



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB3979

Introduced 1/21/2022, by Sen. Elgie R. Sims, Jr.

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Income Tax Act. Provides that each qualified teacher is entitled to an income tax credit in an aggregate amount equal to 100% of the minimum federal student loan payments required and made by a qualified teacher in each taxable year. Defines "qualified teacher" as an individual who (i) is employed as a public school teacher on or after December 31, 2022, (ii) is a full-time public school teacher during the taxable year in which he or she claims the credit, and (iii) provides specified documentation. Amends the General Provisions, Illinois Municipal Retirement Fund (IMRF), State Universities, and Downstate Teacher Articles of the Illinois Pension Code. With regard to Tier 2 members under the Downstate Teacher or State Universities Article and Tier 2 regular employees who are employees of an educational employer: makes changes to the age and service credit requirements for receiving an annuity; increases the amount of the automatic annual increases to retirement annuities; makes changes to the formula for calculating final average salary; and increases the limitation on the amount of salary that is used to calculate benefits. Provides that a person may receive optional credit for certain periods of service as a student teacher. Amends the School Code. Provides that each school district shall, from funds appropriated by the General Assembly, provide a salary to a student teacher employed by the district for certain school years. Makes other changes. Amends the Illinois Educational Labor Relations Act. Adds student teachers to a provision that excludes certain individuals from the definition of "student". Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB102 25048 RPS 34307 b

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning education.

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

4 Section 5. The Illinois Income Tax Act is amended by
5 adding Section 232 as follows:

6 (35 ILCS 5/232 new)

7 Sec. 232. Credit for qualified teachers.

8 (a) For taxable years ending on or after December 31,
9 2022, each qualified teacher is entitled to a credit against
10 the taxes imposed by subsections (a) and (b) of Section 201 in
11 an aggregate amount equal to 100% of the minimum federal
12 student loan payments required and made by a qualified teacher
13 in each taxable year. Notwithstanding the provisions of this
14 subsection (a), the credit used by a qualified teacher in any
15 taxable year shall not exceed \$10,000.

16 (b) The credit under this Section shall be available to a
17 qualified teacher for no more than 10 taxable years.

18 (c) As used in this Section, "qualified teacher" means an
19 individual who (i) is employed as a public school teacher on or
20 after December 31, 2022, (ii) is a full-time public school
21 teacher during the taxable year in which he or she claims this
22 credit, and (iii) provides documentation on an annual basis
23 that he or she has submitted a Public Service Loan Forgiveness

1 (PSLF) & Temporary Expanded PSLF (TEPSLF) Certification &
2 Application or its successor form.

3 (d) The Department shall adopt rules to implement this
4 Section.

5 (e) This Section is exempt from the provisions of Section
6 250.

7 Section 10. The Illinois Pension Code is amended by
8 changing Sections 1-160, 7-114, 7-116, 7-141, 7-142, 15-111,
9 15-112, 15-135, 15-136, 15-198, 16-127, and 16-203 as follows:

10 (40 ILCS 5/1-160)

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

12 (a) The provisions of this Section apply to a person who,
13 on or after January 1, 2011, first becomes a member or a
14 participant under any reciprocal retirement system or pension
15 fund established under this Code, other than a retirement
16 system or pension fund established under Article 2, 3, 4, 5, 6,
17 7, 15, or 18 of this Code, notwithstanding any other provision
18 of this Code to the contrary, but do not apply to any
19 self-managed plan established under this Code or to any
20 participant of the retirement plan established under Section
21 22-101; except that this Section applies to a person who
22 elected to establish alternative credits by electing in
23 writing after January 1, 2011, but before August 8, 2011,
24 under Section 7-145.1 of this Code. Notwithstanding anything

1 to the contrary in this Section, for purposes of this Section,
2 a person who is a Tier 1 regular employee as defined in Section
3 7-109.4 of this Code or who participated in a retirement
4 system under Article 15 prior to January 1, 2011 shall be
5 deemed a person who first became a member or participant prior
6 to January 1, 2011 under any retirement system or pension fund
7 subject to this Section. The changes made to this Section by
8 Public Act 98-596 are a clarification of existing law and are
9 intended to be retroactive to January 1, 2011 (the effective
10 date of Public Act 96-889), notwithstanding the provisions of
11 Section 1-103.1 of this Code.

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

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

26 This Section does not apply to a person who elects under

1 subsection (c-5) of Section 1-161 to receive the benefits
2 under Section 1-161.

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

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

23 (1) (Blank).

24 (2) In Articles 8, 9, 10, 11, and 12, "highest average
25 annual salary for any 4 consecutive years within the last
26 10 years of service immediately preceding the date of

1 withdrawal".

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

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

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

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

7 A member of the Teachers' Retirement System of the State
8 of Illinois who retires on or after June 1, 2021 and for whom
9 the 2020-2021 school year is used in the calculation of the
10 member's final average salary shall use the higher of the
11 following for the purpose of determining the member's final
12 average salary:

13 (A) the amount otherwise calculated under the next
14 ~~first~~ paragraph of this subsection; or

15 (B) an amount calculated by the Teachers' Retirement
16 System of the State of Illinois using the average of the
17 monthly (or annual) salary obtained by dividing the total
18 salary or earnings calculated under Article 16 applicable
19 to the member or participant during the 72 ~~96~~ months (or 6
20 ~~8~~ years) of service within the last 120 months (or 10
21 years) of service in which the total salary or earnings
22 calculated under the Article was the highest by the number
23 of months (or years) of service in that period.

24 For a member under Article 16, "final average salary"
25 means the greater of: (i) the amount otherwise calculated
26 under this subsection; or (ii) the average monthly (or annual)

1 salary obtained by dividing the total salary calculated under
2 Article 16 during the 72 consecutive months (or 6 consecutive
3 years) of service within the last 120 months (or 10 years) of
4 service in which the total salary calculated under the Article
5 was the highest by the number of months (or years) of service
6 in that period.

7 (b-5) Beginning on January 1, 2011, for all purposes under
8 this Code (including without limitation the calculation of
9 benefits and employee contributions), the annual earnings,
10 salary, or wages (based on the plan year) of a member or
11 participant to whom this Section applies shall not exceed
12 \$106,800; however, that amount shall annually thereafter be
13 increased by the lesser of (i) 3% of that amount, including all
14 previous adjustments, or (ii) one-half the annual unadjusted
15 percentage increase (but not less than zero) in the consumer
16 price index-u for the 12 months ending with the September
17 preceding each November 1, including all previous adjustments;
18 except that beginning in 2022 for purposes of Article 16 of
19 this Code (including, without limitation, the calculation of
20 benefits and employee contributions), that amount shall
21 annually be increased by the greater of: (i) 3%; or (ii) the
22 annual unadjusted percentage increase in the consumer price
23 index-u for the 12 months ending with the September preceding
24 each November 1, including all previous adjustments.

25 For the purposes of this Section, "consumer price index-u"
26 means the index published by the Bureau of Labor Statistics of

1 the United States Department of Labor that measures the
2 average change in prices of goods and services purchased by
3 all urban consumers, United States city average, all items,
4 1982-84 = 100. The new amount resulting from each annual
5 adjustment shall be determined by the Public Pension Division
6 of the Department of Insurance and made available to the
7 boards of the retirement systems and pension funds by November
8 1 of each year.

9 (c) A member or participant is entitled to a retirement
10 annuity upon written application if he or she has attained age
11 67 (age 65, with respect to service under Article 12 that is
12 subject to this Section, for a member or participant under
13 Article 12 who first becomes a member or participant under
14 Article 12 on or after January 1, 2022 or who makes the
15 election under item (i) of subsection (d-15) of this Section)
16 and has at least 10 years of service credit and is otherwise
17 eligible under the requirements of the applicable Article.

18 A member or participant who has attained age 62 (age 60,
19 with respect to service under Article 12 that is subject to
20 this Section, for a member or participant under Article 12 who
21 first becomes a member or participant under Article 12 on or
22 after January 1, 2022 or who makes the election under item (i)
23 of subsection (d-15) of this Section) and has at least 10 years
24 of service credit and is otherwise eligible under the
25 requirements of the applicable Article may elect to receive
26 the lower retirement annuity provided in subsection (d) of

1 this Section.

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

11 (c-10) Notwithstanding subsection (c), a member under
12 Article 16 is entitled to a retirement annuity if he or she has
13 attained age 60; has at least 35 years of service credit, not
14 including any service credit for unused and uncompensated
15 accumulated sick leave days; and is otherwise eligible under
16 the requirements of Article 16.

17 Notwithstanding subsection (c), a member under Article 16
18 is entitled to a retirement annuity upon written application
19 if he or she has attained age 62; has at least 10 years of
20 service credit, not including service credit for unused and
21 uncompensated accumulated sick leave days; and is otherwise
22 eligible under the requirements of Article 16.

23 Notwithstanding subsection (c), a member under Article 16
24 is entitled to a retirement annuity upon written application
25 if he or she has attained age 64; has at least 10 years of
26 service credit, including any service credit for unused and

1 uncompensated sick leave days; and is otherwise eligible under
2 the requirements of Article 16.

3 (d) The retirement annuity of a member or participant who
4 is retiring after attaining age 62 (age 60, with respect to
5 service under Article 12 that is subject to this Section, for a
6 member or participant under Article 12 who first becomes a
7 member or participant under Article 12 on or after January 1,
8 2022 or who makes the election under item (i) of subsection
9 (d-15) of this Section) with at least 10 years of service
10 credit shall be reduced by one-half of 1% for each full month
11 that the member's age is under age 67 (age 65, with respect to
12 service under Article 12 that is subject to this Section, for a
13 member or participant under Article 12 who first becomes a
14 member or participant under Article 12 on or after January 1,
15 2022 or who makes the election under item (i) of subsection
16 (d-15) of this Section). This subsection does not apply to a
17 person who meets the requirements under subsection (c-10).

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 July 6, 2017 (the effective
26 date of Public Act 100-23) ~~this amendatory Act of the 100th~~

1 ~~General Assembly~~ shall make an 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 (d-15) Each person who first becomes a member or
26 participant under Article 12 on or after January 1, 2011 and

1 prior to January 1, 2022 shall make an irrevocable election
2 either:

3 (i) to be eligible for the reduced retirement age
4 specified in subsections (c) and (d) of this Section, the
5 eligibility for which is conditioned upon the member or
6 participant agreeing to the increase in employee
7 contributions for service annuities specified in
8 subsection (b) of Section 12-150; or

9 (ii) to not agree to item (i) of this subsection
10 (d-15), in which case the member or participant shall not
11 be eligible for the reduced retirement age specified in
12 subsections (c) and (d) of this Section and shall not be
13 subject to the increase in employee contributions for
14 service annuities specified in subsection (b) of Section
15 12-150.

16 The election provided for in this subsection shall be made
17 between January 1, 2022 and April 1, 2022. A person subject to
18 this subsection who makes the required election shall remain
19 bound by that election. A person subject to this subsection
20 who fails for any reason to make the required election within
21 the time specified in this subsection shall be deemed to have
22 made the election under item (ii).

23 (e) Any retirement annuity or supplemental annuity shall
24 be subject to annual increases on the January 1 occurring
25 either on or after the attainment of age 67 (age 65, with
26 respect to service under Article 12 that is subject to this

1 Section, for a member or participant under Article 12 who
2 first becomes a member or participant under Article 12 on or
3 after January 1, 2022 or who makes the election under item (i)
4 of subsection (d-15); and beginning on July 6, 2017 (the
5 effective date of Public Act 100-23) ~~this amendatory Act of~~
6 ~~the 100th General Assembly~~, age 65 with respect to service
7 under Article 8 or Article 11 for eligible persons who: (i) are
8 subject to subsection (c-5) of this Section; or (ii) made the
9 election under item (i) of subsection (d-10) of this Section)
10 or the first anniversary of the annuity start date, whichever
11 is later. Except for retirement annuities under Article 16,
12 each ~~Each~~ annual increase shall be calculated at 3% or
13 one-half the annual unadjusted percentage increase (but not
14 less than zero) in the consumer price index-u for the 12 months
15 ending with the September preceding each November 1, whichever
16 is less, of the originally granted retirement annuity. If the
17 annual unadjusted percentage change in the consumer price
18 index-u for the 12 months ending with the September preceding
19 each November 1 is zero or there is a decrease, then the
20 annuity shall not be increased.

21 For retirement annuities under Article 16, each annual
22 increase shall be calculated at 3% or one-half the annual
23 unadjusted percentage increase in the consumer price index-u
24 for the 12 months ending with the September preceding each
25 November 1, whichever is greater, of the originally granted
26 retirement annuity.

1 For the purposes of Section 1-103.1 of this Code, the
2 changes made to this Section by this amendatory Act of the
3 102nd General Assembly are applicable without regard to
4 whether the employee was in active service on or after the
5 effective date of this amendatory Act of the 102nd General
6 Assembly.

7 For the purposes of Section 1-103.1 of this Code, the
8 changes made to this Section by Public Act 102-263 ~~this~~
9 ~~amendatory Act of the 102nd General Assembly~~ are applicable
10 without regard to whether the employee was in active service
11 on or after August 6, 2021 (the effective date of Public Act
12 102-263) ~~this amendatory Act of the 102nd General Assembly.~~

13 For the purposes of Section 1-103.1 of this Code, the
14 changes made to this Section by Public Act 100-23 ~~this~~
15 ~~amendatory Act of the 100th General Assembly~~ are applicable
16 without regard to whether the employee was in active service
17 on or after July 6, 2017 (the effective date of Public Act
18 100-23) ~~this amendatory Act of the 100th General Assembly.~~

19 (f) The initial survivor's or widow's annuity of an
20 otherwise eligible survivor or widow of a retired member or
21 participant who first became a member or participant on or
22 after January 1, 2011 shall be in the amount of 66 2/3% of the
23 retired member's or participant's retirement annuity at the
24 date of death. In the case of the death of a member or
25 participant who has not retired and who first became a member
26 or participant on or after January 1, 2011, eligibility for a

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

20 (g) The benefits in Section 14-110 apply only if the
21 person is a State policeman, a fire fighter in the fire
22 protection service of a department, a conservation police
23 officer, an investigator for the Secretary of State, an arson
24 investigator, a Commerce Commission police officer,
25 investigator for the Department of Revenue or the Illinois
26 Gaming Board, a security employee of the Department of

1 Corrections or the Department of Juvenile Justice, or a
2 security employee of the Department of Innovation and
3 Technology, as those terms are defined in subsection (b) and
4 subsection (c) of Section 14-110. A person who meets the
5 requirements of this Section is entitled to an annuity
6 calculated under the provisions of Section 14-110, in lieu of
7 the regular or minimum retirement annuity, only if the person
8 has withdrawn from service with not less than 20 years of
9 eligible creditable service and has attained age 60,
10 regardless of whether the attainment of age 60 occurs while
11 the person is still in service.

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

26 If a person who first becomes a member of a retirement

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

19 (i) (Blank).

20 (j) In the case of a conflict between the provisions of
21 this Section and any other provision of this Code, the
22 provisions of this Section shall control.

23 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
24 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; revised 9-28-21.)

25 (40 ILCS 5/7-114) (from Ch. 108 1/2, par. 7-114)

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

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

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

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

26 (b) For purposes of determining benefits payable under

1 this fund payments to a person who is engaged in an
2 independently established trade, occupation, profession or
3 business and who is paid for his service on a basis other than
4 a monthly or other regular salary, are not earnings.

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

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

24 (e) If a participating employee is paid pursuant to "An
25 Act to provide for the continuation of compensation for law
26 enforcement officers, correctional officers and firemen who

1 suffer disabling injury in the line of duty", approved
2 September 6, 1973, as amended, the payments shall be deemed
3 earnings, and the participating employee shall be awarded
4 creditable service for this period.

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

13 (g) Notwithstanding any other provision of this Article,
14 calendar year earnings for Tier 2 regular employees to whom
15 this Section applies shall not exceed the amount determined by
16 the Public Pension Division of the Department of Insurance as
17 required in this subsection; however, that amount shall
18 annually thereafter be increased by the lesser of (i) 3% of
19 that amount, including all previous adjustments, or (ii)
20 one-half the annual unadjusted percentage increase (but not
21 less than zero) in the consumer price index-u for the 12 months
22 ending with the September preceding each November 1, including
23 all previous adjustments; except that beginning in 2022, for
24 Tier 2 regular employees who are employees of an educational
25 employer, that amount shall annually be increased by the
26 greater of: (i) 3%; or (ii) the annual unadjusted percentage

1 increase in the consumer price index-u for the 12 months
2 ending with the September preceding each November 1, including
3 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 Fund
12 by November 1 of each year.

13 For the purposes of Section 1-103.1 of this Code, the
14 changes made to this Section, Section 7-141, and Section 7-142
15 by this amendatory Act of the 102nd General Assembly are
16 applicable without regard to whether the Tier 2 regular
17 employee was in active service on or after the effective date
18 of this amendatory Act of the 102nd General Assembly.

19 (Source: P.A. 102-210, eff. 1-1-22.)

20 (40 ILCS 5/7-116) (from Ch. 108 1/2, par. 7-116)

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

22 (a) For retirement and survivor annuities, the monthly
23 earnings obtained by dividing the total earnings received by
24 the employee during the period of either (1) for Tier 1 regular
25 employees, the 48 consecutive months of service within the

1 last 120 months of service in which his total earnings were the
2 highest, (2) for Tier 2 regular employees who are not
3 employees of an educational employer, the 96 consecutive
4 months of service within the last 120 months of service in
5 which his total earnings were the highest, (3) for Tier 2
6 regular employees who are employees of an educational
7 employer, the 72 consecutive months of service within the last
8 120 months of service in which total earnings were the
9 highest, or (4) ~~(3)~~ the employee's total period of service, by
10 the number of months of service in such period.

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

17 (c) For disability benefits, the total earnings of a
18 participating employee in the last 12 calendar months of
19 service prior to the date he becomes disabled divided by 12.

20 (d) In computing the final rate of earnings: (1) the
21 earnings rate for all periods of prior service shall be
22 considered equal to the average earnings rate for the last 3
23 calendar years of prior service for which creditable service
24 is received under Section 7-139 or, if there is less than 3
25 years of creditable prior service, the average for the total
26 prior service period for which creditable service is received

1 under Section 7-139; (2) for out of state service and
2 authorized leave, the earnings rate shall be the rate upon
3 which service credits are granted; (3) periods of military
4 leave shall not be considered; (4) the earnings rate for all
5 periods of disability shall be considered equal to the rate of
6 earnings upon which the employee's disability benefits are
7 computed for such periods; (5) the earnings to be considered
8 for each of the final three months of the final earnings period
9 for persons who first became participants before January 1,
10 2012 and the earnings to be considered for each of the final 24
11 months for participants who first become participants on or
12 after January 1, 2012 shall not exceed 125% of the highest
13 earnings of any other month in the final earnings period; and
14 (6) the annual amount of final rate of earnings shall be the
15 monthly amount multiplied by the number of months of service
16 normally required by the position in a year.

17 (Source: P.A. 102-210, eff. 1-1-22.)

18 (40 ILCS 5/7-141) (from Ch. 108 1/2, par. 7-141)

19 Sec. 7-141. Retirement annuities; conditions. Retirement
20 annuities shall be payable as hereinafter set forth:

21 (a) A participating employee who, regardless of cause, is
22 separated from the service of all participating municipalities
23 and instrumentalities thereof and participating
24 instrumentalities shall be entitled to a retirement annuity
25 provided:

1 1. He is at least age 55 if he is a Tier 1 regular
2 employee; or he is age 62 if he is a Tier 2 regular
3 employee; he is age 60 if he has at least 35 years of
4 creditable service (not including any service for unused
5 and uncompensated sick leave), is a Tier 2 regular
6 employee, and is an employee of an educational employer; or
7 or, in the case of a person who is eligible to have his
8 annuity calculated under Section 7-142.1, he is at least
9 age 50;

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

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

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

23 (b) Retirement annuities shall be payable:

24 1. As provided in Section 7-119;

25 2. Except as provided in item 3, upon receipt by the
26 fund of a written application. The effective date may be

1 not more than one year prior to the date of the receipt by
2 the fund of the application;

3 3. Upon attainment of the required age of distribution
4 under Section 401(a)(9) of the Internal Revenue Code of
5 1986, as amended, if the member (i) is no longer in
6 service, and (ii) is otherwise entitled to an annuity
7 under this Article;

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

10 (Source: P.A. 102-210, Article 5, Section 5-5, eff. 7-30-21;
11 102-210, Article 10, Section 10-5, eff. 1-1-22; revised
12 9-28-21.)

13 (40 ILCS 5/7-142) (from Ch. 108 1/2, par. 7-142)
14 Sec. 7-142. Retirement annuities - Amount.

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

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

24 a. The monthly annuity which can be provided from
25 the total accumulated normal, municipality and prior

1 service credits, as of the attained age of the
2 employee on the date the annuity begins provided that
3 such annuity shall not exceed 75% of the final rate of
4 earnings of the employee.

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

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

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

21 (iv) For employees who have less than 35 years of
22 service, the annuity computed in accordance with this
23 subparagraph b (as reduced by application of
24 subparagraph (iii) above) shall be reduced by 0.25%
25 thereof (0.5% if service was terminated before January
26 1, 1988 or if the employee is a Tier 2 regular

1 employee) for each month or fraction thereof (1) that
2 the employee's age is less than 60 years for Tier 1
3 regular employees, (2) that the employee's age is less
4 than 67 years for Tier 2 regular employees, or (3) if
5 the employee has at least 30 years of service credit,
6 that the employee's service credit is less than 35
7 years, whichever is less, on the date the annuity
8 begins. The following persons are not subject to this
9 subparagraph (iv): a Tier 2 regular employee who is an
10 employee of an educational employer, has attained age
11 60, and has at least 35 years of creditable service,
12 not including any creditable service for accumulated
13 unused sick leave; a Tier 2 regular employee who is an
14 employee of an educational employer, has attained age
15 62, and has at least 10 years of creditable service,
16 not including any creditable service for accumulated
17 unused sick leave; and a Tier 2 regular employee who is
18 an employee of an educational employer, has attained
19 age 64, and has at least 10 years of creditable
20 service, including any creditable service for
21 accumulated unused sick leave.

22 2. The annuity which can be provided from the total
23 accumulated additional credits as of the attained age of
24 the employee on the date the annuity begins.

25 (b) If payment of an annuity begins prior to the earliest
26 age at which the employee will become eligible for an old age

1 insurance benefit under the Federal Social Security Act, he
2 may elect that the annuity payments from this fund shall
3 exceed those payable after his attaining such age by an
4 amount, computed as determined by rules of the Board, but not
5 in excess of his estimated Social Security Benefit, determined
6 as of the effective date of the annuity, provided that in no
7 case shall the total annuity payments made by this fund exceed
8 in actuarial value the annuity which would have been payable
9 had no such election been made.

10 (c) Beginning January 1, 1984 and each January 1
11 thereafter, the retirement annuity of a Tier 1 regular
12 employee shall be increased by 3% each year, not compounded.
13 This increase shall be computed from the effective date of the
14 retirement annuity, the first increase being 0.25% of the
15 monthly amount times the number of months from the effective
16 date to January 1. This increase shall not be applicable to
17 annuitants who are not in service on or after September 8,
18 1971.

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

1 granted retirement annuity; except that each annual increase
2 to the retirement annuity of a Tier 2 regular employee who was
3 an employee of an educational employer shall be calculated at
4 the greater of 3% or one-half the annual unadjusted percentage
5 increase (but not less than zero) in the consumer price
6 index-u for the 12 months ending with the September preceding
7 each November 1 of the originally granted retirement annuity.

8 If the annual unadjusted percentage change in the consumer
9 price index-u for the 12 months ending with the September
10 preceding each November 1 is zero or there is a decrease, then
11 the annuity shall not be increased.

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

24 (Source: P.A. 102-210, eff. 1-1-22.)

25 (40 ILCS 5/15-111) (from Ch. 108 1/2, par. 15-111)

1 Sec. 15-111. Earnings.

2 (a) "Earnings": Subject to Section 15-111.5, an amount
3 paid for personal services equal to the sum of the basic
4 compensation plus extra compensation for summer teaching,
5 overtime or other extra service. For periods for which an
6 employee receives service credit under subsection (c) of
7 Section 15-113.1 or Section 15-113.2, earnings are equal to
8 the basic compensation on which contributions are paid by the
9 employee during such periods. Compensation for employment
10 which is irregular, intermittent and temporary shall not be
11 considered earnings, unless the participant is also receiving
12 earnings from the employer as an employee under Section
13 15-107.

14 With respect to transition pay paid by the University of
15 Illinois to a person who was a participating employee employed
16 in the fire department of the University of Illinois's
17 Champaign-Urbana campus immediately prior to the elimination
18 of that fire department:

19 (1) "Earnings" includes transition pay paid to the
20 employee on or after the effective date of this amendatory
21 Act of the 91st General Assembly.

22 (2) "Earnings" includes transition pay paid to the
23 employee before the effective date of this amendatory Act
24 of the 91st General Assembly only if (i) employee
25 contributions under Section 15-157 have been withheld from
26 that transition pay or (ii) the employee pays to the

1 System before January 1, 2001 an amount representing
2 employee contributions under Section 15-157 on that
3 transition pay. Employee contributions under item (ii) may
4 be paid in a lump sum, by withholding from additional
5 transition pay accruing before January 1, 2001, or in any
6 other manner approved by the System. Upon payment of the
7 employee contributions on transition pay, the
8 corresponding employer contributions become an obligation
9 of the State.

10 (b) For a Tier 2 member, the annual earnings shall not
11 exceed \$106,800; however, that amount shall annually
12 thereafter be increased by the lesser of (i) 3% of that amount,
13 including all previous adjustments, or (ii) one half the
14 annual unadjusted percentage increase (but not less than zero)
15 in the consumer price index-u for the 12 months ending with the
16 September preceding each November 1, including all previous
17 adjustments; except that beginning in 2022, that amount shall
18 annually be increased by the greater of: (i) 3% of that amount;
19 or (ii) the annual unadjusted percentage increase in the
20 consumer price index-u for the 12 months ending with the
21 September preceding each November 1, including all previous
22 adjustments.

23 For the purposes of this Section, "consumer price index u"
24 means the index published by the Bureau of Labor Statistics of
25 the United States Department of Labor that measures the
26 average change in prices of goods and services purchased by

1 all urban consumers, United States city average, all items,
2 1982-84 = 100. The new amount resulting from each annual
3 adjustment shall be determined by the Public Pension Division
4 of the Department of Insurance and made available to the
5 boards of the retirement systems and pension funds by November
6 1 of each year.

7 For the purposes of Section 1-103.1 of this Code, the
8 changes made to this Section, Section 15-135, and Section
9 15-136 by this amendatory Act of the 102nd General Assembly
10 are applicable without regard to whether the employee was in
11 active service on or after the effective date of this
12 amendatory Act of the 102nd General Assembly.

13 (c) With each submission of payroll information in the
14 manner prescribed by the System, the employer shall certify
15 that the payroll information is correct and complies with all
16 applicable State and federal laws.

17 (Source: P.A. 98-92, eff. 7-16-13; 99-897, eff. 1-1-17.)

18 (40 ILCS 5/15-112) (from Ch. 108 1/2, par. 15-112)

19 Sec. 15-112. Final rate of earnings. "Final rate of
20 earnings":

21 (a) This subsection (a) applies only to a Tier 1 member.

22 For an employee who is paid on an hourly basis or who
23 receives an annual salary in installments during 12 months of
24 each academic year, the average annual earnings during the 48
25 consecutive calendar month period ending with the last day of

1 final termination of employment or the 4 consecutive academic
2 years of service in which the employee's earnings were the
3 highest, whichever is greater. For any other employee, the
4 average annual earnings during the 4 consecutive academic
5 years of service in which his or her earnings were the highest.
6 For an employee with less than 48 months or 4 consecutive
7 academic years of service, the average earnings during his or
8 her entire period of service. The earnings of an employee with
9 more than 36 months of service under item (a) of Section
10 15-113.1 prior to the date of becoming a participant are, for
11 such period, considered equal to the average earnings during
12 the last 36 months of such service.

13 (b) This subsection (b) applies to a Tier 2 member.

14 For an employee who is paid on an hourly basis or who
15 receives an annual salary in installments during 12 months of
16 each academic year, the average annual earnings obtained by
17 dividing by 6 ~~8~~ the total earnings of the employee during the
18 72 ~~96~~ consecutive months in which the total earnings were the
19 highest within the last 120 months prior to termination.

20 For any other employee, the average annual earnings during
21 the 6 ~~8~~ consecutive academic years within the 10 years prior to
22 termination in which the employee's earnings were the highest.
23 For an employee with less than 72 ~~96~~ consecutive months or 6 ~~8~~
24 consecutive academic years of service, whichever is necessary,
25 the average earnings during his or her entire period of
26 service.

1 (c) For an employee on leave of absence with pay, or on
2 leave of absence without pay who makes contributions during
3 such leave, earnings are assumed to be equal to the basic
4 compensation on the date the leave began.

5 (d) For an employee on disability leave, earnings are
6 assumed to be equal to the basic compensation on the date
7 disability occurs or the average earnings during the 24 months
8 immediately preceding the month in which disability occurs,
9 whichever is greater.

10 (e) For a Tier 1 member who retires on or after the
11 effective date of this amendatory Act of 1997 with at least 20
12 years of service as a firefighter or police officer under this
13 Article, the final rate of earnings shall be the annual rate of
14 earnings received by the participant on his or her last day as
15 a firefighter or police officer under this Article, if that is
16 greater than the final rate of earnings as calculated under
17 the other provisions of this Section.

18 (f) If a Tier 1 member is an employee for at least 6 months
19 during the academic year in which his or her employment is
20 terminated, the annual final rate of earnings shall be 25% of
21 the sum of (1) the annual basic compensation for that year, and
22 (2) the amount earned during the 36 months immediately
23 preceding that year, if this is greater than the final rate of
24 earnings as calculated under the other provisions of this
25 Section.

26 (g) In the determination of the final rate of earnings for

1 an employee, that part of an employee's earnings for any
2 academic year beginning after June 30, 1997, which exceeds the
3 employee's earnings with that employer for the preceding year
4 by more than 20 percent shall be excluded; in the event that an
5 employee has more than one employer this limitation shall be
6 calculated separately for the earnings with each employer. In
7 making such calculation, only the basic compensation of
8 employees shall be considered, without regard to vacation or
9 overtime or to contracts for summer employment.

10 (h) The following are not considered as earnings in
11 determining final rate of earnings: (1) severance or
12 separation pay, (2) retirement pay, (3) payment for unused
13 sick leave, and (4) payments from an employer for the period
14 used in determining final rate of earnings for any purpose
15 other than (i) services rendered, (ii) leave of absence or
16 vacation granted during that period, and (iii) vacation of up
17 to 56 work days allowed upon termination of employment; except
18 that, if the benefit has been collectively bargained between
19 the employer and the recognized collective bargaining agent
20 pursuant to the Illinois Educational Labor Relations Act,
21 payment received during a period of up to 2 academic years for
22 unused sick leave may be considered as earnings in accordance
23 with the applicable collective bargaining agreement, subject
24 to the 20% increase limitation of this Section. Any unused
25 sick leave considered as earnings under this Section shall not
26 be taken into account in calculating service credit under

1 Section 15-113.4.

2 (i) Intermittent periods of service shall be considered as
3 consecutive in determining final rate of earnings.

4 (Source: P.A. 98-92, eff. 7-16-13; 99-450, eff. 8-24-15.)

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

6 Sec. 15-135. Retirement annuities; conditions.

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

12 35 years if retirement is in 1997 or before;

13 34 years if retirement is in 1998;

14 33 years if retirement is in 1999;

15 32 years if retirement is in 2000;

16 31 years if retirement is in 2001;

17 30 years if retirement is in 2002 or later.

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

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

24 A participant who has at least 25 years of service in this
25 system as a police officer or firefighter is entitled to a

1 retirement annuity on or after the attainment of age 50, if
2 Rule 4 of Section 15-136 is applicable to the participant.

3 (a-5) A Tier 2 member is entitled to a retirement annuity
4 upon written application if he or she has attained age 60; has
5 at least 35 years of service credit, not including any service
6 credit for unused and uncompensated accumulated sick leave
7 days; and is otherwise eligible under the requirements of this
8 Article.

9 A Tier 2 member is entitled to a retirement annuity upon
10 written application if he or she has attained age 62; has at
11 least 10 years of service credit, not including service credit
12 for unused and uncompensated accumulated sick leave days; and
13 is otherwise eligible under the requirements of this Article.

14 A Tier 2 member is entitled to a retirement annuity upon
15 written application if he or she has attained age 64; has at
16 least 10 years of service credit, including any service credit
17 for unused and uncompensated sick leave days; and is otherwise
18 eligible under the requirements of this Article.

19 ~~A Tier 2 member is entitled to a retirement annuity upon~~
20 ~~written application if he or she has attained age 67 and has at~~
21 ~~least 10 years of service credit and is otherwise eligible~~
22 ~~under the requirements of this Article. A Tier 2 member who has~~
23 ~~attained age 62 and has at least 10 years of service credit and~~
24 ~~is otherwise eligible under the requirements of this Article~~
25 ~~may elect to receive the lower retirement annuity provided in~~
26 ~~subsection (b 5) of Section 15 136 of this Article.~~

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

8 (b) The annuity payment period shall begin on the date
9 specified by the participant or the recipient of a disability
10 retirement annuity submitting a written application. For a
11 participant, the date on which the annuity payment period
12 begins shall not be prior to termination of employment or more
13 than one year before the application is received by the board;
14 however, if the participant is not an employee of an employer
15 participating in this System or in a participating system as
16 defined in Article 20 of this Code on April 1 of the calendar
17 year next following the calendar year in which the participant
18 attains the age specified under Section 401(a)(9) of the
19 Internal Revenue Code of 1986, as amended, the annuity payment
20 period shall begin on that date regardless of whether an
21 application has been filed. For a recipient of a disability
22 retirement annuity, the date on which the annuity payment
23 period begins shall not be prior to the discontinuation of the
24 disability retirement annuity under Section 15-153.2.

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

1 (Source: P.A. 101-610, eff. 1-1-20; 102-210, eff. 7-30-21.)

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

3 Sec. 15-136. Retirement annuities - Amount. The provisions
4 of this Section 15-136 apply only to those participants who
5 are participating in the traditional benefit package or the
6 portable benefit package and do not apply to participants who
7 are participating in the self-managed plan.

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

12 Rule 1: The retirement annuity shall be 1.67% of final
13 rate of earnings for each of the first 10 years of service,
14 1.90% for each of the next 10 years of service, 2.10% for each
15 year of service in excess of 20 but not exceeding 30, and 2.30%
16 for each year in excess of 30; or for persons who retire on or
17 after January 1, 1998, 2.2% of the final rate of earnings for
18 each year of service.

19 Rule 2: The retirement annuity shall be the sum of the
20 following, determined from amounts credited to the participant
21 in accordance with the actuarial tables and the effective rate
22 of interest in effect at the time the retirement annuity
23 begins:

24 (i) the normal annuity which can be provided on an
25 actuarially equivalent basis, by the accumulated normal

1 contributions as of the date the annuity begins;

2 (ii) an annuity from employer contributions of an
3 amount equal to that which can be provided on an
4 actuarially equivalent basis from the accumulated normal
5 contributions made by the participant under Section
6 15-113.6 and Section 15-113.7 plus 1.4 times all other
7 accumulated normal contributions made by the participant;
8 and

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

12 With respect to a police officer or firefighter who
13 retires on or after August 14, 1998, the accumulated normal
14 contributions taken into account under clauses (i) and (ii) of
15 this Rule 2 shall include the additional normal contributions
16 made by the police officer or firefighter under Section
17 15-157(a).

18 The amount of a retirement annuity calculated under this
19 Rule 2 shall be computed solely on the basis of the
20 participant's accumulated normal contributions, as specified
21 in this Rule and defined in Section 15-116. Neither an
22 employee or employer contribution for early retirement under
23 Section 15-136.2 nor any other employer contribution shall be
24 used in the calculation of the amount of a retirement annuity
25 under this Rule 2.

26 This amendatory Act of the 91st General Assembly is a

1 clarification of existing law and applies to every participant
2 and annuitant without regard to whether status as an employee
3 terminates before the effective date of this amendatory Act.

4 This Rule 2 does not apply to a person who first becomes an
5 employee under this Article on or after July 1, 2005.

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

24 Rule 4: A participant who is at least age 50 and has 25 or
25 more years of service as a police officer or firefighter, and a
26 participant who is age 55 or over and has at least 20 but less

1 than 25 years of service as a police officer or firefighter,
2 shall be entitled to a retirement annuity of 2 1/4% of the
3 final rate of earnings for each of the first 10 years of
4 service as a police officer or firefighter, 2 1/2% for each of
5 the next 10 years of service as a police officer or
6 firefighter, and 2 3/4% for each year of service as a police
7 officer or firefighter in excess of 20. The retirement annuity
8 for all other service shall be computed under Rule 1. A Tier 2
9 member is eligible for a retirement annuity calculated under
10 Rule 4 only if that Tier 2 member meets the service
11 requirements for that benefit calculation as prescribed under
12 this Rule 4 in addition to the applicable age requirement
13 under subsection (a-10) of Section 15-135.

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

16 (i) service that is performed while the person is an
17 employee under subsection (h) of Section 15-107; and

18 (ii) in the case of an individual who was a
19 participating employee employed in the fire department of
20 the University of Illinois's Champaign-Urbana campus
21 immediately prior to the elimination of that fire
22 department and who immediately after the elimination of
23 that fire department transferred to another job with the
24 University of Illinois, service performed as an employee
25 of the University of Illinois in a position other than
26 police officer or firefighter, from the date of that

1 transfer until the employee's next termination of service
2 with the University of Illinois.

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

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

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

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

21 (b-5) (Blank). ~~The retirement annuity of a Tier 2 member~~
22 ~~who is retiring under Rule 1 or 3 after attaining age 62 with~~
23 ~~at least 10 years of service credit shall be reduced by 1/2 of~~
24 ~~1% for each full month that the member's age is under age 67.~~

25 (c) The maximum retirement annuity provided under Rules 1,
26 2, 4, and 5 shall be the lesser of (1) the annual limit of

1 benefits as specified in Section 415 of the Internal Revenue
2 Code of 1986, as such Section may be amended from time to time
3 and as such benefit limits shall be adjusted by the
4 Commissioner of Internal Revenue, and (2) 80% of final rate of
5 earnings.

6 (d) A Tier 1 member whose status as an employee terminates
7 after August 14, 1969 shall receive automatic increases in his
8 or her retirement annuity as follows:

9 Effective January 1 immediately following the date the
10 retirement annuity begins, the annuitant shall receive an
11 increase in his or her monthly retirement annuity of 0.125% of
12 the monthly retirement annuity provided under Rule 1, Rule 2,
13 Rule 3, or Rule 4 contained in this Section, multiplied by the
14 number of full months which elapsed from the date the
15 retirement annuity payments began to January 1, 1972, plus
16 0.1667% of such annuity, multiplied by the number of full
17 months which elapsed from January 1, 1972, or the date the
18 retirement annuity payments began, whichever is later, to
19 January 1, 1978, plus 0.25% of such annuity multiplied by the
20 number of full months which elapsed from January 1, 1978, or
21 the date the retirement annuity payments began, whichever is
22 later, to the effective date of the increase.

23 The annuitant shall receive an increase in his or her
24 monthly retirement annuity on each January 1 thereafter during
25 the annuitant's life of 3% of the monthly annuity provided
26 under Rule 1, Rule 2, Rule 3, or Rule 4 contained in this

1 Section. The change made under this subsection by P.A. 81-970
2 is effective January 1, 1980 and applies to each annuitant
3 whose status as an employee terminates before or after that
4 date.

5 Beginning January 1, 1990, all automatic annual increases
6 payable under this Section shall be calculated as a percentage
7 of the total annuity payable at the time of the increase,
8 including all increases previously granted under this Article.

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

12 (d-5) A retirement annuity of a Tier 2 member shall
13 receive annual increases on the January 1 occurring either on
14 or after the attainment of age 67 or the first anniversary of
15 the annuity start date, whichever is later. Each annual
16 increase shall be calculated at 3% or one half the annual
17 unadjusted percentage increase (but not less than zero) in the
18 consumer price index-u for the 12 months ending with the
19 September preceding each November 1, whichever is greater
20 ~~less~~, of the originally granted retirement annuity. If the
21 annual unadjusted percentage change in the consumer price
22 index-u for the 12 months ending with the September preceding
23 each November 1 is zero or there is a decrease, then the
24 annuity shall not be increased.

25 (e) If, on January 1, 1987, or the date the retirement
26 annuity payment period begins, whichever is later, the sum of

1 the retirement annuity provided under Rule 1 or Rule 2 of this
2 Section and the automatic annual increases provided under the
3 preceding subsection or Section 15-136.1, amounts to less than
4 the retirement annuity which would be provided by Rule 3, the
5 retirement annuity shall be increased as of January 1, 1987,
6 or the date the retirement annuity payment period begins,
7 whichever is later, to the amount which would be provided by
8 Rule 3 of this Section. Such increased amount shall be
9 considered as the retirement annuity in determining benefits
10 provided under other Sections of this Article. This paragraph
11 applies without regard to whether status as an employee
12 terminated before the effective date of this amendatory Act of
13 1987, provided that the annuitant was employed at least
14 one-half time during the period on which the final rate of
15 earnings was based.

16 (f) A participant is entitled to such additional annuity
17 as may be provided on an actuarially equivalent basis, by any
18 accumulated additional contributions to his or her credit.
19 However, the additional contributions made by the participant
20 toward the automatic increases in annuity provided under this
21 Section shall not be taken into account in determining the
22 amount of such additional annuity.

23 (g) If, (1) by law, a function of a governmental unit, as
24 defined by Section 20-107 of this Code, is transferred in
25 whole or in part to an employer, and (2) a participant
26 transfers employment from such governmental unit to such

1 employer within 6 months after the transfer of the function,
2 and (3) the sum of (A) the annuity payable to the participant
3 under Rule 1, 2, or 3 of this Section (B) all proportional
4 annuities payable to the participant by all other retirement
5 systems covered by Article 20, and (C) the initial primary
6 insurance amount to which the participant is entitled under
7 the Social Security Act, is less than the retirement annuity
8 which would have been payable if all of the participant's
9 pension credits validated under Section 20-109 had been
10 validated under this system, a supplemental annuity equal to
11 the difference in such amounts shall be payable to the
12 participant.

13 (h) On January 1, 1981, an annuitant who was receiving a
14 retirement annuity on or before January 1, 1971 shall have his
15 or her retirement annuity then being paid increased \$1 per
16 month for each year of creditable service. On January 1, 1982,
17 an annuitant whose retirement annuity began on or before
18 January 1, 1977, shall have his or her retirement annuity then
19 being paid increased \$1 per month for each year of creditable
20 service.

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

26 (j) The changes made to this Section by this amendatory

1 Act of the 101st General Assembly apply retroactively to
2 January 1, 2011.

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

4 (40 ILCS 5/15-198)

5 Sec. 15-198. 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
15 100-23, Public Act 100-587, Public Act 100-769, Public Act
16 101-10, Public Act 101-610, Public Act 102-16, or this
17 amendatory Act of the 102nd General Assembly ~~or this~~
18 ~~amendatory Act of the 102nd 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. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
10 101-610, eff. 1-1-20; 102-16, eff. 6-17-21.)

11 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

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

13 (a) Each member shall receive regular credit for all
14 service as a teacher from the date membership begins, for
15 which satisfactory evidence is supplied and all contributions
16 have been paid.

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

21 (1) Prior service as a teacher.

22 (2) Service in a capacity essentially similar or
23 equivalent to that of a teacher, in the public common
24 schools in school districts in this State not included
25 within the provisions of this System, or of any other

1 State, territory, dependency or possession of the United
2 States, or in schools operated by or under the auspices of
3 the United States, or under the auspices of any agency or
4 department of any other State, and service during any
5 period of professional speech correction or special
6 education experience for a public agency within this State
7 or any other State, territory, dependency or possession of
8 the United States, and service prior to February 1, 1951
9 as a recreation worker for the Illinois Department of
10 Public Safety, for a period not exceeding the lesser of
11 2/5 of the total creditable service of the member or 10
12 years. The maximum service of 10 years which is allowable
13 under this paragraph shall be reduced by the service
14 credit which is validated by other retirement systems
15 under paragraph (i) of Section 15-113 and paragraph 1 of
16 Section 17-133. Credit granted under this paragraph may
17 not be used in determination of a retirement annuity or
18 disability benefits unless the member has at least 5 years
19 of creditable service earned subsequent to this employment
20 with one or more of the following systems: Teachers'
21 Retirement System of the State of Illinois, State
22 Universities Retirement System, and the Public School
23 Teachers' Pension and Retirement Fund of Chicago. Whenever
24 such service credit exceeds the maximum allowed for all
25 purposes of this Article, the first service rendered in
26 point of time shall be considered. The changes to this

1 subdivision (b) (2) made by Public Act 86-272 shall apply
2 not only to persons who on or after its effective date
3 (August 23, 1989) are in service as a teacher under the
4 System, but also to persons whose status as such a teacher
5 terminated prior to such effective date, whether or not
6 such person is an annuitant on that date.

7 (3) Any periods immediately following teaching
8 service, under this System or under Article 17, (or
9 immediately following service prior to February 1, 1951 as
10 a recreation worker for the Illinois Department of Public
11 Safety) spent in active service with the military forces
12 of the United States; periods spent in educational
13 programs that prepare for return to teaching sponsored by
14 the federal government following such active military
15 service; if a teacher returns to teaching service within
16 one calendar year after discharge or after the completion
17 of the educational program, a further period, not
18 exceeding one calendar year, between time spent in
19 military service or in such educational programs and the
20 return to employment as a teacher under this System; and a
21 period of up to 2 years of active military service not
22 immediately following employment as a teacher.

23 The changes to this Section and Section 16-128
24 relating to military service made by P.A. 87-794 shall
25 apply not only to persons who on or after its effective
26 date are in service as a teacher under the System, but also

1 to persons whose status as a teacher terminated prior to
2 that date, whether or not the person is an annuitant on
3 that date. In the case of an annuitant who applies for
4 credit allowable under this Section for a period of
5 military service that did not immediately follow
6 employment, and who has made the required contributions
7 for such credit, the annuity shall be recalculated to
8 include the additional service credit, with the increase
9 taking effect on the date the System received written
10 notification of the annuitant's intent to purchase the
11 credit, if payment of all the required contributions is
12 made within 60 days of such notice, or else on the first
13 annuity payment date following the date of payment of the
14 required contributions. In calculating the automatic
15 annual increase for an annuity that has been recalculated
16 under this Section, the increase attributable to the
17 additional service allowable under P.A. 87-794 shall be
18 included in the calculation of automatic annual increases
19 accruing after the effective date of the recalculation.

20 Credit for military service shall be determined as
21 follows: if entry occurs during the months of July,
22 August, or September and the member was a teacher at the
23 end of the immediately preceding school term, credit shall
24 be granted from July 1 of the year in which he or she
25 entered service; if entry occurs during the school term
26 and the teacher was in teaching service at the beginning

1 of the school term, credit shall be granted from July 1 of
2 such year. In all other cases where credit for military
3 service is allowed, credit shall be granted from the date
4 of entry into the service.

5 The total period of military service for which credit
6 is granted shall not exceed 5 years for any member unless
7 the service: (A) is validated before July 1, 1964, and (B)
8 does not extend beyond July 1, 1963. Credit for military
9 service shall be granted under this Section only if not
10 more than 5 years of the military service for which credit
11 is granted under this Section is used by the member to
12 qualify for a military retirement allotment from any
13 branch of the armed forces of the United States. The
14 changes to this subdivision (b)(3) made by Public Act
15 86-272 shall apply not only to persons who on or after its
16 effective date (August 23, 1989) are in service as a
17 teacher under the System, but also to persons whose status
18 as such a teacher terminated prior to such effective date,
19 whether or not such person is an annuitant on that date.

20 (4) Any periods served as a member of the General
21 Assembly.

22 (5) (i) Any periods for which a teacher, as defined in
23 Section 16-106, is granted a leave of absence, provided he
24 or she returns to teaching service creditable under this
25 System or the State Universities Retirement System
26 following the leave; (ii) periods during which a teacher

1 is involuntarily laid off from teaching, provided he or
2 she returns to teaching following the lay-off; (iii)
3 periods prior to July 1, 1983 during which a teacher
4 ceased covered employment due to pregnancy, provided that
5 the teacher returned to teaching service creditable under
6 this System or the State Universities Retirement System
7 following the pregnancy and submits evidence satisfactory
8 to the Board documenting that the employment ceased due to
9 pregnancy; and (iv) periods prior to July 1, 1983 during
10 which a teacher ceased covered employment for the purpose
11 of adopting an infant under 3 years of age or caring for a
12 newly adopted infant under 3 years of age, provided that
13 the teacher returned to teaching service creditable under
14 this System or the State Universities Retirement System
15 following the adoption and submits evidence satisfactory
16 to the Board documenting that the employment ceased for
17 the purpose of adopting an infant under 3 years of age or
18 caring for a newly adopted infant under 3 years of age.
19 However, total credit under this paragraph (5) may not
20 exceed 3 years.

21 Any qualified member or annuitant may apply for credit
22 under item (iii) or (iv) of this paragraph (5) without
23 regard to whether service was terminated before the
24 effective date of this amendatory Act of 1997. In the case
25 of an annuitant who establishes credit under item (iii) or
26 (iv), the annuity shall be recalculated to include the

1 additional service credit. The increase in annuity shall
2 take effect on the date the System receives written
3 notification of the annuitant's intent to purchase the
4 credit, if the required evidence is submitted and the
5 required contribution paid within 60 days of that
6 notification, otherwise on the first annuity payment date
7 following the System's receipt of the required evidence
8 and contribution. The increase in an annuity recalculated
9 under this provision shall be included in the calculation
10 of automatic annual increases in the annuity accruing
11 after the effective date of the recalculation.

12 Optional credit may be purchased under this subsection
13 (b) (5) for periods during which a teacher has been granted
14 a leave of absence pursuant to Section 24-13 of the School
15 Code. A teacher whose service under this Article
16 terminated prior to the effective date of P.A. 86-1488
17 shall be eligible to purchase such optional credit. If a
18 teacher who purchases this optional credit is already
19 receiving a retirement annuity under this Article, the
20 annuity shall be recalculated as if the annuitant had
21 applied for the leave of absence credit at the time of
22 retirement. The difference between the entitled annuity
23 and the actual annuity shall be credited to the purchase
24 of the optional credit. The remainder of the purchase cost
25 of the optional credit shall be paid on or before April 1,
26 1992.

1 The change in this paragraph made by Public Act 86-273
2 shall be applicable to teachers who retire after June 1,
3 1989, as well as to teachers who are in service on that
4 date.

5 (6) Any days of unused and uncompensated accumulated
6 sick leave earned by a teacher. The service credit granted
7 under this paragraph shall be the ratio of the number of
8 unused and uncompensated accumulated sick leave days to
9 170 days, subject to a maximum of 2 years of service
10 credit. Prior to the member's retirement, each former
11 employer shall certify to the System the number of unused
12 and uncompensated accumulated sick leave days credited to
13 the member at the time of termination of service. The
14 period of unused sick leave shall not be considered in
15 determining the effective date of retirement. A member is
16 not required to make contributions in order to obtain
17 service credit for unused sick leave.

18 Credit for sick leave shall, at retirement, be granted
19 by the System for any retiring regional or assistant
20 regional superintendent of schools at the rate of 6 days
21 per year of creditable service or portion thereof
22 established while serving as such superintendent or
23 assistant superintendent.

24 (7) Periods prior to February 1, 1987 served as an
25 employee of the Illinois Mathematics and Science Academy
26 for which credit has not been terminated under Section

1 15-113.9 of this Code.

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

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

6 (10) Up to 2 years of employment with Southern
7 Illinois University - Carbondale from September 1, 1959 to
8 August 31, 1961, or with Governors State University from
9 September 1, 1972 to August 31, 1974, for which the
10 teacher has no credit under Article 15. To receive credit
11 under this item (10), a teacher must apply in writing to
12 the Board and pay the required contributions before May 1,
13 1993 and have at least 12 years of service credit under
14 this Article.

15 (11) Periods of service as a student teacher as
16 described in Section 24-8.5 of the School Code for which
17 the student teacher received a salary.

18 (b-1) A member may establish optional credit for up to 2
19 years of service as a teacher or administrator employed by a
20 private school recognized by the Illinois State Board of
21 Education, provided that the teacher (i) was certified under
22 the law governing the certification of teachers at the time
23 the service was rendered, (ii) applies in writing on or before
24 June 30, 2023, (iii) supplies satisfactory evidence of the
25 employment, (iv) completes at least 10 years of contributing
26 service as a teacher as defined in Section 16-106, and (v) pays

1 the contribution required in subsection (d-5) of Section
2 16-128. The member may apply for credit under this subsection
3 and pay the required contribution before completing the 10
4 years of contributing service required under item (iv), but
5 the credit may not be used until the item (iv) contributing
6 service requirement has been met.

7 (c) The service credits specified in this Section shall be
8 granted only if: (1) such service credits are not used for
9 credit in any other statutory tax-supported public employee
10 retirement system other than the federal Social Security
11 program; and (2) the member makes the required contributions
12 as specified in Section 16-128. Except as provided in
13 subsection (b-1) of this Section, the service credit shall be
14 effective as of the date the required contributions are
15 completed.

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

18 Credit may not be granted under this Section covering any
19 period for which an age retirement or disability retirement
20 allowance has been paid.

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

25 (Source: P.A. 102-525, eff. 8-20-21.)

1 (40 ILCS 5/16-203)

2 Sec. 16-203. Application and expiration of new benefit
3 increases.

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

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

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

26 Every new benefit increase is contingent upon the General

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

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

22 (e) Except as otherwise provided in the language creating
23 the new benefit increase, a new benefit increase that expires
24 under this Section continues to apply to persons who applied
25 and qualified for the affected benefit while the new benefit
26 increase was in effect and to the affected beneficiaries and

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

6 (Source: P.A. 101-10, eff. 6-5-19; 101-49, eff. 7-12-19;
7 101-81, eff. 7-12-19; 102-16, eff. 6-17-21; 102-558, eff.
8 8-20-21; revised 10-15-21.)

9 Section 15. The School Code is amended by changing Section
10 24-8.5 as follows:

11 (105 ILCS 5/24-8.5)

12 Sec. 24-8.5. Student teacher; salary.

13 (a) Except as otherwise provided in subsection (b), each
14 ~~Each~~ school district may provide a salary to a student teacher
15 employed by the district. A school district may fix the amount
16 of salary to pay a student teacher under this subsection (a)
17 ~~Section.~~

18 (b) For the 2022-2023 and 2023-2024 school years, from
19 funds appropriated by the General Assembly for this purpose,
20 each school district shall provide a salary to a student
21 teacher employed by the district. The salary paid to a student
22 teacher shall be the amount specified in Section 24-8 of the
23 School Code.

24 (Source: P.A. 101-220, eff. 8-7-19.)

1 Section 20. The Illinois Educational Labor Relations Act
2 is amended by changing Section 2 as follows:

3 (115 ILCS 5/2) (from Ch. 48, par. 1702)

4 Sec. 2. Definitions. As used in this Act:

5 (a) "Educational employer" or "employer" means the
6 governing body of a public school district, including the
7 governing body of a charter school established under Article
8 27A of the School Code or of a contract school or contract
9 turnaround school established under paragraph 30 of Section
10 34-18 of the School Code, combination of public school
11 districts, including the governing body of joint agreements of
12 any type formed by 2 or more school districts, public
13 community college district or State college or university, a
14 subcontractor of instructional services of a school district
15 (other than a school district organized under Article 34 of
16 the School Code), combination of school districts, charter
17 school established under Article 27A of the School Code, or
18 contract school or contract turnaround school established
19 under paragraph 30 of Section 34-18 of the School Code, an
20 Independent Authority created under Section 2-3.25f-5 of the
21 School Code, and any State agency whose major function is
22 providing educational services. "Educational employer" or
23 "employer" does not include (1) a Financial Oversight Panel
24 created pursuant to Section 1A-8 of the School Code due to a

1 district violating a financial plan or (2) an approved
2 nonpublic special education facility that contracts with a
3 school district or combination of school districts to provide
4 special education services pursuant to Section 14-7.02 of the
5 School Code, but does include a School Finance Authority
6 created under Article 1E or 1F of the School Code and a
7 Financial Oversight Panel created under Article 1B or 1H of
8 the School Code. The change made by this amendatory Act of the
9 96th General Assembly to this paragraph (a) to make clear that
10 the governing body of a charter school is an "educational
11 employer" is declaratory of existing law.

12 (b) "Educational employee" or "employee" means any
13 individual, excluding supervisors, managerial, confidential,
14 short term employees, student, and part-time academic
15 employees of community colleges employed full or part time by
16 an educational employer, but shall not include elected
17 officials and appointees of the Governor with the advice and
18 consent of the Senate, firefighters as defined by subsection
19 (g-1) of Section 3 of the Illinois Public Labor Relations Act,
20 and peace officers employed by a State university. For the
21 purposes of this Act, part-time academic employees of
22 community colleges shall be defined as those employees who
23 provide less than 3 credit hours of instruction per academic
24 semester. In this subsection (b), the term "student" does not
25 include student teachers, graduate students who are research
26 assistants primarily performing duties that involve research,

1 graduate assistants primarily performing duties that are
2 pre-professional, graduate students who are teaching
3 assistants primarily performing duties that involve the
4 delivery and support of instruction, or any other graduate
5 assistants.

6 (c) "Employee organization" or "labor organization" means
7 an organization of any kind in which membership includes
8 educational employees, and which exists for the purpose, in
9 whole or in part, of dealing with employers concerning
10 grievances, employee-employer disputes, wages, rates of pay,
11 hours of employment, or conditions of work, but shall not
12 include any organization which practices discrimination in
13 membership because of race, color, creed, age, gender,
14 national origin or political affiliation.

15 (d) "Exclusive representative" means the labor
16 organization which has been designated by the Illinois
17 Educational Labor Relations Board as the representative of the
18 majority of educational employees in an appropriate unit, or
19 recognized by an educational employer prior to January 1, 1984
20 as the exclusive representative of the employees in an
21 appropriate unit or, after January 1, 1984, recognized by an
22 employer upon evidence that the employee organization has been
23 designated as the exclusive representative by a majority of
24 the employees in an appropriate unit.

25 (e) "Board" means the Illinois Educational Labor Relations
26 Board.

1 (f) "Regional Superintendent" means the regional
2 superintendent of schools provided for in Articles 3 and 3A of
3 The School Code.

4 (g) "Supervisor" means any individual having authority in
5 the interests of the employer to hire, transfer, suspend, lay
6 off, recall, promote, discharge, reward or discipline other
7 employees within the appropriate bargaining unit and adjust
8 their grievances, or to effectively recommend such action if
9 the exercise of such authority is not of a merely routine or
10 clerical nature but requires the use of independent judgment.
11 The term "supervisor" includes only those individuals who
12 devote a preponderance of their employment time to such
13 exercising authority.

14 (h) "Unfair labor practice" or "unfair practice" means any
15 practice prohibited by Section 14 of this Act.

16 (i) "Person" includes an individual, educational employee,
17 educational employer, legal representative, or employee
18 organization.

19 (j) "Wages" means salaries or other forms of compensation
20 for services rendered.

21 (k) "Professional employee" means, in the case of a public
22 community college, State college or university, State agency
23 whose major function is providing educational services, the
24 Illinois School for the Deaf, and the Illinois School for the
25 Visually Impaired, (1) any employee engaged in work (i)
26 predominantly intellectual and varied in character as opposed

1 to routine mental, manual, mechanical, or physical work; (ii)
2 involving the consistent exercise of discretion and judgment
3 in its performance; (iii) of such character that the output
4 produced or the result accomplished cannot be standardized in
5 relation to a given period of time; and (iv) requiring
6 knowledge of an advanced type in a field of science or learning
7 customarily acquired by a prolonged course of specialized
8 intellectual instruction and study in an institution of higher
9 learning or a hospital, as distinguished from a general
10 academic education or from an apprenticeship or from training
11 in the performance of routine mental, manual, or physical
12 processes; or (2) any employee, who (i) has completed the
13 courses of specialized intellectual instruction and study
14 described in clause (iv) of paragraph (1) of this subsection,
15 and (ii) is performing related work under the supervision of a
16 professional person to qualify himself or herself to become a
17 professional as defined in paragraph (1).

18 (1) "Professional employee" means, in the case of any
19 public school district, or combination of school districts
20 pursuant to joint agreement, any employee who has a
21 certificate issued under Article 21 or Section 34-83 of the
22 School Code, as now or hereafter amended.

23 (m) "Unit" or "bargaining unit" means any group of
24 employees for which an exclusive representative is selected.

25 (n) "Confidential employee" means an employee, who (i) in
26 the regular course of his or her duties, assists and acts in a

1 confidential capacity to persons who formulate, determine and
2 effectuate management policies with regard to labor relations
3 or who (ii) in the regular course of his or her duties has
4 access to information relating to the effectuation or review
5 of the employer's collective bargaining policies.

6 (o) "Managerial employee" means an individual who is
7 engaged predominantly in executive and management functions
8 and is charged with the responsibility of directing the
9 effectuation of such management policies and practices.

10 (p) "Craft employee" means a skilled journeyman, craft
11 person, and his or her apprentice or helper.

12 (q) "Short-term employee" is an employee who is employed
13 for less than 2 consecutive calendar quarters during a
14 calendar year and who does not have a reasonable expectation
15 that he or she will be rehired by the same employer for the
16 same service in a subsequent calendar year. Nothing in this
17 subsection shall affect the employee status of individuals who
18 were covered by a collective bargaining agreement on the
19 effective date of this amendatory Act of 1991.

20 (Source: P.A. 101-380, eff. 1-1-20.)

21 Section 90. The State Mandates Act is amended by adding
22 Section 8.46 as follows:

23 (30 ILCS 805/8.46 new)

24 Sec. 8.46. Exempt mandate. Notwithstanding Sections 6 and

1 8 of this Act, no reimbursement by the State is required for
2 the implementation of any mandate created by this amendatory
3 Act of the 102nd General Assembly.

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.

1 INDEX
2 Statutes amended in order of appearance

3	35 ILCS 5/232 new	
4	40 ILCS 5/1-160	
5	40 ILCS 5/7-114	from Ch. 108 1/2, par. 7-114
6	40 ILCS 5/7-116	from Ch. 108 1/2, par. 7-116
7	40 ILCS 5/7-141	from Ch. 108 1/2, par. 7-141
8	40 ILCS 5/7-142	from Ch. 108 1/2, par. 7-142
9	40 ILCS 5/15-111	from Ch. 108 1/2, par. 15-111
10	40 ILCS 5/15-112	from Ch. 108 1/2, par. 15-112
11	40 ILCS 5/15-135	from Ch. 108 1/2, par. 15-135
12	40 ILCS 5/15-136	from Ch. 108 1/2, par. 15-136
13	40 ILCS 5/15-198	
14	40 ILCS 5/16-127	from Ch. 108 1/2, par. 16-127
15	40 ILCS 5/16-203	
16	105 ILCS 5/24-8.5	
17	115 ILCS 5/2	from Ch. 48, par. 1702
18	30 ILCS 805/8.46 new	