13 35 years if retirement is in 1997 or before;

14 34 years if retirement is in 1998;

15 33 years if retirement is in 1999;

16 32 years if retirement is in 2000;

17 31 years if retirement is in 2001;

18 30 years if retirement is in 2002 or later.

19 A participant with 8 or more years of service after
20 September 1, 1941, is entitled to a retirement annuity on or
21 after attainment of age 55.

22 A participant with at least 5 but less than 8 years of
23 service after September 1, 1941, is entitled to a retirement
24 annuity on or after attainment of age 62.

25 A participant who has at least 25 years of service in this

1 system as a police officer or firefighter is entitled to a
2 retirement annuity on or after the attainment of age 50, if
3 Rule 4 of Section 15-136 is applicable to the participant.

4 (a-5) A Tier 2 member is entitled to a retirement annuity
5 upon written application if he or she has attained age 67 and
6 has at least 10 years of service credit and is otherwise
7 eligible under the requirements of this Article. A Tier 2
8 member who has attained age 62 and has at least 10 years of
9 service credit and is otherwise eligible under the
10 requirements of this Article may elect to receive the lower
11 retirement annuity provided in subsection (b-5) of Section
12 15-136 of this Article.

13 (a-10) A Tier 2 member who has at least 20 years of service
14 in this system as a police officer or firefighter is entitled
15 to a retirement annuity upon written application on or after
16 the attainment of age 60 if Rule 4 of Section 15-136 is
17 applicable to the participant. The changes made to this
18 subsection by this amendatory Act of the 101st General
19 Assembly apply retroactively to January 1, 2011.

20 (b) The annuity payment period shall begin on the date
21 specified by the participant or the recipient of a disability
22 retirement annuity submitting a written application. For a
23 participant, the date on which the annuity payment period
24 begins shall not be prior to termination of employment or more
25 than one year before the application is received by the board;
26 however, if the participant is not an employee of an employer

1 participating in this System or in a participating system as
2 defined in Article 20 of this Code on April 1 of the calendar
3 year next following the calendar year in which the participant
4 attains the age specified under Section 401(a)(9) of the
5 Internal Revenue Code of 1986, as amended ~~70-1/2~~, the annuity
6 payment period shall begin on that date regardless of whether
7 an application has been filed. For a recipient of a disability
8 retirement annuity, the date on which the annuity payment
9 period begins shall not be prior to the discontinuation of the
10 disability retirement annuity under Section 15-153.2.

11 (c) An annuity is not payable if the amount provided under
12 Section 15-136 is less than \$10 per month.

13 (Source: P.A. 100-556, eff. 12-8-17; 101-610, eff. 1-1-20.)

14 (40 ILCS 5/16-142.3) (from Ch. 108 1/2, par. 16-142.3)

15 Sec. 16-142.3. Required distributions.

16 (a) A person who would be eligible to receive a monthly
17 survivor benefit under this Article but for the fact that the
18 person has not yet attained age 50, and who has not elected to
19 receive a lump sum distribution under subsection (a) of
20 Section 16-141, shall be eligible for a monthly distribution
21 under this subsection (a), provided that the payment of such
22 distribution is required by federal law.

23 The distribution shall become payable on (i) July 1, 1987,
24 (ii) December 1 of the calendar year immediately following the
25 calendar year in which the member or annuitant died, or (iii)

1 December 1 of the calendar year in which the deceased member or
2 annuitant would have attained age 72 ~~70-1/2~~, whichever occurs
3 latest, and shall remain payable until the first of the
4 following to occur: (1) the person becomes eligible to receive
5 a monthly survivor benefit under this Article; (2) the day
6 following the date on which the member ceases to be eligible to
7 receive a monthly survivor benefit upon attainment of age 50,
8 due to remarriage or death; or (3) the day on which such
9 distribution ceases to be required by federal law.

10 The amount of the distribution shall be fixed at the time
11 the distribution first becomes payable, and shall be
12 calculated in the same manner as the monthly survivor benefit
13 under Sections 16-141, 16-142, 16-142.1 and 16-142.2, but
14 excluding any automatic annual increases, supplemental
15 increases, or one-time increases that may be provided by law
16 for monthly survivor benefits.

17 (b) For the purpose of this Section, a distribution shall
18 be deemed to be required by federal law if: (1) directly
19 mandated by federal statute, rule, or administrative or court
20 decision; or (2) indirectly mandated through imposition of
21 substantial tax or other penalties for noncompliance.

22 (c) Notwithstanding Section 1-103.1 of this Code, a member
23 need not be in service on or after the effective date of this
24 amendatory Act of 1989 for the member's surviving spouse to be
25 eligible for a distribution under this Section.

26 (Source: P.A. 86-273.)

1 (40 ILCS 5/18-128.3) (from Ch. 108 1/2, par. 18-128.3)

2 Sec. 18-128.3. Required distributions.

3 (a) A person who would be eligible to receive a survivor's
4 annuity under this Article but for the fact that the person has
5 not yet attained age 50, shall be eligible for a monthly
6 distribution under this subsection (a), provided that the
7 payment of such distribution is required by federal law.

8 The distribution shall become payable on (i) July 1, 1987,
9 (ii) December 1 of the calendar year immediately following the
10 calendar year in which the deceased spouse died, or (iii)
11 December 1 of the calendar year in which the deceased spouse
12 would have attained age 72 ~~70-1/2~~, whichever occurs last, and
13 shall remain payable until the first of the following to
14 occur: (1) the person becomes eligible to receive a survivor's
15 annuity under this Article; (2) the end of the month in which
16 the person ceases to be eligible to receive a survivor's
17 annuity upon attainment of age 50, due to remarriage or death;
18 or (3) the end of the month in which such distribution ceases
19 to be required by federal law.

20 The amount of the distribution shall be fixed at the time
21 the distribution first becomes payable, and shall be
22 calculated in the same manner as a survivor's annuity under
23 Sections 18-128 through 18-128.2, but excluding: (A) any
24 requirement for an application for the distribution; (B) any
25 automatic annual increases, supplemental increases, or

1 one-time increases that may be provided by law for survivor's
2 annuities; and (C) any lump-sum or death benefit.

3 (b) For the purpose of this Section, a distribution shall
4 be deemed to be required by federal law if: (1) directly
5 mandated by federal statute, rule, or administrative or court
6 decision; or (2) indirectly mandated through imposition of
7 substantial tax or other penalties for noncompliance.

8 (c) Notwithstanding Section 1-103.1 of this Code, a member
9 need not be in service on or after the effective date of this
10 amendatory Act of 1989 for the member's surviving spouse to be
11 eligible for a distribution under this Section.

12 (Source: P.A. 86-273.)

13 Article 10.

14 Section 10-5. The Illinois Pension Code is amended by
15 changing Sections 1-160, 7-114, 7-116, 7-141, 7-141.1, 7-142,
16 7-144, 7-156, and 7-191 and by adding Sections 7-109.4 and
17 7-109.5 as follows:

18 (40 ILCS 5/1-160)

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

20 (a) The provisions of this Section apply to a person who,
21 on or after January 1, 2011, first becomes a member or a
22 participant under any reciprocal retirement system or pension
23 fund established under this Code, other than a retirement

1 system or pension fund established under Article 2, 3, 4, 5, 6,
2 7, 15, or 18 of this Code, notwithstanding any other provision
3 of this Code to the contrary, but do not apply to any
4 self-managed plan established under this Code, ~~to any person~~
5 ~~with respect to service as a sheriff's law enforcement~~
6 ~~employee under Article 7,~~ or to any participant of the
7 retirement plan established under Section 22-101; except that
8 this Section applies to a person who elected to establish
9 alternative credits by electing in writing after January 1,
10 2011, but before August 8, 2011, under Section 7-145.1 of this
11 Code. Notwithstanding anything to the contrary in this
12 Section, for purposes of this Section, a person who is a Tier 1
13 regular employee as defined in Section 7-109.4 of this Code or
14 who participated in a retirement system under Article 15 prior
15 to January 1, 2011 shall be deemed a person who first became a
16 member or participant prior to January 1, 2011 under any
17 retirement system or pension fund subject to this Section. The
18 changes made to this Section by Public Act 98-596 are a
19 clarification of existing law and are intended to be
20 retroactive to January 1, 2011 (the effective date of Public
21 Act 96-889), notwithstanding the provisions of Section 1-103.1
22 of this Code.

23 This Section does not apply to a person who first becomes a
24 noncovered employee under Article 14 on or after the
25 implementation date of the plan created under Section 1-161
26 for that Article, unless that person elects under subsection

1 (b) of Section 1-161 to instead receive the benefits provided
2 under this Section and the applicable provisions of that
3 Article.

4 This Section does not apply to a person who first becomes a
5 member or participant under Article 16 on or after the
6 implementation date of the plan created under Section 1-161
7 for that Article, unless that person elects under subsection
8 (b) of Section 1-161 to instead receive the benefits provided
9 under this Section and the applicable provisions of that
10 Article.

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

14 This Section does not apply to a person who first becomes a
15 member or participant of an affected pension fund on or after 6
16 months after the resolution or ordinance date, as defined in
17 Section 1-162, unless that person elects under subsection (c)
18 of Section 1-162 to receive the benefits provided under this
19 Section and the applicable provisions of the Article under
20 which he or she is a member or participant.

21 (b) "Final average salary" means the average monthly (or
22 annual) salary obtained by dividing the total salary or
23 earnings calculated under the Article applicable to the member
24 or participant during the 96 consecutive months (or 8
25 consecutive years) of service within the last 120 months (or
26 10 years) of service in which the total salary or earnings

1 calculated under the applicable Article was the highest by the
2 number of months (or years) of service in that period. For the
3 purposes of a person who first becomes a member or participant
4 of any retirement system or pension fund to which this Section
5 applies on or after January 1, 2011, in this Code, "final
6 average salary" shall be substituted for the following:

7 (1) (Blank). ~~In Article 7 (except for service as~~
8 ~~sheriff's law enforcement employees), "final rate of~~
9 ~~earnings"~~.

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

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

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

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

17 (6) In Section 22-207, "wages or salary received by
18 him at the date of retirement or discharge".

19 (b-5) Beginning on January 1, 2011, for all purposes under
20 this Code (including without limitation the calculation of
21 benefits and employee contributions), the annual earnings,
22 salary, or wages (based on the plan year) of a member or
23 participant to whom this Section applies shall not exceed
24 \$106,800; however, that amount shall annually thereafter be
25 increased by the lesser of (i) 3% of that amount, including all
26 previous adjustments, or (ii) one-half the annual unadjusted

1 percentage increase (but not less than zero) in the consumer
2 price index-u for the 12 months ending with the September
3 preceding each November 1, including all previous adjustments.

4 For the purposes of this Section, "consumer price index-u"
5 means the index published by the Bureau of Labor Statistics of
6 the United States Department of Labor that measures the
7 average change in prices of goods and services purchased by
8 all urban consumers, United States city average, all items,
9 1982-84 = 100. The new amount resulting from each annual
10 adjustment shall be determined by the Public Pension Division
11 of the Department of Insurance and made available to the
12 boards of the retirement systems and pension funds by November
13 1 of each year.

14 (c) A member or participant is entitled to a retirement
15 annuity upon written application if he or she has attained age
16 67 (beginning January 1, 2015, age 65 with respect to service
17 under Article 12 of this Code that is subject to this Section)
18 and has at least 10 years of service credit and is otherwise
19 eligible under the requirements of the applicable Article.

20 A member or participant who has attained age 62 (beginning
21 January 1, 2015, age 60 with respect to service under Article
22 12 of this Code that is subject to this Section) and has at
23 least 10 years of service credit and is otherwise eligible
24 under the requirements of the applicable Article may elect to
25 receive the lower retirement annuity provided in subsection
26 (d) of this Section.

1 (c-5) A person who first becomes a member or a participant
2 subject to this Section on or after July 6, 2017 (the effective
3 date of Public Act 100-23), notwithstanding any other
4 provision of this Code to the contrary, is entitled to a
5 retirement annuity under Article 8 or Article 11 upon written
6 application if he or she has attained age 65 and has at least
7 10 years of service credit and is otherwise eligible under the
8 requirements of Article 8 or Article 11 of this Code,
9 whichever is applicable.

10 (d) The retirement annuity of a member or participant who
11 is retiring after attaining age 62 (beginning January 1, 2015,
12 age 60 with respect to service under Article 12 of this Code
13 that is subject to this Section) with at least 10 years of
14 service credit shall be reduced by one-half of 1% for each full
15 month that the member's age is under age 67 (beginning January
16 1, 2015, age 65 with respect to service under Article 12 of
17 this Code that is subject to this Section).

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

23 (d-10) Each person who first became a member or
24 participant under Article 8 or Article 11 of this Code on or
25 after January 1, 2011 and prior to the effective date of this
26 amendatory Act of the 100th General Assembly shall make an

1 irrevocable election either:

2 (i) to be eligible for the reduced retirement age
3 provided in subsections (c-5) and (d-5) of this Section,
4 the eligibility for which is conditioned upon the member
5 or participant agreeing to the increases in employee
6 contributions for age and service annuities provided in
7 subsection (a-5) of Section 8-174 of this Code (for
8 service under Article 8) or subsection (a-5) of Section
9 11-170 of this Code (for service under Article 11); or

10 (ii) to not agree to item (i) of this subsection
11 (d-10), in which case the member or participant shall
12 continue to be subject to the retirement age provisions in
13 subsections (c) and (d) of this Section and the employee
14 contributions for age and service annuity as provided in
15 subsection (a) of Section 8-174 of this Code (for service
16 under Article 8) or subsection (a) of Section 11-170 of
17 this Code (for service under Article 11).

18 The election provided for in this subsection shall be made
19 between October 1, 2017 and November 15, 2017. A person
20 subject to this subsection who makes the required election
21 shall remain bound by that election. A person subject to this
22 subsection who fails for any reason to make the required
23 election within the time specified in this subsection shall be
24 deemed to have made the election under item (ii).

25 (e) Any retirement annuity or supplemental annuity shall
26 be subject to annual increases on the January 1 occurring

1 either on or after the attainment of age 67 (beginning January
2 1, 2015, age 65 with respect to service under Article 12 of
3 this Code that is subject to this Section and beginning on the
4 effective date of this amendatory Act of the 100th General
5 Assembly, age 65 with respect to service under Article 8 or
6 Article 11 for eligible persons who: (i) are subject to
7 subsection (c-5) of this Section; or (ii) made the election
8 under item (i) of subsection (d-10) of this Section) or the
9 first anniversary of the annuity start date, whichever is
10 later. Each annual increase shall be calculated at 3% or
11 one-half the annual unadjusted percentage increase (but not
12 less than zero) in the consumer price index-u for the 12 months
13 ending with the September preceding each November 1, whichever
14 is less, of the originally granted retirement annuity. If the
15 annual unadjusted percentage change in the consumer price
16 index-u for the 12 months ending with the September preceding
17 each November 1 is zero or there is a decrease, then the
18 annuity shall not be increased.

19 For the purposes of Section 1-103.1 of this Code, the
20 changes made to this Section by this amendatory Act of the
21 100th General Assembly are applicable without regard to
22 whether the employee was in active service on or after the
23 effective date of this amendatory Act of the 100th General
24 Assembly.

25 (f) The initial survivor's or widow's annuity of an
26 otherwise eligible survivor or widow of a retired member or

1 participant who first became a member or participant on or
2 after January 1, 2011 shall be in the amount of 66 2/3% of the
3 retired member's or participant's retirement annuity at the
4 date of death. In the case of the death of a member or
5 participant who has not retired and who first became a member
6 or participant on or after January 1, 2011, eligibility for a
7 survivor's or widow's annuity shall be determined by the
8 applicable Article of this Code. The initial benefit shall be
9 66 2/3% of the earned annuity without a reduction due to age. A
10 child's annuity of an otherwise eligible child shall be in the
11 amount prescribed under each Article if applicable. Any
12 survivor's or widow's annuity shall be increased (1) on each
13 January 1 occurring on or after the commencement of the
14 annuity if the deceased member died while receiving a
15 retirement annuity or (2) in other cases, on each January 1
16 occurring after the first anniversary of the commencement of
17 the annuity. Each annual increase shall be calculated at 3% or
18 one-half the annual unadjusted percentage increase (but not
19 less than zero) in the consumer price index-u for the 12 months
20 ending with the September preceding each November 1, whichever
21 is less, of the originally granted survivor's annuity. If the
22 annual unadjusted percentage change in the consumer price
23 index-u for the 12 months ending with the September preceding
24 each November 1 is zero or there is a decrease, then the
25 annuity shall not be increased.

26 (g) The benefits in Section 14-110 apply only if the

1 person is a State policeman, a fire fighter in the fire
2 protection service of a department, a conservation police
3 officer, an investigator for the Secretary of State, an arson
4 investigator, a Commerce Commission police officer,
5 investigator for the Department of Revenue or the Illinois
6 Gaming Board, a security employee of the Department of
7 Corrections or the Department of Juvenile Justice, or a
8 security employee of the Department of Innovation and
9 Technology, as those terms are defined in subsection (b) and
10 subsection (c) of Section 14-110. A person who meets the
11 requirements of this Section is entitled to an annuity
12 calculated under the provisions of Section 14-110, in lieu of
13 the regular or minimum retirement annuity, only if the person
14 has withdrawn from service with not less than 20 years of
15 eligible creditable service and has attained age 60,
16 regardless of whether the attainment of age 60 occurs while
17 the person is still in service.

18 (h) If a person who first becomes a member or a participant
19 of a retirement system or pension fund subject to this Section
20 on or after January 1, 2011 is receiving a retirement annuity
21 or retirement pension under that system or fund and becomes a
22 member or participant under any other system or fund created
23 by this Code and is employed on a full-time basis, except for
24 those members or participants exempted from the provisions of
25 this Section under subsection (a) of this Section, then the
26 person's retirement annuity or retirement pension under that

1 system or fund shall be suspended during that employment. Upon
2 termination of that employment, the person's retirement
3 annuity or retirement pension payments shall resume and be
4 recalculated if recalculation is provided for under the
5 applicable Article of this Code.

6 If a person who first becomes a member of a retirement
7 system or pension fund subject to this Section on or after
8 January 1, 2012 and is receiving a retirement annuity or
9 retirement pension under that system or fund and accepts on a
10 contractual basis a position to provide services to a
11 governmental entity from which he or she has retired, then
12 that person's annuity or retirement pension earned as an
13 active employee of the employer shall be suspended during that
14 contractual service. A person receiving an annuity or
15 retirement pension under this Code shall notify the pension
16 fund or retirement system from which he or she is receiving an
17 annuity or retirement pension, as well as his or her
18 contractual employer, of his or her retirement status before
19 accepting contractual employment. A person who fails to submit
20 such notification shall be guilty of a Class A misdemeanor and
21 required to pay a fine of \$1,000. Upon termination of that
22 contractual employment, the person's retirement annuity or
23 retirement pension payments shall resume and, if appropriate,
24 be recalculated under the applicable provisions of this Code.

25 (i) (Blank).

26 (j) In the case of a conflict between the provisions of

1 this Section and any other provision of this Code, the
2 provisions of this Section shall control.

3 (Source: P.A. 100-23, eff. 7-6-17; 100-201, eff. 8-18-17;
4 100-563, eff. 12-8-17; 100-611, eff. 7-20-18; 100-1166, eff.
5 1-4-19; 101-610, eff. 1-1-20.)

6 (40 ILCS 5/7-109.4 new)

7 Sec. 7-109.4. Tier 1 regular employee. "Tier 1 regular
8 employee" means a participant or an annuitant under this
9 Article who first became a participant or member before
10 January 1, 2011 under any retirement system or pension fund
11 under this Code, other than a retirement system or pension
12 fund established under Articles 2, 3, 4, 5, 6, or 18 or in any
13 self-managed plan established under this Code, or the
14 retirement plan established under Section 22-101.

15 "Tier 1 regular employee" includes a person who received a
16 separation benefit but is otherwise qualified under this
17 Section and subsequently becomes a participating employee on
18 or after January 1, 2011.

19 "Tier 1 regular employee" includes a former participating
20 employee who received a separation benefit under Section 7-167
21 for service earned prior to January 1, 2011 who returns to a
22 qualifying position after January 1, 2011.

23 "Tier 1 regular employee" includes a participating
24 employee who has omitted service as defined in Section 7-111.5
25 that includes any period prior to January 1, 2011 only if he or

1 she establishes sufficient service credit under item (12) of
2 subsection (a) of Section 7-139 to include service prior to
3 January 1, 2011.

4 Notwithstanding anything contrary in this Section, "Tier 1
5 regular employee" does not include a participant or annuitant
6 who is eligible to have his or her annuity calculated under
7 Section 7-142.1 or a person who elected to establish
8 alternative credits under Section 7-145.1.

9 (40 ILCS 5/7-109.5 new)

10 Sec. 7-109.5. Tier 2 regular employee. "Tier 2 regular
11 employee" means a person who first becomes a participant under
12 this Article on or after January 1, 2011 and is not a Tier 1
13 regular employee.

14 Notwithstanding anything contrary in this Section, "Tier 2
15 regular employee" does not include a participant or annuitant
16 who is eligible to have his or her annuity calculated under
17 Section 7-142.1 or a person who elected to establish
18 alternative credits by electing in writing after January 1,
19 2011, but before August 8, 2011, under Section 7-145.1 of this
20 Code.

21 (40 ILCS 5/7-114) (from Ch. 108 1/2, par. 7-114)

22 Sec. 7-114. Earnings. "Earnings":

23 (a) An amount to be determined by the board, equal to the
24 sum of:

1 1. The total amount of money paid to an employee for
2 personal services or official duties as an employee
3 (except those employed as independent contractors) paid
4 out of the general fund, or out of any special funds
5 controlled by the municipality, or by any instrumentality
6 thereof, or participating instrumentality, including
7 compensation, fees, allowances (but not including amounts
8 associated with a vehicle allowance payable to an employee
9 who first becomes a participating employee on or after the
10 effective date of this amendatory Act of the 100th General
11 Assembly), or other emolument paid for official duties
12 (but not including automobile maintenance, travel expense,
13 or reimbursements for expenditures incurred in the
14 performance of duties) and, for fee offices, the fees or
15 earnings of the offices to the extent such fees are paid
16 out of funds controlled by the municipality, or
17 instrumentality or participating instrumentality; and

18 2. The money value, as determined by rules prescribed
19 by the governing body of the municipality, or
20 instrumentality thereof, of any board, lodging, fuel,
21 laundry, and other allowances provided an employee in lieu
22 of money.

23 (b) For purposes of determining benefits payable under
24 this fund payments to a person who is engaged in an
25 independently established trade, occupation, profession or
26 business and who is paid for his service on a basis other than

1 a monthly or other regular salary, are not earnings.

2 (c) If a disabled participating employee is eligible to
3 receive Workers' Compensation for an accidental injury and the
4 participating municipality or instrumentality which employed
5 the participating employee when injured continues to pay the
6 participating employee regular salary or other compensation or
7 pays the employee an amount in excess of the Workers'
8 Compensation amount, then earnings shall be deemed to be the
9 total payments, including an amount equal to the Workers'
10 Compensation payments. These payments shall be subject to
11 employee contributions and allocated as if paid to the
12 participating employee when the regular payroll amounts would
13 have been paid if the participating employee had continued
14 working, and creditable service shall be awarded for this
15 period.

16 (d) If an elected official who is a participating employee
17 becomes disabled but does not resign and is not removed from
18 office, then earnings shall include all salary payments made
19 for the remainder of that term of office and the official shall
20 be awarded creditable service for the term of office.

21 (e) If a participating employee is paid pursuant to "An
22 Act to provide for the continuation of compensation for law
23 enforcement officers, correctional officers and firemen who
24 suffer disabling injury in the line of duty", approved
25 September 6, 1973, as amended, the payments shall be deemed
26 earnings, and the participating employee shall be awarded

1 creditable service for this period.

2 (f) Additional compensation received by a person while
3 serving as a supervisor of assessments, assessor, deputy
4 assessor or member of a board of review from the State of
5 Illinois pursuant to Section 4-10 or 4-15 of the Property Tax
6 Code shall not be earnings for purposes of this Article and
7 shall not be included in the contribution formula or
8 calculation of benefits for such person pursuant to this
9 Article.

10 (g) Notwithstanding any other provision of this Article,
11 calendar year earnings for Tier 2 regular employees to whom
12 this Section applies shall not exceed the amount determined by
13 the Public Pension Division of the Department of Insurance as
14 required in this subsection; however, that amount shall
15 annually thereafter be increased by the lesser of (i) 3% of
16 that amount, including all previous adjustments, or (ii)
17 one-half the annual unadjusted percentage increase (but not
18 less than zero) in the consumer price index-u for the 12 months
19 ending with the September preceding each November 1, including
20 all previous adjustments.

21 For the purposes of this Section, "consumer price index-u"
22 means the index published by the Bureau of Labor Statistics of
23 the United States Department of Labor that measures the
24 average change in prices of goods and services purchased by
25 all urban consumers, United States city average, all items,
26 1982-84 = 100. The new amount resulting from each annual

1 adjustment shall be determined by the Public Pension Division
2 of the Department of Insurance and made available to the Fund
3 by November 1 of each year.

4 (Source: P.A. 100-411, eff. 8-25-17.)

5 (40 ILCS 5/7-116) (from Ch. 108 1/2, par. 7-116)

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

8 Sec. 7-116. "Final rate of earnings":

9 (a) For retirement and survivor annuities, the monthly
10 earnings obtained by dividing the total earnings received by
11 the employee during the period of either (1) for Tier 1 regular
12 employees, the 48 consecutive months of service within the
13 last 120 months of service in which his total earnings were the
14 highest, (2) for Tier 2 regular employees, the 96 consecutive
15 months of service within the last 120 months of service in
16 which his total earnings were the highest, or (3) ~~or (2)~~ the
17 employee's total period of service, by the number of months of
18 service in such period.

19 (b) For death benefits, the higher of the rate determined
20 under paragraph (a) of this Section or total earnings received
21 in the last 12 months of service divided by twelve. If the
22 deceased employee has less than 12 months of service, the
23 monthly final rate shall be the monthly rate of pay the
24 employee was receiving when he began service.

25 (c) For disability benefits, the total earnings of a

1 participating employee in the last 12 calendar months of
2 service prior to the date he becomes disabled divided by 12.

3 (d) In computing the final rate of earnings: (1) the
4 earnings rate for all periods of prior service shall be
5 considered equal to the average earnings rate for the last 3
6 calendar years of prior service for which creditable service
7 is received under Section 7-139 or, if there is less than 3
8 years of creditable prior service, the average for the total
9 prior service period for which creditable service is received
10 under Section 7-139; (2) for out of state service and
11 authorized leave, the earnings rate shall be the rate upon
12 which service credits are granted; (3) periods of military
13 leave shall not be considered; (4) the earnings rate for all
14 periods of disability shall be considered equal to the rate of
15 earnings upon which the employee's disability benefits are
16 computed for such periods; (5) the earnings to be considered
17 for each of the final three months of the final earnings period
18 for persons who first became participants before January 1,
19 2012 and the earnings to be considered for each of the final 24
20 months for participants who first become participants on or
21 after January 1, 2012 shall not exceed 125% of the highest
22 earnings of any other month in the final earnings period; and
23 (6) the annual amount of final rate of earnings shall be the
24 monthly amount multiplied by the number of months of service
25 normally required by the position in a year.

26 (Source: P.A. 97-609, eff. 1-1-12.)

1 (40 ILCS 5/7-141) (from Ch. 108 1/2, par. 7-141)

2 Sec. 7-141. Retirement annuities - Conditions. Retirement
3 annuities shall be payable as hereinafter set forth:

4 (a) A participating employee who, regardless of cause, is
5 separated from the service of all participating municipalities
6 and instrumentalities thereof and participating
7 instrumentalities shall be entitled to a retirement annuity
8 provided:

9 1. He is at least age 55 if he is a Tier 1 regular
10 employee, he is age 62 if he is a Tier 2 regular employee,
11 or, in the case of a person who is eligible to have his
12 annuity calculated under Section 7-142.1, he is at least
13 age 50;

14 2. He is not entitled to receive earnings for
15 employment in a position requiring him, or entitling him
16 to elect, to be a participating employee;

17 3. The amount of his annuity, before the application
18 of paragraph (b) of Section 7-142 is at least \$10 per
19 month;

20 4. If he first became a participating employee after
21 December 31, 1961 and is a Tier 1 regular employee, he has
22 at least 8 years of service, or, if he is a Tier 2 regular
23 member, he has at least 10 years of service. This service
24 requirement shall not apply to any participating employee,
25 regardless of participation date, if the General Assembly

1 terminates the Fund.

2 (b) Retirement annuities shall be payable:

3 1. As provided in Section 7-119;

4 2. Except as provided in item 3, upon receipt by the
5 fund of a written application. The effective date may be
6 not more than one year prior to the date of the receipt by
7 the fund of the application;

8 3. Upon attainment of age 70 1/2 if the member (i) is
9 no longer in service, and (ii) is otherwise entitled to an
10 annuity under this Article;

11 4. To the beneficiary of the deceased annuitant for
12 the unpaid amount accrued to date of death, if any.

13 (Source: P.A. 97-328, eff. 8-12-11; 97-609, eff. 1-1-12.)

14 (40 ILCS 5/7-141.1)

15 Sec. 7-141.1. Early retirement incentive.

16 (a) The General Assembly finds and declares that:

17 (1) Units of local government across the State have
18 been functioning under a financial crisis.

19 (2) This financial crisis is expected to continue.

20 (3) Units of local government must depend on
21 additional sources of revenue and, when those sources are
22 not forthcoming, must establish cost-saving programs.

23 (4) An early retirement incentive designed
24 specifically to target highly-paid senior employees could
25 result in significant annual cost savings.

1 (5) The early retirement incentive should be made
2 available only to those units of local government that
3 determine that an early retirement incentive is in their
4 best interest.

5 (6) A unit of local government adopting a program of
6 early retirement incentives under this Section is
7 encouraged to implement personnel procedures to prohibit,
8 for at least 5 years, the rehiring (whether on payroll or
9 by independent contract) of employees who receive early
10 retirement incentives.

11 (7) A unit of local government adopting a program of
12 early retirement incentives under this Section is also
13 encouraged to replace as few of the participating
14 employees as possible and to hire replacement employees
15 for salaries totaling no more than 80% of the total
16 salaries formerly paid to the employees who participate in
17 the early retirement program.

18 It is the primary purpose of this Section to encourage
19 units of local government that can realize true cost savings,
20 or have determined that an early retirement program is in
21 their best interest, to implement an early retirement program.

22 (b) Until June 27, 1997 (the effective date of Public Act
23 90-32) ~~this amendatory Act of 1997~~, this Section does not
24 apply to any employer that is a city, village, or incorporated
25 town, nor to the employees of any such employer. Beginning on
26 June 27, 1997 (the effective date of Public Act 90-32) ~~this~~

1 ~~amendatory Act of 1997~~, any employer under this Article,
2 including an employer that is a city, village, or incorporated
3 town, may establish an early retirement incentive program for
4 its employees under this Section. The decision of a city,
5 village, or incorporated town to consider or establish an
6 early retirement program is at the sole discretion of that
7 city, village, or incorporated town, and nothing in Public Act
8 90-32 ~~this amendatory Act of 1997~~ limits or otherwise
9 diminishes this discretion. Nothing contained in this Section
10 shall be construed to require a city, village, or incorporated
11 town to establish an early retirement program and no city,
12 village, or incorporated town may be compelled to implement
13 such a program.

14 The benefits provided in this Section are available only
15 to members employed by a participating employer that has filed
16 with the Board of the Fund a resolution or ordinance expressly
17 providing for the creation of an early retirement incentive
18 program under this Section for its employees and specifying
19 the effective date of the early retirement incentive program.
20 Subject to the limitation in subsection (h), an employer may
21 adopt a resolution or ordinance providing a program of early
22 retirement incentives under this Section at any time.

23 The resolution or ordinance shall be in substantially the
24 following form:

25 RESOLUTION (ORDINANCE) NO.

1 A RESOLUTION (ORDINANCE) ADOPTING AN EARLY
2 RETIREMENT INCENTIVE PROGRAM FOR EMPLOYEES
3 IN THE ILLINOIS MUNICIPAL RETIREMENT FUND

4 WHEREAS, Section 7-141.1 of the Illinois Pension Code
5 provides that a participating employer may elect to adopt an
6 early retirement incentive program offered by the Illinois
7 Municipal Retirement Fund by adopting a resolution or
8 ordinance; and

9 WHEREAS, The goal of adopting an early retirement program
10 is to realize a substantial savings in personnel costs by
11 offering early retirement incentives to employees who have
12 accumulated many years of service credit; and

13 WHEREAS, Implementation of the early retirement program
14 will provide a budgeting tool to aid in controlling payroll
15 costs; and

16 WHEREAS, The (name of governing body) has determined that
17 the adoption of an early retirement incentive program is in
18 the best interests of the (name of participating employer);
19 therefore be it

20 RESOLVED (ORDAINED) by the (name of governing body) of
21 (name of participating employer) that:

22 (1) The (name of participating employer) does hereby adopt
23 the Illinois Municipal Retirement Fund early retirement
24 incentive program as provided in Section 7-141.1 of the
25 Illinois Pension Code. The early retirement incentive program
26 shall take effect on (date).

1 (2) In order to help achieve a true cost savings, a person
2 who retires under the early retirement incentive program shall
3 lose those incentives if he or she later accepts employment
4 with any IMRF employer in a position for which participation
5 in IMRF is required or is elected by the employee.

6 (3) In order to utilize an early retirement incentive as a
7 budgeting tool, the (name of participating employer) will use
8 its best efforts either to limit the number of employees who
9 replace the employees who retire under the early retirement
10 program or to limit the salaries paid to the employees who
11 replace the employees who retire under the early retirement
12 program.

13 (4) The effective date of each employee's retirement under
14 this early retirement program shall be set by (name of
15 employer) and shall be no earlier than the effective date of
16 the program and no later than one year after that effective
17 date; except that the employee may require that the retirement
18 date set by the employer be no later than the June 30 next
19 occurring after the effective date of the program and no
20 earlier than the date upon which the employee qualifies for
21 retirement.

22 (5) To be eligible for the early retirement incentive
23 under this Section, the employee must have attained age 50 and
24 have at least 20 years of creditable service by his or her
25 retirement date.

26 (6) The (clerk or secretary) shall promptly file a

1 certified copy of this resolution (ordinance) with the Board
2 of Trustees of the Illinois Municipal Retirement Fund.

3 CERTIFICATION

4 I, (name), the (clerk or secretary) of the (name of
5 participating employer) of the County of (name), State of
6 Illinois, do hereby certify that I am the keeper of the books
7 and records of the (name of employer) and that the foregoing is
8 a true and correct copy of a resolution (ordinance) duly
9 adopted by the (governing body) at a meeting duly convened and
10 held on (date).

11 SEAL

12 (Signature of clerk or secretary)

13 (c) To be eligible for the benefits provided under an
14 early retirement incentive program adopted under this Section,
15 a member must:

16 (1) be a participating employee of this Fund who, on
17 the effective date of the program, (i) is in active
18 payroll status as an employee of a participating employer
19 that has filed the required ordinance or resolution with
20 the Board, (ii) is on layoff status from such a position
21 with a right of re-employment or recall to service, (iii)
22 is on a leave of absence from such a position, or (iv) is
23 on disability but has not been receiving benefits under
24 Section 7-146 or 7-150 for a period of more than 2 years
25 from the date of application;

1 (2) have never previously received a retirement
2 annuity under this Article or under the Retirement Systems
3 Reciprocal Act using service credit established under this
4 Article;

5 (3) (blank);

6 (4) have at least 20 years of creditable service in
7 the Fund by the date of retirement, without the use of any
8 creditable service established under this Section;

9 (5) have attained age 50 by the date of retirement if
10 he or she is a Tier 1 regular employee or age 57 if he or
11 she is a Tier 2 regular employee, without the use of any
12 age enhancement received under this Section; and

13 (6) be eligible to receive a retirement annuity under
14 this Article by the date of retirement, for which purpose
15 the age enhancement and creditable service established
16 under this Section may be considered.

17 (d) The employer shall determine the retirement date for
18 each employee participating in the early retirement program
19 adopted under this Section. The retirement date shall be no
20 earlier than the effective date of the program and no later
21 than one year after that effective date, except that the
22 employee may require that the retirement date set by the
23 employer be no later than the June 30 next occurring after the
24 effective date of the program and no earlier than the date upon
25 which the employee qualifies for retirement. The employer
26 shall give each employee participating in the early retirement

1 program at least 30 days written notice of the employee's
2 designated retirement date, unless the employee waives this
3 notice requirement.

4 (e) An eligible person may establish up to 5 years of
5 creditable service under this Section. In addition, for each
6 period of creditable service established under this Section, a
7 person shall have his or her age at retirement deemed enhanced
8 by an equivalent period.

9 The creditable service established under this Section may
10 be used for all purposes under this Article and the Retirement
11 Systems Reciprocal Act, except for the computation of final
12 rate of earnings and the determination of earnings, salary, or
13 compensation under this or any other Article of the Code.

14 The age enhancement established under this Section may be
15 used for all purposes under this Article (including
16 calculation of the reduction imposed under subdivision
17 (a)1b(iv) of Section 7-142), except for purposes of a
18 reversionary annuity under Section 7-145 and any distributions
19 required because of age. The age enhancement established under
20 this Section may be used in calculating a proportionate
21 annuity payable by this Fund under the Retirement Systems
22 Reciprocal Act, but shall not be used in determining benefits
23 payable under other Articles of this Code under the Retirement
24 Systems Reciprocal Act.

25 (f) For all creditable service established under this
26 Section, the member must pay to the Fund an employee

1 contribution consisting of the total employee contribution
2 rate in effect at the time the member purchases the service for
3 the plan in which the member was participating with the
4 employer at that time multiplied by the member's highest
5 annual salary rate used in the determination of the final rate
6 of earnings for retirement annuity purposes for each year of
7 creditable service granted under this Section. Contributions
8 for fractions of a year of service shall be prorated. Any
9 amounts that are disregarded in determining the final rate of
10 earnings under subdivision (d) (5) of Section 7-116 (the 125%
11 rule) shall also be disregarded in determining the required
12 contribution under this subsection (f).

13 The employee contribution shall be paid to the Fund as
14 follows: If the member is entitled to a lump sum payment for
15 accumulated vacation, sick leave, or personal leave upon
16 withdrawal from service, the employer shall deduct the
17 employee contribution from that lump sum and pay the deducted
18 amount directly to the Fund. If there is no such lump sum
19 payment or the required employee contribution exceeds the net
20 amount of the lump sum payment, then the remaining amount due,
21 at the option of the employee, may either be paid to the Fund
22 before the annuity commences or deducted from the retirement
23 annuity in 24 equal monthly installments.

24 (g) An annuitant who has received any age enhancement or
25 creditable service under this Section and thereafter accepts
26 employment with or enters into a personal services contract

1 with an employer under this Article thereby forfeits that age
2 enhancement and creditable service; except that this
3 restriction does not apply to (1) service in an elective
4 office, so long as the annuitant does not participate in this
5 Fund with respect to that office, (2) a person appointed as an
6 officer under subsection (f) of Section 3-109 of this Code,
7 and (3) a person appointed as an auxiliary police officer
8 pursuant to Section 3.1-30-5 of the Illinois Municipal Code. A
9 person forfeiting early retirement incentives under this
10 subsection (i) must repay to the Fund that portion of the
11 retirement annuity already received which is attributable to
12 the early retirement incentives that are being forfeited, (ii)
13 shall not be eligible to participate in any future early
14 retirement program adopted under this Section, and (iii) is
15 entitled to a refund of the employee contribution paid under
16 subsection (f). The Board shall deduct the required repayment
17 from the refund and may impose a reasonable payment schedule
18 for repaying the amount, if any, by which the required
19 repayment exceeds the refund amount.

20 (h) The additional unfunded liability accruing as a result
21 of the adoption of a program of early retirement incentives
22 under this Section by an employer shall be amortized over a
23 period of 10 years beginning on January 1 of the second
24 calendar year following the calendar year in which the latest
25 date for beginning to receive a retirement annuity under the
26 program (as determined by the employer under subsection (d) of

1 this Section) occurs; except that the employer may provide for
2 a shorter amortization period (of no less than 5 years) by
3 adopting an ordinance or resolution specifying the length of
4 the amortization period and submitting a certified copy of the
5 ordinance or resolution to the Fund no later than 6 months
6 after the effective date of the program. An employer, at its
7 discretion, may accelerate payments to the Fund.

8 An employer may provide more than one early retirement
9 incentive program for its employees under this Section.
10 However, an employer that has provided an early retirement
11 incentive program for its employees under this Section may not
12 provide another early retirement incentive program under this
13 Section until the liability arising from the earlier program
14 has been fully paid to the Fund.

15 (Source: P.A. 99-382, eff. 8-17-15.)

16 (40 ILCS 5/7-142) (from Ch. 108 1/2, par. 7-142)

17 Sec. 7-142. Retirement annuities - Amount.

18 (a) The amount of a retirement annuity shall be the sum of
19 the following, determined in accordance with the actuarial
20 tables in effect at the time of the grant of the annuity:

21 1. For Tier 1 regular employees with 8 or more years of
22 service or for Tier 2 regular employees, an annuity
23 computed pursuant to subparagraphs a or b of this
24 subparagraph 1, whichever is the higher, and for employees
25 with less than 8 or 10 years of service, respectively, the

1 annuity computed pursuant to subparagraph a:

2 a. The monthly annuity which can be provided from
3 the total accumulated normal, municipality and prior
4 service credits, as of the attained age of the
5 employee on the date the annuity begins provided that
6 such annuity shall not exceed 75% of the final rate of
7 earnings of the employee.

8 b. (i) The monthly annuity amount determined as
9 follows by multiplying (a) $1\frac{2}{3}\%$ for annuitants with
10 not more than 15 years or (b) $1\frac{2}{3}\%$ for the first 15
11 years and 2% for each year in excess of 15 years for
12 annuitants with more than 15 years by the number of
13 years plus fractional years, prorated on a basis of
14 months, of creditable service and multiply the product
15 thereof by the employee's final rate of earnings.

16 (ii) For the sole purpose of computing the formula
17 (and not for the purposes of the limitations
18 hereinafter stated) \$125 shall be considered the final
19 rate of earnings in all cases where the final rate of
20 earnings is less than such amount.

21 (iii) The monthly annuity computed in accordance
22 with this subparagraph b, shall not exceed an amount
23 equal to 75% of the final rate of earnings.

24 (iv) For employees who have less than 35 years of
25 service, the annuity computed in accordance with this
26 subparagraph b (as reduced by application of

1 subparagraph (iii) above) shall be reduced by 0.25%
2 thereof (0.5% if service was terminated before January
3 1, 1988 or if the employee is a Tier 2 regular
4 employee) for each month or fraction thereof (1) that
5 the employee's age is less than 60 years for Tier 1
6 regular employees, or (2) that the employee's age is
7 less than 67 years for Tier 2 regular employees, or (3)
8 if the employee has at least 30 years of service
9 credit, that the employee's service credit is less
10 than 35 years, whichever is less, on the date the
11 annuity begins.

12 2. The annuity which can be provided from the total
13 accumulated additional credits as of the attained age of
14 the employee on the date the annuity begins.

15 (b) If payment of an annuity begins prior to the earliest
16 age at which the employee will become eligible for an old age
17 insurance benefit under the Federal Social Security Act, he
18 may elect that the annuity payments from this fund shall
19 exceed those payable after his attaining such age by an
20 amount, computed as determined by rules of the Board, but not
21 in excess of his estimated Social Security Benefit, determined
22 as of the effective date of the annuity, provided that in no
23 case shall the total annuity payments made by this fund exceed
24 in actuarial value the annuity which would have been payable
25 had no such election been made.

26 (c) ~~The retirement annuity shall be increased each year by~~

1 ~~2%, not compounded, of the monthly amount of annuity, taking~~
2 ~~into consideration any adjustment under paragraph (b) of this~~
3 ~~Section. This increase shall be effective each January 1 and~~
4 ~~computed from the effective date of the retirement annuity,~~
5 ~~the first increase being .167% of the monthly amount times the~~
6 ~~number of months from the effective date to January 1.~~
7 Beginning January 1, 1984 and each January 1 thereafter, the
8 retirement annuity of a Tier 1 regular employee shall be
9 increased by 3% each year, not compounded. This increase shall
10 be computed from the effective date of the retirement annuity,
11 the first increase being 0.25% of the monthly amount times the
12 number of months from the effective date to January 1. This
13 increase shall not be applicable to annuitants who are not in
14 service on or after September 8, 1971.

15 A retirement annuity of a Tier 2 regular employee shall
16 receive annual increases on the January 1 occurring either on
17 or after the attainment of age 67 or the first anniversary of
18 the annuity start date, whichever is later. Each annual
19 increase shall be calculated at the lesser of 3% or one-half
20 the annual unadjusted percentage increase (but not less than
21 zero) in the consumer price index-u for the 12 months ending
22 with the September preceding each November 1 of the originally
23 granted retirement annuity. If the annual unadjusted
24 percentage change in the consumer price index-u for the 12
25 months ending with the September preceding each November 1 is
26 zero or there is a decrease, then the annuity shall not be

1 increased.

2 (d) Any elected county officer who was entitled to receive
3 a stipend from the State on or after July 1, 2009 and on or
4 before June 30, 2010 may establish earnings credit for the
5 amount of stipend not received, if the elected county official
6 applies in writing to the fund within 6 months after the
7 effective date of this amendatory Act of the 96th General
8 Assembly and pays to the fund an amount equal to (i) employee
9 contributions on the amount of stipend not received, (ii)
10 employer contributions determined by the Board equal to the
11 employer's normal cost of the benefit on the amount of stipend
12 not received, plus (iii) interest on items (i) and (ii) at the
13 actuarially assumed rate.

14 (Source: P.A. 96-961, eff. 7-2-10.)

15 (40 ILCS 5/7-144) (from Ch. 108 1/2, par. 7-144)

16 Sec. 7-144. Retirement annuities - suspended during
17 employment.

18 (a) If any person receiving any annuity again becomes an
19 employee and receives earnings from employment in a position
20 requiring him, or entitling him to elect, to become a
21 participating employee, then the annuity payable to such
22 employee shall be suspended as of the 1st day of the month
23 coincidental with or next following the date upon which such
24 person becomes such an employee, unless the person is
25 authorized under subsection (b) of Section 7-137.1 of this

1 Code to continue receiving a retirement annuity during that
2 period. Upon proper qualification of the participating
3 employee payment of such annuity may be resumed on the 1st day
4 of the month following such qualification and upon proper
5 application therefor. The participating employee in such case
6 shall be entitled to a supplemental annuity arising from
7 service and credits earned subsequent to such re-entry as a
8 participating employee.

9 Notwithstanding any other provision of this Article, an
10 annuitant shall be considered a participating employee if he
11 or she returns to work as an employee with a participating
12 employer and works more than 599 hours annually (or 999 hours
13 annually with a participating employer that has adopted a
14 resolution pursuant to subsection (e) of Section 7-137 of this
15 Code). Each of these annual periods shall commence on the
16 month and day upon which the annuitant is first employed with
17 the participating employer following the effective date of the
18 annuity.

19 (a-5) If any annuitant under this Article must be
20 considered a participating employee per the provisions of
21 subsection (a) of this Section, and the participating
22 municipality or participating instrumentality that employs or
23 re-employs that annuitant knowingly fails to notify the Board
24 to suspend the annuity, the participating municipality or
25 participating instrumentality may be required to reimburse the
26 Fund for an amount up to one-half of the total of any annuity

1 payments made to the annuitant after the date the annuity
2 should have been suspended, as determined by the Board. In no
3 case shall the total amount repaid by the annuitant plus any
4 amount reimbursed by the employer to the Fund be more than the
5 total of all annuity payments made to the annuitant after the
6 date the annuity should have been suspended. This subsection
7 shall not apply if the annuitant returned to work for the
8 employer for less than 12 months.

9 The Fund shall notify all annuitants that they must notify
10 the Fund immediately if they return to work for any
11 participating employer. The notification by the Fund shall
12 occur upon retirement and no less than annually thereafter in
13 a format determined by the Fund. The Fund shall also develop
14 and maintain a system to track annuitants who have returned to
15 work and notify the participating employer and annuitant at
16 least annually of the limitations on returning to work under
17 this Section.

18 (b) Supplemental annuities to persons who return to
19 service for less than 48 months shall be computed under the
20 provisions of Sections 7-141, 7-142 and 7-143. In determining
21 whether an employee is eligible for an annuity which requires
22 a minimum period of service, his entire period of service
23 shall be taken into consideration but the supplemental annuity
24 shall be based on earnings and service in the supplemental
25 period only. The effective date of the suspended and
26 supplemental annuity for the purpose of increases after

1 retirement shall be considered to be the effective date of the
2 suspended annuity.

3 (c) Supplemental annuities to persons who return to
4 service for 48 months or more shall be a monthly amount
5 determined as follows:

6 (1) An amount shall be computed under subparagraph b
7 of paragraph (1) of subsection (a) of Section 7-142,
8 considering all of the service credits of the employee;

9 (2) The actuarial value in monthly payments for life
10 of the annuity payments made before suspension shall be
11 determined and subtracted from the amount determined in
12 (1) above;

13 (3) The monthly amount of the suspended annuity, with
14 any applicable increases after retirement computed from
15 the effective date to the date of reinstatement, shall be
16 subtracted from the amount determined in (2) above and the
17 remainder shall be the amount of the supplemental annuity
18 provided that this amount shall not be less than the
19 amount computed under subsection (b) of this Section.

20 (4) The suspended annuity shall be reinstated at an
21 amount including any increases after retirement from the
22 effective date to date of reinstatement.

23 (5) The effective date of the combined suspended and
24 supplemental annuities for the purposes of increases after
25 retirement shall be considered to be the effective date of
26 the supplemental annuity.

1 (d) If a Tier 2 regular employee becomes a member or
2 participant under any other system or fund created by this
3 Code and is employed on a full-time basis, except for those
4 members or participants exempted from the provisions of
5 subsection (a) of Section 1-160 of this Code (other than a
6 participating employee under this Article), then the person's
7 retirement annuity shall be suspended during that employment.
8 Upon termination of that employment, the person's retirement
9 annuity shall resume and be recalculated as required by this
10 Section.

11 (e) If a Tier 2 regular employee first began participation
12 on or after January 1, 2012 and is receiving a retirement
13 annuity and accepts on a contractual basis a position to
14 provide services to a governmental entity from which he or she
15 has retired, then that person's annuity or retirement pension
16 shall be suspended during that contractual service,
17 notwithstanding the provisions of any other Section in this
18 Article. Such annuitant shall notify the Fund, as well as his
19 or her contractual employer, of his or her retirement status
20 before accepting contractual employment. A person who fails to
21 submit such notification shall be guilty of a Class A
22 misdemeanor and required to pay a fine of \$1,000. Upon
23 termination of that contractual employment, the person's
24 retirement annuity shall resume and be recalculated as
25 required by this Section.

26 (Source: P.A. 98-389, eff. 8-16-13; 99-745, eff. 8-5-16.)

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

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

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

4 1. Upon the death of an employee annuitant or such person
5 entitled, upon application, to a retirement annuity at date of
6 death, (i) an amount equal to ~~1/2~~ 50% for a Tier 1 regular
7 employee or 66 2/3% for a Tier 2 regular employee of the
8 retirement annuity which was or would have been payable
9 exclusive of the amount so payable which was provided from
10 additional credits, and disregarding any election made under
11 paragraph (b) of Section 7-142, plus (ii) an annuity which
12 could be provided at the then attained age of the surviving
13 spouse and under actuarial tables then in effect, from the
14 excess of the additional credits, (excluding any such credits
15 used to create a reversionary annuity) used to provide the
16 annuity granted pursuant to paragraph (a) (2) of Section 7-142
17 of this article over the total annuity payments made pursuant
18 thereto.

19 2. Upon the death of a participating employee on or after
20 attainment of age 55, an amount equal to ~~1/2~~ 50% for a Tier 1
21 regular employee or 66 2/3% for a Tier 2 regular employee of
22 the retirement annuity which he could have had as of the date
23 of death had he then retired and applied for annuity,
24 exclusive of the portion thereof which could have been
25 provided from additional credits, and disregarding paragraph

1 (b) of Section 7-142, plus an amount equal to the annuity which
2 could be provided from the total of his accumulated additional
3 credits at date of death, on the basis of the attained age of
4 the surviving spouse on such date.

5 3. Upon the death of a participating employee before age
6 55, an amount equal to ~~1/2~~ 50% for a Tier 1 regular employee or
7 66 2/3% for a Tier 2 regular employee of the retirement annuity
8 which he could have had as of his attained age on the date of
9 death, had he then retired and applied for annuity, and the
10 provisions of this Article that no such annuity shall begin
11 until the employee has attained at least age 55 were not
12 applicable, exclusive of the portion thereof which could have
13 been provided from additional credits and disregarding
14 paragraph (b) of Section 7-142, plus an amount equal to the
15 annuity which could be provided from the total of his
16 accumulated additional credits at date of death, on the basis
17 of the attained age of the surviving spouse on such date.

18 In the case of the surviving spouse of a person who dies
19 before June 1, 2006 (the effective date of Public Act 94-712)
20 ~~this amendatory Act of the 94th General Assembly~~, if the
21 surviving spouse is more than 5 years younger than the
22 deceased, that portion of the annuity which is not based on
23 additional credits shall be reduced in the ratio of the value
24 of a life annuity of \$1 per year at an age of 5 years less than
25 the attained age of the deceased, at the earlier of the date of
26 the death or the date his retirement annuity begins, to the

1 value of a life annuity of \$1 per year at the attained age of
2 the surviving spouse on such date, according to actuarial
3 tables approved by the Board. This reduction does not apply to
4 the surviving spouse of a person who dies on or after June 1,
5 2006 (the effective date of Public Act 94-712) ~~this amendatory~~
6 ~~Act of the 94th General Assembly.~~

7 In computing the amount of a surviving spouse annuity,
8 incremental increases of retirement annuities to the date of
9 death of the employee annuitant shall be considered.

10 (b) If the employee was a Tier 1 regular employee, each
11 ~~Each~~ surviving spouse annuity payable on January 1, 1988 shall
12 be increased on that date by 3% of the original amount of the
13 annuity. Each surviving spouse annuity that begins after
14 January 1, 1988 shall be increased on the January 1 next
15 occurring after the annuity begins, by an amount equal to (i)
16 3% of the original amount thereof if the deceased employee was
17 receiving a retirement annuity at the time of his death;
18 otherwise (ii) 0.25% ~~0.167%~~ of the original amount thereof for
19 each complete month which has elapsed since the date the
20 annuity began.

21 On each January 1 after the date of the initial increase
22 under this subsection, each surviving spouse annuity shall be
23 increased by 3% of the originally granted amount of the
24 annuity.

25 (c) If the participating employee was a Tier 2 regular
26 employee, each surviving spouse annuity shall be increased (1)

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

14 (Source: P.A. 94-712, eff. 6-1-06.)

15 (40 ILCS 5/7-191) (from Ch. 108 1/2, par. 7-191)

16 Sec. 7-191. To have accounts audited.

17 To have the accounts of the fund audited annually by a
18 certified public accountant ~~approved by the Auditor General.~~

19 (Source: Laws 1963, p. 161.)

20 Article 15.

21 Section 15-5. The Illinois Pension Code is amended by
22 changing Section 13-310 as follows:

1 (40 ILCS 5/13-310) (from Ch. 108 1/2, par. 13-310)

2 Sec. 13-310. Ordinary disability benefit.

3 (a) Any employee who becomes disabled as the result of any
4 cause other than injury or illness incurred in the performance
5 of duty for the employer or any other employer, or while
6 engaged in self-employment activities, shall be entitled to an
7 ordinary disability benefit. The eligible period for this
8 benefit shall be 25% of the employee's total actual service
9 prior to the date of disability with a cumulative maximum
10 period of 5 years.

11 (b) The benefit shall be allowed only if the employee
12 files an application in writing with the Board, and a medical
13 report is submitted by at least one licensed and practicing
14 physician as part of the employee's application.

15 The benefit is not payable for any disability which begins
16 during any period of unpaid leave of absence. No benefit shall
17 be allowed for any period of disability prior to 30 days before
18 application is made, unless the Board finds good cause for the
19 delay in filing the application. The benefit shall not be paid
20 during any period for which the employee receives or is
21 entitled to receive any part of salary.

22 The benefit is not payable for any disability which begins
23 during any period of absence from duty other than allowable
24 vacation time in any calendar year. An employee whose
25 disability begins during any such ineligible period of absence
26 from service may not receive benefits until the employee

1 recovers from the disability and is in service for at least 15
2 consecutive working days after such recovery.

3 In the case of an employee who first enters service on or
4 after June 13, 1997, an ordinary disability benefit is not
5 payable for the first 3 days of disability that would
6 otherwise be payable under this Section if the disability does
7 not continue for at least 11 additional days.

8 Beginning on the effective date of this amendatory Act of
9 the 94th General Assembly, an employee who first entered
10 service on or after June 13, 1997 is also eligible for ordinary
11 disability benefits on the 31st day after the last day worked,
12 provided all sick leave is exhausted.

13 (c) The benefit shall be 50% of the employee's salary at
14 the date of disability, and shall terminate when the earliest
15 of the following occurs:

16 (1) The employee returns to work or receives a
17 retirement annuity paid wholly or in part under this
18 Article;

19 (2) The disability ceases;

20 (3) The employee willfully and continuously refuses to
21 follow medical advice and treatment to enable the employee
22 to return to work. However this provision does not apply
23 to an employee who relies in good faith on treatment by
24 prayer through spiritual means alone in accordance with
25 the tenets and practice of a recognized church or
26 religious denomination, by a duly accredited practitioner

1 thereof;

2 (4) The employee (i) refuses to submit to a reasonable
3 physical examination within 30 days of application by a
4 physician appointed by the Board, (ii) in the case of
5 chronic alcoholism, the employee refuses to join a
6 rehabilitation program licensed by the Department of
7 Public Health of the State of Illinois and certified by
8 the Joint Commission on the Accreditation of Hospitals,
9 (iii) fails or refuses to consent to and sign an
10 authorization allowing the Board to receive copies of or
11 to examine the employee's medical and hospital records, or
12 (iv) fails or refuses to provide complete information
13 regarding any other employment for compensation he or she
14 has received since becoming disabled; or

15 (5) The eligible period for this benefit has been
16 exhausted.

17 The first payment of the benefit shall be made not later
18 than one month after the same has been granted, and subsequent
19 payments shall be made at least monthly ~~intervals of not more~~
20 ~~than 30 days.~~

21 (Source: P.A. 94-621, eff. 8-18-05.)

22 Article 20.

23 Section 20-5. The Illinois Pension Code is amended by
24 changing Sections 17-140 and 17-151.1 as follows:

1 (40 ILCS 5/17-140) (from Ch. 108 1/2, par. 17-140)

2 Sec. 17-140. Board officers. The president, recording
3 secretary and other officers of the Board shall be elected by
4 and from the members of the Board ~~board~~ at the first meeting of
5 the Board after the election of trustees.

6 In case any officer whose signature appears upon any check
7 or draft, issued pursuant to this Article, ceases ~~(after~~
8 ~~attaching his signature)~~ to hold his office, the ~~before the~~
9 ~~delivery thereof to the payee,~~ his signature nevertheless
10 shall be valid and sufficient for all purposes ~~with the same~~
11 ~~effect as if he had remained in office until delivery thereof.~~

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

13 (40 ILCS 5/17-151.1)

14 Sec. 17-151.1. Recovery of amount paid in error.

15 (a) The Board may retain out of any annuity or benefit
16 payable to any person any amount that the Board determines is
17 owing to the Fund because (i) required employee contributions
18 were not made in whole or in part, (ii) employee or member
19 obligations to return refunds were not met, or (iii) money was
20 paid to any employee, member, or annuitant through
21 misrepresentation, fraud, or error.

22 If the Fund mistakenly sets any benefit at an incorrect
23 amount, the Fund shall recalculate the benefit as soon as may
24 be practicable after the mistake is discovered. The Fund shall

1 provide the recipient, or the survivor or beneficiary of the
2 recipient, as the case may be, with at least 60 days' notice of
3 the corrected amount.

4 If the benefit was mistakenly set too low, the Fund shall
5 make a lump sum payment to the recipient, or the survivor or
6 beneficiary of the recipient, as the case may be, of an amount
7 equal to the difference between the benefits that should have
8 been paid and those actually paid, plus interest at the rate of
9 3% from the date the unpaid amounts accrued to the date of
10 payment.

11 If the benefit was mistakenly set too high, the Fund may
12 recover the amount overpaid from the recipient, or the
13 survivor or beneficiary of the recipient, as the case may be,
14 plus interest at 3% from the date of overpayment to the date of
15 recovery. The recipient, or the survivor or beneficiary of the
16 recipient, as the case may be, may elect to repay the sum owed
17 either directly by a lump sum payment, in agreed-upon monthly
18 payments over a period not to exceed 5 years, or through an
19 actuarial equivalent reduction of the corrected benefit.
20 However, if (1) the amount of the benefit was mistakenly set
21 too high, (2) the error was undiscovered for 3 years or longer
22 from the date of the first mistaken benefit payment, and (3)
23 the error was not the result of incorrect information supplied
24 by the affected member, then upon discovery of the mistake the
25 benefit shall be adjusted to the correct level, but the
26 recipient of the benefit shall not be required to repay to the

1 Fund the excess amounts received in error.

2 (b) The Board and the Fund shall be held free from any
3 liability for any money retained or paid in accordance with
4 this Section, and the employee, member, or pensioner shall be
5 assumed to have assented and agreed to the disposition of
6 money due.

7 (c) The changes made by this amendatory Act of the 94th
8 General Assembly are not limited to persons in service on or
9 after the effective date of this amendatory Act.

10 (Source: P.A. 94-425, eff. 8-2-05.)

11 Article 25.

12 Section 25-5. The Illinois Pension Code is amended by
13 changing Section 17-106.1 as follows:

14 (40 ILCS 5/17-106.1)

15 Sec. 17-106.1. Administrator. Administrator means a member
16 who (i) is employed in a position that requires him or her to
17 hold a professional educator license with an administrative
18 endorsement ~~Type 75 Certificate~~ issued by the State Board of
19 Education ~~State Teacher Certification Board~~, (ii) is not on
20 the Chicago teachers' or the Chicago charter school teachers'
21 salary schedule, or (iii) is paid on an administrative
22 payroll.

23 (Source: P.A. 94-514, eff. 8-10-05; 94-912, eff. 6-23-06.)

1 Article 30.

2 Section 30-5. The Illinois Pension Code is amended by
3 changing Section 17-131 as follows:

4 (40 ILCS 5/17-131) (from Ch. 108 1/2, par. 17-131)

5 Sec. 17-131. Administration of payroll deductions.

6 (a) An Employer or the Board shall make pension deductions
7 in each pay period on the basis of the salary earned in that
8 period, exclusive of salaries for overtime, extracurricular
9 activities, or any employment on an optional basis, such as in
10 summer school.

11 (b) If a salary paid in a pay period includes adjustments
12 on account of errors or omissions in prior pay periods, then
13 salary amounts and related pension deductions shall be
14 separately identified as to the adjusted pay period and
15 deductions by the Employer or the Board shall be at rates in
16 force during the applicable adjusted pay period.

17 (c) If members earn salaries for the school year, as
18 established by an Employer, or if they earn annual salaries
19 over more than a 10-calendar month period, or if they earn
20 annual salaries over more than 170 calendar days, the required
21 contribution amount shall be deducted by the Employer in
22 installments on the basis of salary earned in each pay period.
23 The total amounts for each pay period shall be deducted

1 whenever salary payments represent a partial or whole day's
2 pay.

3 (d) If an Employer or the Board pays a salary to a member
4 for vacation periods, then the salary shall be considered part
5 of the member's pensionable salary, shall be subject to the
6 standard deductions for pension contributions, and shall be
7 considered to represent pay for the number of whole days of
8 vacation.

9 (e) If deductions from salaries result in amounts of less
10 than one cent, the fractional sums shall be increased to the
11 next higher cent. Any excess of these fractional increases
12 over the prescribed annual contributions shall be credited to
13 the members' accounts.

14 (f) In the event that, pursuant to Section 17-130.1,
15 employee contributions are picked up or made by the Employer
16 or the Board of Education on behalf of its employees, then the
17 amount of the employee contributions which are picked up or
18 made in that manner shall not be deducted from the salaries of
19 such employees.

20 (Source: P.A. 101-261, eff. 8-9-19.)

21 Article 35.

22 Section 35-5. The Illinois Pension Code is amended by
23 changing Section 15-159 as follows:

1 (40 ILCS 5/15-159) (from Ch. 108 1/2, par. 15-159)

2 Sec. 15-159. Board created.

3 (a) A board of trustees constituted as provided in this
4 Section shall administer this System. The board shall be known
5 as the Board of Trustees of the State Universities Retirement
6 System.

7 (b) (Blank).

8 (c) (Blank).

9 (d) Beginning on the 90th day after April 3, 2009 (the
10 effective date of Public Act 96-6), the Board of Trustees
11 shall be constituted as follows:

12 (1) The Chairperson of the Board of Higher Education.

13 (2) Four trustees appointed by the Governor with the
14 advice and consent of the Senate who may not be members of
15 the system or hold an elective State office and who shall
16 serve for a term of 6 years, except that the terms of the
17 initial appointees under this subsection (d) shall be as
18 follows: 2 for a term of 3 years and 2 for a term of 6
19 years. The term of an appointed trustee shall terminate
20 immediately upon becoming a member of the system or being
21 sworn into an elective State office, and the position
22 shall be considered to be vacant and shall be filled
23 pursuant to subsection (f) of this Section.

24 (3) Four participating employees ~~active participants~~
25 of the system to be elected from the contributing
26 membership of the system by the contributing members, no

1 more than 2 of which may be from any of the University of
2 Illinois campuses, who shall serve for a term of 6 years,
3 except that the terms of the initial electees shall be as
4 follows: 2 for a term of 3 years and 2 for a term of 6
5 years.

6 (4) Two annuitants of the system who have been
7 annuitants for at least one full year, to be elected from
8 and by the annuitants of the system, no more than one of
9 which may be from any of the University of Illinois
10 campuses, who shall serve for a term of 6 years, except
11 that the terms of the initial electees shall be as
12 follows: one for a term of 3 years and one for a term of 6
13 years.

14 The chairperson of the Board shall be appointed by the
15 Governor from among the trustees.

16 For the purposes of this Section, the Governor may make a
17 nomination and the Senate may confirm the nominee in advance
18 of the commencement of the nominee's term of office.

19 (e) The 6 elected trustees shall be elected within 90 days
20 after April 3, 2009 (the effective date of Public Act 96-6) for
21 a term beginning on the 90th day after that effective date.
22 Trustees shall be elected thereafter as terms expire for a
23 6-year term beginning July 15 next following their election,
24 and such election shall be held on May 1, or on May 2 when May
25 1 falls on a Sunday. The board may establish rules for the
26 election of trustees to implement the provisions of Public Act

1 96-6 and for future elections. Candidates for the
2 participating trustee shall be nominated by petitions in
3 writing, signed by not less than 400 participants with their
4 addresses shown opposite their names. Candidates for the
5 annuitant trustee shall be nominated by petitions in writing,
6 signed by not less than 100 annuitants with their addresses
7 shown opposite their names. If there is more than one
8 qualified nominee for each elected trustee, then the board
9 shall conduct a secret ballot election by mail for that
10 trustee, in accordance with rules as established by the board.
11 If there is only one qualified person nominated by petition
12 for each elected trustee, then the election as required by
13 this Section shall not be conducted for that trustee and the
14 board shall declare such nominee duly elected. A vacancy
15 occurring in the elective membership of the board shall be
16 filled for the unexpired term by the elected trustees serving
17 on the board for the remainder of the term. Nothing in this
18 subsection shall preclude the adoption of rules providing for
19 internet or phone balloting in addition, or as an alternative,
20 to election by mail.

21 (f) A vacancy in the appointed membership on the board of
22 trustees caused by resignation, death, expiration of term of
23 office, or other reason shall be filled by a qualified person
24 appointed by the Governor for the remainder of the unexpired
25 term.

26 (g) Trustees ~~(other than the trustees incumbent on June~~

1 ~~30, 1995 or as provided in subsection (c) of this Section)~~
2 shall continue in office until their respective successors are
3 appointed and have qualified, except that a trustee elected
4 ~~appointed~~ to one of the participating employee participant
5 positions after the effective date of this amendatory Act of
6 the 102nd General Assembly shall be disqualified immediately
7 upon the termination of his or her status as a participating
8 employee participant and a trustee elected ~~appointed~~ to one of
9 the annuitant positions after the effective date of this
10 amendatory Act of the 102nd General Assembly shall be
11 disqualified immediately upon the termination of his or her
12 status as an annuitant receiving a retirement annuity.

13 An elected trustee who is incumbent on the effective date
14 of this amendatory Act of the 102nd General Assembly whose
15 status as a participating employee or annuitant has terminated
16 after having been elected shall continue to serve in the
17 participating employee or annuitant position to which he or
18 she was elected for the remainder of the term.

19 (h) Each trustee must take an oath of office before a
20 notary public of this State and shall qualify as a trustee upon
21 the presentation to the board of a certified copy of the oath.
22 The oath must state that the person will diligently and
23 honestly administer the affairs of the retirement system, and
24 will not knowingly violate or willfully permit to be violated
25 any provisions of this Article.

26 Each trustee shall serve without compensation but shall be

1 reimbursed for expenses necessarily incurred in attending
2 board meetings and carrying out his or her duties as a trustee
3 or officer of the system.

4 (Source: P.A. 101-610, eff. 1-1-20.)

5 Article 40.

6 Section 40-5. The Illinois Pension Code is amended by
7 changing Section 10-107 as follows:

8 (40 ILCS 5/10-107) (from Ch. 108 1/2, par. 10-107)

9 Sec. 10-107. Financing - Tax levy. The forest preserve
10 district may levy an annual tax on the value, as equalized or
11 assessed by the Department of Revenue, of all taxable property
12 in the district for the purpose of providing revenue for the
13 fund. The rate of such tax in any year may not exceed the rate
14 herein specified for that year or the rate which will produce,
15 when extended, the sum herein stated for that year, whichever
16 is higher: for any year prior to 1970, .00103% or \$195,000; for
17 the year 1970, .00111% or \$210,000; for the year 1971, .00116%
18 or \$220,000. For the year 1972 and each year thereafter, the
19 Forest Preserve District shall levy a tax annually at a rate on
20 the dollar of the value, as equalized or assessed by the
21 Department of Revenue upon all taxable property in the county,
22 when extended, not to exceed an amount equal to the total
23 amount of contributions by the employees to the fund made in

1 the calendar year 2 years prior to the year for which the
2 annual applicable tax is levied, multiplied by 1.25 for the
3 year 1972; and by 1.30 for the year 1973 and for each year
4 thereafter.

5 The tax shall be levied and collected in like manner with
6 the general taxes of the district and shall be in addition to
7 the maximum of all other tax rates which the district may levy
8 upon the aggregate valuation of all taxable property and shall
9 be exclusive of and in addition to the maximum amount and rate
10 of taxes the district may levy for general purposes or under
11 and by virtue of any laws which limit the amount of tax which
12 the district may levy for general purposes. The county clerk
13 of the county in which the forest preserve district is located
14 in reducing tax levies under the provisions of "An Act
15 concerning the levy and extension of taxes", approved May 9,
16 1901, as amended, shall not consider any such tax as a part of
17 the general tax levy for forest preserve purposes, and shall
18 not include the same in the limitation of 1% of the assessed
19 valuation upon which taxes are required to be extended, and
20 shall not reduce the same under the provisions of that Act. The
21 proceeds of the tax herein authorized shall be kept as a
22 separate fund.

23 The forest preserve district may use other lawfully
24 available funds in lieu of all or part of the levy.

25 The Board may establish a manpower program reserve, or a
26 special forest preserve district contribution rate, with

1 respect to employees whose wages are funded as program
2 participants under the Comprehensive Employment and Training
3 Act of 1973 in the manner provided in subsection (d) or (e),
4 respectively, of Section 9-169.

5 (Source: P.A. 81-1509.)

6 Article 45.

7 Section 45-5. The Illinois Pension Code is amended by
8 changing Section 9-158 as follows:

9 (40 ILCS 5/9-158) (from Ch. 108 1/2, par. 9-158)

10 Sec. 9-158. Proof of disability, duty and ordinary. Proof
11 of duty or ordinary disability shall be furnished to the board
12 by at least one licensed and practicing physician appointed by
13 or acceptable to the board, except that this requirement may
14 be waived by the board for proof of duty disability if the
15 employee has been compensated by the county for such
16 disability or specific loss under the Workers' Compensation
17 Act or Workers' Occupational Diseases Act. The physician
18 requirement may also be waived by the board for ordinary
19 disability maternity claims of up to 8 weeks. With respect to
20 duty disability, satisfactory proof must be provided to the
21 board that the final adjudication of the claim required under
22 subsection (d) of Section 9-159 established that the
23 disability or death resulted from an injury incurred in the

1 performance of an act or acts of duty. The board may require
2 other evidence of disability. Each disabled employee who
3 receives duty or ordinary disability benefit shall be examined
4 at least once a year or a longer period of time as determined
5 by the board, by one or more licensed and practicing
6 physicians appointed by the board. When the disability ceases,
7 the board shall discontinue payment of the benefit.

8 (Source: P.A. 99-578, eff. 7-15-16.)

9 Article 50.

10 Section 50-5. The Illinois Pension Code is amended by
11 adding Section 14-148.5 as follows:

12 (40 ILCS 5/14-148.5 new)

13 Sec. 14-148.5. Indemnification of financial institution
14 for recovery of overpayment. The System may indemnify a bank,
15 savings and loan association, or other financial institution
16 insured by an agency of the federal government as necessary to
17 recover for the System any benefit overpayment that the System
18 has made to the financial institution on behalf of a member.

19 (40 ILCS 5/21-120 rep.)

20 Section 50-10. The Illinois Pension Code is amended by
21 repealing Section 21-120.

1 Article 55.

2 Section 55-5. The Illinois Pension Code is amended by
3 adding Section 4-108.8 and by changing Sections 7-139.8,
4 14-110, and 14-152.1 as follows:

5 (40 ILCS 5/4-108.8 new)

6 Sec. 4-108.8. Transfer of creditable service to the State
7 Employees' Retirement System.

8 (a) Any active member of the State Employees' Retirement
9 System who is an arson investigator may apply for transfer of
10 some or all of his or her credits and creditable service
11 accumulated in any firefighters' pension fund under this
12 Article to the State Employees' Retirement System in
13 accordance with Section 14-110. The creditable service shall
14 be transferred only upon payment by the firefighters' pension
15 fund to the State Employees' Retirement System of an amount
16 equal to:

17 (1) the amounts accumulated to the credit of the
18 applicant for the service to be transferred on file with
19 the fund on the date of transfer;

20 (2) employer contributions in an amount equal to the
21 amount determined under paragraph (1); and

22 (3) any interest paid by the applicant in order to
23 reinstate service to be transferred.

24 Participation in the firefighters' pension fund with

1 respect to the service to be transferred shall terminate on
2 the date of transfer.

3 (b) Any person applying to transfer service under this
4 Section may reinstate service that was terminated by receipt
5 of a refund, by paying to the firefighters' pension fund the
6 amount of the refund with interest thereon at the actuarially
7 assumed rate of interest, compounded annually, from the date
8 of refund to the date of payment.

9 (40 ILCS 5/7-139.8) (from Ch. 108 1/2, par. 7-139.8)

10 Sec. 7-139.8. Transfer to Article 14 System.

11 (a) Any active member of the State Employees' Retirement
12 System who is a State policeman, an investigator for the
13 Secretary of State, a conservation police officer, an
14 investigator for the Office of the Attorney General, an
15 investigator for the Department of Revenue, a Commerce
16 Commission police officer, an investigator for the Office of
17 the State's Attorneys Appellate Prosecutor, or a controlled
18 substance inspector may apply for transfer of some or all of
19 his or her credits and creditable service accumulated in this
20 Fund for service as a sheriff's law enforcement employee,
21 person employed by a participating municipality to perform
22 police duties, or law enforcement officer employed on a
23 full-time basis by a forest preserve district to the State
24 Employees' Retirement System in accordance with Section
25 14-110. The creditable service shall be transferred only upon

1 payment by this Fund to the State Employees' Retirement System
2 of an amount equal to:

3 (1) the amounts accumulated to the credit of the
4 applicant for the service to be transferred, including
5 interest; and

6 (2) municipality credits based on such service,
7 including interest; and

8 (3) any interest paid by the applicant to reinstate
9 such service.

10 Participation in this Fund as to any credits transferred under
11 this Section shall terminate on the date of transfer.

12 (b) Any person applying to transfer service under this
13 Section may reinstate credits and creditable service
14 terminated upon receipt of a separation benefit, by paying to
15 the Fund the amount of the separation benefit plus interest
16 thereon at the actuarially assumed rate of interest to the
17 date of payment.

18 (Source: P.A. 95-530, eff. 8-28-07; 96-745, eff. 8-25-09.)

19 (40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

20 Sec. 14-110. Alternative retirement annuity.

21 (a) Any member who has withdrawn from service with not
22 less than 20 years of eligible creditable service and has
23 attained age 55, and any member who has withdrawn from service
24 with not less than 25 years of eligible creditable service and
25 has attained age 50, regardless of whether the attainment of

1 either of the specified ages occurs while the member is still
2 in service, shall be entitled to receive at the option of the
3 member, in lieu of the regular or minimum retirement annuity,
4 a retirement annuity computed as follows:

5 (i) for periods of service as a noncovered employee:
6 if retirement occurs on or after January 1, 2001, 3% of
7 final average compensation for each year of creditable
8 service; if retirement occurs before January 1, 2001, 2
9 1/4% of final average compensation for each of the first
10 10 years of creditable service, 2 1/2% for each year above
11 10 years to and including 20 years of creditable service,
12 and 2 3/4% for each year of creditable service above 20
13 years; and

14 (ii) for periods of eligible creditable service as a
15 covered employee: if retirement occurs on or after January
16 1, 2001, 2.5% of final average compensation for each year
17 of creditable service; if retirement occurs before January
18 1, 2001, 1.67% of final average compensation for each of
19 the first 10 years of such service, 1.90% for each of the
20 next 10 years of such service, 2.10% for each year of such
21 service in excess of 20 but not exceeding 30, and 2.30% for
22 each year in excess of 30.

23 Such annuity shall be subject to a maximum of 75% of final
24 average compensation if retirement occurs before January 1,
25 2001 or to a maximum of 80% of final average compensation if
26 retirement occurs on or after January 1, 2001.

1 These rates shall not be applicable to any service
2 performed by a member as a covered employee which is not
3 eligible creditable service. Service as a covered employee
4 which is not eligible creditable service shall be subject to
5 the rates and provisions of Section 14-108.

6 (b) For the purpose of this Section, "eligible creditable
7 service" means creditable service resulting from service in
8 one or more of the following positions:

9 (1) State policeman;

10 (2) fire fighter in the fire protection service of a
11 department;

12 (3) air pilot;

13 (4) special agent;

14 (5) investigator for the Secretary of State;

15 (6) conservation police officer;

16 (7) investigator for the Department of Revenue or the
17 Illinois Gaming Board;

18 (8) security employee of the Department of Human
19 Services;

20 (9) Central Management Services security police
21 officer;

22 (10) security employee of the Department of
23 Corrections or the Department of Juvenile Justice;

24 (11) dangerous drugs investigator;

25 (12) investigator for the Department of State Police;

26 (13) investigator for the Office of the Attorney

1 General;

2 (14) controlled substance inspector;

3 (15) investigator for the Office of the State's
4 Attorneys Appellate Prosecutor;

5 (16) Commerce Commission police officer;

6 (17) arson investigator;

7 (18) State highway maintenance worker;

8 (19) security employee of the Department of Innovation
9 and Technology; or

10 (20) transferred employee.

11 A person employed in one of the positions specified in
12 this subsection is entitled to eligible creditable service for
13 service credit earned under this Article while undergoing the
14 basic police training course approved by the Illinois Law
15 Enforcement Training Standards Board, if completion of that
16 training is required of persons serving in that position. For
17 the purposes of this Code, service during the required basic
18 police training course shall be deemed performance of the
19 duties of the specified position, even though the person is
20 not a sworn peace officer at the time of the training.

21 A person under paragraph (20) is entitled to eligible
22 creditable service for service credit earned under this
23 Article on and after his or her transfer by Executive Order No.
24 2003-10, Executive Order No. 2004-2, or Executive Order No.
25 2016-1.

26 (c) For the purposes of this Section:

1 (1) The term "State policeman" includes any title or
2 position in the Department of State Police that is held by
3 an individual employed under the State Police Act.

4 (2) The term "fire fighter in the fire protection
5 service of a department" includes all officers in such
6 fire protection service including fire chiefs and
7 assistant fire chiefs.

8 (3) The term "air pilot" includes any employee whose
9 official job description on file in the Department of
10 Central Management Services, or in the department by which
11 he is employed if that department is not covered by the
12 Personnel Code, states that his principal duty is the
13 operation of aircraft, and who possesses a pilot's
14 license; however, the change in this definition made by
15 this amendatory Act of 1983 shall not operate to exclude
16 any noncovered employee who was an "air pilot" for the
17 purposes of this Section on January 1, 1984.

18 (4) The term "special agent" means any person who by
19 reason of employment by the Division of Narcotic Control,
20 the Bureau of Investigation or, after July 1, 1977, the
21 Division of Criminal Investigation, the Division of
22 Internal Investigation, the Division of Operations, or any
23 other Division or organizational entity in the Department
24 of State Police is vested by law with duties to maintain
25 public order, investigate violations of the criminal law
26 of this State, enforce the laws of this State, make

1 arrests and recover property. The term "special agent"
2 includes any title or position in the Department of State
3 Police that is held by an individual employed under the
4 State Police Act.

5 (5) The term "investigator for the Secretary of State"
6 means any person employed by the Office of the Secretary
7 of State and vested with such investigative duties as
8 render him ineligible for coverage under the Social
9 Security Act by reason of Sections 218(d)(5)(A),
10 218(d)(8)(D) and 218(1)(1) of that Act.

11 A person who became employed as an investigator for
12 the Secretary of State between January 1, 1967 and
13 December 31, 1975, and who has served as such until
14 attainment of age 60, either continuously or with a single
15 break in service of not more than 3 years duration, which
16 break terminated before January 1, 1976, shall be entitled
17 to have his retirement annuity calculated in accordance
18 with subsection (a), notwithstanding that he has less than
19 20 years of credit for such service.

20 (6) The term "Conservation Police Officer" means any
21 person employed by the Division of Law Enforcement of the
22 Department of Natural Resources and vested with such law
23 enforcement duties as render him ineligible for coverage
24 under the Social Security Act by reason of Sections
25 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The
26 term "Conservation Police Officer" includes the positions

1 of Chief Conservation Police Administrator and Assistant
2 Conservation Police Administrator.

3 (7) The term "investigator for the Department of
4 Revenue" means any person employed by the Department of
5 Revenue and vested with such investigative duties as
6 render him ineligible for coverage under the Social
7 Security Act by reason of Sections 218(d)(5)(A),
8 218(d)(8)(D) and 218(1)(1) of that Act.

9 The term "investigator for the Illinois Gaming Board"
10 means any person employed as such by the Illinois Gaming
11 Board and vested with such peace officer duties as render
12 the person ineligible for coverage under the Social
13 Security Act by reason of Sections 218(d)(5)(A),
14 218(d)(8)(D), and 218(1)(1) of that Act.

15 (8) The term "security employee of the Department of
16 Human Services" means any person employed by the
17 Department of Human Services who (i) is employed at the
18 Chester Mental Health Center and has daily contact with
19 the residents thereof, (ii) is employed within a security
20 unit at a facility operated by the Department and has
21 daily contact with the residents of the security unit,
22 (iii) is employed at a facility operated by the Department
23 that includes a security unit and is regularly scheduled
24 to work at least 50% of his or her working hours within
25 that security unit, or (iv) is a mental health police
26 officer. "Mental health police officer" means any person

1 employed by the Department of Human Services in a position
2 pertaining to the Department's mental health and
3 developmental disabilities functions who is vested with
4 such law enforcement duties as render the person
5 ineligible for coverage under the Social Security Act by
6 reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
7 218(1)(1) of that Act. "Security unit" means that portion
8 of a facility that is devoted to the care, containment,
9 and treatment of persons committed to the Department of
10 Human Services as sexually violent persons, persons unfit
11 to stand trial, or persons not guilty by reason of
12 insanity. With respect to past employment, references to
13 the Department of Human Services include its predecessor,
14 the Department of Mental Health and Developmental
15 Disabilities.

16 The changes made to this subdivision (c)(8) by Public
17 Act 92-14 apply to persons who retire on or after January
18 1, 2001, notwithstanding Section 1-103.1.

19 (9) "Central Management Services security police
20 officer" means any person employed by the Department of
21 Central Management Services who is vested with such law
22 enforcement duties as render him ineligible for coverage
23 under the Social Security Act by reason of Sections
24 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

25 (10) For a member who first became an employee under
26 this Article before July 1, 2005, the term "security

1 employee of the Department of Corrections or the
2 Department of Juvenile Justice" means any employee of the
3 Department of Corrections or the Department of Juvenile
4 Justice or the former Department of Personnel, and any
5 member or employee of the Prisoner Review Board, who has
6 daily contact with inmates or youth by working within a
7 correctional facility or Juvenile facility operated by the
8 Department of Juvenile Justice or who is a parole officer
9 or an employee who has direct contact with committed
10 persons in the performance of his or her job duties. For a
11 member who first becomes an employee under this Article on
12 or after July 1, 2005, the term means an employee of the
13 Department of Corrections or the Department of Juvenile
14 Justice who is any of the following: (i) officially
15 headquartered at a correctional facility or Juvenile
16 facility operated by the Department of Juvenile Justice,
17 (ii) a parole officer, (iii) a member of the apprehension
18 unit, (iv) a member of the intelligence unit, (v) a member
19 of the sort team, or (vi) an investigator.

20 (11) The term "dangerous drugs investigator" means any
21 person who is employed as such by the Department of Human
22 Services.

23 (12) The term "investigator for the Department of
24 State Police" means a person employed by the Department of
25 State Police who is vested under Section 4 of the Narcotic
26 Control Division Abolition Act with such law enforcement

1 powers as render him ineligible for coverage under the
2 Social Security Act by reason of Sections 218(d)(5)(A),
3 218(d)(8)(D) and 218(1)(1) of that Act.

4 (13) "Investigator for the Office of the Attorney
5 General" means any person who is employed as such by the
6 Office of the Attorney General and is vested with such
7 investigative duties as render him ineligible for coverage
8 under the Social Security Act by reason of Sections
9 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For
10 the period before January 1, 1989, the term includes all
11 persons who were employed as investigators by the Office
12 of the Attorney General, without regard to social security
13 status.

14 (14) "Controlled substance inspector" means any person
15 who is employed as such by the Department of Professional
16 Regulation and is vested with such law enforcement duties
17 as render him ineligible for coverage under the Social
18 Security Act by reason of Sections 218(d)(5)(A),
19 218(d)(8)(D) and 218(1)(1) of that Act. The term
20 "controlled substance inspector" includes the Program
21 Executive of Enforcement and the Assistant Program
22 Executive of Enforcement.

23 (15) The term "investigator for the Office of the
24 State's Attorneys Appellate Prosecutor" means a person
25 employed in that capacity on a full time basis under the
26 authority of Section 7.06 of the State's Attorneys

1 Appellate Prosecutor's Act.

2 (16) "Commerce Commission police officer" means any
3 person employed by the Illinois Commerce Commission who is
4 vested with such law enforcement duties as render him
5 ineligible for coverage under the Social Security Act by
6 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and
7 218(1)(1) of that Act.

8 (17) "Arson investigator" means any person who is
9 employed as such by the Office of the State Fire Marshal
10 and is vested with such law enforcement duties as render
11 the person ineligible for coverage under the Social
12 Security Act by reason of Sections 218(d)(5)(A),
13 218(d)(8)(D), and 218(1)(1) of that Act. A person who was
14 employed as an arson investigator on January 1, 1995 and
15 is no longer in service but not yet receiving a retirement
16 annuity may convert his or her creditable service for
17 employment as an arson investigator into eligible
18 creditable service by paying to the System the difference
19 between the employee contributions actually paid for that
20 service and the amounts that would have been contributed
21 if the applicant were contributing at the rate applicable
22 to persons with the same social security status earning
23 eligible creditable service on the date of application.

24 (18) The term "State highway maintenance worker" means
25 a person who is either of the following:

26 (i) A person employed on a full-time basis by the

1 Illinois Department of Transportation in the position
2 of highway maintainer, highway maintenance lead
3 worker, highway maintenance lead/lead worker, heavy
4 construction equipment operator, power shovel
5 operator, or bridge mechanic; and whose principal
6 responsibility is to perform, on the roadway, the
7 actual maintenance necessary to keep the highways that
8 form a part of the State highway system in serviceable
9 condition for vehicular traffic.

10 (ii) A person employed on a full-time basis by the
11 Illinois State Toll Highway Authority in the position
12 of equipment operator/laborer H-4, equipment
13 operator/laborer H-6, welder H-4, welder H-6,
14 mechanical/electrical H-4, mechanical/electrical H-6,
15 water/sewer H-4, water/sewer H-6, sign maker/hanger
16 H-4, sign maker/hanger H-6, roadway lighting H-4,
17 roadway lighting H-6, structural H-4, structural H-6,
18 painter H-4, or painter H-6; and whose principal
19 responsibility is to perform, on the roadway, the
20 actual maintenance necessary to keep the Authority's
21 tollways in serviceable condition for vehicular
22 traffic.

23 (19) The term "security employee of the Department of
24 Innovation and Technology" means a person who was a
25 security employee of the Department of Corrections or the
26 Department of Juvenile Justice, was transferred to the

1 Department of Innovation and Technology pursuant to
2 Executive Order 2016-01, and continues to perform similar
3 job functions under that Department.

4 (20) "Transferred employee" means an employee who was
5 transferred to the Department of Central Management
6 Services by Executive Order No. 2003-10 or Executive Order
7 No. 2004-2 or transferred to the Department of Innovation
8 and Technology by Executive Order No. 2016-1, or both, and
9 was entitled to eligible creditable service for services
10 immediately preceding the transfer.

11 (d) A security employee of the Department of Corrections
12 or the Department of Juvenile Justice, a security employee of
13 the Department of Human Services who is not a mental health
14 police officer, and a security employee of the Department of
15 Innovation and Technology shall not be eligible for the
16 alternative retirement annuity provided by this Section unless
17 he or she meets the following minimum age and service
18 requirements at the time of retirement:

19 (i) 25 years of eligible creditable service and age
20 55; or

21 (ii) beginning January 1, 1987, 25 years of eligible
22 creditable service and age 54, or 24 years of eligible
23 creditable service and age 55; or

24 (iii) beginning January 1, 1988, 25 years of eligible
25 creditable service and age 53, or 23 years of eligible
26 creditable service and age 55; or

1 (iv) beginning January 1, 1989, 25 years of eligible
2 creditable service and age 52, or 22 years of eligible
3 creditable service and age 55; or

4 (v) beginning January 1, 1990, 25 years of eligible
5 creditable service and age 51, or 21 years of eligible
6 creditable service and age 55; or

7 (vi) beginning January 1, 1991, 25 years of eligible
8 creditable service and age 50, or 20 years of eligible
9 creditable service and age 55.

10 Persons who have service credit under Article 16 of this
11 Code for service as a security employee of the Department of
12 Corrections or the Department of Juvenile Justice, or the
13 Department of Human Services in a position requiring
14 certification as a teacher may count such service toward
15 establishing their eligibility under the service requirements
16 of this Section; but such service may be used only for
17 establishing such eligibility, and not for the purpose of
18 increasing or calculating any benefit.

19 (e) If a member enters military service while working in a
20 position in which eligible creditable service may be earned,
21 and returns to State service in the same or another such
22 position, and fulfills in all other respects the conditions
23 prescribed in this Article for credit for military service,
24 such military service shall be credited as eligible creditable
25 service for the purposes of the retirement annuity prescribed
26 in this Section.

1 (f) For purposes of calculating retirement annuities under
2 this Section, periods of service rendered after December 31,
3 1968 and before October 1, 1975 as a covered employee in the
4 position of special agent, conservation police officer, mental
5 health police officer, or investigator for the Secretary of
6 State, shall be deemed to have been service as a noncovered
7 employee, provided that the employee pays to the System prior
8 to retirement an amount equal to (1) the difference between
9 the employee contributions that would have been required for
10 such service as a noncovered employee, and the amount of
11 employee contributions actually paid, plus (2) if payment is
12 made after July 31, 1987, regular interest on the amount
13 specified in item (1) from the date of service to the date of
14 payment.

15 For purposes of calculating retirement annuities under
16 this Section, periods of service rendered after December 31,
17 1968 and before January 1, 1982 as a covered employee in the
18 position of investigator for the Department of Revenue shall
19 be deemed to have been service as a noncovered employee,
20 provided that the employee pays to the System prior to
21 retirement an amount equal to (1) the difference between the
22 employee contributions that would have been required for such
23 service as a noncovered employee, and the amount of employee
24 contributions actually paid, plus (2) if payment is made after
25 January 1, 1990, regular interest on the amount specified in
26 item (1) from the date of service to the date of payment.

1 (g) A State policeman may elect, not later than January 1,
2 1990, to establish eligible creditable service for up to 10
3 years of his service as a policeman under Article 3, by filing
4 a written election with the Board, accompanied by payment of
5 an amount to be determined by the Board, equal to (i) the
6 difference between the amount of employee and employer
7 contributions transferred to the System under Section 3-110.5,
8 and the amounts that would have been contributed had such
9 contributions been made at the rates applicable to State
10 policemen, plus (ii) interest thereon at the effective rate
11 for each year, compounded annually, from the date of service
12 to the date of payment.

13 Subject to the limitation in subsection (i), a State
14 policeman may elect, not later than July 1, 1993, to establish
15 eligible creditable service for up to 10 years of his service
16 as a member of the County Police Department under Article 9, by
17 filing a written election with the Board, accompanied by
18 payment of an amount to be determined by the Board, equal to
19 (i) the difference between the amount of employee and employer
20 contributions transferred to the System under Section 9-121.10
21 and the amounts that would have been contributed had those
22 contributions been made at the rates applicable to State
23 policemen, plus (ii) interest thereon at the effective rate
24 for each year, compounded annually, from the date of service
25 to the date of payment.

26 (h) Subject to the limitation in subsection (i), a State

1 policeman or investigator for the Secretary of State may elect
2 to establish eligible creditable service for up to 12 years of
3 his service as a policeman under Article 5, by filing a written
4 election with the Board on or before January 31, 1992, and
5 paying to the System by January 31, 1994 an amount to be
6 determined by the Board, equal to (i) the difference between
7 the amount of employee and employer contributions transferred
8 to the System under Section 5-236, and the amounts that would
9 have been contributed had such contributions been made at the
10 rates applicable to State policemen, plus (ii) interest
11 thereon at the effective rate for each year, compounded
12 annually, from the date of service to the date of payment.

13 Subject to the limitation in subsection (i), a State
14 policeman, conservation police officer, or investigator for
15 the Secretary of State may elect to establish eligible
16 creditable service for up to 10 years of service as a sheriff's
17 law enforcement employee under Article 7, by filing a written
18 election with the Board on or before January 31, 1993, and
19 paying to the System by January 31, 1994 an amount to be
20 determined by the Board, equal to (i) the difference between
21 the amount of employee and employer contributions transferred
22 to the System under Section 7-139.7, and the amounts that
23 would have been contributed had such contributions been made
24 at the rates applicable to State policemen, plus (ii) interest
25 thereon at the effective rate for each year, compounded
26 annually, from the date of service to the date of payment.

1 Subject to the limitation in subsection (i), a State
2 policeman, conservation police officer, or investigator for
3 the Secretary of State may elect to establish eligible
4 creditable service for up to 5 years of service as a police
5 officer under Article 3, a policeman under Article 5, a
6 sheriff's law enforcement employee under Article 7, a member
7 of the county police department under Article 9, or a police
8 officer under Article 15 by filing a written election with the
9 Board and paying to the System an amount to be determined by
10 the Board, equal to (i) the difference between the amount of
11 employee and employer contributions transferred to the System
12 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4
13 and the amounts that would have been contributed had such
14 contributions been made at the rates applicable to State
15 policemen, plus (ii) interest thereon at the effective rate
16 for each year, compounded annually, from the date of service
17 to the date of payment.

18 Subject to the limitation in subsection (i), an
19 investigator for the Office of the Attorney General, or an
20 investigator for the Department of Revenue, may elect to
21 establish eligible creditable service for up to 5 years of
22 service as a police officer under Article 3, a policeman under
23 Article 5, a sheriff's law enforcement employee under Article
24 7, or a member of the county police department under Article 9
25 by filing a written election with the Board within 6 months
26 after August 25, 2009 (the effective date of Public Act

1 96-745) and paying to the System an amount to be determined by
2 the Board, equal to (i) the difference between the amount of
3 employee and employer contributions transferred to the System
4 under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the
5 amounts that would have been contributed had such
6 contributions been made at the rates applicable to State
7 policemen, plus (ii) interest thereon at the actuarially
8 assumed rate for each year, compounded annually, from the date
9 of service to the date of payment.

10 Subject to the limitation in subsection (i), a State
11 policeman, conservation police officer, investigator for the
12 Office of the Attorney General, an investigator for the
13 Department of Revenue, or investigator for the Secretary of
14 State may elect to establish eligible creditable service for
15 up to 5 years of service as a person employed by a
16 participating municipality to perform police duties, or law
17 enforcement officer employed on a full-time basis by a forest
18 preserve district under Article 7, a county corrections
19 officer, or a court services officer under Article 9, by
20 filing a written election with the Board within 6 months after
21 August 25, 2009 (the effective date of Public Act 96-745) and
22 paying to the System an amount to be determined by the Board,
23 equal to (i) the difference between the amount of employee and
24 employer contributions transferred to the System under
25 Sections 7-139.8 and 9-121.10 and the amounts that would have
26 been contributed had such contributions been made at the rates

1 applicable to State policemen, plus (ii) interest thereon at
2 the actuarially assumed rate for each year, compounded
3 annually, from the date of service to the date of payment.

4 Subject to the limitation in subsection (i), a State
5 policeman, arson investigator, or Commerce Commission police
6 officer may elect to establish eligible creditable service for
7 up to 5 years of service as a person employed by a
8 participating municipality to perform police duties under
9 Article 7, a county corrections officer, a court services
10 officer under Article 9, or a firefighter under Article 4 by
11 filing a written election with the Board within 6 months after
12 the effective date of this amendatory Act of the 102nd General
13 Assembly and paying to the System an amount to be determined by
14 the Board equal to (i) the difference between the amount of
15 employee and employer contributions transferred to the System
16 under Sections 4-108.8, 7-139.8, and 9-121.10 and the amounts
17 that would have been contributed had such contributions been
18 made at the rates applicable to State policemen, plus (ii)
19 interest thereon at the actuarially assumed rate for each
20 year, compounded annually, from the date of service to the
21 date of payment.

22 Subject to the limitation in subsection (i), a
23 conservation police officer may elect to establish eligible
24 creditable service for up to 5 years of service as a person
25 employed by a participating municipality to perform police
26 duties under Article 7, a county corrections officer, or a

1 court services officer under Article 9 by filing a written
2 election with the Board within 6 months after the effective
3 date of this amendatory Act of the 102nd General Assembly and
4 paying to the System an amount to be determined by the Board
5 equal to (i) the difference between the amount of employee and
6 employer contributions transferred to the System under
7 Sections 7-139.8 and 9-121.10 and the amounts that would have
8 been contributed had such contributions been made at the rates
9 applicable to State policemen, plus (ii) interest thereon at
10 the actuarially assumed rate for each year, compounded
11 annually, from the date of service to the date of payment.

12 Notwithstanding the limitation in subsection (i), a State
13 policeman or conservation police officer may elect to convert
14 service credit earned under this Article to eligible
15 creditable service, as defined by this Section, by filing a
16 written election with the board within 6 months after the
17 effective date of this amendatory Act of the 102nd General
18 Assembly and paying to the System an amount to be determined by
19 the Board equal to (i) the difference between the amount of
20 employee contributions originally paid for that service and
21 the amounts that would have been contributed had such
22 contributions been made at the rates applicable to State
23 policemen, plus (ii) the difference between the employer's
24 normal cost of the credit prior to the conversion authorized
25 by this amendatory Act of the 102nd General Assembly and the
26 employer's normal cost of the credit converted in accordance

1 with this amendatory Act of the 102nd General Assembly, plus
2 (iii) interest thereon at the actuarially assumed rate for
3 each year, compounded annually, from the date of service to
4 the date of payment.

5 (i) The total amount of eligible creditable service
6 established by any person under subsections (g), (h), (j),
7 (k), (l), (l-5), and (o) of this Section shall not exceed 12
8 years.

9 (j) Subject to the limitation in subsection (i), an
10 investigator for the Office of the State's Attorneys Appellate
11 Prosecutor or a controlled substance inspector may elect to
12 establish eligible creditable service for up to 10 years of
13 his service as a policeman under Article 3 or a sheriff's law
14 enforcement employee under Article 7, by filing a written
15 election with the Board, accompanied by payment of an amount
16 to be determined by the Board, equal to (1) the difference
17 between the amount of employee and employer contributions
18 transferred to the System under Section 3-110.6 or 7-139.8,
19 and the amounts that would have been contributed had such
20 contributions been made at the rates applicable to State
21 policemen, plus (2) interest thereon at the effective rate for
22 each year, compounded annually, from the date of service to
23 the date of payment.

24 (k) Subject to the limitation in subsection (i) of this
25 Section, an alternative formula employee may elect to
26 establish eligible creditable service for periods spent as a

1 full-time law enforcement officer or full-time corrections
2 officer employed by the federal government or by a state or
3 local government located outside of Illinois, for which credit
4 is not held in any other public employee pension fund or
5 retirement system. To obtain this credit, the applicant must
6 file a written application with the Board by March 31, 1998,
7 accompanied by evidence of eligibility acceptable to the Board
8 and payment of an amount to be determined by the Board, equal
9 to (1) employee contributions for the credit being
10 established, based upon the applicant's salary on the first
11 day as an alternative formula employee after the employment
12 for which credit is being established and the rates then
13 applicable to alternative formula employees, plus (2) an
14 amount determined by the Board to be the employer's normal
15 cost of the benefits accrued for the credit being established,
16 plus (3) regular interest on the amounts in items (1) and (2)
17 from the first day as an alternative formula employee after
18 the employment for which credit is being established to the
19 date of payment.

20 (1) Subject to the limitation in subsection (i), a
21 security employee of the Department of Corrections may elect,
22 not later than July 1, 1998, to establish eligible creditable
23 service for up to 10 years of his or her service as a policeman
24 under Article 3, by filing a written election with the Board,
25 accompanied by payment of an amount to be determined by the
26 Board, equal to (i) the difference between the amount of

1 employee and employer contributions transferred to the System
2 under Section 3-110.5, and the amounts that would have been
3 contributed had such contributions been made at the rates
4 applicable to security employees of the Department of
5 Corrections, plus (ii) interest thereon at the effective rate
6 for each year, compounded annually, from the date of service
7 to the date of payment.

8 (1-5) Subject to the limitation in subsection (i) of this
9 Section, a State policeman may elect to establish eligible
10 creditable service for up to 5 years of service as a full-time
11 law enforcement officer employed by the federal government or
12 by a state or local government located outside of Illinois for
13 which credit is not held in any other public employee pension
14 fund or retirement system. To obtain this credit, the
15 applicant must file a written application with the Board no
16 later than 3 years after the effective date of this amendatory
17 Act of the 101st General Assembly, accompanied by evidence of
18 eligibility acceptable to the Board and payment of an amount
19 to be determined by the Board, equal to (1) employee
20 contributions for the credit being established, based upon the
21 applicant's salary on the first day as an alternative formula
22 employee after the employment for which credit is being
23 established and the rates then applicable to alternative
24 formula employees, plus (2) an amount determined by the Board
25 to be the employer's normal cost of the benefits accrued for
26 the credit being established, plus (3) regular interest on the

1 amounts in items (1) and (2) from the first day as an
2 alternative formula employee after the employment for which
3 credit is being established to the date of payment.

4 (m) The amendatory changes to this Section made by this
5 amendatory Act of the 94th General Assembly apply only to: (1)
6 security employees of the Department of Juvenile Justice
7 employed by the Department of Corrections before the effective
8 date of this amendatory Act of the 94th General Assembly and
9 transferred to the Department of Juvenile Justice by this
10 amendatory Act of the 94th General Assembly; and (2) persons
11 employed by the Department of Juvenile Justice on or after the
12 effective date of this amendatory Act of the 94th General
13 Assembly who are required by subsection (b) of Section
14 3-2.5-15 of the Unified Code of Corrections to have any
15 bachelor's or advanced degree from an accredited college or
16 university or, in the case of persons who provide vocational
17 training, who are required to have adequate knowledge in the
18 skill for which they are providing the vocational training.

19 (n) A person employed in a position under subsection (b)
20 of this Section who has purchased service credit under
21 subsection (j) of Section 14-104 or subsection (b) of Section
22 14-105 in any other capacity under this Article may convert up
23 to 5 years of that service credit into service credit covered
24 under this Section by paying to the Fund an amount equal to (1)
25 the additional employee contribution required under Section
26 14-133, plus (2) the additional employer contribution required

1 under Section 14-131, plus (3) interest on items (1) and (2) at
2 the actuarially assumed rate from the date of the service to
3 the date of payment.

4 (o) Subject to the limitation in subsection (i), a
5 conservation police officer, investigator for the Secretary of
6 State, Commerce Commission police officer, investigator for
7 the Department of Revenue or the Illinois Gaming Board, or
8 arson investigator subject to subsection (g) of Section 1-160
9 may elect to convert up to 8 years of service credit
10 established before the effective date of this amendatory Act
11 of the 101st General Assembly as a conservation police
12 officer, investigator for the Secretary of State, Commerce
13 Commission police officer, investigator for the Department of
14 Revenue or the Illinois Gaming Board, or arson investigator
15 under this Article into eligible creditable service by filing
16 a written election with the Board no later than one year after
17 the effective date of this amendatory Act of the 101st General
18 Assembly, accompanied by payment of an amount to be determined
19 by the Board equal to (i) the difference between the amount of
20 the employee contributions actually paid for that service and
21 the amount of the employee contributions that would have been
22 paid had the employee contributions been made as a noncovered
23 employee serving in a position in which eligible creditable
24 service, as defined in this Section, may be earned, plus (ii)
25 interest thereon at the effective rate for each year,
26 compounded annually, from the date of service to the date of

1 payment.

2 (Source: P.A. 100-19, eff. 1-1-18; 100-611, eff. 7-20-18;
3 101-610, eff. 1-1-20.)

4 (40 ILCS 5/14-152.1)

5 Sec. 14-152.1. Application and expiration of new benefit
6 increases.

7 (a) As used in this Section, "new benefit increase" means
8 an increase in the amount of any benefit provided under this
9 Article, or an expansion of the conditions of eligibility for
10 any benefit under this Article, that results from an amendment
11 to this Code that takes effect after June 1, 2005 (the
12 effective date of Public Act 94-4). "New benefit increase",
13 however, does not include any benefit increase resulting from
14 the changes made to Article 1 or this Article by Public Act
15 96-37, Public Act 100-23, Public Act 100-587, Public Act
16 100-611, Public Act 101-10, Public Act 101-610, or this
17 amendatory Act of the 102nd General Assembly ~~or this~~
18 ~~amendatory Act of the 101st General Assembly.~~

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

24 (c) The Public Act enacting a new benefit increase must
25 identify and provide for payment to the System of additional

1 funding at least sufficient to fund the resulting annual
2 increase in cost to the System as it accrues.

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

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

25 (e) Except as otherwise provided in the language creating
26 the new benefit increase, a new benefit increase that expires

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

9 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
10 100-611, eff. 7-20-18; 101-10, eff. 6-5-19; 101-81, eff.
11 7-12-19; 101-610, eff. 1-1-20.)

12 Article 65.

13 Section 65-5. The Illinois Pension Code is amended by
14 changing Section 17-147 as follows:

15 (40 ILCS 5/17-147) (from Ch. 108 1/2, par. 17-147)

16 Sec. 17-147. Custody of Fund; bonds; legal ~~Fund—Bonds—~~
17 ~~Legal~~ proceedings. The city treasurer, ex officio ~~ex officio~~,
18 shall be the custodian of the Fund, and shall secure and safely
19 keep it, subject to the control and direction of the Board. The
20 city treasurer ~~He~~ shall keep the ~~his~~ books and accounts
21 concerning the Fund in the manner prescribed by the Board. The
22 books and accounts shall always be subject to the inspection
23 of the Board or any member thereof. The city treasurer shall be

1 liable on the city treasurer's ~~his~~ official bond for the
2 proper performance of ~~his~~ duties and the conservation of the
3 Fund.

4 Payments from the Fund shall be made upon checks or
5 through direct deposit transmittals authorized ~~warrants signed~~
6 ~~by the president and the secretary of the Board of Education,~~
7 ~~the president of the Board, and countersigned~~ by the executive
8 director or by such person as the Board may designate from time
9 to time by appropriate resolution.

10 Neither the treasurer nor any other officer having the
11 custody of the Fund is entitled to retain any interest
12 accruing thereon, but such interest shall accrue and inure to
13 the benefit of such Fund, become a part thereof, subject to the
14 purposes of this Article.

15 Any legal proceedings necessary for the enforcement of the
16 provisions of this Article shall be brought by and in the name
17 of the Board of the Fund.

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

19 Article 70.

20 Section 70-5. The Illinois Pension Code is amended by
21 changing Section 16-106 as follows:

22 (40 ILCS 5/16-106) (from Ch. 108 1/2, par. 16-106)

23 Sec. 16-106. Teacher. "Teacher": The following

1 individuals, provided that, for employment prior to July 1,
2 1990, they are employed on a full-time basis, or if not
3 full-time, on a permanent and continuous basis in a position
4 in which services are expected to be rendered for at least one
5 school term:

6 (1) Any educational, administrative, professional or
7 other staff employed in the public common schools included
8 within this system in a position requiring certification
9 under the law governing the certification of teachers;

10 (2) Any educational, administrative, professional or
11 other staff employed in any facility of the Department of
12 Children and Family Services or the Department of Human
13 Services, in a position requiring certification under the
14 law governing the certification of teachers, and any
15 person who (i) works in such a position for the Department
16 of Corrections, (ii) was a member of this System on May 31,
17 1987, and (iii) did not elect to become a member of the
18 State Employees' Retirement System pursuant to Section
19 14-108.2 of this Code; except that "teacher" does not
20 include any person who (A) becomes a security employee of
21 the Department of Human Services, as defined in Section
22 14-110, after June 28, 2001 (the effective date of Public
23 Act 92-14), or (B) becomes a member of the State
24 Employees' Retirement System pursuant to Section 14-108.2c
25 of this Code;

26 (3) Any regional superintendent of schools, assistant

1 regional superintendent of schools, State Superintendent
2 of Education; any person employed by the State Board of
3 Education as an executive; any executive of the boards
4 engaged in the service of public common school education
5 in school districts covered under this system of which the
6 State Superintendent of Education is an ex-officio member;

7 (4) Any employee of a school board association
8 operating in compliance with Article 23 of the School Code
9 who is certificated under the law governing the
10 certification of teachers, provided that he or she becomes
11 such an employee before the effective date of this
12 amendatory Act of the 99th General Assembly;

13 (5) Any person employed by the retirement system who:

14 (i) was an employee of and a participant in the
15 system on August 17, 2001 (the effective date of
16 Public Act 92-416), or

17 (ii) becomes an employee of the system on or after
18 August 17, 2001;

19 (6) Any educational, administrative, professional or
20 other staff employed by and under the supervision and
21 control of a regional superintendent of schools or the
22 chief administrative officer of the education service
23 centers established under Section 2-3.62 of the School
24 Code and serving that portion of a Class II county outside
25 a city of 500,000 or more inhabitants, provided such
26 employment position requires the person to be certificated

1 under the law governing the certification of teachers and
2 is in an educational program serving 2 or more districts
3 in accordance with a joint agreement authorized by the
4 School Code or by federal legislation;

5 (7) Any educational, administrative, professional or
6 other staff employed in an educational program serving 2
7 or more school districts in accordance with a joint
8 agreement authorized by the School Code or by federal
9 legislation and in a position requiring certification
10 under the laws governing the certification of teachers;

11 (8) Any officer or employee of a statewide teacher
12 organization or officer of a national teacher organization
13 who is certified under the law governing certification of
14 teachers, provided: (i) the individual had previously
15 established creditable service under this Article, (ii)
16 the individual files with the system an irrevocable
17 election to become a member before the effective date of
18 this amendatory Act of the 97th General Assembly, (iii)
19 the individual does not receive credit for such service
20 under any other Article of this Code, and (iv) the
21 individual first became an officer or employee of the
22 teacher organization and becomes a member before the
23 effective date of this amendatory Act of the 97th General
24 Assembly;

25 (9) Any educational, administrative, professional, or
26 other staff employed in a charter school operating in

1 compliance with the Charter Schools Law who is
2 certificated under the law governing the certification of
3 teachers;

4 (10) Any person employed, on the effective date of
5 this amendatory Act of the 94th General Assembly, by the
6 Macon-Piatt Regional Office of Education in a
7 birth-through-age-three pilot program receiving funds
8 under Section 2-389 of the School Code who is required by
9 the Macon-Piatt Regional Office of Education to hold a
10 teaching certificate, provided that the Macon-Piatt
11 Regional Office of Education makes an election, within 6
12 months after the effective date of this amendatory Act of
13 the 94th General Assembly, to have the person participate
14 in the system. Any service established prior to the
15 effective date of this amendatory Act of the 94th General
16 Assembly for service as an employee of the Macon-Piatt
17 Regional Office of Education in a birth-through-age-three
18 pilot program receiving funds under Section 2-389 of the
19 School Code shall be considered service as a teacher if
20 employee and employer contributions have been received by
21 the system and the system has not refunded those
22 contributions.

23 An annuitant receiving a retirement annuity under this
24 Article who is employed by a board of education or other
25 employer as permitted under Section 16-118 or 16-150.1 is not
26 a "teacher" for purposes of this Article. A person who has

1 received a single-sum retirement benefit under Section
2 16-136.4 of this Article is not a "teacher" for purposes of
3 this Article. For purposes of this Article, "teacher" does not
4 include a person employed by an entity that provides
5 substitute teaching services under Section 2-3.173 of the
6 School Code and is not a school district.

7 (Source: P.A. 100-813, eff. 8-13-18; 101-502, eff. 8-23-19.)

8 Article 75.

9 Section 75-5. The State Employees Group Insurance Act of
10 1971 is amended by changing Section 6.5 as follows:

11 (5 ILCS 375/6.5)

12 Sec. 6.5. Health benefits for TRS benefit recipients and
13 TRS dependent beneficiaries.

14 (a) Purpose. It is the purpose of this amendatory Act of
15 1995 to transfer the administration of the program of health
16 benefits established for benefit recipients and their
17 dependent beneficiaries under Article 16 of the Illinois
18 Pension Code to the Department of Central Management Services.

19 (b) Transition provisions. The Board of Trustees of the
20 Teachers' Retirement System shall continue to administer the
21 health benefit program established under Article 16 of the
22 Illinois Pension Code through December 31, 1995. Beginning
23 January 1, 1996, the Department of Central Management Services

1 shall be responsible for administering a program of health
2 benefits for TRS benefit recipients and TRS dependent
3 beneficiaries under this Section. The Department of Central
4 Management Services and the Teachers' Retirement System shall
5 cooperate in this endeavor and shall coordinate their
6 activities so as to ensure a smooth transition and
7 uninterrupted health benefit coverage.

8 (c) Eligibility. All persons who were enrolled in the
9 Article 16 program at the time of the transfer shall be
10 eligible to participate in the program established under this
11 Section without any interruption or delay in coverage or
12 limitation as to pre-existing medical conditions. Eligibility
13 to participate shall be determined by the Teachers' Retirement
14 System. Eligibility information shall be communicated to the
15 Department of Central Management Services in a format
16 acceptable to the Department.

17 Eligible TRS benefit recipients may enroll or re-enroll in
18 the program of health benefits established under this Section
19 during any applicable annual open enrollment period and as
20 otherwise permitted by the Department of Central Management
21 Services. A TRS benefit recipient shall not be deemed
22 ineligible to participate solely by reason of the TRS benefit
23 recipient having made a previous election to disenroll or
24 otherwise not participate in the program of health benefits.

25 A TRS dependent beneficiary who is a child age 19 or over
26 and mentally or physically disabled does not become ineligible

1 to participate by reason of (i) becoming ineligible to be
2 claimed as a dependent for Illinois or federal income tax
3 purposes or (ii) receiving earned income, so long as those
4 earnings are insufficient for the child to be fully
5 self-sufficient.

6 (d) Coverage. The level of health benefits provided under
7 this Section shall be similar to the level of benefits
8 provided by the program previously established under Article
9 16 of the Illinois Pension Code.

10 Group life insurance benefits are not included in the
11 benefits to be provided to TRS benefit recipients and TRS
12 dependent beneficiaries under this Act.

13 The program of health benefits under this Section may
14 include any or all of the benefit limitations, including but
15 not limited to a reduction in benefits based on eligibility
16 for federal Medicare benefits, that are provided under
17 subsection (a) of Section 6 of this Act for other health
18 benefit programs under this Act.

19 (e) Insurance rates and premiums. The Director shall
20 determine the insurance rates and premiums for TRS benefit
21 recipients and TRS dependent beneficiaries, and shall present
22 to the Teachers' Retirement System of the State of Illinois,
23 by April 15 of each calendar year, the rate-setting
24 methodology (including but not limited to utilization levels
25 and costs) used to determine the amount of the health care
26 premiums.

1 For Fiscal Year 1996, the premium shall be equal to
2 the premium actually charged in Fiscal Year 1995; in
3 subsequent years, the premium shall never be lower than
4 the premium charged in Fiscal Year 1995.

5 For Fiscal Year 2003, the premium shall not exceed
6 110% of the premium actually charged in Fiscal Year 2002.

7 For Fiscal Year 2004, the premium shall not exceed
8 112% of the premium actually charged in Fiscal Year 2003.

9 For Fiscal Year 2005, the premium shall not exceed a
10 weighted average of 106.6% of the premium actually charged
11 in Fiscal Year 2004.

12 For Fiscal Year 2006, the premium shall not exceed a
13 weighted average of 109.1% of the premium actually charged
14 in Fiscal Year 2005.

15 For Fiscal Year 2007, the premium shall not exceed a
16 weighted average of 103.9% of the premium actually charged
17 in Fiscal Year 2006.

18 For Fiscal Year 2008 and thereafter, the premium in
19 each fiscal year shall not exceed 105% of the premium
20 actually charged in the previous fiscal year.

21 Rates and premiums may be based in part on age and
22 eligibility for federal medicare coverage. However, the cost
23 of participation for a TRS dependent beneficiary who is an
24 unmarried child age 19 or over and mentally or physically
25 disabled shall not exceed the cost for a TRS dependent
26 beneficiary who is an unmarried child under age 19 and

1 participates in the same major medical or managed care
2 program.

3 The cost of health benefits under the program shall be
4 paid as follows:

5 (1) For a TRS benefit recipient selecting a managed
6 care program, up to 75% of the total insurance rate shall
7 be paid from the Teacher Health Insurance Security Fund.
8 Effective with Fiscal Year 2007 and thereafter, for a TRS
9 benefit recipient selecting a managed care program, 75% of
10 the total insurance rate shall be paid from the Teacher
11 Health Insurance Security Fund.

12 (2) For a TRS benefit recipient selecting the major
13 medical coverage program, up to 50% of the total insurance
14 rate shall be paid from the Teacher Health Insurance
15 Security Fund if a managed care program is accessible, as
16 determined by the Teachers' Retirement System. Effective
17 with Fiscal Year 2007 and thereafter, for a TRS benefit
18 recipient selecting the major medical coverage program,
19 50% of the total insurance rate shall be paid from the
20 Teacher Health Insurance Security Fund if a managed care
21 program is accessible, as determined by the Department of
22 Central Management Services.

23 (3) For a TRS benefit recipient selecting the major
24 medical coverage program, up to 75% of the total insurance
25 rate shall be paid from the Teacher Health Insurance
26 Security Fund if a managed care program is not accessible,

1 as determined by the Teachers' Retirement System.
2 Effective with Fiscal Year 2007 and thereafter, for a TRS
3 benefit recipient selecting the major medical coverage
4 program, 75% of the total insurance rate shall be paid
5 from the Teacher Health Insurance Security Fund if a
6 managed care program is not accessible, as determined by
7 the Department of Central Management Services.

8 (3.1) For a TRS dependent beneficiary who is Medicare
9 primary and enrolled in a managed care plan, or the major
10 medical coverage program if a managed care plan is not
11 available, 25% of the total insurance rate shall be paid
12 from the Teacher Health Security Fund as determined by the
13 Department of Central Management Services. For the purpose
14 of this item (3.1), the term "TRS dependent beneficiary
15 who is Medicare primary" means a TRS dependent beneficiary
16 who is participating in Medicare Parts A and B.

17 (4) Except as otherwise provided in item (3.1), the
18 balance of the rate of insurance, including the entire
19 premium of any coverage for TRS dependent beneficiaries
20 that has been elected, shall be paid by deductions
21 authorized by the TRS benefit recipient to be withheld
22 from his or her monthly annuity or benefit payment from
23 the Teachers' Retirement System; except that (i) if the
24 balance of the cost of coverage exceeds the amount of the
25 monthly annuity or benefit payment, the difference shall
26 be paid directly to the Teachers' Retirement System by the

1 TRS benefit recipient, and (ii) all or part of the balance
2 of the cost of coverage may, at the school board's option,
3 be paid to the Teachers' Retirement System by the school
4 board of the school district from which the TRS benefit
5 recipient retired, in accordance with Section 10-22.3b of
6 the School Code. The Teachers' Retirement System shall
7 promptly deposit all moneys withheld by or paid to it
8 under this subdivision (e)(4) into the Teacher Health
9 Insurance Security Fund. These moneys shall not be
10 considered assets of the Retirement System.

11 (5) If, for any month beginning on or after January 1,
12 2013, a TRS benefit recipient or TRS dependent beneficiary
13 was enrolled in Medicare Parts A and B and such Medicare
14 coverage was primary to coverage under this Section but
15 payment for coverage under this Section was made at a rate
16 greater than the Medicare primary rate published by the
17 Department of Central Management Services, the TRS benefit
18 recipient or TRS dependent beneficiary shall be eligible
19 for a refund equal to the difference between the amount
20 paid by the TRS benefit recipient or TRS dependent
21 beneficiary and the published Medicare primary rate. To
22 receive a refund pursuant to this subsection, the TRS
23 benefit recipient or TRS dependent beneficiary must
24 provide documentation to the Department of Central
25 Management Services evidencing the TRS benefit recipient's
26 or TRS dependent beneficiary's Medicare coverage and the

1 amount paid by the TRS benefit recipient or TRS dependent
2 beneficiary during the applicable time period. ~~If in any~~
3 ~~case an error is made in billing a TRS benefit recipient~~
4 ~~under this Section, the Department shall identify the~~
5 ~~error and refund the overpaid amount as soon as~~
6 ~~practicable. A TRS benefit recipient who has overpaid~~
7 ~~under this Section shall be entitled to a refund of~~
8 ~~overpayments for up to 7 years of past payments.~~

9 (f) Financing. Beginning July 1, 1995, all revenues
10 arising from the administration of the health benefit programs
11 established under Article 16 of the Illinois Pension Code or
12 this Section shall be deposited into the Teacher Health
13 Insurance Security Fund, which is hereby created as a
14 nonappropriated trust fund to be held outside the State
15 Treasury, with the State Treasurer as custodian. Any interest
16 earned on moneys in the Teacher Health Insurance Security Fund
17 shall be deposited into the Fund.

18 Moneys in the Teacher Health Insurance Security Fund shall
19 be used only to pay the costs of the health benefit program
20 established under this Section, including associated
21 administrative costs, and the costs associated with the health
22 benefit program established under Article 16 of the Illinois
23 Pension Code, as authorized in this Section. Beginning July 1,
24 1995, the Department of Central Management Services may make
25 expenditures from the Teacher Health Insurance Security Fund
26 for those costs.

1 After other funds authorized for the payment of the costs
2 of the health benefit program established under Article 16 of
3 the Illinois Pension Code are exhausted and until January 1,
4 1996 (or such later date as may be agreed upon by the Director
5 of Central Management Services and the Secretary of the
6 Teachers' Retirement System), the Secretary of the Teachers'
7 Retirement System may make expenditures from the Teacher
8 Health Insurance Security Fund as necessary to pay up to 75% of
9 the cost of providing health coverage to eligible benefit
10 recipients (as defined in Sections 16-153.1 and 16-153.3 of
11 the Illinois Pension Code) who are enrolled in the Article 16
12 health benefit program and to facilitate the transfer of
13 administration of the health benefit program to the Department
14 of Central Management Services.

15 The Department of Central Management Services, or any
16 successor agency designated to procure healthcare contracts
17 pursuant to this Act, is authorized to establish funds,
18 separate accounts provided by any bank or banks as defined by
19 the Illinois Banking Act, or separate accounts provided by any
20 savings and loan association or associations as defined by the
21 Illinois Savings and Loan Act of 1985 to be held by the
22 Director, outside the State treasury, for the purpose of
23 receiving the transfer of moneys from the Teacher Health
24 Insurance Security Fund. The Department may promulgate rules
25 further defining the methodology for the transfers. Any
26 interest earned by moneys in the funds or accounts shall inure

1 to the Teacher Health Insurance Security Fund. The transferred
2 moneys, and interest accrued thereon, shall be used
3 exclusively for transfers to administrative service
4 organizations or their financial institutions for payments of
5 claims to claimants and providers under the self-insurance
6 health plan. The transferred moneys, and interest accrued
7 thereon, shall not be used for any other purpose including,
8 but not limited to, reimbursement of administration fees due
9 the administrative service organization pursuant to its
10 contract or contracts with the Department.

11 (g) Contract for benefits. The Director shall by contract,
12 self-insurance, or otherwise make available the program of
13 health benefits for TRS benefit recipients and their TRS
14 dependent beneficiaries that is provided for in this Section.
15 The contract or other arrangement for the provision of these
16 health benefits shall be on terms deemed by the Director to be
17 in the best interest of the State of Illinois and the TRS
18 benefit recipients based on, but not limited to, such criteria
19 as administrative cost, service capabilities of the carrier or
20 other contractor, and the costs of the benefits.

21 (g-5) Committee. A Teacher Retirement Insurance Program
22 Committee shall be established, to consist of 10 persons
23 appointed by the Governor.

24 The Committee shall convene at least 4 times each year,
25 and shall consider and make recommendations on issues
26 affecting the program of health benefits provided under this

1 Section. Recommendations of the Committee shall be based on a
2 consensus of the members of the Committee.

3 If the Teacher Health Insurance Security Fund experiences
4 a deficit balance based upon the contribution and subsidy
5 rates established in this Section and Section 6.6 for Fiscal
6 Year 2008 or thereafter, the Committee shall make
7 recommendations for adjustments to the funding sources
8 established under these Sections.

9 In addition, the Committee shall identify proposed
10 solutions to the funding shortfalls that are affecting the
11 Teacher Health Insurance Security Fund, and it shall report
12 those solutions to the Governor and the General Assembly
13 within 6 months after August 15, 2011 (the effective date of
14 Public Act 97-386).

15 (h) Continuation of program. It is the intention of the
16 General Assembly that the program of health benefits provided
17 under this Section be maintained on an ongoing, affordable
18 basis.

19 The program of health benefits provided under this Section
20 may be amended by the State and is not intended to be a pension
21 or retirement benefit subject to protection under Article
22 XIII, Section 5 of the Illinois Constitution.

23 (i) Repeal. (Blank).

24 (Source: P.A. 100-1017, eff. 8-21-18; 101-483, eff. 1-1-20.)

1 Section 99-90. The State Mandates Act is amended by adding
2 Section 8.45 as follows:

3 (30 ILCS 805/8.45 new)

4 Sec. 8.45. Exempt mandate. Notwithstanding Sections 6 and
5 8 of this Act, no reimbursement by the State is required for
6 the implementation of any mandate created by this amendatory
7 Act of the 102nd General Assembly.

8 Section 99-99. Effective date. This Article and Articles
9 5, 15, 35, 50, 55, and 75 take effect upon becoming law."