



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4098

Introduced 5/18/2023, by Rep. Stephanie A. Kifowit - Steven Reick - Mark L. Walker

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Pension Code. Makes changes to Tier 2 benefits for members or participants under the 5 State-funded retirement systems and the Chicago Teachers Pension Fund, including changes to automatic annual increases, age and service requirements for retirement, and limits on the amount of salary for annuity purposes. Establishes an accelerated pension benefit payment option for the General Assembly and Judges Articles of the Code. Makes changes to the funding formula beginning in fiscal year 2025 for the 5 State-funded retirement systems. In the 5 State-funded retirement systems, provides for a deferred retirement option plan for certain participants under which a participant may continue in active service for up to 3 years while having his or her retirement pension paid into a special account, to be distributed to the participant upon retirement. Provides that any benefit increase that results from this Act is excluded from the definition of "new benefit increase". Amends the General Obligation Bond Act. Provides that each fiscal year after certain State pension funding bonds and income tax proceed bonds are retired, the State Treasurer and the State Comptroller shall transfer \$500,000,000 from the General Revenue Fund to the Pension Unfunded Liability Reduction Fund each fiscal year, which shall be used for making additional contributions to the pension funds and retirement systems established under the General Assembly, State Employee, State Universities, Downstate Teacher, Chicago Teacher, and Judges Articles of the Illinois Pension Code. Amends the State Finance Act to make conforming changes. Repeals provisions concerning optional benefits for certain Tier 2 members. Amends the State Mandates Act to require implementation without reimbursement by the State. Effective immediately.

LRB103 32408 RPS 61859 b

1 AN ACT concerning public employee benefits.

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

4 Article 1.

5 Section 1-5. The Illinois Pension Code is amended by
6 changing Sections 1-160, 2-108.1, 2-119.1, 14-103.10, 15-111,
7 18-125, and 18-128.01 as follows:

8 (40 ILCS 5/1-160)

9 (Text of Section from P.A. 102-719)

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

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

1 under Section 7-145.1 of this Code. Notwithstanding anything
2 to the contrary in this Section, for purposes of this Section,
3 a person who is a Tier 1 regular employee as defined in Section
4 7-109.4 of this Code or who participated in a retirement
5 system under Article 15 prior to January 1, 2011 shall be
6 deemed a person who first became a member or participant prior
7 to January 1, 2011 under any retirement system or pension fund
8 subject to this Section. The changes made to this Section by
9 Public Act 98-596 are a clarification of existing law and are
10 intended to be retroactive to January 1, 2011 (the effective
11 date of Public Act 96-889), notwithstanding the provisions of
12 Section 1-103.1 of this Code.

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

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

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

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

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

24 (1) (Blank).

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

1 10 years of service immediately preceding the date of
2 withdrawal".

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

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

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

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

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

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

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

25 (b-5) Except as provided in subsections (b-10) and (b-15)

26 ~~Beginning on January 1, 2011, for all purposes under this Code~~

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

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

21 (b-10) Beginning January 1, 2025 and until January 1,
22 2032, for all purposes under this Code (including, without
23 limitation, the calculation of benefits and employee
24 contributions), the annual earnings, salary, or wages (based
25 on the plan year) of a member or participant under Article 14,
26 16, or 17 to whom this Section applies shall not exceed the

1 amount determined under subsection (b-5) plus the wage base
2 adjustment for that year.

3 In this subsection, "wage base adjustment" means the
4 product that results from multiplying (i) the difference
5 between the federal Social Security Wage Base for the coming
6 calendar year and the amount calculated under subsection (b-5)
7 for that calendar year by (ii) the smoothing factor for that
8 calendar year. The wage base adjustment shall be determined by
9 the Public Pension Division of the Department of Insurance and
10 made available to the boards of the retirement systems and
11 pension funds by December 1 of each year. If the wage base
12 adjustment amount is less than the amount determined under
13 subsection (b-5), the wage base adjustment shall be zero.

14 In this subsection, "smoothing factor" means:

- 15 (1) for calendar year 2025, 12.5%;
16 (2) for calendar year 2026, 25%;
17 (3) for calendar year 2027, 37.5%;
18 (4) for calendar year 2028, 50%;
19 (5) for calendar year 2029, 62.5%;
20 (6) for calendar year 2030, 75%; and
21 (7) for calendar year 2031, 87.5%.

22 (b-15) Beginning January 1, 2032, for all purposes under
23 this Code (including, without limitation, the calculation of
24 benefits and employee contributions), the annual earnings,
25 salary, or wages (based on the plan year) of a member or
26 participant under Article 14, 16, or 17 to whom this Section

1 applies shall not exceed the federal Social Security Wage Base
2 then in effect.

3 (c) A member or participant is entitled to a retirement
4 annuity upon written application if he or she has attained age
5 67 (age 65, with respect to service under Article 12 that is
6 subject to this Section, for a member or participant under
7 Article 12 who first becomes a member or participant under
8 Article 12 on or after January 1, 2022 or who makes the
9 election under item (i) of subsection (d-15) of this Section)
10 and has at least 10 years of service credit and is otherwise
11 eligible under the requirements of the applicable Article.

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

22 (c-5) A person who first becomes a member or a participant
23 subject to this Section on or after July 6, 2017 (the effective
24 date of Public Act 100-23), notwithstanding any other
25 provision of this Code to the contrary, is entitled to a
26 retirement annuity under Article 8 or Article 11 upon written

1 application if he or she has attained age 65 and has at least
2 10 years of service credit and is otherwise eligible under the
3 requirements of Article 8 or Article 11 of this Code,
4 whichever is applicable.

5 (d) The retirement annuity of a member or participant who
6 is retiring after attaining age 62 (age 60, with respect to
7 service under Article 12 that is subject to this Section, for a
8 member or participant under Article 12 who first becomes a
9 member or participant under Article 12 on or after January 1,
10 2022 or who makes the election under item (i) of subsection
11 (d-15) of this Section) with at least 10 years of service
12 credit shall be reduced by one-half of 1% for each full month
13 that the member's age is under age 67 (age 65, with respect to
14 service under Article 12 that is subject to this Section, for a
15 member or participant under Article 12 who first becomes a
16 member or participant under Article 12 on or after January 1,
17 2022 or who makes the election under item (i) of subsection
18 (d-15) of this Section).

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

24 (d-10) Each person who first became a member or
25 participant under Article 8 or Article 11 of this Code on or
26 after January 1, 2011 and prior to July 6, 2017 (the effective

1 date of Public Act 100-23) shall make an irrevocable election
2 either:

3 (i) to be eligible for the reduced retirement age
4 provided in subsections (c-5) and (d-5) of this Section,
5 the eligibility for which is conditioned upon the member
6 or participant agreeing to the increases in employee
7 contributions for age and service annuities provided in
8 subsection (a-5) of Section 8-174 of this Code (for
9 service under Article 8) or subsection (a-5) of Section
10 11-170 of this Code (for service under Article 11); or

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

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

26 (d-15) Each person who first becomes a member or

1 participant under Article 12 on or after January 1, 2011 and
2 prior to January 1, 2022 shall make an irrevocable election
3 either:

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

10 (ii) to not agree to item (i) of this subsection
11 (d-15), in which case the member or participant shall not
12 be eligible for the reduced retirement age specified in
13 subsections (c) and (d) of this Section and shall not be
14 subject to the increase in employee contributions for
15 service annuities specified in subsection (b) of Section
16 12-150.

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

24 (e) Any retirement annuity or supplemental annuity shall
25 be subject to annual increases on the January 1 occurring
26 either on or after the attainment of age 67 (age 65, with

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

20 For the purposes of Section 1-103.1 of this Code, the
21 changes made to this Section by Public Act 102-263 are
22 applicable without regard to whether the employee was in
23 active service on or after August 6, 2021 (the effective date
24 of Public Act 102-263).

25 For the purposes of Section 1-103.1 of this Code, the
26 changes made to this Section by Public Act 100-23 are

1 applicable without regard to whether the employee was in
2 active service on or after July 6, 2017 (the effective date of
3 Public Act 100-23).

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

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

5 (g) The benefits in Section 14-110 apply if the person is a
6 fire fighter in the fire protection service of a department, a
7 security employee of the Department of Corrections or the
8 Department of Juvenile Justice, or a security employee of the
9 Department of Innovation and Technology, as those terms are
10 defined in subsection (b) and subsection (c) of Section
11 14-110. A person who meets the requirements of this Section is
12 entitled to an annuity calculated under the provisions of
13 Section 14-110, in lieu of the regular or minimum retirement
14 annuity, only if the person has withdrawn from service with
15 not less than 20 years of eligible creditable service and has
16 attained age 60, regardless of whether the attainment of age
17 60 occurs while the person is still in service.

18 (g-5) The benefits in Section 14-110 apply if the person
19 is a State policeman, investigator for the Secretary of State,
20 conservation police officer, investigator for the Department
21 of Revenue or the Illinois Gaming Board, investigator for the
22 Office of the Attorney General, Commerce Commission police
23 officer, or arson investigator, as those terms are defined in
24 subsection (b) and subsection (c) of Section 14-110. A person
25 who meets the requirements of this Section is entitled to an
26 annuity calculated under the provisions of Section 14-110, in

1 lieu of the regular or minimum retirement annuity, only if the
2 person has withdrawn from service with not less than 20 years
3 of eligible creditable service and has attained age 55,
4 regardless of whether the attainment of age 55 occurs while
5 the person is still in service.

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

20 If a person who first becomes a member of a retirement
21 system or pension fund subject to this Section on or after
22 January 1, 2012 and is receiving a retirement annuity or
23 retirement pension under that system or fund and accepts on a
24 contractual basis a position to provide services to a
25 governmental entity from which he or she has retired, then
26 that person's annuity or retirement pension earned as an

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

13 (i) (Blank).

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

17 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
18 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.
19 5-6-22.)

20 (Text of Section from P.A. 102-813)

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

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

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

21 This Section does not apply to a person who first becomes a
22 noncovered employee under Article 14 on or after the
23 implementation date of the plan created under Section 1-161
24 for that Article, unless that person elects under subsection
25 (b) of Section 1-161 to instead receive the benefits provided
26 under this Section and the applicable provisions of that

1 Article.

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

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

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

19 (b) "Final average salary" means, except as otherwise
20 provided in this subsection, the average monthly (or annual)
21 salary obtained by dividing the total salary or earnings
22 calculated under the Article applicable to the member or
23 participant during the 96 consecutive months (or 8 consecutive
24 years) of service within the last 120 months (or 10 years) of
25 service in which the total salary or earnings calculated under
26 the applicable Article was the highest by the number of months

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

6 (1) (Blank).

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

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

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

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

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

16 A member of the Teachers' Retirement System of the State
17 of Illinois who retires on or after June 1, 2021 and for whom
18 the 2020-2021 school year is used in the calculation of the
19 member's final average salary shall use the higher of the
20 following for the purpose of determining the member's final
21 average salary:

22 (A) the amount otherwise calculated under the first
23 paragraph of this subsection; or

24 (B) an amount calculated by the Teachers' Retirement
25 System of the State of Illinois using the average of the
26 monthly (or annual) salary obtained by dividing the total

1 salary or earnings calculated under Article 16 applicable
2 to the member or participant during the 96 months (or 8
3 years) of service within the last 120 months (or 10 years)
4 of service in which the total salary or earnings
5 calculated under the Article was the highest by the number
6 of months (or years) of service in that period.

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

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

1 boards of the retirement systems and pension funds by November
2 1 of each year.

3 (b-10) Beginning January 1, 2025 and until January 1,
4 2032, for all purposes under this Code (including, without
5 limitation, the calculation of benefits and employee
6 contributions), the annual earnings, salary, or wages (based
7 on the plan year) of a member or participant under Article 14,
8 16, or 17 to whom this Section applies shall not exceed the
9 amount determined under subsection (b-5) plus the wage base
10 adjustment for that year.

11 In this subsection, "wage base adjustment" means the
12 product that results from multiplying (i) the difference
13 between the federal Social Security Wage Base for the coming
14 calendar year and the amount calculated under subsection (b-5)
15 for that calendar year by (ii) the smoothing factor for that
16 calendar year. The wage base adjustment shall be determined by
17 the Public Pension Division of the Department of Insurance and
18 made available to the boards of the retirement systems and
19 pension funds by December 1 of each year. If the wage base
20 adjustment amount is less than the amount determined under
21 subsection (b-5), the wage base adjustment shall be zero.

22 In this subsection, "smoothing factor" means:

23 (1) for calendar year 2025, 12.5%;

24 (2) for calendar year 2026, 25%;

25 (3) for calendar year 2027, 37.5%;

26 (4) for calendar year 2028, 50%;

1 (5) for calendar year 2029, 62.5%;

2 (6) for calendar year 2030, 75%; and

3 (7) for calendar year 2031, 87.5%.

4 (b-15) Beginning January 1, 2032, for all purposes under
5 this Code (including, without limitation, the calculation of
6 benefits and employee contributions), the annual earnings,
7 salary, or wages (based on the plan year) of a member or
8 participant under Article 14, 16, or 17 to whom this Section
9 applies shall not exceed the federal Social Security Wage Base
10 then in effect.

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

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

1 requirements of the applicable Article may elect to receive
2 the lower retirement annuity provided in subsection (d) of
3 this Section.

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

13 (d) The retirement annuity of a member or participant who
14 is retiring after attaining age 62 (age 60, with respect to
15 service under Article 12 that is subject to this Section, for a
16 member or participant under Article 12 who first becomes a
17 member or participant under Article 12 on or after January 1,
18 2022 or who makes the election under item (i) of subsection
19 (d-15) of this Section) with at least 10 years of service
20 credit shall be reduced by one-half of 1% for each full month
21 that the member's age is under age 67 (age 65, with respect to
22 service under Article 12 that is subject to this Section, for a
23 member or participant under Article 12 who first becomes a
24 member or participant under Article 12 on or after January 1,
25 2022 or who makes the election under item (i) of subsection
26 (d-15) of this Section).

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

6 (d-10) Each person who first became a member or
7 participant under Article 8 or Article 11 of this Code on or
8 after January 1, 2011 and prior to July 6, 2017 (the effective
9 date of Public Act 100-23) shall make an irrevocable election
10 either:

11 (i) to be eligible for the reduced retirement age
12 provided in subsections (c-5) and (d-5) of this Section,
13 the eligibility for which is conditioned upon the member
14 or participant agreeing to the increases in employee
15 contributions for age and service annuities provided in
16 subsection (a-5) of Section 8-174 of this Code (for
17 service under Article 8) or subsection (a-5) of Section
18 11-170 of this Code (for service under Article 11); or

19 (ii) to not agree to item (i) of this subsection
20 (d-10), in which case the member or participant shall
21 continue to be subject to the retirement age provisions in
22 subsections (c) and (d) of this Section and the employee
23 contributions for age and service annuity as provided in
24 subsection (a) of Section 8-174 of this Code (for service
25 under Article 8) or subsection (a) of Section 11-170 of
26 this Code (for service under Article 11).

1 The election provided for in this subsection shall be made
2 between October 1, 2017 and November 15, 2017. A person
3 subject to this subsection who makes the required election
4 shall remain bound by that election. A person subject to this
5 subsection who fails for any reason to make the required
6 election within the time specified in this subsection shall be
7 deemed to have made the election under item (ii).

8 (d-15) Each person who first becomes a member or
9 participant under Article 12 on or after January 1, 2011 and
10 prior to January 1, 2022 shall make an irrevocable election
11 either:

12 (i) to be eligible for the reduced retirement age
13 specified in subsections (c) and (d) of this Section, the
14 eligibility for which is conditioned upon the member or
15 participant agreeing to the increase in employee
16 contributions for service annuities specified in
17 subsection (b) of Section 12-150; or

18 (ii) to not agree to item (i) of this subsection
19 (d-15), in which case the member or participant shall not
20 be eligible for the reduced retirement age specified in
21 subsections (c) and (d) of this Section and shall not be
22 subject to the increase in employee contributions for
23 service annuities specified in subsection (b) of Section
24 12-150.

25 The election provided for in this subsection shall be made
26 between January 1, 2022 and April 1, 2022. A person subject to

1 this subsection who makes the required election shall remain
2 bound by that election. A person subject to this subsection
3 who fails for any reason to make the required election within
4 the time specified in this subsection shall be deemed to have
5 made the election under item (ii).

6 (e) Any retirement annuity or supplemental annuity shall
7 be subject to annual increases on the January 1 occurring
8 either on or after the attainment of age 67 (age 65, with
9 respect to service under Article 12 that is subject to this
10 Section, for a member or participant under Article 12 who
11 first becomes a member or participant under Article 12 on or
12 after January 1, 2022 or who makes the election under item (i)
13 of subsection (d-15); and beginning on July 6, 2017 (the
14 effective date of Public Act 100-23), age 65 with respect to
15 service under Article 8 or Article 11 for eligible persons
16 who: (i) are subject to subsection (c-5) of this Section; or
17 (ii) made the election under item (i) of subsection (d-10) of
18 this Section) or the first anniversary of the annuity start
19 date, whichever is later. Each annual increase shall be
20 calculated at 3% or one-half the annual unadjusted percentage
21 increase (but not less than zero) in the consumer price
22 index-u for the 12 months ending with the September preceding
23 each November 1, whichever is less, of the originally granted
24 retirement annuity. If the annual unadjusted percentage change
25 in the consumer price index-u for the 12 months ending with the
26 September preceding each November 1 is zero or there is a

1 decrease, then the annuity shall not be increased.

2 For the purposes of Section 1-103.1 of this Code, the
3 changes made to this Section by Public Act 102-263 are
4 applicable without regard to whether the employee was in
5 active service on or after August 6, 2021 (the effective date
6 of Public Act 102-263).

7 For the purposes of Section 1-103.1 of this Code, the
8 changes made to this Section by Public Act 100-23 are
9 applicable without regard to whether the employee was in
10 active service on or after July 6, 2017 (the effective date of
11 Public Act 100-23).

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

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

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

1 has withdrawn from service with not less than 20 years of
2 eligible creditable service and has attained age 60,
3 regardless of whether the attainment of age 60 occurs while
4 the person is still in service.

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

19 If a person who first becomes a member of a retirement
20 system or pension fund subject to this Section on or after
21 January 1, 2012 and is receiving a retirement annuity or
22 retirement pension under that system or fund and accepts on a
23 contractual basis a position to provide services to a
24 governmental entity from which he or she has retired, then
25 that person's annuity or retirement pension earned as an
26 active employee of the employer shall be suspended during that

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

12 (i) (Blank).

13 (j) In the case of a conflict between the provisions of
14 this Section and any other provision of this Code, the
15 provisions of this Section shall control.

16 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
17 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.
18 5-13-22.)

19 (Text of Section from P.A. 102-956)

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

21 (a) The provisions of this Section apply to a person who,
22 on or after January 1, 2011, first becomes a member or a
23 participant under any reciprocal retirement system or pension
24 fund established under this Code, other than a retirement
25 system or pension fund established under Article 2, 3, 4, 5, 6,

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

20 This Section does not apply to a person who first becomes a
21 noncovered employee under Article 14 on or after the
22 implementation date of the plan created under Section 1-161
23 for that Article, unless that person elects under subsection
24 (b) of Section 1-161 to instead receive the benefits provided
25 under this Section and the applicable provisions of that
26 Article.

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

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

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

18 (b) "Final average salary" means, except as otherwise
19 provided in this subsection, the average monthly (or annual)
20 salary obtained by dividing the total salary or earnings
21 calculated under the Article applicable to the member or
22 participant during the 96 consecutive months (or 8 consecutive
23 years) of service within the last 120 months (or 10 years) of
24 service in which the total salary or earnings calculated under
25 the applicable Article was the highest by the number of months
26 (or years) of service in that period. For the purposes of a

1 person who first becomes a member or participant of any
2 retirement system or pension fund to which this Section
3 applies on or after January 1, 2011, in this Code, "final
4 average salary" shall be substituted for the following:

5 (1) (Blank).

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

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

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

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

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

15 A member of the Teachers' Retirement System of the State
16 of Illinois who retires on or after June 1, 2021 and for whom
17 the 2020-2021 school year is used in the calculation of the
18 member's final average salary shall use the higher of the
19 following for the purpose of determining the member's final
20 average salary:

21 (A) the amount otherwise calculated under the first
22 paragraph of this subsection; or

23 (B) an amount calculated by the Teachers' Retirement
24 System of the State of Illinois using the average of the
25 monthly (or annual) salary obtained by dividing the total
26 salary or earnings calculated under Article 16 applicable

1 to the member or participant during the 96 months (or 8
2 years) of service within the last 120 months (or 10 years)
3 of service in which the total salary or earnings
4 calculated under the Article was the highest by the number
5 of months (or years) of service in that period.

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

18 For the purposes of this Section, "consumer price index-u"
19 means the index published by the Bureau of Labor Statistics of
20 the United States Department of Labor that measures the
21 average change in prices of goods and services purchased by
22 all urban consumers, United States city average, all items,
23 1982-84 = 100. The new amount resulting from each annual
24 adjustment shall be determined by the Public Pension Division
25 of the Department of Insurance and made available to the
26 boards of the retirement systems and pension funds by November

1 1 of each year.

2 (b-10) Beginning January 1, 2025 and until January 1,
3 2032, for all purposes under this Code (including, without
4 limitation, the calculation of benefits and employee
5 contributions), the annual earnings, salary, or wages (based
6 on the plan year) of a member or participant under Article 14,
7 16, or 17 to whom this Section applies shall not exceed the
8 amount determined under subsection (b-5) plus the wage base
9 adjustment for that year.

10 In this subsection, "wage base adjustment" means the
11 product that results from multiplying (i) the difference
12 between the federal Social Security Wage Base for the coming
13 calendar year and the amount calculated under subsection (b-5)
14 for that calendar year by (ii) the smoothing factor for that
15 calendar year. The wage base adjustment shall be determined by
16 the Public Pension Division of the Department of Insurance and
17 made available to the boards of the retirement systems and
18 pension funds by December 1 of each year. If the wage base
19 adjustment amount is less than the amount determined under
20 subsection (b-5), the wage base adjustment shall be zero.

21 In this subsection, "smoothing factor" means:

22 (1) for calendar year 2025, 12.5%;

23 (2) for calendar year 2026, 25%;

24 (3) for calendar year 2027, 37.5%;

25 (4) for calendar year 2028, 50%;

26 (5) for calendar year 2029, 62.5%;

1 (6) for calendar year 2030, 75%; and

2 (7) for calendar year 2031, 87.5%.

3 (b-15) Beginning January 1, 2032, for all purposes under
4 this Code (including, without limitation, the calculation of
5 benefits and employee contributions), the annual earnings,
6 salary, or wages (based on the plan year) of a member or
7 participant under Article 14, 16, or 17 to whom this Section
8 applies shall not exceed the federal Social Security Wage Base
9 then in effect.

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

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

1 the lower retirement annuity provided in subsection (d) of
2 this Section.

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

12 (d) The retirement annuity of a member or participant who
13 is retiring after attaining age 62 (age 60, with respect to
14 service under Article 12 that is subject to this Section, for a
15 member or participant under Article 12 who first becomes a
16 member or participant under Article 12 on or after January 1,
17 2022 or who makes the election under item (i) of subsection
18 (d-15) of this Section) with at least 10 years of service
19 credit shall be reduced by one-half of 1% for each full month
20 that the member's age is under age 67 (age 65, with respect to
21 service under Article 12 that is subject to this Section, for a
22 member or participant under Article 12 who first becomes a
23 member or participant under Article 12 on or after January 1,
24 2022 or who makes the election under item (i) of subsection
25 (d-15) of this Section).

26 (d-5) The retirement annuity payable under Article 8 or

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

5 (d-10) Each person who first became a member or
6 participant under Article 8 or Article 11 of this Code on or
7 after January 1, 2011 and prior to July 6, 2017 (the effective
8 date of Public Act 100-23) shall make an irrevocable election
9 either:

10 (i) to be eligible for the reduced retirement age
11 provided in subsections (c-5) and (d-5) of this Section,
12 the eligibility for which is conditioned upon the member
13 or participant agreeing to the increases in employee
14 contributions for age and service annuities provided in
15 subsection (a-5) of Section 8-174 of this Code (for
16 service under Article 8) or subsection (a-5) of Section
17 11-170 of this Code (for service under Article 11); or

18 (ii) to not agree to item (i) of this subsection
19 (d-10), in which case the member or participant shall
20 continue to be subject to the retirement age provisions in
21 subsections (c) and (d) of this Section and the employee
22 contributions for age and service annuity as provided in
23 subsection (a) of Section 8-174 of this Code (for service
24 under Article 8) or subsection (a) of Section 11-170 of
25 this Code (for service under Article 11).

26 The election provided for in this subsection shall be made

1 between October 1, 2017 and November 15, 2017. A person
2 subject to this subsection who makes the required election
3 shall remain bound by that election. A person subject to this
4 subsection who fails for any reason to make the required
5 election within the time specified in this subsection shall be
6 deemed to have made the election under item (ii).

7 (d-15) Each person who first becomes a member or
8 participant under Article 12 on or after January 1, 2011 and
9 prior to January 1, 2022 shall make an irrevocable election
10 either:

11 (i) to be eligible for the reduced retirement age
12 specified in subsections (c) and (d) of this Section, the
13 eligibility for which is conditioned upon the member or
14 participant agreeing to the increase in employee
15 contributions for service annuities specified in
16 subsection (b) of Section 12-150; or

17 (ii) to not agree to item (i) of this subsection
18 (d-15), in which case the member or participant shall not
19 be eligible for the reduced retirement age specified in
20 subsections (c) and (d) of this Section and shall not be
21 subject to the increase in employee contributions for
22 service annuities specified in subsection (b) of Section
23 12-150.

24 The election provided for in this subsection shall be made
25 between January 1, 2022 and April 1, 2022. A person subject to
26 this subsection who makes the required election shall remain

1 bound by that election. A person subject to this subsection
2 who fails for any reason to make the required election within
3 the time specified in this subsection shall be deemed to have
4 made the election under item (ii).

5 (e) Any retirement annuity or supplemental annuity shall
6 be subject to annual increases on the January 1 occurring
7 either on or after the attainment of age 67 (age 65, with
8 respect to service under Article 12 that is subject to this
9 Section, for a member or participant under Article 12 who
10 first becomes a member or participant under Article 12 on or
11 after January 1, 2022 or who makes the election under item (i)
12 of subsection (d-15); and beginning on July 6, 2017 (the
13 effective date of Public Act 100-23), age 65 with respect to
14 service under Article 8 or Article 11 for eligible persons
15 who: (i) are subject to subsection (c-5) of this Section; or
16 (ii) made the election under item (i) of subsection (d-10) of
17 this Section) or the first anniversary of the annuity start
18 date, whichever is later. Each annual increase shall be
19 calculated at 3% or one-half the annual unadjusted percentage
20 increase (but not less than zero) in the consumer price
21 index-u for the 12 months ending with the September preceding
22 each November 1, whichever is less, of the originally granted
23 retirement annuity. If the annual unadjusted percentage change
24 in the consumer price index-u for the 12 months ending with the
25 September preceding each November 1 is zero or there is a
26 decrease, then the annuity shall not be increased.

1 For the purposes of Section 1-103.1 of this Code, the
2 changes made to this Section by Public Act 102-263 are
3 applicable without regard to whether the employee was in
4 active service on or after August 6, 2021 (the effective date
5 of Public Act 102-263).

6 For the purposes of Section 1-103.1 of this Code, the
7 changes made to this Section by Public Act 100-23 are
8 applicable without regard to whether the employee was in
9 active service on or after July 6, 2017 (the effective date of
10 Public Act 100-23).

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

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

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

1 has withdrawn from service with not less than 20 years of
2 eligible creditable service and has attained age 60,
3 regardless of whether the attainment of age 60 occurs while
4 the person is still in service.

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

19 If a person who first becomes a member of a retirement
20 system or pension fund subject to this Section on or after
21 January 1, 2012 and is receiving a retirement annuity or
22 retirement pension under that system or fund and accepts on a
23 contractual basis a position to provide services to a
24 governmental entity from which he or she has retired, then
25 that person's annuity or retirement pension earned as an
26 active employee of the employer shall be suspended during that

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

12 (i) (Blank).

13 (j) In the case of a conflict between the provisions of
14 this Section and any other provision of this Code, the
15 provisions of this Section shall control.

16 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
17 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-956, eff.
18 5-27-22.)

19 (40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)

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

22 Sec. 2-108.1. Highest salary for annuity purposes.

23 (a) "Highest salary for annuity purposes" means whichever
24 of the following is applicable to the participant:

25 For a participant who first becomes a participant of this

1 System before August 10, 2009 (the effective date of Public
2 Act 96-207):

3 (1) For a participant who is a member of the General
4 Assembly on his or her last day of service: the highest
5 salary that is prescribed by law, on the participant's
6 last day of service, for a member of the General Assembly
7 who is not an officer; plus, if the participant was
8 elected or appointed to serve as an officer of the General
9 Assembly for 2 or more years and has made contributions as
10 required under subsection (d) of Section 2-126, the
11 highest additional amount of compensation prescribed by
12 law, at the time of the participant's service as an
13 officer, for members of the General Assembly who serve in
14 that office.

15 (2) For a participant who holds one of the State
16 executive offices specified in Section 2-105 on his or her
17 last day of service: the highest salary prescribed by law
18 for service in that office on the participant's last day
19 of service.

20 (3) For a participant who is Clerk or Assistant Clerk
21 of the House of Representatives or Secretary or Assistant
22 Secretary of the Senate on his or her last day of service:
23 the salary received for service in that capacity on the
24 last day of service, but not to exceed the highest salary
25 (including additional compensation for service as an
26 officer) that is prescribed by law on the participant's

1 last day of service for the highest paid officer of the
2 General Assembly.

3 (4) For a participant who is a continuing participant
4 under Section 2-117.1 on his or her last day of service:
5 the salary received for service in that capacity on the
6 last day of service, but not to exceed the highest salary
7 (including additional compensation for service as an
8 officer) that is prescribed by law on the participant's
9 last day of service for the highest paid officer of the
10 General Assembly.

11 For a participant who first becomes a participant of this
12 System on or after August 10, 2009 (the effective date of
13 Public Act 96-207) and before January 1, 2011 (the effective
14 date of Public Act 96-889), the average monthly salary
15 obtained by dividing the total salary of the participant
16 during the period of: (1) the 48 consecutive months of service
17 within the last 120 months of service in which the total
18 compensation was the highest, or (2) the total period of
19 service, if less than 48 months, by the number of months of
20 service in that period.

21 For a participant who first becomes a participant of this
22 System on or after January 1, 2011 (the effective date of
23 Public Act 96-889), the average monthly salary obtained by
24 dividing the total salary of the participant during the 96
25 consecutive months of service within the last 120 months of
26 service in which the total compensation was the highest by the

1 number of months of service in that period; however, except as
2 provided in subsection (a-5) or (a-10), beginning January 1,
3 2011, the highest salary for annuity purposes may not exceed
4 \$106,800, except that that amount shall annually thereafter be
5 increased by the lesser of (i) 3% of that amount, including all
6 previous adjustments, or (ii) the annual unadjusted percentage
7 increase (but not less than zero) in the consumer price
8 index-u for the 12 months ending with the September preceding
9 each November 1. "Consumer price index-u" means the index
10 published by the Bureau of Labor Statistics of the United
11 States Department of Labor that measures the average change in
12 prices of goods and services purchased by all urban consumers,
13 United States city average, all items, 1982-84 = 100. The new
14 amount resulting from each annual adjustment shall be
15 determined by the Public Pension Division of the Department of
16 Insurance and made available to the Board by November 1 of each
17 year.

18 (a-5) Beginning January 1, 2025 and until January 1, 2032,
19 for a participant who first becomes a participant of this
20 System on or after January 1, 2011, the highest salary for
21 annuity purposes may not exceed the amount determined under
22 subsection (a) plus the wage base adjustment for that year.

23 In this subsection, "wage base adjustment" means the
24 product that results from multiplying (i) the difference
25 between the federal Social Security Wage Base for the coming
26 calendar year and the amount calculated under subsection (a)

1 for that calendar year by (ii) the smoothing factor for that
2 calendar year. The wage base adjustment shall be determined by
3 the Public Pension Division of the Department of Insurance and
4 made available to the boards of the retirement systems and
5 pension funds by December 1 of each year. If the wage base
6 adjustment amount is less than the amount determined under
7 subsection (a), the wage base adjustment shall be zero.

8 In this subsection, "smoothing factor" means:

9 (1) for calendar year 2025, 12.5%;

10 (2) for calendar year 2026, 25%;

11 (3) for calendar year 2027, 37.5%;

12 (4) for calendar year 2028, 50%;

13 (5) for calendar year 2029, 62.5%;

14 (6) for calendar year 2030, 75%; and

15 (7) for calendar year 2031, 87.5%.

16 (a-10) Beginning January 1, 2032, the highest salary for
17 annuity purposes may not exceed the federal Social Security
18 Wage Base then in effect.

19 (b) The earnings limitations of subsection (a), (a-5), and
20 (a-10), whichever is applicable, apply to earnings under any
21 other participating system under the Retirement Systems
22 Reciprocal Act that are considered in calculating a
23 proportional annuity under this Article, except in the case of
24 a person who first became a member of this System before August
25 22, 1994 and has not, on or after the effective date of this
26 amendatory Act of the 97th General Assembly, irrevocably

1 elected to have those limitations apply. The limitations of
2 subsection (a), (a-5), and (a-10), whichever is applicable,
3 shall apply, however, to earnings under any other
4 participating system under the Retirement Systems Reciprocal
5 Act that are considered in calculating the proportional
6 annuity of a person who first became a member of this System
7 before August 22, 1994 if, on or after the effective date of
8 this amendatory Act of the 97th General Assembly, that member
9 irrevocably elects to have those limitations apply.

10 (c) In calculating the subsection (a), (a-5), or (a-10),
11 whichever is applicable, earnings limitation to be applied to
12 earnings under any other participating system under the
13 Retirement Systems Reciprocal Act for the purpose of
14 calculating a proportional annuity under this Article, the
15 participant's last day of service shall be deemed to mean the
16 last day of service in any participating system from which the
17 person has applied for a proportional annuity under the
18 Retirement Systems Reciprocal Act.

19 (Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11;
20 96-1490, eff. 1-1-11; 97-967, eff. 8-16-12.)

21 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

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

24 Sec. 2-119.1. Automatic increase in retirement annuity.

25 (a) A participant who retires after June 30, 1967, and who

1 has not received an initial increase under this Section before
2 the effective date of this amendatory Act of 1991, shall, in
3 January or July next following the first anniversary of
4 retirement, whichever occurs first, and in the same month of
5 each year thereafter, but in no event prior to age 60, have the
6 amount of the originally granted retirement annuity increased
7 as follows: for each year through 1971, 1 1/2%; for each year
8 from 1972 through 1979, 2%; and for 1980 and each year
9 thereafter, 3%. Annuitants who have received an initial
10 increase under this subsection prior to the effective date of
11 this amendatory Act of 1991 shall continue to receive their
12 annual increases in the same month as the initial increase.

13 (b) Beginning January 1, 1990, for eligible participants
14 who remain in service after attaining 20 years of creditable
15 service, the 3% increases provided under subsection (a) shall
16 begin to accrue on the January 1 next following the date upon
17 which the participant (1) attains age 55, or (2) attains 20
18 years of creditable service, whichever occurs later, and shall
19 continue to accrue while the participant remains in service;
20 such increases shall become payable on January 1 or July 1,
21 whichever occurs first, next following the first anniversary
22 of retirement. For any person who has service credit in the
23 System for the entire period from January 15, 1969 through
24 December 31, 1992, regardless of the date of termination of
25 service, the reference to age 55 in clause (1) of this
26 subsection (b) shall be deemed to mean age 50.

1 This subsection (b) does not apply to any person who first
2 becomes a member of the System after the effective date of this
3 amendatory Act of the 93rd General Assembly.

4 (b-5) Notwithstanding any other provision of this Article,
5 a participant who first becomes a participant on or after
6 January 1, 2011 (the effective date of Public Act 96-889)
7 shall, in January or July next following the first anniversary
8 of retirement, whichever occurs first, and in the same month
9 of each year thereafter, but in no event prior to age 67, have
10 the amount of the retirement annuity then being paid increased
11 by 3% or the annual unadjusted percentage increase in the
12 Consumer Price Index for All Urban Consumers as determined by
13 the Public Pension Division of the Department of Insurance
14 ~~under subsection (a) of Section 2-108.1~~, whichever is less.

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

24 (c) The foregoing provisions relating to automatic
25 increases are not applicable to a participant who retires
26 before having made contributions (at the rate prescribed in

1 Section 2-126) for automatic increases for less than the
2 equivalent of one full year. However, in order to be eligible
3 for the automatic increases, such a participant may make
4 arrangements to pay to the system the amount required to bring
5 the total contributions for the automatic increase to the
6 equivalent of one year's contributions based upon his or her
7 last salary.

8 (d) A participant who terminated service prior to July 1,
9 1967, with at least 14 years of service is entitled to an
10 increase in retirement annuity beginning January, 1976, and to
11 additional increases in January of each year thereafter.

12 The initial increase shall be 1 1/2% of the originally
13 granted retirement annuity multiplied by the number of full
14 years that the annuitant was in receipt of such annuity prior
15 to January 1, 1972, plus 2% of the originally granted
16 retirement annuity for each year after that date. The
17 subsequent annual increases shall be at the rate of 2% of the
18 originally granted retirement annuity for each year through
19 1979 and at the rate of 3% for 1980 and thereafter.

20 (e) Beginning January 1, 1990, all automatic annual
21 increases payable under this Section shall be calculated as a
22 percentage of the total annuity payable at the time of the
23 increase, including previous increases granted under this
24 Article.

25 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

1 (40 ILCS 5/14-103.10) (from Ch. 108 1/2, par. 14-103.10)

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

4 Sec. 14-103.10. Compensation.

5 (a) For periods of service prior to January 1, 1978, the
6 full rate of salary or wages payable to an employee for
7 personal services performed if he worked the full normal
8 working period for his position, subject to the following
9 maximum amounts: (1) prior to July 1, 1951, \$400 per month or
10 \$4,800 per year; (2) between July 1, 1951 and June 30, 1957
11 inclusive, \$625 per month or \$7,500 per year; (3) beginning
12 July 1, 1957, no limitation.

13 In the case of service of an employee in a position
14 involving part-time employment, compensation shall be
15 determined according to the employees' earnings record.

16 (b) For periods of service on and after January 1, 1978,
17 all remuneration for personal services performed defined as
18 "wages" under the Social Security Enabling Act, including that
19 part of such remuneration which is in excess of any maximum
20 limitation provided in such Act, and including any benefits
21 received by an employee under a sick pay plan in effect before
22 January 1, 1981, but excluding lump sum salary payments:

23 (1) for vacation,

24 (2) for accumulated unused sick leave,

25 (3) upon discharge or dismissal,

26 (4) for approved holidays.

1 (c) For periods of service on or after December 16, 1978,
2 compensation also includes any benefits, other than lump sum
3 salary payments made at termination of employment, which an
4 employee receives or is eligible to receive under a sick pay
5 plan authorized by law.

6 (d) For periods of service after September 30, 1985,
7 compensation also includes any remuneration for personal
8 services not included as "wages" under the Social Security
9 Enabling Act, which is deducted for purposes of participation
10 in a program established pursuant to Section 125 of the
11 Internal Revenue Code or its successor laws.

12 (e) For members for which Section 1-160 applies for
13 periods of service on and after January 1, 2011, all
14 remuneration for personal services performed defined as
15 "wages" under the Social Security Enabling Act, excluding
16 remuneration that is in excess of the annual earnings, salary,
17 or wages of a member or participant, as provided in subsection
18 (b-5), (b-10), and (b-15) of Section 1-160, whichever is
19 applicable, but including any benefits received by an employee
20 under a sick pay plan in effect before January 1, 1981.
21 Compensation shall exclude lump sum salary payments:

- 22 (1) for vacation;
- 23 (2) for accumulated unused sick leave;
- 24 (3) upon discharge or dismissal; and
- 25 (4) for approved holidays.

26 (f) Notwithstanding the other provisions of this Section,

1 for service on or after July 1, 2013, "compensation" does not
2 include any stipend payable to an employee for service on a
3 board or commission.

4 (Source: P.A. 98-449, eff. 8-16-13.)

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

6 Sec. 15-111. Earnings.

7 (a) "Earnings": Subject to Section 15-111.5, an amount
8 paid for personal services equal to the sum of the basic
9 compensation plus extra compensation for summer teaching,
10 overtime or other extra service. For periods for which an
11 employee receives service credit under subsection (c) of
12 Section 15-113.1 or Section 15-113.2, earnings are equal to
13 the basic compensation on which contributions are paid by the
14 employee during such periods. Compensation for employment
15 which is irregular, intermittent and temporary shall not be
16 considered earnings, unless the participant is also receiving
17 earnings from the employer as an employee under Section
18 15-107.

19 With respect to transition pay paid by the University of
20 Illinois to a person who was a participating employee employed
21 in the fire department of the University of Illinois's
22 Champaign-Urbana campus immediately prior to the elimination
23 of that fire department:

24 (1) "Earnings" includes transition pay paid to the
25 employee on or after the effective date of this amendatory

1 Act of the 91st General Assembly.

2 (2) "Earnings" includes transition pay paid to the
3 employee before the effective date of this amendatory Act
4 of the 91st General Assembly only if (i) employee
5 contributions under Section 15-157 have been withheld from
6 that transition pay or (ii) the employee pays to the
7 System before January 1, 2001 an amount representing
8 employee contributions under Section 15-157 on that
9 transition pay. Employee contributions under item (ii) may
10 be paid in a lump sum, by withholding from additional
11 transition pay accruing before January 1, 2001, or in any
12 other manner approved by the System. Upon payment of the
13 employee contributions on transition pay, the
14 corresponding employer contributions become an obligation
15 of the State.

16 (b) For a Tier 2 member, the annual earnings shall not
17 exceed \$106,800; however, except as provided in subsection
18 (b-5) and (b-10), that amount shall annually thereafter be
19 increased by the lesser of (i) 3% of that amount, including all
20 previous adjustments, or (ii) one half the annual unadjusted
21 percentage increase (but not less than zero) in the consumer
22 price index-u for the 12 months ending with the September
23 preceding each November 1, including all previous adjustments.

24 For the purposes of this Section, "consumer price index-u
25 ~~index-u~~" means the index published by the Bureau of Labor
26 Statistics of the United States Department of Labor that

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

8 (b-5) Beginning January 1, 2025 and until January 1, 2032,
9 for a participant who first becomes a participant of this
10 System on or after January 1, 2011, the annual earnings may not
11 exceed the amount determined under subsection (b) plus the
12 wage base adjustment for that year.

13 In this subsection, "wage base adjustment" means the
14 product that results from multiplying (i) the difference
15 between the federal Social Security Wage Base for the coming
16 calendar year and the amount calculated under subsection (b)
17 for that calendar year by (ii) the smoothing factor for that
18 calendar year. The wage base adjustment shall be determined by
19 the Public Pension Division of the Department of Insurance and
20 made available to the boards of the retirement systems and
21 pension funds by December 1 of each year. If the wage base
22 adjustment amount is less than the amount determined under
23 subsection (b), the wage base adjustment shall be zero.

24 In this subsection, "smoothing factor" means:

25 (1) for calendar year 2025, 12.5%;

26 (2) for calendar year 2026, 25%;

1 (3) for calendar year 2027, 37.5%;

2 (4) for calendar year 2028, 50%;

3 (5) for calendar year 2029, 62.5%;

4 (6) for calendar year 2030, 75%; and

5 (7) for calendar year 2031, 87.5%.

6 (b-10) Beginning January 1, 2032, the annual earnings may
7 not exceed the federal Social Security Wage Base then in
8 effect.

9 (c) With each submission of payroll information in the
10 manner prescribed by the System, the employer shall certify
11 that the payroll information is correct and complies with all
12 applicable State and federal laws.

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

14 (40 ILCS 5/18-125) (from Ch. 108 1/2, par. 18-125)

15 Sec. 18-125. Retirement annuity amount.

16 (a) The annual retirement annuity for a participant who
17 terminated service as a judge prior to July 1, 1971 shall be
18 based on the law in effect at the time of termination of
19 service.

20 (b) Except as provided in subsection (b-5), effective July
21 1, 1971, the retirement annuity for any participant in service
22 on or after such date shall be 3 1/2% of final average salary,
23 as defined in this Section, for each of the first 10 years of
24 service, and 5% of such final average salary for each year of
25 service in excess of 10.

1 For purposes of this Section, final average salary for a
2 participant who first serves as a judge before August 10, 2009
3 (the effective date of Public Act 96-207) shall be:

4 (1) the average salary for the last 4 years of
5 credited service as a judge for a participant who
6 terminates service before July 1, 1975.

7 (2) for a participant who terminates service after
8 June 30, 1975 and before July 1, 1982, the salary on the
9 last day of employment as a judge.

10 (3) for any participant who terminates service after
11 June 30, 1982 and before January 1, 1990, the average
12 salary for the final year of service as a judge.

13 (4) for a participant who terminates service on or
14 after January 1, 1990 but before July 14, 1995 (the
15 effective date of Public Act 89-136), the salary on the
16 last day of employment as a judge.

17 (5) for a participant who terminates service on or
18 after July 14, 1995 (the effective date of Public Act
19 89-136), the salary on the last day of employment as a
20 judge, or the highest salary received by the participant
21 for employment as a judge in a position held by the
22 participant for at least 4 consecutive years, whichever is
23 greater.

24 However, in the case of a participant who elects to
25 discontinue contributions as provided in subdivision (a)(2) of
26 Section 18-133, the time of such election shall be considered

1 the last day of employment in the determination of final
2 average salary under this subsection.

3 For a participant who first serves as a judge on or after
4 August 10, 2009 (the effective date of Public Act 96-207) and
5 before January 1, 2011 (the effective date of Public Act
6 96-889), final average salary shall be the average monthly
7 salary obtained by dividing the total salary of the
8 participant during the period of: (1) the 48 consecutive
9 months of service within the last 120 months of service in
10 which the total compensation was the highest, or (2) the total
11 period of service, if less than 48 months, by the number of
12 months of service in that period.

13 The maximum retirement annuity for any participant shall
14 be 85% of final average salary.

15 (b-5) Notwithstanding any other provision of this Article,
16 for a participant who first serves as a judge on or after
17 January 1, 2011 (the effective date of Public Act 96-889), the
18 annual retirement annuity is 3% of the participant's final
19 average salary for each year of service. The maximum
20 retirement annuity payable shall be 60% of the participant's
21 final average salary.

22 For a participant who first serves as a judge on or after
23 January 1, 2011 (the effective date of Public Act 96-889),
24 final average salary shall be the average monthly salary
25 obtained by dividing the total salary of the judge during the
26 96 consecutive months of service within the last 120 months of

1 service in which the total salary was the highest by the number
2 of months of service in that period; however, except as
3 provided in subsection (b-10) and (b-15), beginning January 1,
4 2011, the annual salary may not exceed \$106,800, except that
5 that amount shall annually thereafter be increased by the
6 lesser of (i) 3% of that amount, including all previous
7 adjustments, or (ii) the annual unadjusted percentage increase
8 (but not less than zero) in the consumer price index-u for the
9 12 months ending with the September preceding each November 1.
10 "Consumer price index-u" means the index published by the
11 Bureau of Labor Statistics of the United States Department of
12 Labor that measures the average change in prices of goods and
13 services purchased by all urban consumers, United States city
14 average, all items, 1982-84 = 100. The new amount resulting
15 from each annual adjustment shall be determined by the Public
16 Pension Division of the Department of Insurance and made
17 available to the Board by November 1st of each year.

18 (b-10) Beginning January 1, 2025 and until January 1,
19 2032, for a participant who first serves as a judge on or after
20 January 1, 2011, the annual salary may not exceed the amount
21 determined under subsection (b-5) plus the wage base
22 adjustment for that year.

23 In this subsection, "wage base adjustment" means the
24 product that results from multiplying (i) the difference
25 between the federal Social Security Wage Base for the coming
26 calendar year and the amount calculated under subsection (b-5)

1 for that calendar year by (ii) the smoothing factor for that
2 calendar year. The wage base adjustment shall be determined by
3 the Public Pension Division of the Department of Insurance and
4 made available to the boards of the retirement systems and
5 pension funds by December 1 of each year. If the wage base
6 adjustment amount is less than the amount determined under
7 subsection (b-5), the wage base adjustment shall be zero.

8 In this subsection, "smoothing factor" means:

9 (1) for calendar year 2025, 12.5%;

10 (2) for calendar year 2026, 25%;

11 (3) for calendar year 2027, 37.5%;

12 (4) for calendar year 2028, 50%;

13 (5) for calendar year 2029, 62.5%;

14 (6) for calendar year 2030, 75%; and

15 (7) for calendar year 2031, 87.5%.

16 (b-15) Beginning January 1, 2032, the annual salary may
17 not exceed the federal Social Security Wage Base then in
18 effect.

19 (c) The retirement annuity for a participant who retires
20 prior to age 60 with less than 28 years of service in the
21 System shall be reduced 1/2 of 1% for each month that the
22 participant's age is under 60 years at the time the annuity
23 commences. However, for a participant who retires on or after
24 December 10, 1999 (the effective date of Public Act 91-653),
25 the percentage reduction in retirement annuity imposed under
26 this subsection shall be reduced by 5/12 of 1% for every month

1 of service in this System in excess of 20 years, and therefore
2 a participant with at least 26 years of service in this System
3 may retire at age 55 without any reduction in annuity.

4 The reduction in retirement annuity imposed by this
5 subsection shall not apply in the case of retirement on
6 account of disability.

7 (d) Notwithstanding any other provision of this Article,
8 for a participant who first serves as a judge on or after
9 January 1, 2011 (the effective date of Public Act 96-889) and
10 who is retiring after attaining age 62, the retirement annuity
11 shall be reduced by 1/2 of 1% for each month that the
12 participant's age is under age 67 at the time the annuity
13 commences.

14 (Source: P.A. 100-201, eff. 8-18-17.)

15 (40 ILCS 5/18-128.01) (from Ch. 108 1/2, par. 18-128.01)
16 Sec. 18-128.01. Amount of survivor's annuity.

17 (a) Upon the death of an annuitant, his or her surviving
18 spouse shall be entitled to a survivor's annuity of 66 2/3% of
19 the annuity the annuitant was receiving immediately prior to
20 his or her death, inclusive of annual increases in the
21 retirement annuity to the date of death.

22 (b) Upon the death of an active participant, his or her
23 surviving spouse shall receive a survivor's annuity of 66 2/3%
24 of the annuity earned by the participant as of the date of his
25 or her death, determined without regard to whether the

1 participant had attained age 60 as of that time, or 7 1/2% of
2 the last salary of the decedent, whichever is greater.

3 (c) Upon the death of a participant who had terminated
4 service with at least 10 years of service, his or her surviving
5 spouse shall be entitled to a survivor's annuity of 66 2/3% of
6 the annuity earned by the deceased participant at the date of
7 death.

8 (d) Upon the death of an annuitant, active participant, or
9 participant who had terminated service with at least 10 years
10 of service, each surviving child under the age of 18 or
11 disabled as defined in Section 18-128 shall be entitled to a
12 child's annuity in an amount equal to 5% of the decedent's
13 final salary, not to exceed in total for all such children the
14 greater of 20% of the decedent's last salary or 66 2/3% of the
15 annuity received or earned by the decedent as provided under
16 subsections (a) and (b) of this Section. This child's annuity
17 shall be paid whether or not a survivor's annuity was elected
18 under Section 18-123.

19 (e) The changes made in the survivor's annuity provisions
20 by Public Act 82-306 shall apply to the survivors of a deceased
21 participant or annuitant whose death occurs on or after August
22 21, 1981.

23 (f) Beginning January 1, 1990, every survivor's annuity
24 shall be increased (1) on each January 1 occurring on or after
25 the commencement of the annuity if the deceased member died
26 while receiving a retirement annuity, or (2) in other cases,

1 on each January 1 occurring on or after the first anniversary
2 of the commencement of the annuity, by an amount equal to 3% of
3 the current amount of the annuity, including any previous
4 increases under this Article. Such increases shall apply
5 without regard to whether the deceased member was in service
6 on or after the effective date of this amendatory Act of 1991,
7 but shall not accrue for any period prior to January 1, 1990.

8 (g) Notwithstanding any other provision of this Article,
9 the initial survivor's annuity for a survivor of a participant
10 who first serves as a judge after January 1, 2011 (the
11 effective date of Public Act 96-889) shall be in the amount of
12 66 2/3% of the annuity received or earned by the decedent, and
13 shall be increased (1) on each January 1 occurring on or after
14 the commencement of the annuity if the deceased participant
15 died while receiving a retirement annuity, or (2) in other
16 cases, on each January 1 occurring on or after the first
17 anniversary of the commencement of the annuity, but in no
18 event prior to age 67, by an amount equal to 3% or the annual
19 unadjusted percentage increase in the consumer price index-u
20 as determined by the Public Pension Division of the Department
21 of Insurance ~~under subsection (b-5) of Section 18-125,~~
22 whichever is less, of the survivor's annuity then being paid.

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

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

6 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

7 Article 2.

8 Section 2-5. The Illinois Pension Code is amended by
9 changing Sections 1-160, 2-119.1, and 18-125.1 as follows:

10 (40 ILCS 5/1-160)

11 (Text of Section from P.A. 102-719)

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

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

1 writing after January 1, 2011, but before August 8, 2011,
2 under Section 7-145.1 of this Code. Notwithstanding anything
3 to the contrary in this Section, for purposes of this Section,
4 a person who is a Tier 1 regular employee as defined in Section
5 7-109.4 of this Code or who participated in a retirement
6 system under Article 15 prior to January 1, 2011 shall be
7 deemed a person who first became a member or participant prior
8 to January 1, 2011 under any retirement system or pension fund
9 subject to this Section. The changes made to this Section by
10 Public Act 98-596 are a clarification of existing law and are
11 intended to be retroactive to January 1, 2011 (the effective
12 date of Public Act 96-889), notwithstanding the provisions of
13 Section 1-103.1 of this Code.

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

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

1 Article.

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

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

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

25 (1) (Blank).

26 (2) In Articles 8, 9, 10, 11, and 12, "highest average

1 annual salary for any 4 consecutive years within the last
2 10 years of service immediately preceding the date of
3 withdrawal".

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

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

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

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

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

15 (A) the amount otherwise calculated under the first
16 paragraph of this subsection; or

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

26 (b-5) Beginning on January 1, 2011, for all purposes under

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

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

21 (c) A member or participant is entitled to a retirement
22 annuity upon written application if he or she has attained age
23 67 (age 65, with respect to service under Article 12 that is
24 subject to this Section, for a member or participant under
25 Article 12 who first becomes a member or participant under
26 Article 12 on or after January 1, 2022 or who makes the

1 election under item (i) of subsection (d-15) of this Section)
2 and has at least 10 years of service credit and is otherwise
3 eligible under the requirements of the applicable Article.

4 A member or participant who has attained age 62 (age 60,
5 with respect to service under Article 12 that is subject to
6 this Section, for a member or participant under Article 12 who
7 first becomes a member or participant under Article 12 on or
8 after January 1, 2022 or who makes the election under item (i)
9 of subsection (d-15) of this Section) and has at least 10 years
10 of service credit and is otherwise eligible under the
11 requirements of the applicable Article may elect to receive
12 the lower retirement annuity provided in subsection (d) of
13 this Section.

14 (c-5) A person who first becomes a member or a participant
15 subject to this Section on or after July 6, 2017 (the effective
16 date of Public Act 100-23), notwithstanding any other
17 provision of this Code to the contrary, is entitled to a
18 retirement annuity under Article 8 or Article 11 upon written
19 application if he or she has attained age 65 and has at least
20 10 years of service credit and is otherwise eligible under the
21 requirements of Article 8 or Article 11 of this Code,
22 whichever is applicable.

23 (d) The retirement annuity of a member or participant who
24 is retiring after attaining age 62 (age 60, with respect to
25 service under Article 12 that is subject to this Section, for a
26 member or participant under Article 12 who first becomes a

1 member or participant under Article 12 on or after January 1,
2 2022 or who makes the election under item (i) of subsection
3 (d-15) of this Section) with at least 10 years of service
4 credit shall be reduced by one-half of 1% for each full month
5 that the member's age is under age 67 (age 65, with respect to
6 service under Article 12 that is subject to this Section, for a
7 member or participant under Article 12 who first becomes a
8 member or participant under Article 12 on or after January 1,
9 2022 or who makes the election under item (i) of subsection
10 (d-15) of this Section).

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

16 (d-10) Each person who first became a member or
17 participant under Article 8 or Article 11 of this Code on or
18 after January 1, 2011 and prior to July 6, 2017 (the effective
19 date of Public Act 100-23) shall make an irrevocable election
20 either:

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

1 service under Article 8) or subsection (a-5) of Section
2 11-170 of this Code (for service under Article 11); or

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

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

18 (d-15) Each person who first becomes a member or
19 participant under Article 12 on or after January 1, 2011 and
20 prior to January 1, 2022 shall make an irrevocable election
21 either:

22 (i) to be eligible for the reduced retirement age
23 specified in subsections (c) and (d) of this Section, the
24 eligibility for which is conditioned upon the member or
25 participant agreeing to the increase in employee
26 contributions for service annuities specified in

1 subsection (b) of Section 12-150; or
2 (ii) to not agree to item (i) of this subsection
3 (d-15), in which case the member or participant shall not
4 be eligible for the reduced retirement age specified in
5 subsections (c) and (d) of this Section and shall not be
6 subject to the increase in employee contributions for
7 service annuities specified in subsection (b) of Section
8 12-150.

9 The election provided for in this subsection shall be made
10 between January 1, 2022 and April 1, 2022. A person subject to
11 this subsection who makes the required election shall remain
12 bound by that election. A person subject to this subsection
13 who fails for any reason to make the required election within
14 the time specified in this subsection shall be deemed to have
15 made the election under item (ii).

16 (e) Any retirement annuity or supplemental annuity shall
17 be subject to annual increases on the January 1 occurring
18 either on or after the attainment of age 67 (age 65, with
19 respect to service under Article 12 that is subject to this
20 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); and beginning on July 6, 2017 (the
24 effective date of Public Act 100-23), age 65 with respect to
25 service under Article 8 or Article 11 for eligible persons
26 who: (i) are subject to subsection (c-5) of this Section; or

1 (ii) made the election under item (i) of subsection (d-10) of
2 this Section) or the first anniversary of the annuity start
3 date, whichever is later. Each annual increase shall be
4 calculated at 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, whichever is less, of the originally granted
8 retirement annuity. If the annual unadjusted percentage change
9 in the consumer price index-u for the 12 months ending with the
10 September preceding each November 1 is zero or there is a
11 decrease, then the annuity shall not be increased.

12 Beginning January 1, 2025, the retirement annuity or
13 supplemental annuity for members or participants under Article
14 14, 16, or 17 shall be increased by the rolling average for the
15 preceding 3 years of (i) 3% or (ii) one-half of the annual
16 unadjusted percentage increase (but not less than zero) in the
17 consumer price index-u for the 12 months ending with the
18 September preceding each November 1, whichever is greater, of
19 the originally granted retirement annuity.

20 For the purposes of Section 1-103.1 of this Code, the
21 changes made to this Section by this amendatory Act of the
22 103rd General Assembly are applicable without regard to
23 whether the employee was in active service on or after the
24 effective date of this amendatory Act of the 103rd General
25 Assembly.

26 For the purposes of Section 1-103.1 of this Code, the

1 changes made to this Section by Public Act 102-263 are
2 applicable without regard to whether the employee was in
3 active service on or after August 6, 2021 (the effective date
4 of Public Act 102-263).

5 For the purposes of Section 1-103.1 of this Code, the
6 changes made to this Section by Public Act 100-23 are
7 applicable without regard to whether the employee was in
8 active service on or after July 6, 2017 (the effective date of
9 Public Act 100-23).

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

1 occurring after the first anniversary of the commencement of
2 the annuity. Each annual increase shall be calculated at 3% or
3 one-half the annual unadjusted percentage increase (but not
4 less than zero) in the consumer price index-u for the 12 months
5 ending with the September preceding each November 1, whichever
6 is less, of the originally granted survivor's annuity. If the
7 annual unadjusted percentage change in the consumer price
8 index-u for the 12 months ending with the September preceding
9 each November 1 is zero or there is a decrease, then the
10 annuity shall not be increased.

11 (g) The benefits in Section 14-110 apply if the person is a
12 fire fighter in the fire protection service of a department, a
13 security employee of the Department of Corrections or the
14 Department of Juvenile Justice, or a security employee of the
15 Department of Innovation and Technology, as those terms are
16 defined in subsection (b) and subsection (c) of Section
17 14-110. A person who meets the requirements of this Section is
18 entitled to an annuity calculated under the provisions of
19 Section 14-110, in lieu of the regular or minimum retirement
20 annuity, only if the person has withdrawn from service with
21 not less than 20 years of eligible creditable service and has
22 attained age 60, regardless of whether the attainment of age
23 60 occurs while the person is still in service.

24 (g-5) The benefits in Section 14-110 apply if the person
25 is a State policeman, investigator for the Secretary of State,
26 conservation police officer, investigator for the Department

1 of Revenue or the Illinois Gaming Board, investigator for the
2 Office of the Attorney General, Commerce Commission police
3 officer, or arson investigator, as those terms are defined in
4 subsection (b) and subsection (c) of Section 14-110. A person
5 who meets the requirements of this Section is entitled to an
6 annuity calculated under the provisions of Section 14-110, in
7 lieu of the regular or minimum retirement annuity, only if the
8 person has withdrawn from service with not less than 20 years
9 of eligible creditable service and has attained age 55,
10 regardless of whether the attainment of age 55 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; 102-719, eff.
25 5-6-22.)

1 (Text of Section from P.A. 102-813)

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

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

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

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

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

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

25 (b) "Final average salary" means, except as otherwise
26 provided in this subsection, the average monthly (or annual)

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

12 (1) (Blank).

13 (2) In Articles 8, 9, 10, 11, and 12, "highest average
14 annual salary for any 4 consecutive years within the last
15 10 years of service immediately preceding the date of
16 withdrawal".

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

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

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

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

22 A member of the Teachers' Retirement System of the State
23 of Illinois who retires on or after June 1, 2021 and for whom
24 the 2020-2021 school year is used in the calculation of the
25 member's final average salary shall use the higher of the
26 following for the purpose of determining the member's final

1 average salary:

2 (A) the amount otherwise calculated under the first
3 paragraph of this subsection; or

4 (B) an amount calculated by the Teachers' Retirement
5 System of the State of Illinois using the average of the
6 monthly (or annual) salary obtained by dividing the total
7 salary or earnings calculated under Article 16 applicable
8 to the member or participant during the 96 months (or 8
9 years) of service within the last 120 months (or 10 years)
10 of service in which the total salary or earnings
11 calculated under the Article was the highest by the number
12 of months (or years) of service in that period.

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

24 For the purposes of this Section, "consumer price index-u"
25 means the index published by the Bureau of Labor Statistics of
26 the United States Department of Labor that measures the

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

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

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

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

10 (d) The retirement annuity of a member or participant who
11 is retiring after attaining age 62 (age 60, 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) with at least 10 years of service
17 credit shall be reduced by one-half of 1% for each full month
18 that the member's age is under age 67 (age 65, with respect to
19 service under Article 12 that is subject to this Section, for a
20 member or participant under Article 12 who first becomes a
21 member or participant under Article 12 on or after January 1,
22 2022 or who makes the election under item (i) of subsection
23 (d-15) of this Section).

24 (d-5) The retirement annuity payable under Article 8 or
25 Article 11 to an eligible person subject to subsection (c-5)
26 of this Section who is retiring at age 60 with at least 10

1 years of service credit shall be reduced by one-half of 1% for
2 each full month that the member's age is under age 65.

3 (d-10) Each person who first became a member or
4 participant under Article 8 or Article 11 of this Code on or
5 after January 1, 2011 and prior to July 6, 2017 (the effective
6 date of Public Act 100-23) shall make an irrevocable election
7 either:

8 (i) to be eligible for the reduced retirement age
9 provided in subsections (c-5) and (d-5) of this Section,
10 the eligibility for which is conditioned upon the member
11 or participant agreeing to the increases in employee
12 contributions for age and service annuities provided in
13 subsection (a-5) of Section 8-174 of this Code (for
14 service under Article 8) or subsection (a-5) of Section
15 11-170 of this Code (for service under Article 11); or

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

24 The election provided for in this subsection shall be made
25 between October 1, 2017 and November 15, 2017. A person
26 subject to this subsection who makes the required election

1 shall remain bound by that election. A person subject to this
2 subsection who fails for any reason to make the required
3 election within the time specified in this subsection shall be
4 deemed to have made the election under item (ii).

5 (d-15) Each person who first becomes a member or
6 participant under Article 12 on or after January 1, 2011 and
7 prior to January 1, 2022 shall make an irrevocable election
8 either:

9 (i) to be eligible for the reduced retirement age
10 specified in subsections (c) and (d) of this Section, the
11 eligibility for which is conditioned upon the member or
12 participant agreeing to the increase in employee
13 contributions for service annuities specified in
14 subsection (b) of Section 12-150; or

15 (ii) to not agree to item (i) of this subsection
16 (d-15), in which case the member or participant shall not
17 be eligible for the reduced retirement age specified in
18 subsections (c) and (d) of this Section and shall not be
19 subject to the increase in employee contributions for
20 service annuities specified in subsection (b) of Section
21 12-150.

22 The election provided for in this subsection shall be made
23 between January 1, 2022 and April 1, 2022. A person subject to
24 this subsection who makes the required election shall remain
25 bound by that election. A person subject to this subsection
26 who fails for any reason to make the required election within

1 the time specified in this subsection shall be deemed to have
2 made the election under item (ii).

3 (e) Any retirement annuity or supplemental annuity shall
4 be subject to annual increases on the January 1 occurring
5 either on or after the attainment of age 67 (age 65, with
6 respect to service under Article 12 that is subject to this
7 Section, for a member or participant under Article 12 who
8 first becomes a member or participant under Article 12 on or
9 after January 1, 2022 or who makes the election under item (i)
10 of subsection (d-15); and beginning on July 6, 2017 (the
11 effective date of Public Act 100-23), age 65 with respect to
12 service under Article 8 or Article 11 for eligible persons
13 who: (i) are subject to subsection (c-5) of this Section; or
14 (ii) made the election under item (i) of subsection (d-10) of
15 this Section) or the first anniversary of the annuity start
16 date, whichever is later. Each annual increase shall be
17 calculated at 3% or one-half the annual unadjusted percentage
18 increase (but not less than zero) in the consumer price
19 index-u for the 12 months ending with the September preceding
20 each November 1, whichever is less, of the originally granted
21 retirement annuity. If the annual unadjusted percentage change
22 in the consumer price index-u for the 12 months ending with the
23 September preceding each November 1 is zero or there is a
24 decrease, then the annuity shall not be increased.

25 Beginning January 1, 2025, the retirement annuity or
26 supplemental annuity for members or participants under Article

1 14, 16, or 17 shall be increased by the rolling average for the
2 preceding 3 years of (i) 3% or (ii) one-half of the annual
3 unadjusted percentage increase (but not less than zero) in the
4 consumer price index-u for the 12 months ending with the
5 September preceding each November 1, whichever is greater, of
6 the originally granted retirement annuity.

7 For the purposes of Section 1-103.1 of this Code, the
8 changes made to this Section by this amendatory Act of the
9 103rd General Assembly are applicable without regard to
10 whether the employee was in active service on or after the
11 effective date of this amendatory Act of the 103rd General
12 Assembly.

13 For the purposes of Section 1-103.1 of this Code, the
14 changes made to this Section by Public Act 102-263 are
15 applicable without regard to whether the employee was in
16 active service on or after August 6, 2021 (the effective date
17 of Public Act 102-263).

18 For the purposes of Section 1-103.1 of this Code, the
19 changes made to this Section by Public Act 100-23 are
20 applicable without regard to whether the employee was in
21 active service on or after July 6, 2017 (the effective date of
22 Public Act 100-23).

23 (f) The initial survivor's or widow's annuity of an
24 otherwise eligible survivor or widow of a retired member or
25 participant who first became a member or participant on or
26 after January 1, 2011 shall be in the amount of 66 2/3% of the

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

24 (g) The benefits in Section 14-110 apply only if the
25 person is a State policeman, a fire fighter in the fire
26 protection service of a department, a conservation police

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

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

1 annuity or retirement pension payments shall resume and be
2 recalculated if recalculation is provided for under the
3 applicable Article of this Code.

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

23 (i) (Blank).

24 (j) In the case of a conflict between the provisions of
25 this Section and any other provision of this Code, the
26 provisions of this Section shall control.

1 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
2 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.
3 5-13-22.)

4 (Text of Section from P.A. 102-956)

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

6 (a) The provisions of this Section apply to a person who,
7 on or after January 1, 2011, first becomes a member or a
8 participant under any reciprocal retirement system or pension
9 fund established under this Code, other than a retirement
10 system or pension fund established under Article 2, 3, 4, 5, 6,
11 7, 15, or 18 of this Code, notwithstanding any other provision
12 of this Code to the contrary, but do not apply to any
13 self-managed plan established under this Code or to any
14 participant of the retirement plan established under Section
15 22-101; except that this Section applies to a person who
16 elected to establish alternative credits by electing in
17 writing after January 1, 2011, but before August 8, 2011,
18 under Section 7-145.1 of this Code. Notwithstanding anything
19 to the contrary in this Section, for purposes of this Section,
20 a person who is a Tier 1 regular employee as defined in Section
21 7-109.4 of this Code or who participated in a retirement
22 system under Article 15 prior to January 1, 2011 shall be
23 deemed a person who first became a member or participant prior
24 to January 1, 2011 under any retirement system or pension fund
25 subject to this Section. The changes made to this Section by

1 Public Act 98-596 are a clarification of existing law and are
2 intended to be retroactive to January 1, 2011 (the effective
3 date of Public Act 96-889), notwithstanding the provisions of
4 Section 1-103.1 of this Code.

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

12 This Section does not apply to a person who first becomes a
13 member or participant under Article 16 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 elects under
20 subsection (c-5) of Section 1-161 to receive the benefits
21 under Section 1-161.

22 This Section does not apply to a person who first becomes a
23 member or participant of an affected pension fund on or after 6
24 months after the resolution or ordinance date, as defined in
25 Section 1-162, unless that person elects under subsection (c)
26 of Section 1-162 to receive the benefits provided under this

1 Section and the applicable provisions of the Article under
2 which he or she is a member or participant.

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

16 (1) (Blank).

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

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

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

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

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

26 A member of the Teachers' Retirement System of the State

1 of Illinois who retires on or after June 1, 2021 and for whom
2 the 2020-2021 school year is used in the calculation of the
3 member's final average salary shall use the higher of the
4 following for the purpose of determining the member's final
5 average salary:

6 (A) the amount otherwise calculated under the first
7 paragraph of this subsection; or

8 (B) an amount calculated by the Teachers' Retirement
9 System of the State of Illinois using the average of the
10 monthly (or annual) salary obtained by dividing the total
11 salary or earnings calculated under Article 16 applicable
12 to the member or participant during the 96 months (or 8
13 years) of service within the last 120 months (or 10 years)
14 of service in which the total salary or earnings
15 calculated under the Article was the highest by the number
16 of months (or years) of service in that period.

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

1 preceding each November 1, including all previous adjustments.

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

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

21 A member or participant who has attained age 62 (age 60,
22 with respect to service under Article 12 that is subject to
23 this Section, for a member or participant under Article 12 who
24 first becomes a member or participant under Article 12 on or
25 after January 1, 2022 or who makes the election under item (i)
26 of subsection (d-15) of this Section) and has at least 10 years

1 of service credit and is otherwise eligible under the
2 requirements of the applicable Article may elect to receive
3 the lower retirement annuity provided in subsection (d) of
4 this Section.

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

14 (d) The retirement annuity of a member or participant who
15 is retiring after attaining age 62 (age 60, with respect to
16 service under Article 12 that is subject to this Section, for a
17 member or participant under Article 12 who first becomes a
18 member or participant under Article 12 on or after January 1,
19 2022 or who makes the election under item (i) of subsection
20 (d-15) of this Section) with at least 10 years of service
21 credit shall be reduced by one-half of 1% for each full month
22 that the member's age is under age 67 (age 65, with respect to
23 service under Article 12 that is subject to this Section, for a
24 member or participant under Article 12 who first becomes a
25 member or participant under Article 12 on or after January 1,
26 2022 or who makes the election under item (i) of subsection

1 (d-15) of this Section).

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

7 (d-10) Each person who first became a member or
8 participant under Article 8 or Article 11 of this Code on or
9 after January 1, 2011 and prior to July 6, 2017 (the effective
10 date of Public Act 100-23) shall make an irrevocable election
11 either:

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

20 (ii) to not agree to item (i) of this subsection
21 (d-10), in which case the member or participant shall
22 continue to be subject to the retirement age provisions in
23 subsections (c) and (d) of this Section and the employee
24 contributions for age and service annuity as provided in
25 subsection (a) of Section 8-174 of this Code (for service
26 under Article 8) or subsection (a) of Section 11-170 of

1 this Code (for service under Article 11).

2 The election provided for in this subsection shall be made
3 between October 1, 2017 and November 15, 2017. A person
4 subject to this subsection who makes the required election
5 shall remain bound by that election. A person subject to this
6 subsection who fails for any reason to make the required
7 election within the time specified in this subsection shall be
8 deemed to have made the election under item (ii).

9 (d-15) Each person who first becomes a member or
10 participant under Article 12 on or after January 1, 2011 and
11 prior to January 1, 2022 shall make an irrevocable election
12 either:

13 (i) to be eligible for the reduced retirement age
14 specified in subsections (c) and (d) of this Section, the
15 eligibility for which is conditioned upon the member or
16 participant agreeing to the increase in employee
17 contributions for service annuities specified in
18 subsection (b) of Section 12-150; or

19 (ii) to not agree to item (i) of this subsection
20 (d-15), in which case the member or participant shall not
21 be eligible for the reduced retirement age specified in
22 subsections (c) and (d) of this Section and shall not be
23 subject to the increase in employee contributions for
24 service annuities specified in subsection (b) of Section
25 12-150.

26 The election provided for in this subsection shall be made

1 between January 1, 2022 and April 1, 2022. A person subject to
2 this subsection who makes the required election shall remain
3 bound by that election. A person subject to this subsection
4 who fails for any reason to make the required election within
5 the time specified in this subsection shall be deemed to have
6 made the election under item (ii).

7 (e) Any retirement annuity or supplemental annuity shall
8 be subject to annual increases on the January 1 occurring
9 either on or after the attainment of age 67 (age 65, with
10 respect to service under Article 12 that is subject to this
11 Section, for a member or participant under Article 12 who
12 first becomes a member or participant under Article 12 on or
13 after January 1, 2022 or who makes the election under item (i)
14 of subsection (d-15); and beginning on July 6, 2017 (the
15 effective date of Public Act 100-23), age 65 with respect to
16 service under Article 8 or Article 11 for eligible persons
17 who: (i) are subject to subsection (c-5) of this Section; or
18 (ii) made the election under item (i) of subsection (d-10) of
19 this Section) or the first anniversary of the annuity start
20 date, whichever is later. Each annual increase shall be
21 calculated at 3% or one-half the annual unadjusted percentage
22 increase (but not less than zero) in the consumer price
23 index-u for the 12 months ending with the September preceding
24 each November 1, whichever is less, of the originally granted
25 retirement annuity. If the annual unadjusted percentage change
26 in the consumer price index-u for the 12 months ending with the

1 September preceding each November 1 is zero or there is a
2 decrease, then the annuity shall not be increased.

3 Beginning January 1, 2025, the retirement annuity or
4 supplemental annuity for members or participants under Article
5 14, 16, or 17 shall be increased by the rolling average for the
6 preceding 3 years of (i) 3% or (ii) one-half of the annual
7 unadjusted percentage increase (but not less than zero) in the
8 consumer price index-u for the 12 months ending with the
9 September preceding each November 1, whichever is greater, of
10 the originally granted retirement annuity.

11 For the purposes of Section 1-103.1 of this Code, the
12 changes made to this Section by this amendatory Act of the
13 103rd General Assembly are applicable without regard to
14 whether the employee was in active service on or after the
15 effective date of this amendatory Act of the 103rd General
16 Assembly.

17 For the purposes of Section 1-103.1 of this Code, the
18 changes made to this Section by Public Act 102-263 are
19 applicable without regard to whether the employee was in
20 active service on or after August 6, 2021 (the effective date
21 of Public Act 102-263).

22 For the purposes of Section 1-103.1 of this Code, the
23 changes made to this Section by Public Act 100-23 are
24 applicable without regard to whether the employee was in
25 active service on or after July 6, 2017 (the effective date of
26 Public Act 100-23).

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

1 annuity shall not be increased.

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

21 (h) If a person who first becomes a member or a participant
22 of a retirement system or pension fund subject to this Section
23 on or after January 1, 2011 is receiving a retirement annuity
24 or retirement pension under that system or fund and becomes a
25 member or participant under any other system or fund created
26 by this Code and is employed on a full-time basis, except for

1 those members or participants exempted from the provisions of
2 this Section under subsection (a) of this Section, then the
3 person's retirement annuity or retirement pension under that
4 system or fund shall be suspended during that employment. Upon
5 termination of that employment, the person's retirement
6 annuity or retirement pension payments shall resume and be
7 recalculated if recalculation is provided for under the
8 applicable Article of this Code.

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

1 be recalculated under the applicable provisions of this Code.

2 (i) (Blank).

3 (j) In the case of a conflict between the provisions of
4 this Section and any other provision of this Code, the
5 provisions of this Section shall control.

6 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
7 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-956, eff.
8 5-27-22.)

9 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

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

12 Sec. 2-119.1. Automatic increase in retirement annuity.

13 (a) A participant who retires after June 30, 1967, and who
14 has not received an initial increase under this Section before
15 the effective date of this amendatory Act of 1991, shall, in
16 January or July next following the first anniversary of
17 retirement, whichever occurs first, and in the same month of
18 each year thereafter, but in no event prior to age 60, have the
19 amount of the originally granted retirement annuity increased
20 as follows: for each year through 1971, 1 1/2%; for each year
21 from 1972 through 1979, 2%; and for 1980 and each year
22 thereafter, 3%. Annuitants who have received an initial
23 increase under this subsection prior to the effective date of
24 this amendatory Act of 1991 shall continue to receive their
25 annual increases in the same month as the initial increase.

1 (b) Beginning January 1, 1990, for eligible participants
2 who remain in service after attaining 20 years of creditable
3 service, the 3% increases provided under subsection (a) shall
4 begin to accrue on the January 1 next following the date upon
5 which the participant (1) attains age 55, or (2) attains 20
6 years of creditable service, whichever occurs later, and shall
7 continue to accrue while the participant remains in service;
8 such increases shall become payable on January 1 or July 1,
9 whichever occurs first, next following the first anniversary
10 of retirement. For any person who has service credit in the
11 System for the entire period from January 15, 1969 through
12 December 31, 1992, regardless of the date of termination of
13 service, the reference to age 55 in clause (1) of this
14 subsection (b) shall be deemed to mean age 50.

15 This subsection (b) does not apply to any person who first
16 becomes a member of the System after the effective date of this
17 amendatory Act of the 93rd General Assembly.

18 (b-5) Notwithstanding any other provision of this Article,
19 a participant who first becomes a participant on or after
20 January 1, 2011 (the effective date of Public Act 96-889)
21 shall, in January or July next following the first anniversary
22 of retirement, whichever occurs first, and in the same month
23 of each year thereafter, but in no event prior to age 67, have
24 the amount of the retirement annuity then being paid increased
25 by 3% or the annual unadjusted percentage increase in the
26 Consumer Price Index for All Urban Consumers as determined by

1 the Public Pension Division of the Department of Insurance
2 ~~under subsection (a) of Section 2-108.1, whichever is less;~~
3 except that, beginning January 1, 2025, for a participant who
4 first becomes a participant on or after January 1, 2011, the
5 annual increase to the retirement annuity shall be calculated
6 as the rolling average for the preceding 3 years of (i) 3% or
7 (ii) one-half of the annual unadjusted percentage increase
8 (but not less than zero) in the consumer price index-u for the
9 12 months ending with the September preceding each November 1,
10 whichever is greater, of the amount of the retirement annuity
11 then being paid.

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

21 For the purposes of Section 1-103.1 of this Code, the
22 changes made to this Section by this amendatory Act of the
23 103rd General Assembly are applicable without regard to
24 whether the employee was in active service on or after the
25 effective date of this amendatory Act of the 103rd General
26 Assembly.

1 (c) The foregoing provisions relating to automatic
2 increases are not applicable to a participant who retires
3 before having made contributions (at the rate prescribed in
4 Section 2-126) for automatic increases for less than the
5 equivalent of one full year. However, in order to be eligible
6 for the automatic increases, such a participant may make
7 arrangements to pay to the system the amount required to bring
8 the total contributions for the automatic increase to the
9 equivalent of one year's contributions based upon his or her
10 last salary.

11 (d) A participant who terminated service prior to July 1,
12 1967, with at least 14 years of service is entitled to an
13 increase in retirement annuity beginning January, 1976, and to
14 additional increases in January of each year thereafter.

15 The initial increase shall be 1 1/2% of the originally
16 granted retirement annuity multiplied by the number of full
17 years that the annuitant was in receipt of such annuity prior
18 to January 1, 1972, plus 2% of the originally granted
19 retirement annuity for each year after that date. The
20 subsequent annual increases shall be at the rate of 2% of the
21 originally granted retirement annuity for each year through
22 1979 and at the rate of 3% for 1980 and thereafter.

23 (e) Beginning January 1, 1990, all automatic annual
24 increases payable under this Section shall be calculated as a
25 percentage of the total annuity payable at the time of the
26 increase, including previous increases granted under this

1 Article.

2 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

3 (40 ILCS 5/18-125.1) (from Ch. 108 1/2, par. 18-125.1)

4 Sec. 18-125.1. Automatic increase in retirement annuity. A
5 participant who retires from service after June 30, 1969,
6 shall, in January of the year next following the year in which
7 the first anniversary of retirement occurs, and in January of
8 each year thereafter, have the amount of his or her originally
9 granted retirement annuity increased as follows: for each year
10 up to and including 1971, 1 1/2%; for each year from 1972
11 through 1979 inclusive, 2%; and for 1980 and each year
12 thereafter, 3%.

13 Notwithstanding any other provision of this Article, a
14 retirement annuity for a participant who first serves as a
15 judge on or after January 1, 2011 (the effective date of Public
16 Act 96-889) shall be increased in January of the year next
17 following the year in which the first anniversary of
18 retirement occurs, but in no event prior to age 67, and in
19 January of each year thereafter, by an amount equal to 3% or
20 the annual percentage increase in the consumer price index-u
21 as determined by the Public Pension Division of the Department
22 of Insurance ~~under subsection (b-5) of Section 18-125,~~
23 whichever is less, of the retirement annuity then being paid;
24 except that beginning January 1, 2025, for a participant who
25 first becomes a participant on or after January 1, 2011, the

1 annual increase to the retirement annuity shall be calculated
2 as the rolling average for the preceding 3 years of (i) 3% or
3 (ii) one-half of the annual unadjusted percentage increase
4 (but not less than zero) in the consumer price index-u for the
5 12 months ending with the September preceding each November 1,
6 whichever is greater, of the amount of the retirement annuity
7 then being paid.

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

17 For the purposes of Section 1-103.1 of this Code, the
18 changes made to this Section by this amendatory Act of the
19 103rd General Assembly are applicable without regard to
20 whether the employee was in active service on or after the
21 effective date of this amendatory Act of the 103rd General
22 Assembly.

23 This Section is not applicable to a participant who
24 retires before he or she has made contributions at the rate
25 prescribed in Section 18-133 for automatic increases for not
26 less than the equivalent of one full year, unless such a

1 participant arranges to pay the system the amount required to
2 bring the total contributions for the automatic increase to
3 the equivalent of one year's contribution based upon his or
4 her last year's salary.

5 This Section is applicable to all participants in service
6 after June 30, 1969 unless a participant has elected, prior to
7 September 1, 1969, in a written direction filed with the board
8 not to be subject to the provisions of this Section. Any
9 participant in service on or after July 1, 1992 shall have the
10 option of electing prior to April 1, 1993, in a written
11 direction filed with the board, to be covered by the
12 provisions of the 1969 amendatory Act. Such participant shall
13 be required to make the aforesaid additional contributions
14 with compound interest at 4% per annum.

15 Any participant who has become eligible to receive the
16 maximum rate of annuity and who resumes service as a judge
17 after receiving a retirement annuity under this Article shall
18 have the amount of his or her retirement annuity increased by
19 3% of the originally granted annuity amount for each year of
20 such resumed service, beginning in January of the year next
21 following the date of such resumed service, upon subsequent
22 termination of such resumed service.

23 Beginning January 1, 1990, all automatic annual increases
24 payable under this Section shall be calculated as a percentage
25 of the total annuity payable at the time of the increase,
26 including previous increases granted under this Article.

1 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

2 Article 3.

3 Section 3-10. The Illinois Pension Code is amended by
4 adding Sections 2-154.5, 2-154.6, 18-161.5, and 18-161.6 as
5 follows:

6 (40 ILCS 5/2-154.5 new)

7 Sec. 2-154.5. Accelerated pension benefit payment in lieu
8 of any pension benefit.

9 (a) As used in this Section:

10 "Eligible person" means a person who:

11 (1) has terminated service;

12 (2) has accrued sufficient service credit to be
13 eligible to receive a retirement annuity under this
14 Article;

15 (3) has not received any retirement annuity under this
16 Article; and

17 (4) has not made the election under Section 2-154.6.

18 "Pension benefit" means the benefits under this Article,
19 including any anticipated annual increases, that an eligible
20 person is entitled to upon attainment of the applicable
21 retirement age. "Pension benefit" also includes applicable
22 survivor's or disability benefits.

23 (b) As soon as practical after the effective date of this

1 amendatory Act of the 103rd General Assembly, the System shall
2 calculate, using actuarial tables and other assumptions
3 adopted by the Board, the present value of pension benefits
4 for each eligible person who requests that information and
5 shall offer each eligible person the opportunity to
6 irrevocably elect to receive an amount determined by the
7 System to be equal to 60% of the present value of his or her
8 pension benefits in lieu of receiving any pension benefit. The
9 offer shall specify the dollar amount that the eligible person
10 will receive if he or she so elects and shall expire when a
11 subsequent offer is made to an eligible person. An eligible
12 person is limited to one calculation and offer per calendar
13 year. The System shall make a good faith effort to contact
14 every eligible person to notify him or her of the election.
15 Until June 30, 2026, an eligible person may irrevocably elect
16 to receive an accelerated pension benefit payment in the
17 amount that the System offers under this subsection in lieu of
18 receiving any pension benefit. A person who elects to receive
19 an accelerated pension benefit payment under this Section may
20 not elect to proceed under the Retirement Systems Reciprocal
21 Act with respect to service under this Article.

22 (c) A person's creditable service under this Article shall
23 be terminated upon the person's receipt of an accelerated
24 pension benefit payment under this Section, and no other
25 benefit shall be paid under this Article based on the
26 terminated creditable service, including any retirement,

1 survivor, or other benefit; except that to the extent that
2 participation, benefits, or premiums under the State Employees
3 Group Insurance Act of 1971 are based on the amount of service
4 credit, the terminated service credit shall be used for that
5 purpose.

6 (d) If a person who has received an accelerated pension
7 benefit payment under this Section returns to active service
8 under this Article, then:

9 (1) Any benefits under the System earned as a result
10 of that return to active service shall be based solely on
11 the person's creditable service arising from the return to
12 active service.

13 (2) The accelerated pension benefit payment may not be
14 repaid to the System, and the terminated creditable
15 service may not under any circumstances be reinstated.

16 (e) As a condition of receiving an accelerated pension
17 benefit payment, the accelerated pension benefit payment must
18 be transferred into a tax qualified retirement plan or
19 account. The accelerated pension benefit payment under this
20 Section may be subject to withholding or payment of applicable
21 taxes, but to the extent permitted by federal law, a person who
22 receives an accelerated pension benefit payment under this
23 Section must direct the System to pay all of that payment as a
24 rollover into another retirement plan or account qualified
25 under the Internal Revenue Code of 1986, as amended.

26 (f) Upon receipt of a member's irrevocable election to

1 receive an accelerated pension benefit payment under this
2 Section, the System shall submit a voucher to the Comptroller
3 for payment of the member's accelerated pension benefit
4 payment. The Comptroller shall transfer the amount of the
5 voucher from the General Revenue Fund to the System, and the
6 System shall transfer the amount into the member's eligible
7 retirement plan or qualified account.

8 (g) The Board shall adopt any rules, including emergency
9 rules, necessary to implement this Section.

10 (h) No provision of this Section shall be interpreted in a
11 way that would cause the applicable System to cease to be a
12 qualified plan under the Internal Revenue Code of 1986.

13 (40 ILCS 5/2-154.6 new)

14 Sec. 2-154.6. Accelerated pension benefit payment for a
15 reduction in annual retirement annuity and survivor's annuity
16 increases.

17 (a) As used in this Section:

18 "Accelerated pension benefit payment" means a lump sum
19 payment equal to 70% of the difference of the present value of
20 the automatic annual increases to a Tier 1 participant's
21 retirement annuity and survivor's annuity using the formula
22 applicable to the Tier 1 participant and the present value of
23 the automatic annual increases to the Tier 1 participant's
24 retirement annuity using the formula provided under subsection
25 (b-5) and survivor's annuity using the formula provided under

1 subsection (b-6).

2 "Eligible person" means a person who:

3 (1) is a Tier 1 participant;

4 (2) has submitted an application for a retirement
5 annuity under this Article;

6 (3) meets the age and service requirements for
7 receiving a retirement annuity under this Article;

8 (4) has not received any retirement annuity under this
9 Article; and

10 (5) has not made the election under Section 2-154.5.

11 "Tier 1 participant" means a person who first became a
12 participant before January 1, 2011.

13 (b) As soon as practical after the effective date of this
14 amendatory Act of the 103rd General Assembly and until June
15 30, 2026, the System shall implement an accelerated pension
16 benefit payment option for eligible persons. Upon the request
17 of an eligible person, the System shall calculate, using
18 actuarial tables and other assumptions adopted by the Board,
19 an accelerated pension benefit payment amount and shall offer
20 that eligible person the opportunity to irrevocably elect to
21 have his or her automatic annual increases in retirement
22 annuity calculated in accordance with the formula provided
23 under subsection (b-5) and any increases in survivor's annuity
24 payable to his or her survivor's annuity beneficiary
25 calculated in accordance with the formula provided under
26 subsection (b-6) in exchange for the accelerated pension

1 benefit payment. The election under this subsection must be
2 made before the eligible person receives the first payment of
3 a retirement annuity otherwise payable under this Article.

4 (b-5) Notwithstanding any other provision of law, the
5 retirement annuity of a person who made the election under
6 subsection (b) shall be subject to annual increases on the
7 January 1 occurring either on or after the attainment of age 67
8 or the first anniversary of the annuity start date, whichever
9 is later. Each annual increase shall be calculated at 1.5% of
10 the originally granted retirement annuity.

11 (b-6) Notwithstanding any other provision of law, a
12 survivor's annuity payable to a survivor's annuity beneficiary
13 of a person who made the election under subsection (b) shall be
14 subject to annual increases on the January 1 occurring on or
15 after the first anniversary of the commencement of the
16 annuity. Each annual increase shall be calculated at 1.5% of
17 the originally granted survivor's annuity.

18 (c) If a person who has received an accelerated pension
19 benefit payment returns to active service under this Article,
20 then:

21 (1) the calculation of any future automatic annual
22 increase in retirement annuity shall be calculated in
23 accordance with the formula provided under subsection
24 (b-5); and

25 (2) the accelerated pension benefit payment may not be
26 repaid to the System.

1 (d) As a condition of receiving an accelerated pension
2 benefit payment, the accelerated pension benefit payment must
3 be transferred into a tax qualified retirement plan or
4 account. The accelerated pension benefit payment under this
5 Section may be subject to withholding or payment of applicable
6 taxes, but to the extent permitted by federal law, a person who
7 receives an accelerated pension benefit payment under this
8 Section must direct the System to pay all of that payment as a
9 rollover into another retirement plan or account qualified
10 under the Internal Revenue Code of 1986, as amended.

11 (d-5) Upon receipt of a participant's irrevocable election
12 to receive an accelerated pension benefit payment under this
13 Section, the System shall submit a voucher to the Comptroller
14 for payment of the participant's accelerated pension benefit
15 payment. The Comptroller shall transfer the amount of the
16 voucher from the General Revenue Fund to the System, and the
17 System shall transfer the amount into the member's eligible
18 retirement plan or qualified account.

19 (e) The Board shall adopt any rules, including emergency
20 rules, necessary to implement this Section.

21 (f) No provision of this Section shall be interpreted in a
22 way that would cause the applicable System to cease to be a
23 qualified plan under the Internal Revenue Code of 1986.

24 (40 ILCS 5/18-161.5 new)

25 Sec. 18-161.5. Accelerated pension benefit payment in lieu

1 of any pension benefit.

2 (a) As used in this Section:

3 "Eligible person" means a person who:

4 (1) has terminated service;

5 (2) has accrued sufficient service credit to be
6 eligible to receive a retirement annuity under this
7 Article;

8 (3) has not received any retirement annuity under this
9 Article; and

10 (4) has not made the election under Section 18-161.6.

11 "Pension benefit" means the benefits under this Article,
12 including any anticipated annual increases, that an eligible
13 person is entitled to upon attainment of the applicable
14 retirement age. "Pension benefit" also includes applicable
15 survivor's or disability benefits.

16 (b) As soon as practical after the effective date of this
17 amendatory Act of the 103rd General Assembly, the System shall
18 calculate, using actuarial tables and other assumptions
19 adopted by the Board, the present value of pension benefits
20 for each eligible person who requests that information and
21 shall offer each eligible person the opportunity to
22 irrevocably elect to receive an amount determined by the
23 System to be equal to 60% of the present value of his or her
24 pension benefits in lieu of receiving any pension benefit. The
25 offer shall specify the dollar amount that the eligible person
26 will receive if he or she so elects and shall expire when a

1 subsequent offer is made to an eligible person. An eligible
2 person is limited to one calculation and offer per calendar
3 year. The System shall make a good faith effort to contact
4 every eligible person to notify him or her of the election.
5 Until June 30, 2026, an eligible person may irrevocably elect
6 to receive an accelerated pension benefit payment in the
7 amount that the System offers under this subsection in lieu of
8 receiving any pension benefit. A person who elects to receive
9 an accelerated pension benefit payment under this Section may
10 not elect to proceed under the Retirement Systems Reciprocal
11 Act with respect to service under this Article.

12 (c) A person's creditable service under this Article shall
13 be terminated upon the person's receipt of an accelerated
14 pension benefit payment under this Section, and no other
15 benefit shall be paid under this Article based on the
16 terminated creditable service, including any retirement,
17 survivor, or other benefit; except that to the extent that
18 participation, benefits, or premiums under the State Employees
19 Group Insurance Act of 1971 are based on the amount of service
20 credit, the terminated service credit shall be used for that
21 purpose.

22 (d) If a person who has received an accelerated pension
23 benefit payment under this Section returns to active service
24 under this Article, then:

25 (1) Any benefits under the System earned as a result
26 of that return to active service shall be based solely on

1 the person's creditable service arising from the return to
2 active service.

3 (2) The accelerated pension benefit payment may not be
4 repaid to the System, and the terminated creditable
5 service may not under any circumstances be reinstated.

6 (e) As a condition of receiving an accelerated pension
7 benefit payment, the accelerated pension benefit payment must
8 be transferred into a tax qualified retirement plan or
9 account. The accelerated pension benefit payment under this
10 Section may be subject to withholding or payment of applicable
11 taxes, but to the extent permitted by federal law, a person who
12 receives an accelerated pension benefit payment under this
13 Section must direct the System to pay all of that payment as a
14 rollover into another retirement plan or account qualified
15 under the Internal Revenue Code of 1986, as amended.

16 (f) Upon receipt of a member's irrevocable election to
17 receive an accelerated pension benefit payment under this
18 Section, the System shall submit a voucher to the Comptroller
19 for payment of the member's accelerated pension benefit
20 payment. The Comptroller shall transfer the amount of the
21 voucher from the General Revenue Fund to the System, and the
22 System shall transfer the amount into the member's eligible
23 retirement plan or qualified account.

24 (g) The Board shall adopt any rules, including emergency
25 rules, necessary to implement this Section.

26 (h) No provision of this Section shall be interpreted in a

1 way that would cause the applicable System to cease to be a
2 qualified plan under the Internal Revenue Code of 1986.

3 (40 ILCS 5/18-161.6 new)

4 Sec. 18-161.6. Accelerated pension benefit payment for a
5 reduction in annual retirement annuity and survivor's annuity
6 increases.

7 (a) As used in this Section:

8 "Accelerated pension benefit payment" means a lump sum
9 payment equal to 70% of the difference of the present value of
10 the automatic annual increases to a Tier 1 participant's
11 retirement annuity and survivor's annuity using the formula
12 applicable to the Tier 1 participant and the present value of
13 the automatic annual increases to the Tier 1 participant's
14 retirement annuity using the formula provided under subsection
15 (b-5) and survivor's annuity using the formula provided under
16 subsection (b-6).

17 "Eligible person" means a person who:

18 (1) is a Tier 1 participant;

19 (2) has submitted an application for a retirement
20 annuity under this Article;

21 (3) meets the age and service requirements for
22 receiving a retirement annuity under this Article;

23 (4) has not received any retirement annuity under this
24 Article; and

25 (5) has not made the election under Section 18-161.5.

1 "Tier 1 participant" means a person who first became a
2 participant before January 1, 2011.

3 (b) As soon as practical after the effective date of this
4 amendatory Act of the 103rd General Assembly and until June
5 30, 2026, the System shall implement an accelerated pension
6 benefit payment option for eligible persons. Upon the request
7 of an eligible person, the System shall calculate, using
8 actuarial tables and other assumptions adopted by the Board,
9 an accelerated pension benefit payment amount and shall offer
10 that eligible person the opportunity to irrevocably elect to
11 have his or her automatic annual increases in retirement
12 annuity calculated in accordance with the formula provided
13 under subsection (b-5) and any increases in survivor's annuity
14 payable to his or her survivor's annuity beneficiary
15 calculated in accordance with the formula provided under
16 subsection (b-6) in exchange for the accelerated pension
17 benefit payment. The election under this subsection must be
18 made before the eligible person receives the first payment of
19 a retirement annuity otherwise payable under this Article.

20 (b-5) Notwithstanding any other provision of law, the
21 retirement annuity of a person who made the election under
22 subsection (b) shall be subject to annual increases on the
23 January 1 occurring either on or after the attainment of age 67
24 or the first anniversary of the annuity start date, whichever
25 is later. Each annual increase shall be calculated at 1.5% of
26 the originally granted retirement annuity.

1 (b-6) Notwithstanding any other provision of law, a
2 survivor's annuity payable to a survivor's annuity beneficiary
3 of a person who made the election under subsection (b) shall be
4 subject to annual increases on the January 1 occurring on or
5 after the first anniversary of the commencement of the
6 annuity. Each annual increase shall be calculated at 1.5% of
7 the originally granted survivor's annuity.

8 (c) If a person who has received an accelerated pension
9 benefit payment returns to active service under this Article,
10 then:

11 (1) the calculation of any future automatic annual
12 increase in retirement annuity shall be calculated in
13 accordance with the formula provided under subsection
14 (b-5); and

15 (2) the accelerated pension benefit payment may not be
16 repaid to the System.

17 (d) As a condition of receiving an accelerated pension
18 benefit payment, the accelerated pension benefit payment must
19 be transferred into a tax qualified retirement plan or
20 account. The accelerated pension benefit payment under this
21 Section may be subject to withholding or payment of applicable
22 taxes, but to the extent permitted by federal law, a person who
23 receives an accelerated pension benefit payment under this
24 Section must direct the System to pay all of that payment as a
25 rollover into another retirement plan or account qualified
26 under the Internal Revenue Code of 1986, as amended.

1 Section shall first become available to eligible participants
2 on January 1, 2025.

3 (b) To be eligible to participate in the DROP plan, a
4 participant must (i) be in active service, (ii) have attained
5 an age that is within 5 years of meeting the eligibility
6 requirement for receiving a retirement annuity under this
7 Article, and (iii) have at least 20 years of service credit in
8 the System. A participant may participate in the DROP plan
9 only once.

10 (c) An election to participate in the DROP plan must be
11 made within 3 years after becoming eligible under subsection
12 (b). The election to participate in the DROP plan shall be made
13 in writing on forms provided for that purpose by the Board and
14 shall be filed with the Board. The application must indicate
15 the date upon which participation in the DROP plan is to begin,
16 which shall be the first day of a calendar month and not less
17 than 30 days nor more than 90 days after the date of filing the
18 application.

19 As a part of the application, the participant must file
20 with the Board and with his or her employer an irrevocable
21 letter of resignation from employment, effective on the date
22 of termination of the participant's participation in the DROP
23 plan (unless that termination results from acceptance of a
24 disability benefit).

25 (d) A participant's participation in the DROP plan shall
26 commence on the date specified in the application and shall

1 end upon (i) termination of service, (ii) death of the
2 participant, (iii) disability for which the participant
3 receives a disability benefit, or (iv) expiration of 3 years
4 from the date the participant's participation in the DROP plan
5 began, whichever occurs first.

6 (e) A participant who is participating in the DROP plan
7 shall be considered an active participant for the purposes of
8 this Article, but shall be subject to the special conditions
9 of the DROP plan. A participant shall continue to make the
10 contributions that are required for active participants during
11 his or her participation in the DROP plan. These contributions
12 shall be accumulated in the participant's DROP account and
13 shall be treated as being "picked up" within the meaning of
14 Section 2-126.1 of this Code and Section 414(h)(2) of the
15 Internal Revenue Code of 1986, as amended. A participant who
16 is participating in the DROP plan shall not receive service
17 credit for the period of that participation, and the salary
18 earned during that period shall be disregarded in calculating
19 the participant's benefits under this Article.

20 (f) A participant who participates in the DROP plan may
21 terminate service at any time during participation in the DROP
22 plan. A participant who participates in the DROP plan must
23 terminate service on the last day of participation in the DROP
24 plan, unless participation in the DROP plan is ended due to
25 acceptance of a disability benefit.

26 (g) A participant who is participating in the DROP plan

1 remains eligible to apply for a disability benefit under this
2 Article, but participation in the DROP plan ceases upon
3 acceptance of the disability benefit. If participation in the
4 DROP plan is ended due to acceptance of a disability benefit,
5 (1) the disabled participant shall be credited with employee
6 contributions and creditable service for the period of
7 participation in the DROP plan, (2) the participant's letter
8 of resignation from service that is required to be filed at the
9 time of application to participate in the DROP plan is void,
10 and (3) the amounts in the disabled participant's DROP account
11 are forfeited to the System.

12 (h) The System shall maintain a separate DROP account for
13 the benefit of each participant who becomes a participant in
14 the DROP plan. The System shall pay into the participant's
15 DROP account:

16 (1) for each month of the participant's participation
17 in the DROP plan, an amount equal to the monthly
18 retirement annuity that the participant would have been
19 eligible to receive if the participant had terminated
20 service and taken a retirement annuity on the date his or
21 her participation in the DROP plan began, including any
22 increases in annuity for which the participant would have
23 been eligible;

24 (2) the employee contributions paid by the participant
25 during the period of participation in the DROP plan; and

26 (3) interest on the balance in the DROP account, at

1 the rate of 7% per annum, paid and compounded monthly,
2 throughout the period of participation in the DROP plan.
3 The DROP account shall cease earning interest when the
4 participant's participation in the DROP plan ends.

5 (i) In addition to the retirement annuity, a participant
6 who terminates service and retires at the conclusion of his or
7 her participation in the DROP plan shall receive, upon
8 retirement, a DROP benefit equal to the balance in the
9 participant's DROP account at the time of retirement.

10 At the time of application for a retirement annuity, the
11 participant shall elect to receive the DROP benefit in the
12 form of either a lump sum or an actuarially equivalent annuity
13 for life. If a lump sum payment is elected, it may be rolled
14 over into an individual retirement account or a qualified
15 retirement plan. A DROP benefit payable in the form of an
16 annuity shall be in a fixed amount not subject to annual or
17 other increases. A DROP benefit shall be treated as a
18 retirement benefit for the purposes of Section 1-119.

19 (j) If a participant receiving a DROP benefit in the form
20 of an annuity re-enters service, the DROP benefit annuity
21 payments shall be suspended until the participant's subsequent
22 retirement.

23 (k) If a participant dies while participating in the DROP
24 plan, the DROP benefit shall be paid as a lump sum to the
25 surviving spouse or other survivor of the participant entitled
26 to a survivor's benefit or annuity or, if there is no such

1 survivor, then to the deceased participant's estate.

2 (l) If a retired participant dies while receiving a DROP
3 benefit in the form of an annuity, and the DROP account balance
4 at the time of retirement exceeds the total amount of DROP
5 benefit annuity payments received, the excess shall be
6 refunded to the surviving spouse or other survivor of the
7 participant entitled to a survivor's benefit or annuity or, if
8 there is no such survivor, then to the deceased participant's
9 estate.

10 (m) Notwithstanding any other provision of this Article,
11 for a participant who retires at the conclusion of
12 participation in the DROP plan, calculation of the amount of
13 the retirement pension shall be based on the participant's
14 salary and accumulated service on the date he or she began
15 participation in the DROP plan and shall include any annual
16 increases that would have accrued under Section 2-119.1 if the
17 participant had retired on that date.

18 (n) Notwithstanding any other provision of this Article,
19 for a participant who retires at the conclusion of
20 participation in the DROP plan, calculation of the amount of
21 the retirement annuity shall be based on the participant's
22 salary and accumulated service on the date he or she began
23 participation in the DROP plan and shall include any annual
24 increases that would have accrued under Section 2-119.1 if the
25 participant had retired on that date.

1 (40 ILCS 5/14-147.7 new)

2 Sec. 14-147.7. Deferred Retirement Option Plan.

3 (a) In this Section, "Deferred Retirement Option Plan" or
4 "DROP plan" means the Deferred Retirement Option Plan created
5 under this Section.

6 (a-5) The Deferred Retirement Option Plan created by this
7 Section shall first become available to eligible participants
8 on January 1, 2025.

9 (b) To be eligible to participate in the DROP plan, a
10 member must (i) be in active service, (ii) have attained an age
11 that is within 5 years of meeting the age requirement for
12 receiving a retirement annuity under this Article, and (iii)
13 have at least 20 years of service credit in the System. A
14 member may participate in the DROP plan only once.

15 (c) An election to participate in the DROP plan must be
16 made within 3 years after becoming eligible under subsection
17 (b). The election to participate in the DROP plan shall be made
18 in writing on forms provided for that purpose by the Board and
19 shall be filed with the Board. The application must indicate
20 the date upon which participation in the DROP plan is to begin,
21 which shall be the first day of a calendar month and not less
22 than 30 days nor more than 90 days after the date of filing the
23 application.

24 As a part of the application, the member must file with the
25 Board and with his or her employer an irrevocable letter of
26 resignation from employment, effective on the date of

1 termination of the member's participation in the DROP plan
2 (unless that termination results from acceptance of a
3 disability benefit).

4 (d) A member's participation in the DROP plan shall
5 commence on the date specified in the application and shall
6 end upon (i) termination of service, (ii) death of the member,
7 (iii) disability for which the member receives a disability
8 benefit, or (iv) expiration of 3 years from the date the
9 member's participation in the DROP plan began, whichever
10 occurs first.

11 (e) A member who is participating in the DROP plan shall be
12 considered an active member for the purposes of this Article,
13 including Section 14-134, but shall be subject to the special
14 conditions of the DROP plan. A member shall continue to make
15 the contributions that are required for active members during
16 his or her participation in the DROP plan. These contributions
17 shall be accumulated in the member's DROP account and shall be
18 treated as being "picked up" within the meaning of Section
19 14-133.1 of this Code and Section 414(h)(2) of the Internal
20 Revenue Code of 1986, as amended. A member who is
21 participating in the DROP plan shall not receive service
22 credit for the period of that participation, and the
23 compensation earned during that period shall be disregarded in
24 calculating the member's benefits under this Article.

25 (f) A member who participates in the DROP plan may
26 terminate service at any time during participation in the DROP

1 plan. A member who participates in the DROP plan must
2 terminate service on the last day of participation in the DROP
3 plan, unless participation in the DROP plan is ended due to
4 acceptance of a disability benefit.

5 (g) A member who is participating in the DROP plan remains
6 eligible to apply for a disability benefit under this Article,
7 but participation in the DROP plan ceases upon acceptance of
8 the disability benefit. If participation in the DROP plan is
9 ended due to acceptance of a disability benefit, (1) the
10 disabled member shall be credited with employee contributions
11 and creditable service for the period of participation in the
12 DROP plan, (2) the member's letter of resignation from service
13 that is required to be filed at the time of application to
14 participate in the DROP plan is void, and (3) the amounts in
15 the disabled member's DROP account are forfeited to the
16 System.

17 (h) The System shall maintain a separate DROP account for
18 the benefit of each member who becomes a member in the DROP
19 plan. The System shall pay into the member's DROP account:

20 (1) for each month of the member's participation in
21 the DROP plan, an amount equal to the monthly retirement
22 annuity that the member would have been eligible to
23 receive if the member had terminated service and taken a
24 retirement annuity on the date his or her participation in
25 the DROP plan began, including any increases in annuity
26 for which the member would have been eligible;

1 (2) the employee contributions paid by the member
2 during the period of participation in the DROP plan; and

3 (3) interest on the balance in the DROP account, at
4 the rate of 7% per annum, paid and compounded monthly,
5 throughout the period of participation in the DROP plan.
6 The DROP account shall cease earning interest when the
7 member's participation in the DROP plan ends.

8 (i) In addition to the retirement annuity, a member who
9 terminates service and retires at the conclusion of his or her
10 participation in the DROP plan shall receive, upon retirement,
11 a DROP benefit equal to the balance in the member's DROP
12 account at the time of retirement.

13 At the time of application for a retirement annuity, the
14 member shall elect to receive the DROP benefit in the form of
15 either a lump sum or an actuarially equivalent annuity for
16 life. If a lump sum payment is elected, it may be rolled over
17 into an individual retirement account or a qualified
18 retirement plan. A DROP benefit payable in the form of an
19 annuity shall be in a fixed amount not subject to annual or
20 other increases. A DROP benefit shall be treated as a
21 retirement benefit for the purposes of Section 1-119.

22 (j) If a member receiving a DROP benefit in the form of an
23 annuity re-enters service, the DROP benefit annuity payments
24 shall be suspended until the member's subsequent retirement.

25 (k) If a member dies while participating in the DROP plan,
26 the DROP benefit shall be paid as a lump sum to the surviving

1 spouse or other survivor of the member entitled to a
2 survivor's benefit or annuity or, if there is no such
3 survivor, then to the deceased member's estate.

4 (l) If a retired member dies while receiving a DROP
5 benefit in the form of an annuity, and the DROP account balance
6 at the time of retirement exceeds the total amount of DROP
7 benefit annuity payments received, the excess shall be
8 refunded to the surviving spouse or other survivor of the
9 member entitled to a survivor's benefit or annuity or, if
10 there is no such survivor, then to the deceased member's
11 estate.

12 (m) Notwithstanding any other provision of this Article,
13 for a member who retires at the conclusion of participation in
14 the DROP plan, calculation of the amount of the retirement
15 pension shall be based on the member's compensation and
16 accumulated service on the date he or she began participation
17 in the DROP plan and shall include any annual increases that
18 would have accrued under Section 14-114 or Section 1-160,
19 whichever is applicable, if the member had retired on that
20 date.

21 (n) Notwithstanding any other provision of this Article,
22 for a member who retires at the conclusion of participation in
23 the DROP plan, calculation of the amount of the retirement
24 annuity shall be based on the member's compensation and
25 accumulated service on the date he or she began participation
26 in the DROP plan and shall include any annual increases that

1 would have accrued under Section 14-114 or Section 1-160,
2 whichever is applicable, if the member had retired on that
3 date.

4 (40 ILCS 5/15-185.7 new)

5 Sec. 15-185.7. Deferred Retirement Option Plan.

6 (a) In this Section, "Deferred Retirement Option Plan" or
7 "DROP plan" means the Deferred Retirement Option Plan created
8 under this Section.

9 (a-5) The Deferred Retirement Option Plan created by this
10 Section shall first become available to eligible participants
11 on January 1, 2025.

12 (b) To be eligible to participate in the DROP plan, a
13 participant must (i) be in active service, (ii) have attained
14 an age that is within 5 years of meeting the eligibility
15 requirement for receiving a retirement annuity under this
16 Article, (iii) have at least 20 years of service credit in the
17 System, and (iv) not be a participant in the self-managed plan
18 under Section 15-158.2. A participant may participate in the
19 DROP plan only once.

20 (c) An election to participate in the DROP plan must be
21 made within 3 years after becoming eligible under subsection
22 (b). The election to participate in the DROP plan shall be made
23 in writing on forms provided for that purpose by the Board and
24 shall be filed with the Board. The application must indicate
25 the date upon which participation in the DROP plan is to begin,

1 which shall be the first day of a calendar month and not less
2 than 30 days nor more than 90 days after the date of filing the
3 application.

4 As a part of the application, the participant must file
5 with the Board and with his or her employer an irrevocable
6 letter of resignation from employment, effective on the date
7 of termination of the participant's participation in the DROP
8 plan (unless that termination results from acceptance of a
9 disability benefit).

10 (d) A participant's participation in the DROP plan shall
11 commence on the date specified in the application and shall
12 end upon (i) termination of service, (ii) death of the
13 participant, (iii) disability for which the participant
14 receives a disability benefit, or (iv) expiration of 3 years
15 from the date the participant's participation in the DROP plan
16 began, whichever occurs first.

17 (e) A participant who is participating in the DROP plan
18 shall be considered an active participant for the purposes of
19 this Article, including Section 15-159, but shall be subject
20 to the special conditions of the DROP plan. A participant
21 shall continue to make the contributions that are required for
22 active participants during his or her participation in the
23 DROP plan. These contributions shall be accumulated in the
24 participant's DROP account and shall be treated as being
25 "picked up" within the meaning of Section 15-157.1 of this
26 Code and Section 414(h)(2) of the Internal Revenue Code of

1 1986, as amended. A participant who is participating in the
2 DROP plan shall not receive service credit for the period of
3 that participation, and the earnings earned during that period
4 shall be disregarded in calculating the participant's benefits
5 under this Article.

6 (f) A participant who participates in the DROP plan may
7 terminate service at any time during participation in the DROP
8 plan. A participant who participates in the DROP plan must
9 terminate service on the last day of participation in the DROP
10 plan, unless participation in the DROP plan is ended due to
11 acceptance of a disability benefit.

12 (g) A participant who is participating in the DROP plan
13 remains eligible to apply for a disability benefit under this
14 Article, but participation in the DROP plan ceases upon
15 acceptance of the disability benefit. If participation in the
16 DROP plan is ended due to acceptance of a disability benefit,
17 (1) the disabled participant shall be credited with employee
18 contributions and creditable service for the period of
19 participation in the DROP plan, (2) the participant's letter
20 of resignation from service that is required to be filed at the
21 time of application to participate in the DROP plan is void,
22 and (3) the amounts in the disabled participant's DROP account
23 are forfeited to the System.

24 (h) The System shall maintain a separate DROP account for
25 the benefit of each participant who becomes a participant in
26 the DROP plan. The System shall pay into the participant's

1 DROP account:

2 (1) for each month of the participant's participation
3 in the DROP plan, an amount equal to the monthly
4 retirement annuity that the participant would have been
5 eligible to receive if the participant had terminated
6 service and taken a retirement annuity on the date his or
7 her participation in the DROP plan began, including any
8 increases in annuity for which the participant would have
9 been eligible;

10 (2) the employee contributions paid by the participant
11 during the period of participation in the DROP plan; and

12 (3) interest on the balance in the DROP account, at
13 the rate of 7% per annum, paid and compounded monthly,
14 throughout the period of participation in the DROP plan.
15 The DROP account shall cease earning interest when the
16 participant's participation in the DROP plan ends.

17 (i) In addition to the retirement annuity, a participant
18 who terminates service and retires at the conclusion of his or
19 her participation in the DROP plan shall receive, upon
20 retirement, a DROP benefit equal to the balance in the
21 participant's DROP account at the time of retirement.

22 At the time of application for a retirement annuity, the
23 participant shall elect to receive the DROP benefit in the
24 form of either a lump sum or an actuarially equivalent annuity
25 for life. If a lump sum payment is elected, it may be rolled
26 over into an individual retirement account or a qualified

1 retirement plan. A DROP benefit payable in the form of an
2 annuity shall be in a fixed amount not subject to annual or
3 other increases. A DROP benefit shall be treated as a
4 retirement benefit for the purposes of Section 1-119.

5 (j) If a participant receiving a DROP benefit in the form
6 of an annuity re-enters service, the DROP benefit annuity
7 payments shall be suspended until the participant's subsequent
8 retirement.

9 (k) If a participant dies while participating in the DROP
10 plan, the DROP benefit shall be paid as a lump sum to the
11 surviving spouse or other survivor of the participant entitled
12 to a survivor's benefit or annuity or, if there is no such
13 survivor, then to the deceased participant's estate.

14 (l) If a retired participant dies while receiving a DROP
15 benefit in the form of an annuity, and the DROP account balance
16 at the time of retirement exceeds the total amount of DROP
17 benefit annuity payments received, the excess shall be
18 refunded to the surviving spouse or other survivor of the
19 participant entitled to a survivor's benefit or annuity or, if
20 there is no such survivor, then to the deceased participant's
21 estate.

22 (m) Notwithstanding any other provision of this Article,
23 for a participant who retires at the conclusion of
24 participation in the DROP plan, calculation of the amount of
25 the retirement pension shall be based on the participant's
26 earnings and accumulated service on the date he or she began

1 participation in the DROP plan and shall include any annual
2 increases that would have accrued under Section 15-136 if the
3 participant had retired on that date.

4 (n) Notwithstanding any other provision of this Article,
5 for a participant who retires at the conclusion of
6 participation in the DROP plan, calculation of the amount of
7 the retirement annuity shall be based on the participant's
8 earnings and accumulated service on the date he or she began
9 participation in the DROP plan and shall include any annual
10 increases that would have accrued under Section 15-136 if the
11 participant had retired on that date.

12 (40 ILCS 5/16-190.7 new)

13 Sec. 16-190.7. Deferred Retirement Option Plan.

14 (a) In this Section, "Deferred Retirement Option Plan" or
15 "DROP plan" means the Deferred Retirement Option Plan created
16 under this Section.

17 (a-5) The Deferred Retirement Option Plan created by this
18 Section shall first become available to eligible participants
19 on January 1, 2025.

20 (b) To be eligible to participate in the DROP plan, a
21 member must (i) be in active service, (ii) have attained an age
22 that is within 5 years of meeting the eligibility requirement
23 for receiving a retirement annuity under this Article, and
24 (iii) have at least 20 years of service credit in the System. A
25 member may participate in the DROP plan only once.

1 (c) An election to participate in the DROP plan must be
2 made within 3 years after becoming eligible under subsection
3 (b). The election to participate in the DROP plan shall be made
4 in writing on forms provided for that purpose by the Board and
5 shall be filed with the Board. The application must indicate
6 the date upon which participation in the DROP plan is to begin,
7 which shall be the first day of a calendar month and not less
8 than 30 days nor more than 90 days after the date of filing the
9 application.

10 As a part of the application, the member must file with the
11 Board and with his or her employer an irrevocable letter of
12 resignation from employment, effective on the date of
13 termination of the member's participation in the DROP plan
14 (unless that termination results from acceptance of a
15 disability benefit).

16 (d) A member's participation in the DROP plan shall
17 commence on the date specified in the application and shall
18 end upon (i) termination of service, (ii) death of the member,
19 (iii) disability for which the member receives a disability
20 benefit, or (iv) expiration of 3 years from the date the
21 member's participation in the DROP plan began, whichever
22 occurs first.

23 (e) A member who is participating in the DROP plan shall be
24 considered an active member for the purposes of this Article,
25 including Section 16-163, but shall be subject to the special
26 conditions of the DROP plan. A member shall continue to make

1 the contributions that are required for active members during
2 his or her participation in the DROP plan. These contributions
3 shall be accumulated in the member's DROP account and shall be
4 treated as being "picked up" within the meaning of Section
5 16-152.1 of this Code and Section 414(h)(2) of the Internal
6 Revenue Code of 1986, as amended. A member who is
7 participating in the DROP plan shall not receive service
8 credit for the period of that participation, and the salary
9 earned during that period shall be disregarded in calculating
10 the member's benefits under this Article.

11 (f) A member who participates in the DROP plan may
12 terminate service at any time during participation in the DROP
13 plan. A member who participates in the DROP plan must
14 terminate service on the last day of participation in the DROP
15 plan, unless participation in the DROP plan is ended due to
16 acceptance of a disability benefit.

17 (g) A member who is participating in the DROP plan remains
18 eligible to apply for a disability benefit under this Article,
19 but participation in the DROP plan ceases upon acceptance of
20 the disability benefit. If participation in the DROP plan is
21 ended due to acceptance of a disability benefit, (1) the
22 disabled member shall be credited with employee contributions
23 and creditable service for the period of participation in the
24 DROP plan, (2) the member's letter of resignation from service
25 that is required to be filed at the time of application to
26 participate in the DROP plan is void, and (3) the amounts in

1 the disabled member's DROP account are forfeited to the
2 System.

3 (h) The System shall maintain a separate DROP account for
4 the benefit of each member who becomes a member in the DROP
5 plan. The System shall pay into the member's DROP account:

6 (1) for each month of the member's participation in
7 the DROP plan, an amount equal to the monthly retirement
8 annuity that the member would have been eligible to
9 receive if the member had terminated service and taken a
10 retirement annuity on the date his or her participation in
11 the DROP plan began, including any increases in annuity
12 for which the member would have been eligible;

13 (2) the employee contributions paid by the member
14 during the period of participation in the DROP plan; and

15 (3) interest on the balance in the DROP account, at
16 the rate of 7% per annum, paid and compounded monthly,
17 throughout the period of participation in the DROP plan.
18 The DROP account shall cease earning interest when the
19 member's participation in the DROP plan ends.

20 (i) In addition to the retirement annuity, a member who
21 terminates service and retires at the conclusion of his or her
22 participation in the DROP plan shall receive, upon retirement,
23 a DROP benefit equal to the balance in the member's DROP
24 account at the time of retirement.

25 At the time of application for a retirement annuity, the
26 member shall elect to receive the DROP benefit in the form of

1 either a lump sum or an actuarially equivalent annuity for
2 life. If a lump sum payment is elected, it may be rolled over
3 into an individual retirement account or a qualified
4 retirement plan. A DROP benefit payable in the form of an
5 annuity shall be in a fixed amount not subject to annual or
6 other increases. A DROP benefit shall be treated as a
7 retirement benefit for the purposes of Section 1-119.

8 (j) If a member receiving a DROP benefit in the form of an
9 annuity re-enters service, the DROP benefit annuity payments
10 shall be suspended until the member's subsequent retirement.

11 (k) If a member dies while participating in the DROP plan,
12 the DROP benefit shall be paid as a lump sum to the surviving
13 spouse or other survivor of the member entitled to a
14 survivor's benefit or annuity or, if there is no such
15 survivor, then to the deceased member's estate.

16 (l) If a retired member dies while receiving a DROP
17 benefit in the form of an annuity, and the DROP account balance
18 at the time of retirement exceeds the total amount of DROP
19 benefit annuity payments received, the excess shall be
20 refunded to the surviving spouse or other survivor of the
21 member entitled to a survivor's benefit or annuity or, if
22 there is no such survivor, then to the deceased member's
23 estate.

24 (m) Notwithstanding any other provision of this Article,
25 for a member who retires at the conclusion of participation in
26 the DROP plan, calculation of the amount of the retirement

1 pension shall be based on the member's salary and accumulated
2 service on the date he or she began participation in the DROP
3 plan and shall include any annual increases that would have
4 accrued under Section 16-133.1 or Section 1-160, whichever is
5 applicable, if the member had retired on that date.

6 (n) Notwithstanding any other provision of this Article,
7 for a member who retires at the conclusion of participation in
8 the DROP plan, calculation of the amount of the retirement
9 annuity shall be based on the member's salary and accumulated
10 service on the date he or she began participation in the DROP
11 plan and shall include any annual increases that would have
12 accrued under Section 16-133.1 or Section 1-160, whichever is
13 applicable, if the member had retired on that date.

14 (40 ILCS 5/18-161.7 new)

15 Sec. 18-161.7. Deferred Retirement Option Plan.

16 (a) The Deferred Retirement Option Plan created by this
17 Section shall first become available to eligible participants
18 on January 1, 2025.

19 (b) To be eligible to participate in the DROP plan, a
20 participant must (i) be in active service, (ii) have attained
21 an age that is within 5 years of meeting the eligibility
22 requirement for receiving a retirement annuity under this
23 Article, and (iii) have at least 20 years of service credit in
24 the System. A participant may participate in the DROP plan
25 only once.

1 (c) An election to participate in the DROP plan must be
2 made within 3 years after becoming eligible under subsection
3 (b). The election to participate in the DROP plan shall be made
4 in writing on forms provided for that purpose by the Board and
5 shall be filed with the Board. The application must indicate
6 the date upon which participation in the DROP plan is to begin,
7 which shall be the first day of a calendar month and not less
8 than 30 days nor more than 90 days after the date of filing the
9 application.

10 As a part of the application, the participant must file
11 with the Board and with his or her employer an irrevocable
12 letter of resignation from employment, effective on the date
13 of termination of the participant's participation in the DROP
14 plan (unless that termination results from acceptance of a
15 disability benefit).

16 (d) A participant's participation in the DROP plan shall
17 commence on the date specified in the application and shall
18 end upon (i) termination of service, (ii) death of the
19 participant, (iii) disability for which the participant
20 receives a disability benefit, or (iv) expiration of 3 years
21 from the date the participant's participation in the DROP plan
22 began, whichever occurs first.

23 (e) A participant who is participating in the DROP plan
24 shall be considered an active participant for the purposes of
25 this Article, including Section 18-135, but shall be subject
26 to the special conditions of the DROP plan. A participant

1 shall continue to make the contributions that are required for
2 active participants during his or her participation in the
3 DROP plan. These contributions shall be accumulated in the
4 participant's DROP account and shall be treated as being
5 "picked up" within the meaning of Section 18-133.1 of this
6 Code and Section 414(h)(2) of the Internal Revenue Code of
7 1986, as amended. A participant who is participating in the
8 DROP plan shall not receive service credit for the period of
9 that participation, and the salary earned during that period
10 shall be disregarded in calculating the participant's benefits
11 under this Article.

12 (f) A participant who participates in the DROP plan may
13 terminate service at any time during participation in the DROP
14 plan. A participant who participates in the DROP plan must
15 terminate service on the last day of participation in the DROP
16 plan, unless participation in the DROP plan is ended due to
17 acceptance of a disability benefit.

18 (g) A participant who is participating in the DROP plan
19 remains eligible to apply for a disability benefit under this
20 Article, but participation in the DROP plan ceases upon
21 acceptance of the disability benefit. If participation in the
22 DROP plan is ended due to acceptance of a disability benefit,
23 (1) the disabled participant shall be credited with employee
24 contributions and creditable service for the period of
25 participation in the DROP plan, (2) the participant's letter
26 of resignation from service that is required to be filed at the

1 time of application to participate in the DROP plan is void,
2 and (3) the amounts in the disabled participant's DROP account
3 are forfeited to the System.

4 (h) The System shall maintain a separate DROP account for
5 the benefit of each participant who becomes a participant in
6 the DROP plan. The System shall pay into the participant's
7 DROP account:

8 (1) for each month of the participant's participation
9 in the DROP plan, an amount equal to the monthly
10 retirement annuity that the participant would have been
11 eligible to receive if the participant had terminated
12 service and taken a retirement annuity on the date his or
13 her participation in the DROP plan began, including any
14 increases in annuity for which the participant would have
15 been eligible;

16 (2) the employee contributions paid by the participant
17 during the period of participation in the DROP plan; and

18 (3) interest on the balance in the DROP account, at
19 the rate of 7% per annum, paid and compounded monthly,
20 throughout the period of participation in the DROP plan.
21 The DROP account shall cease earning interest when the
22 participant's participation in the DROP plan ends.

23 (i) In addition to the retirement annuity, a participant
24 who terminates service and retires at the conclusion of his or
25 her participation in the DROP plan shall receive, upon
26 retirement, a DROP benefit equal to the balance in the

1 participant's DROP account at the time of retirement.

2 At the time of application for a retirement annuity, the
3 participant shall elect to receive the DROP benefit in the
4 form of either a lump sum or an actuarially equivalent annuity
5 for life. If a lump sum payment is elected, it may be rolled
6 over into an individual retirement account or a qualified
7 retirement plan. A DROP benefit payable in the form of an
8 annuity shall be in a fixed amount not subject to annual or
9 other increases. A DROP benefit shall be treated as a
10 retirement benefit for the purposes of Section 1-119.

11 (j) If a participant receiving a DROP benefit in the form
12 of an annuity re-enters service, the DROP benefit annuity
13 payments shall be suspended until the participant's subsequent
14 retirement.

15 (k) If a participant dies while participating in the DROP
16 plan, the DROP benefit shall be paid as a lump sum to the
17 surviving spouse or other survivor of the participant entitled
18 to a survivor's benefit or annuity or, if there is no such
19 survivor, then to the deceased participant's estate.

20 (l) If a retired participant dies while receiving a DROP
21 benefit in the form of an annuity, and the DROP account balance
22 at the time of retirement exceeds the total amount of DROP
23 benefit annuity payments received, the excess shall be
24 refunded to the surviving spouse or other survivor of the
25 participant entitled to a survivor's benefit or annuity or, if
26 there is no such survivor, then to the deceased participant's

1 estate.

2 (m) Notwithstanding any other provision of this Article,
3 for a participant who retires at the conclusion of
4 participation in the DROP plan, calculation of the amount of
5 the retirement pension shall be based on the participant's
6 salary and accumulated service on the date he or she began
7 participation in the DROP plan and shall include any annual
8 increases that would have accrued under Section 18-125.1 if
9 the participant had retired on that date.

10 (n) Notwithstanding any other provision of this Article,
11 for a participant who retires at the conclusion of
12 participation in the DROP plan, calculation of the amount of
13 the retirement annuity shall be based on the participant's
14 salary and accumulated service on the date he or she began
15 participation in the DROP plan and shall include any annual
16 increases that would have accrued under Section 18-125.1 if
17 the participant had retired on that date.

18 Article 5.

19 Section 5-5. The General Obligation Bond Act is amended by
20 changing Sections 7.2 and 7.6 as follows:

21 (30 ILCS 330/7.2)

22 Sec. 7.2. State pension funding.

23 (a) The amount of \$10,000,000,000 is authorized to be used

1 for the purpose of making contributions to the designated
2 retirement systems. For the purposes of this Section,
3 "designated retirement systems" means the State Employees'
4 Retirement System of Illinois; the Teachers' Retirement System
5 of the State of Illinois; the State Universities Retirement
6 System; the Judges Retirement System of Illinois; and the
7 General Assembly Retirement System.

8 The amount of \$3,466,000,000 of Bonds authorized by Public
9 Act 96-43 is authorized to be used for the purpose of making a
10 portion of the State's Fiscal Year 2010 required contributions
11 to the designated retirement systems.

12 The amount of \$4,096,348,300 of Bonds authorized by this
13 amendatory Act of the 96th General Assembly is authorized to
14 be used for the purpose of making a portion of the State's
15 Fiscal Year 2011 required contributions to the designated
16 retirement systems.

17 (b) The Pension Contribution Fund is created as a special
18 fund in the State treasury ~~Treasury~~.

19 The proceeds of the additional \$10,000,000,000 of Bonds
20 authorized by Public Act 93-2, less the amounts authorized in
21 the Bond Sale Order to be deposited directly into the
22 capitalized interest account of the General Obligation Bond
23 Retirement and Interest Fund or otherwise directly paid out
24 for bond sale expenses under Section 8, shall be deposited
25 into the Pension Contribution Fund and used as provided in
26 this Section.

1 The proceeds of the additional \$3,466,000,000 of Bonds
2 authorized by Public Act 96-43, less the amounts directly paid
3 out for bond sale expenses under Section 8, shall be deposited
4 into the Pension Contribution Fund, and the Comptroller and
5 the Treasurer shall, as soon as practical, (i) first, transfer
6 from the Pension Contribution Fund to the General Revenue Fund
7 or Common School Fund an amount equal to the amount of
8 payments, if any, made to the designated retirement systems
9 from the General Revenue Fund or Common School Fund in State
10 fiscal year 2010 and (ii) second, make transfers from the
11 Pension Contribution Fund to the designated retirement systems
12 pursuant to Sections 2-124, 14-131, 15-155, 16-158, and 18-131
13 of the Illinois Pension Code.

14 The proceeds of the additional \$4,096,348,300 of Bonds
15 authorized by this amendatory Act of the 96th General
16 Assembly, less the amounts directly paid out for bond sale
17 expenses under Section 8, shall be deposited into the Pension
18 Contribution Fund, and the Comptroller and the Treasurer
19 shall, as soon as practical, (i) first, transfer from the
20 Pension Contribution Fund to the General Revenue Fund or
21 Common School Fund an amount equal to the amount of payments,
22 if any, made to the designated retirement systems from the
23 General Revenue Fund or Common School Fund in State fiscal
24 year 2011 and (ii) second, make transfers from the Pension
25 Contribution Fund to the designated retirement systems
26 pursuant to Sections 2-124, 14-131, 15-155, 16-158, and 18-131

1 of the Illinois Pension Code.

2 (c) Of the amount of Bond proceeds from the bond sale
3 authorized by Public Act 93-2 first deposited into the Pension
4 Contribution Fund, there shall be reserved for transfers under
5 this subsection the sum of \$300,000,000, representing the
6 required State contributions to the designated retirement
7 systems for the last quarter of State fiscal year 2003, plus
8 the sum of \$1,860,000,000, representing the required State
9 contributions to the designated retirement systems for State
10 fiscal year 2004.

11 Upon the deposit of sufficient moneys from the bond sale
12 authorized by Public Act 93-2 into the Pension Contribution
13 Fund, the Comptroller and Treasurer shall immediately transfer
14 the sum of \$300,000,000 from the Pension Contribution Fund to
15 the General Revenue Fund.

16 Whenever any payment of required State contributions for
17 State fiscal year 2004 is made to one of the designated
18 retirement systems, the Comptroller and Treasurer shall, as
19 soon as practicable, transfer from the Pension Contribution
20 Fund to the General Revenue Fund an amount equal to the amount
21 of that payment to the designated retirement system. Beginning
22 on the effective date of this amendatory Act of the 93rd
23 General Assembly, the transfers from the Pension Contribution
24 Fund to the General Revenue Fund shall be suspended until June
25 30, 2004, and the remaining balance in the Pension
26 Contribution Fund shall be transferred directly to the

1 designated retirement systems as provided in Section 6z-61 of
2 the State Finance Act. On and after July 1, 2004, in the event
3 that any amount is on deposit in the Pension Contribution Fund
4 from time to time, the Comptroller and Treasurer shall
5 continue to make such transfers based on fiscal year 2005
6 payments until the entire amount on deposit has been
7 transferred.

8 (d) All amounts deposited into the Pension Contribution
9 Fund, other than the amounts reserved for the transfers under
10 subsection (c) from the bond sale authorized by Public Act
11 93-2, other than amounts deposited into the Pension
12 Contribution Fund from the bond sale authorized by Public Act
13 96-43 and other than amounts deposited into the Pension
14 Contribution Fund from the bond sale authorized by this
15 amendatory Act of the 96th General Assembly, shall be
16 appropriated to the designated retirement systems to reduce
17 their actuarial reserve deficiencies. The amount of the
18 appropriation to each designated retirement system shall
19 constitute a portion of the total appropriation under this
20 subsection that is the same as that retirement system's
21 portion of the total actuarial reserve deficiency of the
22 systems, as most recently determined by the Governor's Office
23 of Management and Budget under Section 8.12 of the State
24 Finance Act.

25 With respect to proceeds from the bond sale authorized by
26 Public Act 93-2 only, within 15 days after any Bond proceeds in

1 excess of the amounts initially reserved under subsection (c)
2 are deposited into the Pension Contribution Fund, the
3 Governor's Office of Management and Budget shall (i) allocate
4 those proceeds among the designated retirement systems in
5 proportion to their respective actuarial reserve deficiencies,
6 as most recently determined under Section 8.12 of the State
7 Finance Act, and (ii) certify those allocations to the
8 designated retirement systems and the Comptroller.

9 Upon receiving certification of an allocation under this
10 subsection, a designated retirement system shall submit to the
11 Comptroller a voucher for the amount of its allocation. The
12 voucher shall be paid out of the amount appropriated to that
13 designated retirement system from the Pension Contribution
14 Fund pursuant to this subsection.

15 (e) Every fiscal year after all the bonds authorized by
16 Public Act 93-2 are retired, the State Treasurer shall direct
17 and the State Comptroller shall transfer the sum of
18 \$500,000,000 from the General Revenue Fund to the Pension
19 Unfunded Liability Reduction Fund each fiscal year, which
20 shall be used to make additional contributions to eligible
21 pension funds in accordance with Section 8s of the State
22 Finance Act.

23 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11.)

24 (30 ILCS 330/7.6)

25 Sec. 7.6. Income Tax Proceed Bonds.

1 (a) As used in this Act, "Income Tax Proceed Bonds" means
2 Bonds (i) authorized by this amendatory Act of the 100th
3 General Assembly or any other Public Act of the 100th General
4 Assembly authorizing the issuance of Income Tax Proceed Bonds
5 and (ii) used for the payment of unpaid obligations of the
6 State as incurred from time to time and as authorized by the
7 General Assembly.

8 (b) Income Tax Proceed Bonds in the amount of
9 \$6,000,000,000 are hereby authorized to be used for the
10 purpose of paying vouchers incurred by the State prior to July
11 1, 2017. Additional Income Tax Proceed Bonds in the amount of
12 \$1,200,000,000 are hereby authorized to be used for the
13 purpose of paying vouchers incurred by the State and accruing
14 interest payable by the State prior to the date on which the
15 Income Tax Proceed Bonds are issued.

16 (c) The Income Tax Bond Fund is hereby created as a special
17 fund in the State treasury. All moneys from the proceeds of the
18 sale of the Income Tax Proceed Bonds, less the amounts
19 authorized in the Bond Sale Order to be directly paid out for
20 bond sale expenses under Section 8, shall be deposited into
21 the Income Tax Bond Fund. All moneys in the Income Tax Bond
22 Fund shall be used for the purpose of paying vouchers incurred
23 by the State prior to July 1, 2017 or for paying vouchers
24 incurred by the State more than 90 days prior to the date on
25 which the Income Tax Proceed Bonds are issued. For the purpose
26 of paying such vouchers, the Comptroller has the authority to

1 transfer moneys from the Income Tax Bond Fund to general funds
2 and the Health Insurance Reserve Fund. "General funds" has the
3 meaning provided in Section 50-40 of the State Budget Law.

4 (d) Every fiscal year after all the bonds authorized under
5 this Section are retired, the State Treasurer shall direct and
6 the State Comptroller shall transfer the sum of \$500,000,000
7 from the General Revenue Fund to the Pension Unfunded
8 Liability Reduction Fund each fiscal year, which shall be used
9 to make additional contributions to eligible pension funds in
10 accordance with Section 8s of the State Finance Act.

11 (Source: P.A. 100-23, eff. 7-6-17; 101-30, eff. 6-28-19;
12 101-604, eff. 12-13-19.)

13 Section 5-10. The State Finance Act is amended by adding
14 Section 8s as follows:

15 (30 ILCS 105/8s new)

16 Sec. 8s. Pension Unfunded Liability Reduction Fund.

17 (a) In this Section, "eligible pension fund" means a
18 pension fund or retirement system established under Article 2,
19 14, 15, 16, 17, or 18 of the Illinois Pension Code that has a
20 total actuarial liability in excess of its total actuarial
21 assets.

22 (b) The Pension Unfunded Liability Reduction Fund is
23 created as a special fund in the State treasury. Moneys in the
24 Fund may only be used to make annual additional contributions

1 to eligible pension funds.

2 (c) Moneys in the Fund shall be disbursed every fiscal
3 year to each eligible pension fund based on the pro rata share
4 of the State's required annual contribution to that eligible
5 pension fund for that fiscal year relative to the State's
6 total required annual contribution to all eligible pension
7 funds for that fiscal year.

8 Article 6.

9 Section 6-5. The Illinois Pension Code is amended by
10 changing Sections 2-124, 14-131, 15-155, 16-158, and 18-131 as
11 follows:

12 (40 ILCS 5/2-124) (from Ch. 108 1/2, par. 2-124)

13 Sec. 2-124. Contributions by State.

14 (a) The State shall make contributions to the System by
15 appropriations of amounts which, together with the
16 contributions of participants, interest earned on investments,
17 and other income will meet the cost of maintaining and
18 administering the System on a 100% ~~90%~~ funded basis by 2050 in
19 accordance with actuarial recommendations.

20 (b) The Board shall determine the amount of State
21 contributions required for each fiscal year on the basis of
22 the actuarial tables and other assumptions adopted by the
23 Board and the prescribed rate of interest, using the formula

1 in subsection (c).

2 (c) For State fiscal years 2025 through 2050, the minimum
3 contribution to the System to be made by the State for each
4 fiscal year shall be an amount determined by the System to be
5 sufficient to bring the total assets of the System up to 100%
6 of the total actuarial liabilities of the System by the end of
7 State fiscal year 2050. In making these determinations, the
8 required State contribution shall be calculated each year as a
9 level percentage of payroll over the years remaining to and
10 including fiscal year 2050 and shall be determined under the
11 projected unit credit actuarial cost method.

12 For State fiscal years 2012 through ~~2024~~ 2045, the minimum
13 contribution to the System to be made by the State for each
14 fiscal year shall be an amount determined by the System to be
15 sufficient to bring the total assets of the System up to 90% of
16 the total actuarial liabilities of the System by the end of
17 State fiscal year 2045. In making these determinations, the
18 required State contribution shall be calculated each year as a
19 level percentage of payroll over the years remaining to and
20 including fiscal year 2045 and shall be determined under the
21 projected unit credit actuarial cost method.

22 A change in an actuarial or investment assumption that
23 increases or decreases the required State contribution and
24 first applies in State fiscal year 2018 or thereafter shall be
25 implemented in equal annual amounts over a 5-year period
26 beginning in the State fiscal year in which the actuarial

1 change first applies to the required State contribution.

2 A change in an actuarial or investment assumption that
3 increases or decreases the required State contribution and
4 first applied to the State contribution in fiscal year 2014,
5 2015, 2016, or 2017 shall be implemented:

6 (i) as already applied in State fiscal years before
7 2018; and

8 (ii) in the portion of the 5-year period beginning in
9 the State fiscal year in which the actuarial change first
10 applied that occurs in State fiscal year 2018 or
11 thereafter, by calculating the change in equal annual
12 amounts over that 5-year period and then implementing it
13 at the resulting annual rate in each of the remaining
14 fiscal years in that 5-year period.

15 For State fiscal years 1996 through 2005, the State
16 contribution to the System, as a percentage of the applicable
17 employee payroll, shall be increased in equal annual
18 increments so that by State fiscal year 2011, the State is
19 contributing at the rate required under this Section.

20 Notwithstanding any other provision of this Article, the
21 total required State contribution for State fiscal year 2006
22 is \$4,157,000.

23 Notwithstanding any other provision of this Article, the
24 total required State contribution for State fiscal year 2007
25 is \$5,220,300.

26 For each of State fiscal years 2008 through 2009, the

1 State contribution to the System, as a percentage of the
2 applicable employee payroll, shall be increased in equal
3 annual increments from the required State contribution for
4 State fiscal year 2007, so that by State fiscal year 2011, the
5 State is contributing at the rate otherwise required under
6 this Section.

7 Notwithstanding any other provision of this Article, the
8 total required State contribution for State fiscal year 2010
9 is \$10,454,000 and shall be made from the proceeds of bonds
10 sold in fiscal year 2010 pursuant to Section 7.2 of the General
11 Obligation Bond Act, less (i) the pro rata share of bond sale
12 expenses determined by the System's share of total bond
13 proceeds, (ii) any amounts received from the General Revenue
14 Fund in fiscal year 2010, and (iii) any reduction in bond
15 proceeds due to the issuance of discounted bonds, if
16 applicable.

17 Notwithstanding any other provision of this Article, the
18 total required State contribution for State fiscal year 2011
19 is the amount recertified by the System on or before April 1,
20 2011 pursuant to Section 2-134 and shall be made from the
21 proceeds of bonds sold in fiscal year 2011 pursuant to Section
22 7.2 of the General Obligation Bond Act, less (i) the pro rata
23 share of bond sale expenses determined by the System's share
24 of total bond proceeds, (ii) any amounts received from the
25 General Revenue Fund in fiscal year 2011, and (iii) any
26 reduction in bond proceeds due to the issuance of discounted

1 bonds, if applicable.

2 Beginning in State fiscal year 2051 ~~2046~~, the minimum
3 State contribution for each fiscal year shall be the amount
4 needed to maintain the total assets of the System at 100% ~~90%~~
5 of the total actuarial liabilities of the System.

6 Amounts received by the System pursuant to Section 25 of
7 the Budget Stabilization Act or Section 8.12 of the State
8 Finance Act in any fiscal year do not reduce and do not
9 constitute payment of any portion of the minimum State
10 contribution required under this Article in that fiscal year.
11 Such amounts shall not reduce, and shall not be included in the
12 calculation of, the required State contributions under this
13 Article in any future year until the System has reached a
14 funding ratio of at least 90%. A reference in this Article to
15 the "required State contribution" or any substantially similar
16 term does not include or apply to any amounts payable to the
17 System under Section 25 of the Budget Stabilization Act.

18 Notwithstanding any other provision of this Section, the
19 required State contribution for State fiscal year 2005 and for
20 fiscal year 2008 and each fiscal year thereafter, as
21 calculated under this Section and certified under Section
22 2-134, shall not exceed an amount equal to (i) the amount of
23 the required State contribution that would have been
24 calculated under this Section for that fiscal year if the
25 System had not received any payments under subsection (d) of
26 Section 7.2 of the General Obligation Bond Act, minus (ii) the

1 portion of the State's total debt service payments for that
2 fiscal year on the bonds issued in fiscal year 2003 for the
3 purposes of that Section 7.2, as determined and certified by
4 the Comptroller, that is the same as the System's portion of
5 the total moneys distributed under subsection (d) of Section
6 7.2 of the General Obligation Bond Act. In determining this
7 maximum for State fiscal years 2008 through 2010, however, the
8 amount referred to in item (i) shall be increased, as a
9 percentage of the applicable employee payroll, in equal
10 increments calculated from the sum of the required State
11 contribution for State fiscal year 2007 plus the applicable
12 portion of the State's total debt service payments for fiscal
13 year 2007 on the bonds issued in fiscal year 2003 for the
14 purposes of Section 7.2 of the General Obligation Bond Act, so
15 that, by State fiscal year 2011, the State is contributing at
16 the rate otherwise required under this Section.

17 (d) For purposes of determining the required State
18 contribution to the System, the value of the System's assets
19 shall be equal to the actuarial value of the System's assets,
20 which shall be calculated as follows:

21 As of June 30, 2008, the actuarial value of the System's
22 assets shall be equal to the market value of the assets as of
23 that date. In determining the actuarial value of the System's
24 assets for fiscal years after June 30, 2008, any actuarial
25 gains or losses from investment return incurred in a fiscal
26 year shall be recognized in equal annual amounts over the

1 5-year period following that fiscal year.

2 (e) For purposes of determining the required State
3 contribution to the system for a particular year, the
4 actuarial value of assets shall be assumed to earn a rate of
5 return equal to the system's actuarially assumed rate of
6 return.

7 (Source: P.A. 100-23, eff. 7-6-17.)

8 (40 ILCS 5/14-131)

9 Sec. 14-131. Contributions by State.

10 (a) The State shall make contributions to the System by
11 appropriations of amounts which, together with other employer
12 contributions from trust, federal, and other funds, employee
13 contributions, investment income, and other income, will be
14 sufficient to meet the cost of maintaining and administering
15 the System on a 100% ~~90%~~ funded basis by 2050 in accordance
16 with actuarial recommendations.

17 For the purposes of this Section and Section 14-135.08,
18 references to State contributions refer only to employer
19 contributions and do not include employee contributions that
20 are picked up or otherwise paid by the State or a department on
21 behalf of the employee.

22 (b) The Board shall determine the total amount of State
23 contributions required for each fiscal year on the basis of
24 the actuarial tables and other assumptions adopted by the
25 Board, using the formula in subsection (e).

1 The Board shall also determine a State contribution rate
2 for each fiscal year, expressed as a percentage of payroll,
3 based on the total required State contribution for that fiscal
4 year (less the amount received by the System from
5 appropriations under Section 8.12 of the State Finance Act and
6 Section 1 of the State Pension Funds Continuing Appropriation
7 Act, if any, for the fiscal year ending on the June 30
8 immediately preceding the applicable November 15 certification
9 deadline), the estimated payroll (including all forms of
10 compensation) for personal services rendered by eligible
11 employees, and the recommendations of the actuary.

12 For the purposes of this Section and Section 14.1 of the
13 State Finance Act, the term "eligible employees" includes
14 employees who participate in the System, persons who may elect
15 to participate in the System but have not so elected, persons
16 who are serving a qualifying period that is required for
17 participation, and annuitants employed by a department as
18 described in subdivision (a) (1) or (a) (2) of Section 14-111.

19 (c) Contributions shall be made by the several departments
20 for each pay period by warrants drawn by the State Comptroller
21 against their respective funds or appropriations based upon
22 vouchers stating the amount to be so contributed. These
23 amounts shall be based on the full rate certified by the Board
24 under Section 14-135.08 for that fiscal year. From March 5,
25 2004 (the effective date of Public Act 93-665) through the
26 payment of the final payroll from fiscal year 2004

1 appropriations, the several departments shall not make
2 contributions for the remainder of fiscal year 2004 but shall
3 instead make payments as required under subsection (a-1) of
4 Section 14.1 of the State Finance Act. The several departments
5 shall resume those contributions at the commencement of fiscal
6 year 2005.

7 (c-1) Notwithstanding subsection (c) of this Section, for
8 fiscal years 2010, 2012, and each fiscal year thereafter,
9 contributions by the several departments are not required to
10 be made for General Revenue Funds payrolls processed by the
11 Comptroller. Payrolls paid by the several departments from all
12 other State funds must continue to be processed pursuant to
13 subsection (c) of this Section.

14 (c-2) For State fiscal years 2010, 2012, and each fiscal
15 year thereafter, on or as soon as possible after the 15th day
16 of each month, the Board shall submit vouchers for payment of
17 State contributions to the System, in a total monthly amount
18 of one-twelfth of the fiscal year General Revenue Fund
19 contribution as certified by the System pursuant to Section
20 14-135.08 of the Illinois Pension Code.

21 (d) If an employee is paid from trust funds or federal
22 funds, the department or other employer shall pay employer
23 contributions from those funds to the System at the certified
24 rate, unless the terms of the trust or the federal-State
25 agreement preclude the use of the funds for that purpose, in
26 which case the required employer contributions shall be paid

1 by the State.

2 (e) For State fiscal years 2025 through 2050, the minimum
3 contribution to the System to be made by the State for each
4 fiscal year shall be an amount determined by the System to be
5 sufficient to bring the total assets of the System up to 100%
6 of the total actuarial liabilities of the System by the end of
7 State fiscal year 2050. In making these determinations, the
8 required State contribution shall be calculated each year as a
9 level percentage of payroll over the years remaining to and
10 including fiscal year 2050 and shall be determined under the
11 projected unit credit actuarial cost method.

12 For State fiscal years 2012 through ~~2024~~ 2045, the minimum
13 contribution to the System to be made by the State for each
14 fiscal year shall be an amount determined by the System to be
15 sufficient to bring the total assets of the System up to 90% of
16 the total actuarial liabilities of the System by the end of
17 State fiscal year 2045. In making these determinations, the
18 required State contribution shall be calculated each year as a
19 level percentage of payroll over the years remaining to and
20 including fiscal year 2045 and shall be determined under the
21 projected unit credit actuarial cost method.

22 A change in an actuarial or investment assumption that
23 increases or decreases the required State contribution and
24 first applies in State fiscal year 2018 or thereafter shall be
25 implemented in equal annual amounts over a 5-year period
26 beginning in the State fiscal year in which the actuarial

1 change first applies to the required State contribution.

2 A change in an actuarial or investment assumption that
3 increases or decreases the required State contribution and
4 first applied to the State contribution in fiscal year 2014,
5 2015, 2016, or 2017 shall be implemented:

6 (i) as already applied in State fiscal years before
7 2018; and

8 (ii) in the portion of the 5-year period beginning in
9 the State fiscal year in which the actuarial change first
10 applied that occurs in State fiscal year 2018 or
11 thereafter, by calculating the change in equal annual
12 amounts over that 5-year period and then implementing it
13 at the resulting annual rate in each of the remaining
14 fiscal years in that 5-year period.

15 For State fiscal years 1996 through 2005, the State
16 contribution to the System, as a percentage of the applicable
17 employee payroll, shall be increased in equal annual
18 increments so that by State fiscal year 2011, the State is
19 contributing at the rate required under this Section; except
20 that (i) for State fiscal year 1998, for all purposes of this
21 Code and any other law of this State, the certified percentage
22 of the applicable employee payroll shall be 5.052% for
23 employees earning eligible creditable service under Section
24 14-110 and 6.500% for all other employees, notwithstanding any
25 contrary certification made under Section 14-135.08 before
26 July 7, 1997 (the effective date of Public Act 90-65), and (ii)

1 in the following specified State fiscal years, the State
2 contribution to the System shall not be less than the
3 following indicated percentages of the applicable employee
4 payroll, even if the indicated percentage will produce a State
5 contribution in excess of the amount otherwise required under
6 this subsection and subsection (a): 9.8% in FY 1999; 10.0% in
7 FY 2000; 10.2% in FY 2001; 10.4% in FY 2002; 10.6% in FY 2003;
8 and 10.8% in FY 2004.

9 Beginning in State fiscal year 2051 ~~2046~~, the minimum
10 State contribution for each fiscal year shall be the amount
11 needed to maintain the total assets of the System at 100% ~~90%~~
12 of the total actuarial liabilities of the System.

13 Amounts received by the System pursuant to Section 25 of
14 the Budget Stabilization Act or Section 8.12 of the State
15 Finance Act in any fiscal year do not reduce and do not
16 constitute payment of any portion of the minimum State
17 contribution required under this Article in that fiscal year.
18 Such amounts shall not reduce, and shall not be included in the
19 calculation of, the required State contributions under this
20 Article in any future year until the System has reached a
21 funding ratio of at least 90%. A reference in this Article to
22 the "required State contribution" or any substantially similar
23 term does not include or apply to any amounts payable to the
24 System under Section 25 of the Budget Stabilization Act.

25 Notwithstanding any other provision of this Section, the
26 required State contribution for State fiscal year 2005 and for

1 fiscal year 2008 and each fiscal year thereafter, as
2 calculated under this Section and certified under Section
3 14-135.08, shall not exceed an amount equal to (i) the amount
4 of the required State contribution that would have been
5 calculated under this Section for that fiscal year if the
6 System had not received any payments under subsection (d) of
7 Section 7.2 of the General Obligation Bond Act, minus (ii) the
8 portion of the State's total debt service payments for that
9 fiscal year on the bonds issued in fiscal year 2003 for the
10 purposes of that Section 7.2, as determined and certified by
11 the Comptroller, that is the same as the System's portion of
12 the total moneys distributed under subsection (d) of Section
13 7.2 of the General Obligation Bond Act.

14 (f) (Blank).

15 (g) For purposes of determining the required State
16 contribution to the System, the value of the System's assets
17 shall be equal to the actuarial value of the System's assets,
18 which shall be calculated as follows:

19 As of June 30, 2008, the actuarial value of the System's
20 assets shall be equal to the market value of the assets as of
21 that date. In determining the actuarial value of the System's
22 assets for fiscal years after June 30, 2008, any actuarial
23 gains or losses from investment return incurred in a fiscal
24 year shall be recognized in equal annual amounts over the
25 5-year period following that fiscal year.

26 (h) For purposes of determining the required State

1 contribution to the System for a particular year, the
2 actuarial value of assets shall be assumed to earn a rate of
3 return equal to the System's actuarially assumed rate of
4 return.

5 (i) (Blank).

6 (j) (Blank).

7 (k) For fiscal year 2012 and each fiscal year thereafter,
8 after the submission of all payments for eligible employees
9 from personal services line items paid from the General
10 Revenue Fund in the fiscal year have been made, the
11 Comptroller shall provide to the System a certification of the
12 sum of all expenditures in the fiscal year for personal
13 services. Upon receipt of the certification, the System shall
14 determine the amount due to the System based on the full rate
15 certified by the Board under Section 14-135.08 for the fiscal
16 year in order to meet the State's obligation under this
17 Section. The System shall compare this amount due to the
18 amount received by the System for the fiscal year. If the
19 amount due is more than the amount received, the difference
20 shall be termed the "Prior Fiscal Year Shortfall" for purposes
21 of this Section, and the Prior Fiscal Year Shortfall shall be
22 satisfied under Section 1.2 of the State Pension Funds
23 Continuing Appropriation Act. If the amount due is less than
24 the amount received, the difference shall be termed the "Prior
25 Fiscal Year Overpayment" for purposes of this Section, and the
26 Prior Fiscal Year Overpayment shall be repaid by the System to

1 the General Revenue Fund as soon as practicable after the
2 certification.

3 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
4 101-10, eff. 6-5-19.)

5 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)
6 Sec. 15-155. Employer contributions.

7 (a) The State of Illinois shall make contributions by
8 appropriations of amounts which, together with the other
9 employer contributions from trust, federal, and other funds,
10 employee contributions, income from investments, and other
11 income of this System, will be sufficient to meet the cost of
12 maintaining and administering the System on a 100% ~~90%~~ funded
13 basis by 2050 in accordance with actuarial recommendations.

14 The Board shall determine the amount of State
15 contributions required for each fiscal year on the basis of
16 the actuarial tables and other assumptions adopted by the
17 Board and the recommendations of the actuary, using the
18 formula in subsection (a-1).

19 (a-1) For State fiscal years 2025 through 2050, the
20 minimum contribution to the System to be made by the State for
21 each fiscal year shall be an amount determined by the System to
22 be sufficient to bring the total assets of the System up to
23 100% of the total actuarial liabilities of the System by the
24 end of State fiscal year 2050. In making these determinations,
25 the required State contribution shall be calculated each year

1 as a level percentage of payroll over the years remaining to
2 and including fiscal year 2050 and shall be determined under
3 the projected unit credit actuarial cost method.

4 For State fiscal years 2012 through 2024 ~~2045~~, the minimum
5 contribution to the System to be made by the State for each
6 fiscal year shall be an amount determined by the System to be
7 sufficient to bring the total assets of the System up to 90% of
8 the total actuarial liabilities of the System by the end of
9 State fiscal year 2045. In making these determinations, the
10 required State contribution shall be calculated each year as a
11 level percentage of payroll over the years remaining to and
12 including fiscal year 2045 and shall be determined under the
13 projected unit credit actuarial cost method.

14 For each of State fiscal years 2018, 2019, and 2020, the
15 State shall make an additional contribution to the System
16 equal to 2% of the total payroll of each employee who is deemed
17 to have elected the benefits under Section 1-161 or who has
18 made the election under subsection (c) of Section 1-161.

19 A change in an actuarial or investment assumption that
20 increases or decreases the required State contribution and
21 first applies in State fiscal year 2018 or thereafter shall be
22 implemented in equal annual amounts over a 5-year period
23 beginning in the State fiscal year in which the actuarial
24 change first applies to the required State contribution.

25 A change in an actuarial or investment assumption that
26 increases or decreases the required State contribution and

1 first applied to the State contribution in fiscal year 2014,
2 2015, 2016, or 2017 shall be implemented:

3 (i) as already applied in State fiscal years before
4 2018; and

5 (ii) in the portion of the 5-year period beginning in
6 the State fiscal year in which the actuarial change first
7 applied that occurs in State fiscal year 2018 or
8 thereafter, by calculating the change in equal annual
9 amounts over that 5-year period and then implementing it
10 at the resulting annual rate in each of the remaining
11 fiscal years in that 5-year period.

12 For State fiscal years 1996 through 2005, the State
13 contribution to the System, as a percentage of the applicable
14 employee payroll, shall be increased in equal annual
15 increments so that by State fiscal year 2011, the State is
16 contributing at the rate required under this Section.

17 Notwithstanding any other provision of this Article, the
18 total required State contribution for State fiscal year 2006
19 is \$166,641,900.

20 Notwithstanding any other provision of this Article, the
21 total required State contribution for State fiscal year 2007
22 is \$252,064,100.

23 For each of State fiscal years 2008 through 2009, the
24 State contribution to the System, as a percentage of the
25 applicable employee payroll, shall be increased in equal
26 annual increments from the required State contribution for

1 State fiscal year 2007, so that by State fiscal year 2011, the
2 State is contributing at the rate otherwise required under
3 this Section.

4 Notwithstanding any other provision of this Article, the
5 total required State contribution for State fiscal year 2010
6 is \$702,514,000 and shall be made from the State Pensions Fund
7 and proceeds of bonds sold in fiscal year 2010 pursuant to
8 Section 7.2 of the General Obligation Bond Act, less (i) the
9 pro rata share of bond sale expenses determined by the
10 System's share of total bond proceeds, (ii) any amounts
11 received from the General Revenue Fund in fiscal year 2010,
12 (iii) any reduction in bond proceeds due to the issuance of
13 discounted bonds, if applicable.

14 Notwithstanding any other provision of this Article, the
15 total required State contribution for State fiscal year 2011
16 is the amount recertified by the System on or before April 1,
17 2011 pursuant to Section 15-165 and shall be made from the
18 State Pensions Fund and proceeds of bonds sold in fiscal year
19 2011 pursuant to Section 7.2 of the General Obligation Bond
20 Act, less (i) the pro rata share of bond sale expenses
21 determined by the System's share of total bond proceeds, (ii)
22 any amounts received from the General Revenue Fund in fiscal
23 year 2011, and (iii) any reduction in bond proceeds due to the
24 issuance of discounted bonds, if applicable.

25 Beginning in State fiscal year 2051 ~~2046~~, the minimum
26 State contribution for each fiscal year shall be the amount

1 needed to maintain the total assets of the System at 100% ~~90%~~
2 of the total actuarial liabilities of the System.

3 Amounts received by the System pursuant to Section 25 of
4 the Budget Stabilization Act or Section 8.12 of the State
5 Finance Act in any fiscal year do not reduce and do not
6 constitute payment of any portion of the minimum State
7 contribution required under this Article in that fiscal year.
8 Such amounts shall not reduce, and shall not be included in the
9 calculation of, the required State contributions under this
10 Article in any future year until the System has reached a
11 funding ratio of at least 90%. A reference in this Article to
12 the "required State contribution" or any substantially similar
13 term does not include or apply to any amounts payable to the
14 System under Section 25 of the Budget Stabilization Act.

15 Notwithstanding any other provision of this Section, the
16 required State contribution for State fiscal year 2005 and for
17 fiscal year 2008 and each fiscal year thereafter, as
18 calculated under this Section and certified under Section
19 15-165, shall not exceed an amount equal to (i) the amount of
20 the required State contribution that would have been
21 calculated under this Section for that fiscal year if the
22 System had not received any payments under subsection (d) of
23 Section 7.2 of the General Obligation Bond Act, minus (ii) the
24 portion of the State's total debt service payments for that
25 fiscal year on the bonds issued in fiscal year 2003 for the
26 purposes of that Section 7.2, as determined and certified by

1 the Comptroller, that is the same as the System's portion of
2 the total moneys distributed under subsection (d) of Section
3 7.2 of the General Obligation Bond Act. In determining this
4 maximum for State fiscal years 2008 through 2010, however, the
5 amount referred to in item (i) shall be increased, as a
6 percentage of the applicable employee payroll, in equal
7 increments calculated from the sum of the required State
8 contribution for State fiscal year 2007 plus the applicable
9 portion of the State's total debt service payments for fiscal
10 year 2007 on the bonds issued in fiscal year 2003 for the
11 purposes of Section 7.2 of the General Obligation Bond Act, so
12 that, by State fiscal year 2011, the State is contributing at
13 the rate otherwise required under this Section.

14 (a-2) Beginning in fiscal year 2018, each employer under
15 this Article shall pay to the System a required contribution
16 determined as a percentage of projected payroll and sufficient
17 to produce an annual amount equal to:

18 (i) for each of fiscal years 2018, 2019, and 2020, the
19 defined benefit normal cost of the defined benefit plan,
20 less the employee contribution, for each employee of that
21 employer who has elected or who is deemed to have elected
22 the benefits under Section 1-161 or who has made the
23 election under subsection (c) of Section 1-161; for fiscal
24 year 2021 and each fiscal year thereafter, the defined
25 benefit normal cost of the defined benefit plan, less the
26 employee contribution, plus 2%, for each employee of that

1 employer who has elected or who is deemed to have elected
2 the benefits under Section 1-161 or who has made the
3 election under subsection (c) of Section 1-161; plus

4 (ii) the amount required for that fiscal year to
5 amortize any unfunded actuarial accrued liability
6 associated with the present value of liabilities
7 attributable to the employer's account under Section
8 15-155.2, determined as a level percentage of payroll over
9 a 30-year rolling amortization period.

10 In determining contributions required under item (i) of
11 this subsection, the System shall determine an aggregate rate
12 for all employers, expressed as a percentage of projected
13 payroll.

14 In determining the contributions required under item (ii)
15 of this subsection, the amount shall be computed by the System
16 on the basis of the actuarial assumptions and tables used in
17 the most recent actuarial valuation of the System that is
18 available at the time of the computation.

19 The contributions required under this subsection (a-2)
20 shall be paid by an employer concurrently with that employer's
21 payroll payment period. The State, as the actual employer of
22 an employee, shall make the required contributions under this
23 subsection.

24 As used in this subsection, "academic year" means the
25 12-month period beginning September 1.

26 (b) If an employee is paid from trust or federal funds, the

1 employer shall pay to the Board contributions from those funds
2 which are sufficient to cover the accruing normal costs on
3 behalf of the employee. However, universities having employees
4 who are compensated out of local auxiliary funds, income
5 funds, or service enterprise funds are not required to pay
6 such contributions on behalf of those employees. The local
7 auxiliary funds, income funds, and service enterprise funds of
8 universities shall not be considered trust funds for the
9 purpose of this Article, but funds of alumni associations,
10 foundations, and athletic associations which are affiliated
11 with the universities included as employers under this Article
12 and other employers which do not receive State appropriations
13 are considered to be trust funds for the purpose of this
14 Article.

15 (b-1) The City of Urbana and the City of Champaign shall
16 each make employer contributions to this System for their
17 respective firefighter employees who participate in this
18 System pursuant to subsection (h) of Section 15-107. The rate
19 of contributions to be made by those municipalities shall be
20 determined annually by the Board on the basis of the actuarial
21 assumptions adopted by the Board and the recommendations of
22 the actuary, and shall be expressed as a percentage of salary
23 for each such employee. The Board shall certify the rate to the
24 affected municipalities as soon as may be practical. The
25 employer contributions required under this subsection shall be
26 remitted by the municipality to the System at the same time and

1 in the same manner as employee contributions.

2 (c) Through State fiscal year 1995: The total employer
3 contribution shall be apportioned among the various funds of
4 the State and other employers, whether trust, federal, or
5 other funds, in accordance with actuarial procedures approved
6 by the Board. State of Illinois contributions for employers
7 receiving State appropriations for personal services shall be
8 payable from appropriations made to the employers or to the
9 System. The contributions for Class I community colleges
10 covering earnings other than those paid from trust and federal
11 funds, shall be payable solely from appropriations to the
12 Illinois Community College Board or the System for employer
13 contributions.

14 (d) Beginning in State fiscal year 1996, the required
15 State contributions to the System shall be appropriated
16 directly to the System and shall be payable through vouchers
17 issued in accordance with subsection (c) of Section 15-165,
18 except as provided in subsection (g).

19 (e) The State Comptroller shall draw warrants payable to
20 the System upon proper certification by the System or by the
21 employer in accordance with the appropriation laws and this
22 Code.

23 (f) Normal costs under this Section means liability for
24 pensions and other benefits which accrues to the System
25 because of the credits earned for service rendered by the
26 participants during the fiscal year and expenses of

1 administering the System, but shall not include the principal
2 of or any redemption premium or interest on any bonds issued by
3 the Board or any expenses incurred or deposits required in
4 connection therewith.

5 (g) If the amount of a participant's earnings for any
6 academic year used to determine the final rate of earnings,
7 determined on a full-time equivalent basis, exceeds the amount
8 of his or her earnings with the same employer for the previous
9 academic year, determined on a full-time equivalent basis, by
10 more than 6%, the participant's employer shall pay to the
11 System, in addition to all other payments required under this
12 Section and in accordance with guidelines established by the
13 System, the present value of the increase in benefits
14 resulting from the portion of the increase in earnings that is
15 in excess of 6%. This present value shall be computed by the
16 System on the basis of the actuarial assumptions and tables
17 used in the most recent actuarial valuation of the System that
18 is available at the time of the computation. The System may
19 require the employer to provide any pertinent information or
20 documentation.

21 Whenever it determines that a payment is or may be
22 required under this subsection (g), the System shall calculate
23 the amount of the payment and bill the employer for that
24 amount. The bill shall specify the calculations used to
25 determine the amount due. If the employer disputes the amount
26 of the bill, it may, within 30 days after receipt of the bill,

1 apply to the System in writing for a recalculation. The
2 application must specify in detail the grounds of the dispute
3 and, if the employer asserts that the calculation is subject
4 to subsection (h), (h-5), or (i) of this Section, must include
5 an affidavit setting forth and attesting to all facts within
6 the employer's knowledge that are pertinent to the
7 applicability of that subsection. Upon receiving a timely
8 application for recalculation, the System shall review the
9 application and, if appropriate, recalculate the amount due.

10 The employer contributions required under this subsection
11 (g) may be paid in the form of a lump sum within 90 days after
12 receipt of the bill. If the employer contributions are not
13 paid within 90 days after receipt of the bill, then interest
14 will be charged at a rate equal to the System's annual
15 actuarially assumed rate of return on investment compounded
16 annually from the 91st day after receipt of the bill. Payments
17 must be concluded within 3 years after the employer's receipt
18 of the bill.

19 When assessing payment for any amount due under this
20 subsection (g), the System shall include earnings, to the
21 extent not established by a participant under Section
22 15-113.11 or 15-113.12, that would have been paid to the
23 participant had the participant not taken (i) periods of
24 voluntary or involuntary furlough occurring on or after July
25 1, 2015 and on or before June 30, 2017 or (ii) periods of
26 voluntary pay reduction in lieu of furlough occurring on or

1 after July 1, 2015 and on or before June 30, 2017. Determining
2 earnings that would have been paid to a participant had the
3 participant not taken periods of voluntary or involuntary
4 furlough or periods of voluntary pay reduction shall be the
5 responsibility of the employer, and shall be reported in a
6 manner prescribed by the System.

7 This subsection (g) does not apply to (1) Tier 2 hybrid
8 plan members and (2) Tier 2 defined benefit members who first
9 participate under this Article on or after the implementation
10 date of the Optional Hybrid Plan.

11 (g-1) (Blank).

12 (h) This subsection (h) applies only to payments made or
13 salary increases given on or after June 1, 2005 but before July
14 1, 2011. The changes made by Public Act 94-1057 shall not
15 require the System to refund any payments received before July
16 31, 2006 (the effective date of Public Act 94-1057).

17 When assessing payment for any amount due under subsection
18 (g), the System shall exclude earnings increases paid to
19 participants under contracts or collective bargaining
20 agreements entered into, amended, or renewed before June 1,
21 2005.

22 When assessing payment for any amount due under subsection
23 (g), the System shall exclude earnings increases paid to a
24 participant at a time when the participant is 10 or more years
25 from retirement eligibility under Section 15-135.

26 When assessing payment for any amount due under subsection

1 (g), the System shall exclude earnings increases resulting
2 from overload work, including a contract for summer teaching,
3 or overtime when the employer has certified to the System, and
4 the System has approved the certification, that: (i) in the
5 case of overloads (A) the overload work is for the sole purpose
6 of academic instruction in excess of the standard number of
7 instruction hours for a full-time employee occurring during
8 the academic year that the overload is paid and (B) the
9 earnings increases are equal to or less than the rate of pay
10 for academic instruction computed using the participant's
11 current salary rate and work schedule; and (ii) in the case of
12 overtime, the overtime was necessary for the educational
13 mission.

14 When assessing payment for any amount due under subsection
15 (g), the System shall exclude any earnings increase resulting
16 from (i) a promotion for which the employee moves from one
17 classification to a higher classification under the State
18 Universities Civil Service System, (ii) a promotion in
19 academic rank for a tenured or tenure-track faculty position,
20 or (iii) a promotion that the Illinois Community College Board
21 has recommended in accordance with subsection (k) of this
22 Section. These earnings increases shall be excluded only if
23 the promotion is to a position that has existed and been filled
24 by a member for no less than one complete academic year and the
25 earnings increase as a result of the promotion is an increase
26 that results in an amount no greater than the average salary

1 paid for other similar positions.

2 (h-5) When assessing payment for any amount due under
3 subsection (g), the System shall exclude any earnings increase
4 paid in an academic year beginning on or after July 1, 2020
5 resulting from overload work performed in an academic year
6 subsequent to an academic year in which the employer was
7 unable to offer or allow to be conducted overload work due to
8 an emergency declaration limiting such activities.

9 (i) When assessing payment for any amount due under
10 subsection (g), the System shall exclude any salary increase
11 described in subsection (h) of this Section given on or after
12 July 1, 2011 but before July 1, 2014 under a contract or
13 collective bargaining agreement entered into, amended, or
14 renewed on or after June 1, 2005 but before July 1, 2011.
15 Except as provided in subsection (h-5), any payments made or
16 salary increases given after June 30, 2014 shall be used in
17 assessing payment for any amount due under subsection (g) of
18 this Section.

19 (j) The System shall prepare a report and file copies of
20 the report with the Governor and the General Assembly by
21 January 1, 2007 that contains all of the following
22 information:

23 (1) The number of recalculations required by the
24 changes made to this Section by Public Act 94-1057 for
25 each employer.

26 (2) The dollar amount by which each employer's

1 contribution to the System was changed due to
2 recalculations required by Public Act 94-1057.

3 (3) The total amount the System received from each
4 employer as a result of the changes made to this Section by
5 Public Act 94-4.

6 (4) The increase in the required State contribution
7 resulting from the changes made to this Section by Public
8 Act 94-1057.

9 (j-5) For State fiscal years beginning on or after July 1,
10 2017, if the amount of a participant's earnings for any State
11 fiscal year exceeds the amount of the salary set by law for the
12 Governor that is in effect on July 1 of that fiscal year, the
13 participant's employer shall pay to the System, in addition to
14 all other payments required under this Section and in
15 accordance with guidelines established by the System, an
16 amount determined by the System to be equal to the employer
17 normal cost, as established by the System and expressed as a
18 total percentage of payroll, multiplied by the amount of
19 earnings in excess of the amount of the salary set by law for
20 the Governor. This amount shall be computed by the System on
21 the basis of the actuarial assumptions and tables used in the
22 most recent actuarial valuation of the System that is
23 available at the time of the computation. The System may
24 require the employer to provide any pertinent information or
25 documentation.

26 Whenever it determines that a payment is or may be

1 required under this subsection, the System shall calculate the
2 amount of the payment and bill the employer for that amount.
3 The bill shall specify the calculation used to determine the
4 amount due. If the employer disputes the amount of the bill, it
5 may, within 30 days after receipt of the bill, apply to the
6 System in writing for a recalculation. The application must
7 specify in detail the grounds of the dispute. Upon receiving a
8 timely application for recalculation, the System shall review
9 the application and, if appropriate, recalculate the amount
10 due.

11 The employer contributions required under this subsection
12 may be paid in the form of a lump sum within 90 days after
13 issuance of the bill. If the employer contributions are not
14 paid within 90 days after issuance of the bill, then interest
15 will be charged at a rate equal to the System's annual
16 actuarially assumed rate of return on investment compounded
17 annually from the 91st day after issuance of the bill. All
18 payments must be received within 3 years after issuance of the
19 bill. If the employer fails to make complete payment,
20 including applicable interest, within 3 years, then the System
21 may, after giving notice to the employer, certify the
22 delinquent amount to the State Comptroller, and the
23 Comptroller shall thereupon deduct the certified delinquent
24 amount from State funds payable to the employer and pay them
25 instead to the System.

26 This subsection (j-5) does not apply to a participant's

1 earnings to the extent an employer pays the employer normal
2 cost of such earnings.

3 The changes made to this subsection (j-5) by Public Act
4 100-624 are intended to apply retroactively to July 6, 2017
5 (the effective date of Public Act 100-23).

6 (k) The Illinois Community College Board shall adopt rules
7 for recommending lists of promotional positions submitted to
8 the Board by community colleges and for reviewing the
9 promotional lists on an annual basis. When recommending
10 promotional lists, the Board shall consider the similarity of
11 the positions submitted to those positions recognized for
12 State universities by the State Universities Civil Service
13 System. The Illinois Community College Board shall file a copy
14 of its findings with the System. The System shall consider the
15 findings of the Illinois Community College Board when making
16 determinations under this Section. The System shall not
17 exclude any earnings increases resulting from a promotion when
18 the promotion was not submitted by a community college.
19 Nothing in this subsection (k) shall require any community
20 college to submit any information to the Community College
21 Board.

22 (l) For purposes of determining the required State
23 contribution to the System, the value of the System's assets
24 shall be equal to the actuarial value of the System's assets,
25 which shall be calculated as follows:

26 As of June 30, 2008, the actuarial value of the System's

1 assets shall be equal to the market value of the assets as of
2 that date. In determining the actuarial value of the System's
3 assets for fiscal years after June 30, 2008, any actuarial
4 gains or losses from investment return incurred in a fiscal
5 year shall be recognized in equal annual amounts over the
6 5-year period following that fiscal year.

7 (m) For purposes of determining the required State
8 contribution to the system for a particular year, the
9 actuarial value of assets shall be assumed to earn a rate of
10 return equal to the system's actuarially assumed rate of
11 return.

12 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
13 102-16, eff. 6-17-21; 102-558, eff. 8-20-21; 102-764, eff.
14 5-13-22.)

15 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

16 Sec. 16-158. Contributions by State and other employing
17 units.

18 (a) The State shall make contributions to the System by
19 means of appropriations from the Common School Fund and other
20 State funds of amounts which, together with other employer
21 contributions, employee contributions, investment income, and
22 other income, will be sufficient to meet the cost of
23 maintaining and administering the System on a 100% ~~90%~~ funded
24 basis by 2050 in accordance with actuarial recommendations.

25 The Board shall determine the amount of State

1 contributions required for each fiscal year on the basis of
2 the actuarial tables and other assumptions adopted by the
3 Board and the recommendations of the actuary, using the
4 formula in subsection (b-3).

5 (a-1) Annually, on or before November 15 until November
6 15, 2011, the Board shall certify to the Governor the amount of
7 the required State contribution for the coming fiscal year.
8 The certification under this subsection (a-1) shall include a
9 copy of the actuarial recommendations upon which it is based
10 and shall specifically identify the System's projected State
11 normal cost for that fiscal year.

12 On or before May 1, 2004, the Board shall recalculate and
13 recertify to the Governor the amount of the required State
14 contribution to the System for State fiscal year 2005, taking
15 into account the amounts appropriated to and received by the
16 System under subsection (d) of Section 7.2 of the General
17 Obligation Bond Act.

18 On or before July 1, 2005, the Board shall recalculate and
19 recertify to the Governor the amount of the required State
20 contribution to the System for State fiscal year 2006, taking
21 into account the changes in required State contributions made
22 by Public Act 94-4.

23 On or before April 1, 2011, the Board shall recalculate
24 and recertify to the Governor the amount of the required State
25 contribution to the System for State fiscal year 2011,
26 applying the changes made by Public Act 96-889 to the System's

1 assets and liabilities as of June 30, 2009 as though Public Act
2 96-889 was approved on that date.

3 (a-5) On or before November 1 of each year, beginning
4 November 1, 2012, the Board shall submit to the State Actuary,
5 the Governor, and the General Assembly a proposed
6 certification of the amount of the required State contribution
7 to the System for the next fiscal year, along with all of the
8 actuarial assumptions, calculations, and data upon which that
9 proposed certification is based. On or before January 1 of
10 each year, beginning January 1, 2013, the State Actuary shall
11 issue a preliminary report concerning the proposed
12 certification and identifying, if necessary, recommended
13 changes in actuarial assumptions that the Board must consider
14 before finalizing its certification of the required State
15 contributions. On or before January 15, 2013 and each January
16 15 thereafter, the Board shall certify to the Governor and the
17 General Assembly the amount of the required State contribution
18 for the next fiscal year. The Board's certification must note
19 any deviations from the State Actuary's recommended changes,
20 the reason or reasons for not following the State Actuary's
21 recommended changes, and the fiscal impact of not following
22 the State Actuary's recommended changes on the required State
23 contribution.

24 (a-10) By November 1, 2017, the Board shall recalculate
25 and recertify to the State Actuary, the Governor, and the
26 General Assembly the amount of the State contribution to the

1 System for State fiscal year 2018, taking into account the
2 changes in required State contributions made by Public Act
3 100-23. The State Actuary shall review the assumptions and
4 valuations underlying the Board's revised certification and
5 issue a preliminary report concerning the proposed
6 recertification and identifying, if necessary, recommended
7 changes in actuarial assumptions that the Board must consider
8 before finalizing its certification of the required State
9 contributions. The Board's final certification must note any
10 deviations from the State Actuary's recommended changes, the
11 reason or reasons for not following the State Actuary's
12 recommended changes, and the fiscal impact of not following
13 the State Actuary's recommended changes on the required State
14 contribution.

15 (a-15) On or after June 15, 2019, but no later than June
16 30, 2019, the Board shall recalculate and recertify to the
17 Governor and the General Assembly the amount of the State
18 contribution to the System for State fiscal year 2019, taking
19 into account the changes in required State contributions made
20 by Public Act 100-587. The recalculation shall be made using
21 assumptions adopted by the Board for the original fiscal year
22 2019 certification. The monthly voucher for the 12th month of
23 fiscal year 2019 shall be paid by the Comptroller after the
24 recertification required pursuant to this subsection is
25 submitted to the Governor, Comptroller, and General Assembly.
26 The recertification submitted to the General Assembly shall be

1 filed with the Clerk of the House of Representatives and the
2 Secretary of the Senate in electronic form only, in the manner
3 that the Clerk and the Secretary shall direct.

4 (b) Through State fiscal year 1995, the State
5 contributions shall be paid to the System in accordance with
6 Section 18-7 of the School Code.

7 (b-1) Beginning in State fiscal year 1996, on the 15th day
8 of each month, or as soon thereafter as may be practicable, the
9 Board shall submit vouchers for payment of State contributions
10 to the System, in a total monthly amount of one-twelfth of the
11 required annual State contribution certified under subsection
12 (a-1). From March 5, 2004 (the effective date of Public Act
13 93-665) through June 30, 2004, the Board shall not submit
14 vouchers for the remainder of fiscal year 2004 in excess of the
15 fiscal year 2004 certified contribution amount determined
16 under this Section after taking into consideration the
17 transfer to the System under subsection (a) of Section 6z-61
18 of the State Finance Act. These vouchers shall be paid by the
19 State Comptroller and Treasurer by warrants drawn on the funds
20 appropriated to the System for that fiscal year.

21 If in any month the amount remaining unexpended from all
22 other appropriations to the System for the applicable fiscal
23 year (including the appropriations to the System under Section
24 8.12 of the State Finance Act and Section 1 of the State
25 Pension Funds Continuing Appropriation Act) is less than the
26 amount lawfully vouchered under this subsection, the

1 difference shall be paid from the Common School Fund under the
2 continuing appropriation authority provided in Section 1.1 of
3 the State Pension Funds Continuing Appropriation Act.

4 (b-2) Allocations from the Common School Fund apportioned
5 to school districts not coming under this System shall not be
6 diminished or affected by the provisions of this Article.

7 (b-3) For State fiscal years 2025 through 2050, the
8 minimum contribution to the System to be made by the State for
9 each fiscal year shall be an amount determined by the System to
10 be sufficient to bring the total assets of the System up to
11 100% of the total actuarial liabilities of the System by the
12 end of State fiscal year 2050. In making these determinations,
13 the required State contribution shall be calculated each year
14 as a level percentage of payroll over the years remaining to
15 and including fiscal year 2050 and shall be determined under
16 the projected unit credit actuarial cost method.

17 For State fiscal years 2012 through 2024 ~~2045~~, the minimum
18 contribution to the System to be made by the State for each
19 fiscal year shall be an amount determined by the System to be
20 sufficient to bring the total assets of the System up to 90% of
21 the total actuarial liabilities of the System by the end of
22 State fiscal year 2045. In making these determinations, the
23 required State contribution shall be calculated each year as a
24 level percentage of payroll over the years remaining to and
25 including fiscal year 2045 and shall be determined under the
26 projected unit credit actuarial cost method.

1 For each of State fiscal years 2018, 2019, and 2020, the
2 State shall make an additional contribution to the System
3 equal to 2% of the total payroll of each employee who is deemed
4 to have elected the benefits under Section 1-161 or who has
5 made the election under subsection (c) of Section 1-161.

6 A change in an actuarial or investment assumption that
7 increases or decreases the required State contribution and
8 first applies in State fiscal year 2018 or thereafter shall be
9 implemented in equal annual amounts over a 5-year period
10 beginning in the State fiscal year in which the actuarial
11 change first applies to the required State contribution.

12 A change in an actuarial or investment assumption that
13 increases or decreases the required State contribution and
14 first applied to the State contribution in fiscal year 2014,
15 2015, 2016, or 2017 shall be implemented:

16 (i) as already applied in State fiscal years before
17 2018; and

18 (ii) in the portion of the 5-year period beginning in
19 the State fiscal year in which the actuarial change first
20 applied that occurs in State fiscal year 2018 or
21 thereafter, by calculating the change in equal annual
22 amounts over that 5-year period and then implementing it
23 at the resulting annual rate in each of the remaining
24 fiscal years in that 5-year period.

25 For State fiscal years 1996 through 2005, the State
26 contribution to the System, as a percentage of the applicable

1 employee payroll, shall be increased in equal annual
2 increments so that by State fiscal year 2011, the State is
3 contributing at the rate required under this Section; except
4 that in the following specified State fiscal years, the State
5 contribution to the System shall not be less than the
6 following indicated percentages of the applicable employee
7 payroll, even if the indicated percentage will produce a State
8 contribution in excess of the amount otherwise required under
9 this subsection and subsection (a), and notwithstanding any
10 contrary certification made under subsection (a-1) before May
11 27, 1998 (the effective date of Public Act 90-582): 10.02% in
12 FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY
13 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

14 Notwithstanding any other provision of this Article, the
15 total required State contribution for State fiscal year 2006
16 is \$534,627,700.

17 Notwithstanding any other provision of this Article, the
18 total required State contribution for State fiscal year 2007
19 is \$738,014,500.

20 For each of State fiscal years 2008 through 2009, the
21 State contribution to the System, as a percentage of the
22 applicable employee payroll, shall be increased in equal
23 annual increments from the required State contribution for
24 State fiscal year 2007, so that by State fiscal year 2011, the
25 State is contributing at the rate otherwise required under
26 this Section.

1 Notwithstanding any other provision of this Article, the
2 total required State contribution for State fiscal year 2010
3 is \$2,089,268,000 and shall be made from the proceeds of bonds
4 sold in fiscal year 2010 pursuant to Section 7.2 of the General
5 Obligation Bond Act, less (i) the pro rata share of bond sale
6 expenses determined by the System's share of total bond
7 proceeds, (ii) any amounts received from the Common School
8 Fund in fiscal year 2010, and (iii) any reduction in bond
9 proceeds due to the issuance of discounted bonds, if
10 applicable.

11 Notwithstanding any other provision of this Article, the
12 total required State contribution for State fiscal year 2011
13 is the amount recertified by the System on or before April 1,
14 2011 pursuant to subsection (a-1) of this Section and shall be
15 made from the proceeds of bonds sold in fiscal year 2011
16 pursuant to Section 7.2 of the General Obligation Bond Act,
17 less (i) the pro rata share of bond sale expenses determined by
18 the System's share of total bond proceeds, (ii) any amounts
19 received from the Common School Fund in fiscal year 2011, and
20 (iii) any reduction in bond proceeds due to the issuance of
21 discounted bonds, if applicable. This amount shall include, in
22 addition to the amount certified by the System, an amount
23 necessary to meet employer contributions required by the State
24 as an employer under paragraph (e) of this Section, which may
25 also be used by the System for contributions required by
26 paragraph (a) of Section 16-127.

1 Beginning in State fiscal year 2051 ~~2046~~, the minimum
2 State contribution for each fiscal year shall be the amount
3 needed to maintain the total assets of the System at 100% ~~90%~~
4 of the total actuarial liabilities of the System.

5 Amounts received by the System pursuant to Section 25 of
6 the Budget Stabilization Act or Section 8.12 of the State
7 Finance Act in any fiscal year do not reduce and do not
8 constitute payment of any portion of the minimum State
9 contribution required under this Article in that fiscal year.
10 Such amounts shall not reduce, and shall not be included in the
11 calculation of, the required State contributions under this
12 Article in any future year until the System has reached a
13 funding ratio of at least 90%. A reference in this Article to
14 the "required State contribution" or any substantially similar
15 term does not include or apply to any amounts payable to the
16 System under Section 25 of the Budget Stabilization Act.

17 Notwithstanding any other provision of this Section, the
18 required State contribution for State fiscal year 2005 and for
19 fiscal year 2008 and each fiscal year thereafter, as
20 calculated under this Section and certified under subsection
21 (a-1), shall not exceed an amount equal to (i) the amount of
22 the required State contribution that would have been
23 calculated under this Section for that fiscal year if the
24 System had not received any payments under subsection (d) of
25 Section 7.2 of the General Obligation Bond Act, minus (ii) the
26 portion of the State's total debt service payments for that

1 fiscal year on the bonds issued in fiscal year 2003 for the
2 purposes of that Section 7.2, as determined and certified by
3 the Comptroller, that is the same as the System's portion of
4 the total moneys distributed under subsection (d) of Section
5 7.2 of the General Obligation Bond Act. In determining this
6 maximum for State fiscal years 2008 through 2010, however, the
7 amount referred to in item (i) shall be increased, as a
8 percentage of the applicable employee payroll, in equal
9 increments calculated from the sum of the required State
10 contribution for State fiscal year 2007 plus the applicable
11 portion of the State's total debt service payments for fiscal
12 year 2007 on the bonds issued in fiscal year 2003 for the
13 purposes of Section 7.2 of the General Obligation Bond Act, so
14 that, by State fiscal year 2011, the State is contributing at
15 the rate otherwise required under this Section.

16 (b-4) Beginning in fiscal year 2018, each employer under
17 this Article shall pay to the System a required contribution
18 determined as a percentage of projected payroll and sufficient
19 to produce an annual amount equal to:

20 (i) for each of fiscal years 2018, 2019, and 2020, the
21 defined benefit normal cost of the defined benefit plan,
22 less the employee contribution, for each employee of that
23 employer who has elected or who is deemed to have elected
24 the benefits under Section 1-161 or who has made the
25 election under subsection (b) of Section 1-161; for fiscal
26 year 2021 and each fiscal year thereafter, the defined

1 benefit normal cost of the defined benefit plan, less the
2 employee contribution, plus 2%, for each employee of that
3 employer who has elected or who is deemed to have elected
4 the benefits under Section 1-161 or who has made the
5 election under subsection (b) of Section 1-161; plus

6 (ii) the amount required for that fiscal year to
7 amortize any unfunded actuarial accrued liability
8 associated with the present value of liabilities
9 attributable to the employer's account under Section
10 16-158.3, determined as a level percentage of payroll over
11 a 30-year rolling amortization period.

12 In determining contributions required under item (i) of
13 this subsection, the System shall determine an aggregate rate
14 for all employers, expressed as a percentage of projected
15 payroll.

16 In determining the contributions required under item (ii)
17 of this subsection, the amount shall be computed by the System
18 on the basis of the actuarial assumptions and tables used in
19 the most recent actuarial valuation of the System that is
20 available at the time of the computation.

21 The contributions required under this subsection (b-4)
22 shall be paid by an employer concurrently with that employer's
23 payroll payment period. The State, as the actual employer of
24 an employee, shall make the required contributions under this
25 subsection.

26 (c) Payment of the required State contributions and of all

1 pensions, retirement annuities, death benefits, refunds, and
2 other benefits granted under or assumed by this System, and
3 all expenses in connection with the administration and
4 operation thereof, are obligations of the State.

5 If members are paid from special trust or federal funds
6 which are administered by the employing unit, whether school
7 district or other unit, the employing unit shall pay to the
8 System from such funds the full accruing retirement costs
9 based upon that service, which, beginning July 1, 2017, shall
10 be at a rate, expressed as a percentage of salary, equal to the
11 total employer's normal cost, expressed as a percentage of
12 payroll, as determined by the System. Employer contributions,
13 based on salary paid to members from federal funds, may be
14 forwarded by the distributing agency of the State of Illinois
15 to the System prior to allocation, in an amount determined in
16 accordance with guidelines established by such agency and the
17 System. Any contribution for fiscal year 2015 collected as a
18 result of the change made by Public Act 98-674 shall be
19 considered a State contribution under subsection (b-3) of this
20 Section.

21 (d) Effective July 1, 1986, any employer of a teacher as
22 defined in paragraph (8) of Section 16-106 shall pay the
23 employer's normal cost of benefits based upon the teacher's
24 service, in addition to employee contributions, as determined
25 by the System. Such employer contributions shall be forwarded
26 monthly in accordance with guidelines established by the

1 System.

2 However, with respect to benefits granted under Section
3 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
4 of Section 16-106, the employer's contribution shall be 12%
5 (rather than 20%) of the member's highest annual salary rate
6 for each year of creditable service granted, and the employer
7 shall also pay the required employee contribution on behalf of
8 the teacher. For the purposes of Sections 16-133.4 and
9 16-133.5, a teacher as defined in paragraph (8) of Section
10 16-106 who is serving in that capacity while on leave of
11 absence from another employer under this Article shall not be
12 considered an employee of the employer from which the teacher
13 is on leave.

14 (e) Beginning July 1, 1998, every employer of a teacher
15 shall pay to the System an employer contribution computed as
16 follows:

17 (1) Beginning July 1, 1998 through June 30, 1999, the
18 employer contribution shall be equal to 0.3% of each
19 teacher's salary.

20 (2) Beginning July 1, 1999 and thereafter, the
21 employer contribution shall be equal to 0.58% of each
22 teacher's salary.

23 The school district or other employing unit may pay these
24 employer contributions out of any source of funding available
25 for that purpose and shall forward the contributions to the
26 System on the schedule established for the payment of member

1 contributions.

2 These employer contributions are intended to offset a
3 portion of the cost to the System of the increases in
4 retirement benefits resulting from Public Act 90-582.

5 Each employer of teachers is entitled to a credit against
6 the contributions required under this subsection (e) with
7 respect to salaries paid to teachers for the period January 1,
8 2002 through June 30, 2003, equal to the amount paid by that
9 employer under subsection (a-5) of Section 6.6 of the State
10 Employees Group Insurance Act of 1971 with respect to salaries
11 paid to teachers for that period.

12 The additional 1% employee contribution required under
13 Section 16-152 by Public Act 90-582 is the responsibility of
14 the teacher and not the teacher's employer, unless the
15 employer agrees, through collective bargaining or otherwise,
16 to make the contribution on behalf of the teacher.

17 If an employer is required by a contract in effect on May
18 1, 1998 between the employer and an employee organization to
19 pay, on behalf of all its full-time employees covered by this
20 Article, all mandatory employee contributions required under
21 this Article, then the employer shall be excused from paying
22 the employer contribution required under this subsection (e)
23 for the balance of the term of that contract. The employer and
24 the employee organization shall jointly certify to the System
25 the existence of the contractual requirement, in such form as
26 the System may prescribe. This exclusion shall cease upon the

1 termination, extension, or renewal of the contract at any time
2 after May 1, 1998.

3 (f) If the amount of a teacher's salary for any school year
4 used to determine final average salary exceeds the member's
5 annual full-time salary rate with the same employer for the
6 previous school year by more than 6%, the teacher's employer
7 shall pay to the System, in addition to all other payments
8 required under this Section and in accordance with guidelines
9 established by the System, the present value of the increase
10 in benefits resulting from the portion of the increase in
11 salary that is in excess of 6%. This present value shall be
12 computed by the System on the basis of the actuarial
13 assumptions and tables used in the most recent actuarial
14 valuation of the System that is available at the time of the
15 computation. If a teacher's salary for the 2005-2006 school
16 year is used to determine final average salary under this
17 subsection (f), then the changes made to this subsection (f)
18 by Public Act 94-1057 shall apply in calculating whether the
19 increase in his or her salary is in excess of 6%. For the
20 purposes of this Section, change in employment under Section
21 10-21.12 of the School Code on or after June 1, 2005 shall
22 constitute a change in employer. The System may require the
23 employer to provide any pertinent information or
24 documentation. The changes made to this subsection (f) by
25 Public Act 94-1111 apply without regard to whether the teacher
26 was in service on or after its effective date.

1 Whenever it determines that a payment is or may be
2 required under this subsection, the System shall calculate the
3 amount of the payment and bill the employer for that amount.
4 The bill shall specify the calculations used to determine the
5 amount due. If the employer disputes the amount of the bill, it
6 may, within 30 days after receipt of the bill, apply to the
7 System in writing for a recalculation. The application must
8 specify in detail the grounds of the dispute and, if the
9 employer asserts that the calculation is subject to subsection
10 (g), (g-5), (g-10), (g-15), or (h) of this Section, must
11 include an affidavit setting forth and attesting to all facts
12 within the employer's knowledge that are pertinent to the
13 applicability of that subsection. Upon receiving a timely
14 application for recalculation, the System shall review the
15 application and, if appropriate, recalculate the amount due.

16 The employer contributions required under this subsection
17 (f) may be paid in the form of a lump sum within 90 days after
18 receipt of the bill. If the employer contributions are not
19 paid within 90 days after receipt of the bill, then interest
20 will be charged at a rate equal to the System's annual
21 actuarially assumed rate of return on investment compounded
22 annually from the 91st day after receipt of the bill. Payments
23 must be concluded within 3 years after the employer's receipt
24 of the bill.

25 (f-1) (Blank).

26 (g) This subsection (g) applies only to payments made or

1 salary increases given on or after June 1, 2005 but before July
2 1, 2011. The changes made by Public Act 94-1057 shall not
3 require the System to refund any payments received before July
4 31, 2006 (the effective date of Public Act 94-1057).

5 When assessing payment for any amount due under subsection
6 (f), the System shall exclude salary increases paid to
7 teachers under contracts or collective bargaining agreements
8 entered into, amended, or renewed before June 1, 2005.

9 When assessing payment for any amount due under subsection
10 (f), the System shall exclude salary increases paid to a
11 teacher at a time when the teacher is 10 or more years from
12 retirement eligibility under Section 16-132 or 16-133.2.

13 When assessing payment for any amount due under subsection
14 (f), the System shall exclude salary increases resulting from
15 overload work, including summer school, when the school
16 district has certified to the System, and the System has
17 approved the certification, that (i) the overload work is for
18 the sole purpose of classroom instruction in excess of the
19 standard number of classes for a full-time teacher in a school
20 district during a school year and (ii) the salary increases
21 are equal to or less than the rate of pay for classroom
22 instruction computed on the teacher's current salary and work
23 schedule.

24 When assessing payment for any amount due under subsection
25 (f), the System shall exclude a salary increase resulting from
26 a promotion (i) for which the employee is required to hold a

1 certificate or supervisory endorsement issued by the State
2 Teacher Certification Board that is a different certification
3 or supervisory endorsement than is required for the teacher's
4 previous position and (ii) to a position that has existed and
5 been filled by a member for no less than one complete academic
6 year and the salary increase from the promotion is an increase
7 that results in an amount no greater than the lesser of the
8 average salary paid for other similar positions in the
9 district requiring the same certification or the amount
10 stipulated in the collective bargaining agreement for a
11 similar position requiring the same certification.

12 When assessing payment for any amount due under subsection
13 (f), the System shall exclude any payment to the teacher from
14 the State of Illinois or the State Board of Education over
15 which the employer does not have discretion, notwithstanding
16 that the payment is included in the computation of final
17 average salary.

18 (g-5) When assessing payment for any amount due under
19 subsection (f), the System shall exclude salary increases
20 resulting from overload or stipend work performed in a school
21 year subsequent to a school year in which the employer was
22 unable to offer or allow to be conducted overload or stipend
23 work due to an emergency declaration limiting such activities.

24 (g-10) When assessing payment for any amount due under
25 subsection (f), the System shall exclude salary increases
26 resulting from increased instructional time that exceeded the

1 instructional time required during the 2019-2020 school year.

2 (g-15) When assessing payment for any amount due under
3 subsection (f), the System shall exclude salary increases
4 resulting from teaching summer school on or after May 1, 2021
5 and before September 15, 2022.

6 (h) When assessing payment for any amount due under
7 subsection (f), the System shall exclude any salary increase
8 described in subsection (g) of this Section given on or after
9 July 1, 2011 but before July 1, 2014 under a contract or
10 collective bargaining agreement entered into, amended, or
11 renewed on or after June 1, 2005 but before July 1, 2011.
12 Notwithstanding any other provision of this Section, any
13 payments made or salary increases given after June 30, 2014
14 shall be used in assessing payment for any amount due under
15 subsection (f) of this Section.

16 (i) The System shall prepare a report and file copies of
17 the report with the Governor and the General Assembly by
18 January 1, 2007 that contains all of the following
19 information:

20 (1) The number of recalculations required by the
21 changes made to this Section by Public Act 94-1057 for
22 each employer.

23 (2) The dollar amount by which each employer's
24 contribution to the System was changed due to
25 recalculations required by Public Act 94-1057.

26 (3) The total amount the System received from each

1 employer as a result of the changes made to this Section by
2 Public Act 94-4.

3 (4) The increase in the required State contribution
4 resulting from the changes made to this Section by Public
5 Act 94-1057.

6 (i-5) For school years beginning on or after July 1, 2017,
7 if the amount of a participant's salary for any school year
8 exceeds the amount of the salary set for the Governor, the
9 participant's employer shall pay to the System, in addition to
10 all other payments required under this Section and in
11 accordance with guidelines established by the System, an
12 amount determined by the System to be equal to the employer
13 normal cost, as established by the System and expressed as a
14 total percentage of payroll, multiplied by the amount of
15 salary in excess of the amount of the salary set for the
16 Governor. This amount shall be computed by the System on the
17 basis of the actuarial assumptions and tables used in the most
18 recent actuarial valuation of the System that is available at
19 the time of the computation. The System may require the
20 employer to provide any pertinent information or
21 documentation.

22 Whenever it determines that a payment is or may be
23 required under this subsection, the System shall calculate the
24 amount of the payment and bill the employer for that amount.
25 The bill shall specify the calculations used to determine the
26 amount due. If the employer disputes the amount of the bill, it

1 may, within 30 days after receipt of the bill, apply to the
2 System in writing for a recalculation. The application must
3 specify in detail the grounds of the dispute. Upon receiving a
4 timely application for recalculation, the System shall review
5 the application and, if appropriate, recalculate the amount
6 due.

7 The employer contributions required under this subsection
8 may be paid in the form of a lump sum within 90 days after
9 receipt of the bill. If the employer contributions are not
10 paid within 90 days after receipt of the bill, then interest
11 will be charged at a rate equal to the System's annual
12 actuarially assumed rate of return on investment compounded
13 annually from the 91st day after receipt of the bill. Payments
14 must be concluded within 3 years after the employer's receipt
15 of the bill.

16 (j) For purposes of determining the required State
17 contribution to the System, the value of the System's assets
18 shall be equal to the actuarial value of the System's assets,
19 which shall be calculated as follows:

20 As of June 30, 2008, the actuarial value of the System's
21 assets shall be equal to the market value of the assets as of
22 that date. In determining the actuarial value of the System's
23 assets for fiscal years after June 30, 2008, any actuarial
24 gains or losses from investment return incurred in a fiscal
25 year shall be recognized in equal annual amounts over the
26 5-year period following that fiscal year.

1 (k) For purposes of determining the required State
2 contribution to the system for a particular year, the
3 actuarial value of assets shall be assumed to earn a rate of
4 return equal to the system's actuarially assumed rate of
5 return.

6 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
7 102-16, eff. 6-17-21; 102-525, eff. 8-20-21; 102-558, eff.
8 8-20-21; 102-813, eff. 5-13-22.)

9 (40 ILCS 5/18-131) (from Ch. 108 1/2, par. 18-131)

10 Sec. 18-131. Financing; employer contributions.

11 (a) The State of Illinois shall make contributions to this
12 System by appropriations of the amounts which, together with
13 the contributions of participants, net earnings on
14 investments, and other income, will meet the costs of
15 maintaining and administering this System on a 100% ~~90%~~ funded
16 basis by 2050 in accordance with actuarial recommendations.

17 (b) The Board shall determine the amount of State
18 contributions required for each fiscal year on the basis of
19 the actuarial tables and other assumptions adopted by the
20 Board and the prescribed rate of interest, using the formula
21 in subsection (c).

22 (c) For State fiscal years 2025 through 2050, the minimum
23 contribution to the System to be made by the State for each
24 fiscal year shall be an amount determined by the System to be
25 sufficient to bring the total assets of the System up to 100%

1 of the total actuarial liabilities of the System by the end of
2 State fiscal year 2050. In making these determinations, the
3 required State contribution shall be calculated each year as a
4 level percentage of payroll over the years remaining to and
5 including fiscal year 2050 and shall be determined under the
6 projected unit credit actuarial cost method.

7 For State fiscal years 2012 through 2024 ~~2045~~, the minimum
8 contribution to the System to be made by the State for each
9 fiscal year shall be an amount determined by the System to be
10 sufficient to bring the total assets of the System up to 90% of
11 the total actuarial liabilities of the System by the end of
12 State fiscal year 2045. In making these determinations, the
13 required State contribution shall be calculated each year as a
14 level percentage of payroll over the years remaining to and
15 including fiscal year 2045 and shall be determined under the
16 projected unit credit actuarial cost method.

17 A change in an actuarial or investment assumption that
18 increases or decreases the required State contribution and
19 first applies in State fiscal year 2018 or thereafter shall be
20 implemented in equal annual amounts over a 5-year period
21 beginning in the State fiscal year in which the actuarial
22 change first applies to the required State contribution.

23 A change in an actuarial or investment assumption that
24 increases or decreases the required State contribution and
25 first applied to the State contribution in fiscal year 2014,
26 2015, 2016, or 2017 shall be implemented:

1 (i) as already applied in State fiscal years before
2 2018; and

3 (ii) in the portion of the 5-year period beginning in
4 the State fiscal year in which the actuarial change first
5 applied that occurs in State fiscal year 2018 or
6 thereafter, by calculating the change in equal annual
7 amounts over that 5-year period and then implementing it
8 at the resulting annual rate in each of the remaining
9 fiscal years in that 5-year period.

10 For State fiscal years 1996 through 2005, the State
11 contribution to the System, as a percentage of the applicable
12 employee payroll, shall be increased in equal annual
13 increments so that by State fiscal year 2011, the State is
14 contributing at the rate required under this Section.

15 Notwithstanding any other provision of this Article, the
16 total required State contribution for State fiscal year 2006
17 is \$29,189,400.

18 Notwithstanding any other provision of this Article, the
19 total required State contribution for State fiscal year 2007
20 is \$35,236,800.

21 For each of State fiscal years 2008 through 2009, the
22 State contribution to the System, as a percentage of the
23 applicable employee payroll, shall be increased in equal
24 annual increments from the required State contribution for
25 State fiscal year 2007, so that by State fiscal year 2011, the
26 State is contributing at the rate otherwise required under

1 this Section.

2 Notwithstanding any other provision of this Article, the
3 total required State contribution for State fiscal year 2010
4 is \$78,832,000 and shall be made from the proceeds of bonds
5 sold in fiscal year 2010 pursuant to Section 7.2 of the General
6 Obligation Bond Act, less (i) the pro rata share of bond sale
7 expenses determined by the System's share of total bond
8 proceeds, (ii) any amounts received from the General Revenue
9 Fund in fiscal year 2010, and (iii) any reduction in bond
10 proceeds due to the issuance of discounted bonds, if
11 applicable.

12 Notwithstanding any other provision of this Article, the
13 total required State contribution for State fiscal year 2011
14 is the amount recertified by the System on or before April 1,
15 2011 pursuant to Section 18-140 and shall be made from the
16 proceeds of bonds sold in fiscal year 2011 pursuant to Section
17 7.2 of the General Obligation Bond Act, less (i) the pro rata
18 share of bond sale expenses determined by the System's share
19 of total bond proceeds, (ii) any amounts received from the
20 General Revenue Fund in fiscal year 2011, and (iii) any
21 reduction in bond proceeds due to the issuance of discounted
22 bonds, if applicable.

23 Beginning in State fiscal year 2051 ~~2046~~, the minimum
24 State contribution for each fiscal year shall be the amount
25 needed to maintain the total assets of the System at 100% ~~90%~~
26 of the total actuarial liabilities of the System.

1 Amounts received by the System pursuant to Section 25 of
2 the Budget Stabilization Act or Section 8.12 of the State
3 Finance Act in any fiscal year do not reduce and do not
4 constitute payment of any portion of the minimum State
5 contribution required under this Article in that fiscal year.
6 Such amounts shall not reduce, and shall not be included in the
7 calculation of, the required State contributions under this
8 Article in any future year until the System has reached a
9 funding ratio of at least 90%. A reference in this Article to
10 the "required State contribution" or any substantially similar
11 term does not include or apply to any amounts payable to the
12 System under Section 25 of the Budget Stabilization Act.

13 Notwithstanding any other provision of this Section, the
14 required State contribution for State fiscal year 2005 and for
15 fiscal year 2008 and each fiscal year thereafter, as
16 calculated under this Section and certified under Section
17 18-140, shall not exceed an amount equal to (i) the amount of
18 the required State contribution that would have been
19 calculated under this Section for that fiscal year if the
20 System had not received any payments under subsection (d) of
21 Section 7.2 of the General Obligation Bond Act, minus (ii) the
22 portion of the State's total debt service payments for that
23 fiscal year on the bonds issued in fiscal year 2003 for the
24 purposes of that Section 7.2, as determined and certified by
25 the Comptroller, that is the same as the System's portion of
26 the total moneys distributed under subsection (d) of Section

1 7.2 of the General Obligation Bond Act. In determining this
2 maximum for State fiscal years 2008 through 2010, however, the
3 amount referred to in item (i) shall be increased, as a
4 percentage of the applicable employee payroll, in equal
5 increments calculated from the sum of the required State
6 contribution for State fiscal year 2007 plus the applicable
7 portion of the State's total debt service payments for fiscal
8 year 2007 on the bonds issued in fiscal year 2003 for the
9 purposes of Section 7.2 of the General Obligation Bond Act, so
10 that, by State fiscal year 2011, the State is contributing at
11 the rate otherwise required under this Section.

12 (d) For purposes of determining the required State
13 contribution to the System, the value of the System's assets
14 shall be equal to the actuarial value of the System's assets,
15 which shall be calculated as follows:

16 As of June 30, 2008, the actuarial value of the System's
17 assets shall be equal to the market value of the assets as of
18 that date. In determining the actuarial value of the System's
19 assets for fiscal years after June 30, 2008, any actuarial
20 gains or losses from investment return incurred in a fiscal
21 year shall be recognized in equal annual amounts over the
22 5-year period following that fiscal year.

23 (e) For purposes of determining the required State
24 contribution to the system for a particular year, the
25 actuarial value of assets shall be assumed to earn a rate of
26 return equal to the system's actuarially assumed rate of

1 return.

2 (Source: P.A. 100-23, eff. 7-6-17.)

3 Article 7.

4 Section 7-5. The Illinois Pension Code is amended by
5 changing Sections 2-101, 2-105, 2-107, 2-117, 14-103.05,
6 14-104, 14-105.4, 18-101, 18-108, 18-109, and 18-110 as
7 follows:

8 (40 ILCS 5/2-101) (from Ch. 108 1/2, par. 2-101)

9 Sec. 2-101. Creation of system. A retirement system is
10 created to provide retirement annuities, survivor's annuities
11 and other benefits for certain members of the General
12 Assembly, certain elected state officials, and their
13 beneficiaries.

14 The system shall be known as the "General Assembly
15 Retirement System". All its funds and property shall be a
16 trust separate from all other entities, maintained for the
17 purpose of securing payment of annuities and benefits under
18 this Article.

19 Participation in the retirement system created under this
20 Article is restricted to persons who became participants
21 before January 8, 2025. Beginning on that date, the System
22 shall not accept any new participants.

23 (Source: P.A. 83-1440.)

1 (40 ILCS 5/2-105) (from Ch. 108 1/2, par. 2-105)

2 Sec. 2-105. Member. "Member": Members of the General
3 Assembly of this State, including persons who enter military
4 service while a member of the General Assembly, and any person
5 serving as Governor, Lieutenant Governor, Secretary of State,
6 Treasurer, Comptroller, or Attorney General for the period of
7 service in such office.

8 Any person who has served for 10 or more years as Clerk or
9 Assistant Clerk of the House of Representatives, Secretary or
10 Assistant Secretary of the Senate, or any combination thereof,
11 may elect to become a member of this system while thenceforth
12 engaged in such service by filing a written election with the
13 board. Any person so electing shall be deemed an active member
14 of the General Assembly for the purpose of validating and
15 transferring any service credits earned under any of the funds
16 and systems established under Articles 3 through 18 of this
17 Code.

18 Notwithstanding any other provision of this Article, a
19 person shall not be deemed a member for the purposes of this
20 Article unless he or she became a participant of the System
21 before January 8, 2025.

22 (Source: P.A. 85-1008.)

23 (40 ILCS 5/2-107) (from Ch. 108 1/2, par. 2-107)

24 Sec. 2-107. Participant. "Participant": Any member who

1 elects to participate; and any former member who elects to
2 continue participation under Section 2-117.1, for the duration
3 of such continued participation. Notwithstanding any other
4 provision of this Article, a person shall not be deemed a
5 participant for the purposes of this Article unless he or she
6 became a participant of the System before January 8, 2025.

7 (Source: P.A. 86-1488.)

8 (40 ILCS 5/2-117) (from Ch. 108 1/2, par. 2-117)

9 Sec. 2-117. Participants; election not to participate or
10 to terminate participation ~~Participants — Election not to~~
11 ~~participate.~~

12 (a) Every person who was a member on November 1, 1947, or
13 in military service on such date, is subject to the provisions
14 of this system beginning upon such date, unless prior to such
15 date he or she filed with the board a written notice of
16 election not to participate.

17 Every person who becomes a member after November 1, 1947,
18 and who is then not a participant becomes a participant
19 beginning upon the date of becoming a member unless, within 24
20 months from that date, he or she has filed with the board a
21 written notice of election not to participate.

22 (b) A member who has filed notice of an election not to
23 participate (and a former member who has not yet begun to
24 receive a retirement annuity under this Article) may become a
25 participant with respect to the period for which the member

1 elected not to participate upon filing with the board, before
2 April 1, 1993, a written rescission of the election not to
3 participate. Upon contributing an amount equal to the
4 contributions he or she would have made as a participant from
5 November 1, 1947, or the date of becoming a member, whichever
6 is later, to the date of becoming a participant, with interest
7 at the rate of 4% per annum until the contributions are paid,
8 the participant shall receive credit for service as a member
9 prior to the date of the rescission, both before and after
10 November 1, 1947. The required contributions shall be made
11 before commencement of the retirement annuity; otherwise no
12 credit for service prior to the date of participation shall be
13 granted.

14 (c) Notwithstanding any other provision of this Article,
15 an active participant may irrevocably elect, in writing and in
16 a form and manner prescribed by the board, to terminate
17 participation in the System and instead participate in the
18 retirement system established under Article 14. Upon making
19 the election under this subsection (c), all credits and
20 creditable service shall be transferred to the retirement
21 system under Article 14 in accordance with Section 14-105.4
22 and all participation in this System is terminated.

23 (Source: P.A. 86-273; 87-1265.)

24 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)

25 Sec. 14-103.05. Employee.

1 (a) Any person employed by a Department who receives
2 salary for personal services rendered to the Department on a
3 warrant issued pursuant to a payroll voucher certified by a
4 Department and drawn by the State Comptroller upon the State
5 Treasurer, including an elected official described in
6 subparagraph (d) of Section 14-104, shall become an employee
7 for purpose of membership in the Retirement System on the
8 first day of such employment.

9 A person entering service on or after January 1, 1972 and
10 prior to January 1, 1984 shall become a member as a condition
11 of employment and shall begin making contributions as of the
12 first day of employment.

13 A person entering service on or after January 1, 1984
14 shall, upon completion of 6 months of continuous service which
15 is not interrupted by a break of more than 2 months, become a
16 member as a condition of employment. Contributions shall begin
17 the first of the month after completion of the qualifying
18 period.

19 A person employed by the Chicago Metropolitan Agency for
20 Planning on the effective date of this amendatory Act of the
21 95th General Assembly who was a member of this System as an
22 employee of the Chicago Area Transportation Study and makes an
23 election under Section 14-104.13 to participate in this System
24 for his or her employment with the Chicago Metropolitan Agency
25 for Planning.

26 The qualifying period of 6 months of service is not

1 applicable to: (1) a person who has been granted credit for
2 service in a position covered by the State Universities
3 Retirement System, the Teachers' Retirement System of the
4 State of Illinois, the General Assembly Retirement System, or
5 the Judges Retirement System of Illinois unless that service
6 has been forfeited under the laws of those systems; (2) a
7 person entering service on or after July 1, 1991 in a
8 noncovered position; (3) a person to whom Section 14-108.2a or
9 14-108.2b applies; or (4) a person to whom subsection (a-5) of
10 this Section applies.

11 (a-5) A person entering service on or after December 1,
12 2010 shall become a member as a condition of employment and
13 shall begin making contributions as of the first day of
14 employment. A person serving in the qualifying period on
15 December 1, 2010 will become a member on December 1, 2010 and
16 shall begin making contributions as of December 1, 2010.

17 (b) The term "employee" does not include the following:

18 (1) ~~members of the State Legislature, and persons~~
19 ~~electing to become~~ members of the General Assembly
20 Retirement System pursuant to Section 2-105;

21 (2) incumbents of offices normally filled by vote of
22 the people;

23 (3) except as otherwise provided in this Section, any
24 person appointed by the Governor with the advice and
25 consent of the Senate unless that person elects to
26 participate in this system;

1 (3.1) any person serving as a commissioner of an
2 ethics commission created under the State Officials and
3 Employees Ethics Act unless that person elects to
4 participate in this system with respect to that service as
5 a commissioner;

6 (3.2) any person serving as a part-time employee in
7 any of the following positions: Legislative Inspector
8 General, Special Legislative Inspector General, employee
9 of the Office of the Legislative Inspector General,
10 Executive Director of the Legislative Ethics Commission,
11 or staff of the Legislative Ethics Commission, regardless
12 of whether he or she is in active service on or after July
13 8, 2004 (the effective date of Public Act 93-685), unless
14 that person elects to participate in this System with
15 respect to that service; in this item (3.2), a "part-time
16 employee" is a person who is not required to work at least
17 35 hours per week;

18 (3.3) any person who has made an election under
19 Section 1-123 and who is serving either as legal counsel
20 in the Office of the Governor or as Chief Deputy Attorney
21 General;

22 (4) except as provided in Section 14-108.2 or
23 14-108.2c, any person who is covered or eligible to be
24 covered by the Teachers' Retirement System of the State of
25 Illinois, the State Universities Retirement System, or the
26 Judges Retirement System of Illinois;

1 (5) an employee of a municipality or any other
2 political subdivision of the State;

3 (6) any person who becomes an employee after June 30,
4 1979 as a public service employment program participant
5 under the Federal Comprehensive Employment and Training
6 Act and whose wages or fringe benefits are paid in whole or
7 in part by funds provided under such Act;

8 (7) enrollees of the Illinois Young Adult Conservation
9 Corps program, administered by the Department of Natural
10 Resources, authorized grantee pursuant to Title VIII of
11 the "Comprehensive Employment and Training Act of 1973",
12 29 USC 993, as now or hereafter amended;

13 (8) enrollees and temporary staff of programs
14 administered by the Department of Natural Resources under
15 the Youth Conservation Corps Act of 1970;

16 (9) any person who is a member of any professional
17 licensing or disciplinary board created under an Act
18 administered by the Department of Professional Regulation
19 or a successor agency or created or re-created after the
20 effective date of this amendatory Act of 1997, and who
21 receives per diem compensation rather than a salary,
22 notwithstanding that such per diem compensation is paid by
23 warrant issued pursuant to a payroll voucher; such persons
24 have never been included in the membership of this System,
25 and this amendatory Act of 1987 (P.A. 84-1472) is not
26 intended to effect any change in the status of such

1 persons;

2 (10) any person who is a member of the Illinois Health
3 Care Cost Containment Council, and receives per diem
4 compensation rather than a salary, notwithstanding that
5 such per diem compensation is paid by warrant issued
6 pursuant to a payroll voucher; such persons have never
7 been included in the membership of this System, and this
8 amendatory Act of 1987 is not intended to effect any
9 change in the status of such persons;

10 (11) any person who is a member of the Oil and Gas
11 Board created by Section 1.2 of the Illinois Oil and Gas
12 Act, and receives per diem compensation rather than a
13 salary, notwithstanding that such per diem compensation is
14 paid by warrant issued pursuant to a payroll voucher;

15 (12) a person employed by the State Board of Higher
16 Education in a position with the Illinois Century Network
17 as of June 30, 2004, who remains continuously employed
18 after that date by the Department of Central Management
19 Services in a position with the Illinois Century Network
20 and participates in the Article 15 system with respect to
21 that employment;

22 (13) any person who first becomes a member of the
23 Civil Service Commission on or after January 1, 2012;

24 (14) any person, other than the Director of Employment
25 Security, who first becomes a member of the Board of
26 Review of the Department of Employment Security on or

1 after January 1, 2012;

2 (15) any person who first becomes a member of the
3 Civil Service Commission on or after January 1, 2012;

4 (16) any person who first becomes a member of the
5 Illinois Liquor Control Commission on or after January 1,
6 2012;

7 (17) any person who first becomes a member of the
8 Secretary of State Merit Commission on or after January 1,
9 2012;

10 (18) any person who first becomes a member of the
11 Human Rights Commission on or after January 1, 2012 unless
12 he or she is eligible to participate in accordance with
13 subsection (d) of this Section;

14 (19) any person who first becomes a member of the
15 State Mining Board on or after January 1, 2012;

16 (20) any person who first becomes a member of the
17 Property Tax Appeal Board on or after January 1, 2012;

18 (21) any person who first becomes a member of the
19 Illinois Racing Board on or after January 1, 2012;

20 (22) any person who first becomes a member of the
21 Illinois State Police Merit Board on or after January 1,
22 2012;

23 (23) any person who first becomes a member of the
24 Illinois State Toll Highway Authority on or after January
25 1, 2012; or

26 (24) any person who first becomes a member of the

1 Illinois State Board of Elections on or after January 1,
2 2012.

3 (c) An individual who represents or is employed as an
4 officer or employee of a statewide labor organization that
5 represents members of this System may participate in the
6 System and shall be deemed an employee, provided that (1) the
7 individual has previously earned creditable service under this
8 Article, (2) the individual files with the System an
9 irrevocable election to become a participant within 6 months
10 after the effective date of this amendatory Act of the 94th
11 General Assembly, and (3) the individual does not receive
12 credit for that employment under any other provisions of this
13 Code. An employee under this subsection (c) is responsible for
14 paying to the System both (i) employee contributions based on
15 the actual compensation received for service with the labor
16 organization and (ii) employer contributions based on the
17 percentage of payroll certified by the board; all or any part
18 of these contributions may be paid on the employee's behalf or
19 picked up for tax purposes (if authorized under federal law)
20 by the labor organization.

21 A person who is an employee as defined in this subsection
22 (c) may establish service credit for similar employment prior
23 to becoming an employee under this subsection by paying to the
24 System for that employment the contributions specified in this
25 subsection, plus interest at the effective rate from the date
26 of service to the date of payment. However, credit shall not be

1 granted under this subsection (c) for any such prior
2 employment for which the applicant received credit under any
3 other provision of this Code or during which the applicant was
4 on a leave of absence.

5 (d) A person appointed as a member of the Human Rights
6 Commission on or after June 1, 2019 may elect to participate in
7 the System and shall be deemed an employee. Service and
8 contributions shall begin on the first payroll period
9 immediately following the employee's election to participate
10 in the System.

11 A person who is an employee as described in this
12 subsection (d) may establish service credit for employment as
13 a Human Rights Commissioner that occurred on or after June 1,
14 2019 and before establishing service under this subsection by
15 paying to the System for that employment the contributions
16 specified in paragraph (1) of subsection (a) of Section
17 14-133, plus regular interest from the date of service to the
18 date of payment.

19 (Source: P.A. 101-10, eff. 6-5-19; 102-538, eff. 8-20-21.)

20 (40 ILCS 5/14-104) (from Ch. 108 1/2, par. 14-104)

21 Sec. 14-104. Service for which contributions permitted.
22 Contributions provided for in this Section shall cover the
23 period of service granted. Except as otherwise provided in
24 this Section, the contributions shall be based upon the
25 employee's compensation and contribution rate in effect on the

1 date he last became a member of the System; provided that for
2 all employment prior to January 1, 1969 the contribution rate
3 shall be that in effect for a noncovered employee on the date
4 he last became a member of the System. Except as otherwise
5 provided in this Section, contributions permitted under this
6 Section shall include regular interest from the date an
7 employee last became a member of the System to the date of
8 payment.

9 These contributions must be paid in full before retirement
10 either in a lump sum or in installment payments in accordance
11 with such rules as may be adopted by the board.

12 (a) Any member may make contributions as required in this
13 Section for any period of service, subsequent to the date of
14 establishment, but prior to the date of membership.

15 (b) Any employee who had been previously excluded from
16 membership because of age at entry and subsequently became
17 eligible may elect to make contributions as required in this
18 Section for the period of service during which he was
19 ineligible.

20 (c) An employee of the Department of Insurance who, after
21 January 1, 1944 but prior to becoming eligible for membership,
22 received salary from funds of insurance companies in the
23 process of rehabilitation, liquidation, conservation or
24 dissolution, may elect to make contributions as required in
25 this Section for such service.

26 (d) Any employee who rendered service in a State office to

1 which he was elected, or rendered service in the elective
2 office of Clerk of the Appellate Court prior to the date he
3 became a member, may make contributions for such service as
4 required in this Section. Any member who served by appointment
5 of the Governor under the Civil Administrative Code of
6 Illinois and did not participate in this System may make
7 contributions as required in this Section for such service.

8 (e) Any person employed by the United States government or
9 any instrumentality or agency thereof from January 1, 1942
10 through November 15, 1946 as the result of a transfer from
11 State service by executive order of the President of the
12 United States shall be entitled to prior service credit
13 covering the period from January 1, 1942 through December 31,
14 1943 as provided for in this Article and to membership service
15 credit for the period from January 1, 1944 through November
16 15, 1946 by making the contributions required in this Section.
17 A person so employed on January 1, 1944 but whose employment
18 began after January 1, 1942 may qualify for prior service and
19 membership service credit under the same conditions.

20 (f) An employee of the Department of Labor of the State of
21 Illinois who performed services for and under the supervision
22 of that Department prior to January 1, 1944 but who was
23 compensated for those services directly by federal funds and
24 not by a warrant of the Auditor of Public Accounts paid by the
25 State Treasurer may establish credit for such employment by
26 making the contributions required in this Section. An employee

1 of the Department of Agriculture of the State of Illinois, who
2 performed services for and under the supervision of that
3 Department prior to June 1, 1963, but was compensated for
4 those services directly by federal funds and not paid by a
5 warrant of the Auditor of Public Accounts paid by the State
6 Treasurer, and who did not contribute to any other public
7 employee retirement system for such service, may establish
8 credit for such employment by making the contributions
9 required in this Section.

10 (g) Any employee who executed a waiver of membership
11 within 60 days prior to January 1, 1944 may, at any time while
12 in the service of a department, file with the board a
13 rescission of such waiver. Upon making the contributions
14 required by this Section, the member shall be granted the
15 creditable service that would have been received if the waiver
16 had not been executed.

17 (h) Until May 1, 1990, an employee who was employed on a
18 full-time basis by a regional planning commission for at least
19 5 continuous years may establish creditable service for such
20 employment by making the contributions required under this
21 Section, provided that any credits earned by the employee in
22 the commission's retirement plan have been terminated.

23 (i) Any person who rendered full time contractual services
24 to the General Assembly as a member of a legislative staff may
25 establish service credit for up to 8 years of such services by
26 making the contributions required under this Section, provided

1 that application therefor is made not later than July 1, 1991.

2 (j) By paying the contributions otherwise required under
3 this Section, plus an amount determined by the Board to be
4 equal to the employer's normal cost of the benefit plus
5 interest, but with all of the interest calculated from the
6 date the employee last became a member of the System or
7 November 19, 1991, whichever is later, to the date of payment,
8 an employee may establish service credit for a period of up to
9 4 years spent in active military service for which he does not
10 qualify for credit under Section 14-105, provided that (1) he
11 was not dishonorably discharged from such military service,
12 and (2) the amount of service credit established by a member
13 under this subsection (j), when added to the amount of
14 military service credit granted to the member under subsection
15 (b) of Section 14-105, shall not exceed 5 years. The change in
16 the manner of calculating interest under this subsection (j)
17 made by this amendatory Act of the 92nd General Assembly
18 applies to credit purchased by an employee on or after its
19 effective date and does not entitle any person to a refund of
20 contributions or interest already paid. In compliance with
21 Section 14-152.1 of this Act concerning new benefit increases,
22 any new benefit increase as a result of the changes to this
23 subsection (j) made by Public Act 95-483 is funded through the
24 employee contributions provided for in this subsection (j).
25 Any new benefit increase as a result of the changes made to
26 this subsection (j) by Public Act 95-483 is exempt from the

1 provisions of subsection (d) of Section 14-152.1.

2 (k) An employee who was employed on a full-time basis by
3 the Illinois State's Attorneys Association Statewide Appellate
4 Assistance Service LEAA-ILEC grant project prior to the time
5 that project became the State's Attorneys Appellate Service
6 Commission, now the Office of the State's Attorneys Appellate
7 Prosecutor, an agency of State government, may establish
8 creditable service for not more than 60 months service for
9 such employment by making contributions required under this
10 Section.

11 (l) By paying the contributions otherwise required under
12 this Section, plus an amount determined by the Board to be
13 equal to the employer's normal cost of the benefit plus
14 interest, a member may establish service credit for periods of
15 less than one year spent on authorized leave of absence from
16 service, provided that (1) the period of leave began on or
17 after January 1, 1982 and (2) any credit established by the
18 member for the period of leave in any other public employee
19 retirement system has been terminated. A member may establish
20 service credit under this subsection for more than one period
21 of authorized leave, and in that case the total period of
22 service credit established by the member under this subsection
23 may exceed one year. In determining the contributions required
24 for establishing service credit under this subsection, the
25 interest shall be calculated from the beginning of the leave
26 of absence to the date of payment.

1 (1-5) By paying the contributions otherwise required under
2 this Section, plus an amount determined by the Board to be
3 equal to the employer's normal cost of the benefit plus
4 interest, a member may establish service credit for periods of
5 up to 2 years spent on authorized leave of absence from
6 service, provided that during that leave the member
7 represented or was employed as an officer or employee of a
8 statewide labor organization that represents members of this
9 System. In determining the contributions required for
10 establishing service credit under this subsection, the
11 interest shall be calculated from the beginning of the leave
12 of absence to the date of payment.

13 (m) Any person who rendered contractual services to a
14 member of the General Assembly as a worker in the member's
15 district office may establish creditable service for up to 3
16 years of those contractual services by making the
17 contributions required under this Section. The System shall
18 determine a full-time salary equivalent for the purpose of
19 calculating the required contribution. To establish credit
20 under this subsection, the applicant must apply to the System
21 by March 1, 1998.

22 (n) Any person who rendered contractual services to a
23 member of the General Assembly as a worker providing
24 constituent services to persons in the member's district may
25 establish creditable service for up to 8 years of those
26 contractual services by making the contributions required

1 under this Section. The System shall determine a full-time
2 salary equivalent for the purpose of calculating the required
3 contribution. To establish credit under this subsection, the
4 applicant must apply to the System by March 1, 1998.

5 (o) A member who participated in the Illinois Legislative
6 Staff Internship Program may establish creditable service for
7 up to one year of that participation by making the
8 contribution required under this Section. The System shall
9 determine a full-time salary equivalent for the purpose of
10 calculating the required contribution. Credit may not be
11 established under this subsection for any period for which
12 service credit is established under any other provision of
13 this Code.

14 (p) By paying the contributions otherwise required under
15 this Section, plus an amount determined by the Board to be
16 equal to the employer's normal cost of the benefit plus
17 interest, a member may establish service credit for a period
18 of up to 8 years during which he or she was employed by the
19 Visually Handicapped Managers of Illinois in a vending program
20 operated under a contractual agreement with the Department of
21 Rehabilitation Services or its successor agency.

22 This subsection (p) applies without regard to whether the
23 person was in service on or after the effective date of this
24 amendatory Act of the 94th General Assembly. In the case of a
25 person who is receiving a retirement annuity on that effective
26 date, the increase, if any, shall begin to accrue on the first

1 annuity payment date following receipt by the System of the
2 contributions required under this subsection (p).

3 (q) By paying the required contributions under this
4 Section, plus an amount determined by the Board to be equal to
5 the employer's normal cost of the benefit plus interest, an
6 employee who was laid off but returned to any State employment
7 may establish creditable service for the period of the layoff,
8 provided that (1) the applicant applies for the creditable
9 service under this subsection (q) within 6 months after July
10 27, 2010 (the effective date of Public Act 96-1320), (2) the
11 applicant does not receive credit for that period under any
12 other provision of this Code, (3) at the time of the layoff,
13 the applicant is not in an initial probationary status
14 consistent with the rules of the Department of Central
15 Management Services, and (4) the total amount of creditable
16 service established by the applicant under this subsection (q)
17 does not exceed 3 years. For service established under this
18 subsection (q), the required employee contribution shall be
19 based on the rate of compensation earned by the employee on the
20 date of returning to employment after the layoff and the
21 contribution rate then in effect, and the required interest
22 shall be calculated at the actuarially assumed rate from the
23 date of returning to employment after the layoff to the date of
24 payment. Funding for any new benefit increase, as defined in
25 Section 14-152.1 of this Act, that is created under this
26 subsection (q) will be provided by the employee contributions

1 required under this subsection (q).

2 (r) A member who participated in the University of
3 Illinois Government Public Service Internship Program (GPSI)
4 may establish creditable service for up to 2 years of that
5 participation by making the contribution required under this
6 Section, plus an amount determined by the Board to be equal to
7 the employer's normal cost of the benefit plus interest. The
8 System shall determine a full-time salary equivalent for the
9 purpose of calculating the required contribution. Credit may
10 not be established under this subsection for any period for
11 which service credit is established under any other provision
12 of this Code.

13 (s) A member who worked as a nurse under a contractual
14 agreement for the Department of Public Aid, or its successor
15 agency, the Department of Human Services, in the Client
16 Assessment Unit and was subsequently determined to be a State
17 employee by the United States Internal Revenue Service and the
18 Illinois Labor Relations Board may establish creditable
19 service for those contractual services by making the
20 contributions required under this Section. To establish credit
21 under this subsection, the applicant must apply to the System
22 by July 1, 2008.

23 The Department of Human Services shall pay an employer
24 contribution based upon an amount determined by the Board to
25 be equal to the employer's normal cost of the benefit, plus
26 interest.

1 In compliance with Section 14-152.1 added by Public Act
2 94-4, the cost of the benefits provided by Public Act 95-583
3 are offset by the required employee and employer
4 contributions.

5 (t) Any person who rendered contractual services on a
6 full-time basis to the Illinois Institute of Natural Resources
7 and the Illinois Department of Energy and Natural Resources
8 may establish creditable service for up to 4 years of those
9 contractual services by making the contributions required
10 under this Section, plus an amount determined by the Board to
11 be equal to the employer's normal cost of the benefit plus
12 interest at the actuarially assumed rate from the first day of
13 the service for which credit is being established to the date
14 of payment. To establish credit under this subsection (t), the
15 applicant must apply to the System within 6 months after July
16 27, 2010 (the effective date of Public Act 96-1320).

17 (u) By paying the required contributions under this
18 Section, plus an amount determined by the Board to be equal to
19 the employer's normal cost of the benefit, plus interest, a
20 member may establish creditable service and earnings credit
21 for periods of furlough beginning on or after July 1, 2008. To
22 receive this credit, the participant must (i) apply in writing
23 to the System before December 31, 2011 and (ii) not receive
24 compensation for the furlough period. For service established
25 under this subsection, the required employee contribution
26 shall be based on the rate of compensation earned by the

1 employee immediately following the date of the first furlough
2 day in the time period specified in this subsection (u), and
3 the required interest shall be calculated at the actuarially
4 assumed rate from the date of the furlough to the date of
5 payment.

6 (v) Any member who rendered full-time contractual services
7 to an Illinois Veterans Home operated by the Department of
8 Veterans' Affairs may establish service credit for up to 8
9 years of such services by making the contributions required
10 under this Section, plus an amount determined by the Board to
11 be equal to the employer's normal cost of the benefit, plus
12 interest at the actuarially assumed rate. To establish credit
13 under this subsection, the applicant must apply to the System
14 no later than 6 months after July 27, 2010 (the effective date
15 of Public Act 96-1320).

16 (w) Any member who served as a member of the General
17 Assembly and did not contribute to any other public employee
18 retirement system for such service may establish service
19 credit for up to 5 years of that service by making the
20 contributions required under this Section, plus an amount
21 determined by the Board to be equal to the employer's normal
22 cost of the benefit, plus interest at the actuarially assumed
23 rate.

24 (Source: P.A. 96-97, eff. 7-27-09; 96-718, eff. 8-25-09;
25 96-775, eff. 8-28-09; 96-961, eff. 7-2-10; 96-1000, eff.
26 7-2-10; 96-1320, eff. 7-27-10; 96-1535, eff. 3-4-11; 97-333,

1 8-12-11.)

2 (40 ILCS 5/14-105.4) (from Ch. 108 1/2, par. 14-105.4)

3 Sec. 14-105.4. Transfer of service from the General
4 Assembly Retirement System.

5 (a) Persons otherwise required or eligible to participate
6 in this System who elect to continue participation in the
7 General Assembly Retirement System under Section 2-117.1 may
8 not participate in this System for the duration of such
9 continued participation under Section 2-117.1.

10 (b) Upon terminating such continued participation, a
11 person may transfer credits and creditable service accumulated
12 under Section 2-117.1 to this System, upon payment to this
13 System of (1) the amount by which the employer and employee
14 contributions that would have been required if he had
15 participated in this System during the period for which credit
16 under Section 2-117.1 is being transferred, plus regular
17 interest, exceeds the amounts actually transferred under that
18 Section to this System, plus (2) regular interest thereon from
19 the date of such participation to the date of payment.

20 (c) An active participant in the General Assembly
21 Retirement System may elect to terminate participation in the
22 General Assembly Retirement System in accordance with
23 subsection (c) of Section 2-117. All credits and creditable
24 service accumulated under Article 2 shall be transferred to
25 this System upon payment to this System of (1) the amount by

1 which the employer and employee contributions that would have
2 been required if he or she had participated in this System
3 during the period for which credit is being transferred, plus
4 regular interest, exceeds the amounts actually transferred
5 under that Section to this System, plus (2) regular interest
6 thereon from the date of such participation to the date of
7 payment.

8 (Source: P.A. 83-430.)

9 (40 ILCS 5/18-101) (from Ch. 108 1/2, par. 18-101)

10 Sec. 18-101. Creation of fund. A retirement system is
11 created to be known as the "Judges Retirement System of
12 Illinois". It shall be a trust separate and distinct from all
13 other entities, maintained for the purpose of securing the
14 payment of annuities and benefits as prescribed herein.

15 Participation in the retirement system created under this
16 Article is restricted to persons who became participants of
17 the System before January 8, 2025. Beginning on that date, the
18 System shall not accept any new participants.

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

20 (40 ILCS 5/18-108) (from Ch. 108 1/2, par. 18-108)

21 Sec. 18-108. Judge. "Judge": Any person who receives
22 payment for personal services as a judge or associate judge of
23 a court; and any person, previously a participant, who
24 receives payment for personal services as the administrative

1 director appointed by the Supreme Court.

2 Notwithstanding any other provision of this Article, a
3 person shall not be deemed a judge for the purposes of this
4 Article unless he or she became a participant of the System
5 before January 8, 2025.

6 (Source: P.A. 83-1440.)

7 (40 ILCS 5/18-109) (from Ch. 108 1/2, par. 18-109)

8 Sec. 18-109. Eligible judge. "Eligible judge": Any judge
9 except one who has elected not to participate in this system.

10 Notwithstanding any other provision of this Article, a
11 person shall not be deemed an eligible judge for the purposes
12 of this Article unless he or she became a participant of the
13 System before January 8, 2025.

14 (Source: P.A. 83-1440.)

15 (40 ILCS 5/18-110) (from Ch. 108 1/2, par. 18-110)

16 Sec. 18-110. Participant. "Participant": Any judge
17 participating in this system as specified in Sections 18-120
18 and 18-121.

19 Notwithstanding any other provision of this Article, a
20 person shall not be deemed a participant for the purposes of
21 this Article unless he or she became a participant of the
22 System before January 8, 2025.

23 (Source: P.A. 83-1440.)

1 Article 8.

2 Section 8-5. The Illinois Pension Code is amended by
3 changing Sections 2-124, 14-131, 15-155, 16-158, and 18-131 as
4 follows:

5 (40 ILCS 5/2-124) (from Ch. 108 1/2, par. 2-124)

6 Sec. 2-124. Contributions by State.

7 (a) The State shall make contributions to the System by
8 appropriations of amounts which, together with the
9 contributions of participants, interest earned on investments,
10 and other income will meet the cost of maintaining and
11 administering the System on a 90% funded basis in accordance
12 with actuarial recommendations.

13 (b) The Board shall determine the amount of State
14 contributions required for each fiscal year on the basis of
15 the actuarial tables and other assumptions adopted by the
16 Board and the prescribed rate of interest, using the formula
17 in subsection (c) and the formula in this subsection (a).

18 Beginning in State fiscal year 2025 and each fiscal year
19 thereafter, there shall be an additional required State
20 contribution to the System of an amount equal to the
21 difference (but not less than zero) between: (1) the required
22 contribution using the formula in subsection (c); and (2) the
23 actuarially determined contribution for the fiscal year. The
24 actuarially determined contribution shall be determined by the

1 State Actuary on the basis of the actuarial tables,
2 amortization period, and other assumptions adopted by the
3 Board and in accordance with the Governmental Accounting
4 Standards Board Statement Number 67 and Statement Number 68.

5 (c) For State fiscal years 2012 through 2045, the minimum
6 contribution to the System to be made by the State for each
7 fiscal year shall be an amount determined by the System to be
8 sufficient to bring the total assets of the System up to 90% of
9 the total actuarial liabilities of the System by the end of
10 State fiscal year 2045. In making these determinations, the
11 required State contribution shall be calculated each year as a
12 level percentage of payroll over the years remaining to and
13 including fiscal year 2045 and shall be determined under the
14 projected unit credit actuarial cost method.

15 A change in an actuarial or investment assumption that
16 increases or decreases the required State contribution and
17 first applies in State fiscal year 2018 or thereafter shall be
18 implemented in equal annual amounts over a 5-year period
19 beginning in the State fiscal year in which the actuarial
20 change first applies to the required State contribution.

21 A change in an actuarial or investment assumption that
22 increases or decreases the required State contribution and
23 first applied to the State contribution in fiscal year 2014,
24 2015, 2016, or 2017 shall be implemented:

25 (i) as already applied in State fiscal years before
26 2018; and

1 (ii) in the portion of the 5-year period beginning in
2 the State fiscal year in which the actuarial change first
3 applied that occurs in State fiscal year 2018 or
4 thereafter, by calculating the change in equal annual
5 amounts over that 5-year period and then implementing it
6 at the resulting annual rate in each of the remaining
7 fiscal years in that 5-year period.

8 For State fiscal years 1996 through 2005, the State
9 contribution to the System, as a percentage of the applicable
10 employee payroll, shall be increased in equal annual
11 increments so that by State fiscal year 2011, the State is
12 contributing at the rate required under this Section.

13 Notwithstanding any other provision of this Article, the
14 total required State contribution for State fiscal year 2006
15 is \$4,157,000.

16 Notwithstanding any other provision of this Article, the
17 total required State contribution for State fiscal year 2007
18 is \$5,220,300.

19 For each of State fiscal years 2008 through 2009, the
20 State contribution to the System, as a percentage of the
21 applicable employee payroll, shall be increased in equal
22 annual increments from the required State contribution for
23 State fiscal year 2007, so that by State fiscal year 2011, the
24 State is contributing at the rate otherwise required under
25 this Section.

26 Notwithstanding any other provision of this Article, the

1 total required State contribution for State fiscal year 2010
2 is \$10,454,000 and shall be made from the proceeds of bonds
3 sold in fiscal year 2010 pursuant to Section 7.2 of the General
4 Obligation Bond Act, less (i) the pro rata share of bond sale
5 expenses determined by the System's share of total bond
6 proceeds, (ii) any amounts received from the General Revenue
7 Fund in fiscal year 2010, and (iii) any reduction in bond
8 proceeds due to the issuance of discounted bonds, if
9 applicable.

10 Notwithstanding any other provision of this Article, the
11 total required State contribution for State fiscal year 2011
12 is the amount recertified by the System on or before April 1,
13 2011 pursuant to Section 2-134 and shall be made from the
14 proceeds of bonds sold in fiscal year 2011 pursuant to Section
15 7.2 of the General Obligation Bond Act, less (i) the pro rata
16 share of bond sale expenses determined by the System's share
17 of total bond proceeds, (ii) any amounts received from the
18 General Revenue Fund in fiscal year 2011, and (iii) any
19 reduction in bond proceeds due to the issuance of discounted
20 bonds, if applicable.

21 Beginning in State fiscal year 2046, the minimum State
22 contribution for each fiscal year shall be the amount needed
23 to maintain the total assets of the System at 90% of the total
24 actuarial liabilities of the System.

25 Amounts received by the System pursuant to Section 25 of
26 the Budget Stabilization Act or Section 8.12 of the State

1 Finance Act in any fiscal year do not reduce and do not
2 constitute payment of any portion of the minimum State
3 contribution required under this Article in that fiscal year.
4 Such amounts shall not reduce, and shall not be included in the
5 calculation of, the required State contributions under this
6 Article in any future year until the System has reached a
7 funding ratio of at least 90%. A reference in this Article to
8 the "required State contribution" or any substantially similar
9 term does not include or apply to any amounts payable to the
10 System under Section 25 of the Budget Stabilization Act.

11 Notwithstanding any other provision of this Section, the
12 required State contribution for State fiscal year 2005 and for
13 fiscal year 2008 and each fiscal year thereafter, as
14 calculated under this Section and certified under Section
15 2-134, shall not exceed an amount equal to (i) the amount of
16 the required State contribution that would have been
17 calculated under this Section for that fiscal year if the
18 System had not received any payments under subsection (d) of
19 Section 7.2 of the General Obligation Bond Act, minus (ii) the
20 portion of the State's total debt service payments for that
21 fiscal year on the bonds issued in fiscal year 2003 for the
22 purposes of that Section 7.2, as determined and certified by
23 the Comptroller, that is the same as the System's portion of
24 the total moneys distributed under subsection (d) of Section
25 7.2 of the General Obligation Bond Act. In determining this
26 maximum for State fiscal years 2008 through 2010, however, the

1 amount referred to in item (i) shall be increased, as a
2 percentage of the applicable employee payroll, in equal
3 increments calculated from the sum of the required State
4 contribution for State fiscal year 2007 plus the applicable
5 portion of the State's total debt service payments for fiscal
6 year 2007 on the bonds issued in fiscal year 2003 for the
7 purposes of Section 7.2 of the General Obligation Bond Act, so
8 that, by State fiscal year 2011, the State is contributing at
9 the rate otherwise required under this Section.

10 (d) For purposes of determining the required State
11 contribution to the System, the value of the System's assets
12 shall be equal to the actuarial value of the System's assets,
13 which shall be calculated as follows:

14 As of June 30, 2008, the actuarial value of the System's
15 assets shall be equal to the market value of the assets as of
16 that date. In determining the actuarial value of the System's
17 assets for fiscal years after June 30, 2008, any actuarial
18 gains or losses from investment return incurred in a fiscal
19 year shall be recognized in equal annual amounts over the
20 5-year period following that fiscal year.

21 (e) For purposes of determining the required State
22 contribution to the system for a particular year, the
23 actuarial value of assets shall be assumed to earn a rate of
24 return equal to the system's actuarially assumed rate of
25 return.

26 (Source: P.A. 100-23, eff. 7-6-17.)

1 (40 ILCS 5/14-131)

2 Sec. 14-131. Contributions by State.

3 (a) The State shall make contributions to the System by
4 appropriations of amounts which, together with other employer
5 contributions from trust, federal, and other funds, employee
6 contributions, investment income, and other income, will be
7 sufficient to meet the cost of maintaining and administering
8 the System on a 90% funded basis in accordance with actuarial
9 recommendations.

10 For the purposes of this Section and Section 14-135.08,
11 references to State contributions refer only to employer
12 contributions and do not include employee contributions that
13 are picked up or otherwise paid by the State or a department on
14 behalf of the employee.

15 (b) The Board shall determine the total amount of State
16 contributions required for each fiscal year on the basis of
17 the actuarial tables and other assumptions adopted by the
18 Board, using the formula in subsection (e) and the formula in
19 this subsection (b).

20 The Board shall also determine a State contribution rate
21 for each fiscal year, expressed as a percentage of payroll,
22 based on the total required State contribution for that fiscal
23 year (less the amount received by the System from
24 appropriations under Section 8.12 of the State Finance Act and
25 Section 1 of the State Pension Funds Continuing Appropriation

1 Act, if any, for the fiscal year ending on the June 30
2 immediately preceding the applicable November 15 certification
3 deadline), the estimated payroll (including all forms of
4 compensation) for personal services rendered by eligible
5 employees, and the recommendations of the actuary.

6 Beginning in State fiscal year 2025 and each fiscal year
7 thereafter, there shall be an additional required State
8 contribution to the System of an amount equal to the
9 difference (but not less than zero) between: (1) the required
10 contribution using the formula in subsection (e); and (2) the
11 actuarially determined contribution for the fiscal year. The
12 actuarially determined contribution shall be determined by the
13 State Actuary on the basis of the actuarial tables,
14 amortization period, and other assumptions adopted by the
15 Board and in accordance with the Governmental Accounting
16 Standards Board Statement Number 67 and Statement Number 68.

17 For the purposes of this Section and Section 14.1 of the
18 State Finance Act, the term "eligible employees" includes
19 employees who participate in the System, persons who may elect
20 to participate in the System but have not so elected, persons
21 who are serving a qualifying period that is required for
22 participation, and annuitants employed by a department as
23 described in subdivision (a) (1) or (a) (2) of Section 14-111.

24 (c) Contributions shall be made by the several departments
25 for each pay period by warrants drawn by the State Comptroller
26 against their respective funds or appropriations based upon

1 vouchers stating the amount to be so contributed. These
2 amounts shall be based on the full rate certified by the Board
3 under Section 14-135.08 for that fiscal year. From March 5,
4 2004 (the effective date of Public Act 93-665) through the
5 payment of the final payroll from fiscal year 2004
6 appropriations, the several departments shall not make
7 contributions for the remainder of fiscal year 2004 but shall
8 instead make payments as required under subsection (a-1) of
9 Section 14.1 of the State Finance Act. The several departments
10 shall resume those contributions at the commencement of fiscal
11 year 2005.

12 (c-1) Notwithstanding subsection (c) of this Section, for
13 fiscal years 2010, 2012, and each fiscal year thereafter,
14 contributions by the several departments are not required to
15 be made for General Revenue Funds payrolls processed by the
16 Comptroller. Payrolls paid by the several departments from all
17 other State funds must continue to be processed pursuant to
18 subsection (c) of this Section.

19 (c-2) For State fiscal years 2010, 2012, and each fiscal
20 year thereafter, on or as soon as possible after the 15th day
21 of each month, the Board shall submit vouchers for payment of
22 State contributions to the System, in a total monthly amount
23 of one-twelfth of the fiscal year General Revenue Fund
24 contribution as certified by the System pursuant to Section
25 14-135.08 of the Illinois Pension Code.

26 (d) If an employee is paid from trust funds or federal

1 funds, the department or other employer shall pay employer
2 contributions from those funds to the System at the certified
3 rate, unless the terms of the trust or the federal-State
4 agreement preclude the use of the funds for that purpose, in
5 which case the required employer contributions shall be paid
6 by the State.

7 (e) For State fiscal years 2012 through 2045, the minimum
8 contribution to the System to be made by the State for each
9 fiscal year shall be an amount determined by the System to be
10 sufficient to bring the total assets of the System up to 90% of
11 the total actuarial liabilities of the System by the end of
12 State fiscal year 2045. In making these determinations, the
13 required State contribution shall be calculated each year as a
14 level percentage of payroll over the years remaining to and
15 including fiscal year 2045 and shall be determined under the
16 projected unit credit actuarial cost method.

17 A change in an actuarial or investment assumption that
18 increases or decreases the required State contribution and
19 first applies in State fiscal year 2018 or thereafter shall be
20 implemented in equal annual amounts over a 5-year period
21 beginning in the State fiscal year in which the actuarial
22 change first applies to the required State contribution.

23 A change in an actuarial or investment assumption that
24 increases or decreases the required State contribution and
25 first applied to the State contribution in fiscal year 2014,
26 2015, 2016, or 2017 shall be implemented:

1 (i) as already applied in State fiscal years before
2 2018; and

3 (ii) in the portion of the 5-year period beginning in
4 the State fiscal year in which the actuarial change first
5 applied that occurs in State fiscal year 2018 or
6 thereafter, by calculating the change in equal annual
7 amounts over that 5-year period and then implementing it
8 at the resulting annual rate in each of the remaining
9 fiscal years in that 5-year period.

10 For State fiscal years 1996 through 2005, the State
11 contribution to the System, as a percentage of the applicable
12 employee payroll, shall be increased in equal annual
13 increments so that by State fiscal year 2011, the State is
14 contributing at the rate required under this Section; except
15 that (i) for State fiscal year 1998, for all purposes of this
16 Code and any other law of this State, the certified percentage
17 of the applicable employee payroll shall be 5.052% for
18 employees earning eligible creditable service under Section
19 14-110 and 6.500% for all other employees, notwithstanding any
20 contrary certification made under Section 14-135.08 before
21 July 7, 1997 (the effective date of Public Act 90-65), and (ii)
22 in the following specified State fiscal years, the State
23 contribution to the System shall not be less than the
24 following indicated percentages of the applicable employee
25 payroll, even if the indicated percentage will produce a State
26 contribution in excess of the amount otherwise required under

1 this subsection and subsection (a): 9.8% in FY 1999; 10.0% in
2 FY 2000; 10.2% in FY 2001; 10.4% in FY 2002; 10.6% in FY 2003;
3 and 10.8% in FY 2004.

4 Beginning in State fiscal year 2046, the minimum State
5 contribution for each fiscal year shall be the amount needed
6 to maintain the total assets of the System at 90% of the total
7 actuarial liabilities of the System.

8 Amounts received by the System pursuant to Section 25 of
9 the Budget Stabilization Act or Section 8.12 of the State
10 Finance Act in any fiscal year do not reduce and do not
11 constitute payment of any portion of the minimum State
12 contribution required under this Article in that fiscal year.
13 Such amounts shall not reduce, and shall not be included in the
14 calculation of, the required State contributions under this
15 Article in any future year until the System has reached a
16 funding ratio of at least 90%. A reference in this Article to
17 the "required State contribution" or any substantially similar
18 term does not include or apply to any amounts payable to the
19 System under Section 25 of the Budget Stabilization Act.

20 Notwithstanding any other provision of this Section, the
21 required State contribution for State fiscal year 2005 and for
22 fiscal year 2008 and each fiscal year thereafter, as
23 calculated under this Section and certified under Section
24 14-135.08, shall not exceed an amount equal to (i) the amount
25 of the required State contribution that would have been
26 calculated under this Section for that fiscal year if the

1 System had not received any payments under subsection (d) of
2 Section 7.2 of the General Obligation Bond Act, minus (ii) the
3 portion of the State's total debt service payments for that
4 fiscal year on the bonds issued in fiscal year 2003 for the
5 purposes of that Section 7.2, as determined and certified by
6 the Comptroller, that is the same as the System's portion of
7 the total moneys distributed under subsection (d) of Section
8 7.2 of the General Obligation Bond Act.

9 (f) (Blank).

10 (g) For purposes of determining the required State
11 contribution to the System, the value of the System's assets
12 shall be equal to the actuarial value of the System's assets,
13 which shall be calculated as follows:

14 As of June 30, 2008, the actuarial value of the System's
15 assets shall be equal to the market value of the assets as of
16 that date. In determining the actuarial value of the System's
17 assets for fiscal years after June 30, 2008, any actuarial
18 gains or losses from investment return incurred in a fiscal
19 year shall be recognized in equal annual amounts over the
20 5-year period following that fiscal year.

21 (h) For purposes of determining the required State
22 contribution to the System for a particular year, the
23 actuarial value of assets shall be assumed to earn a rate of
24 return equal to the System's actuarially assumed rate of
25 return.

26 (i) (Blank).

1 (j) (Blank).

2 (k) For fiscal year 2012 and each fiscal year thereafter,
3 after the submission of all payments for eligible employees
4 from personal services line items paid from the General
5 Revenue Fund in the fiscal year have been made, the
6 Comptroller shall provide to the System a certification of the
7 sum of all expenditures in the fiscal year for personal
8 services. Upon receipt of the certification, the System shall
9 determine the amount due to the System based on the full rate
10 certified by the Board under Section 14-135.08 for the fiscal
11 year in order to meet the State's obligation under this
12 Section. The System shall compare this amount due to the
13 amount received by the System for the fiscal year. If the
14 amount due is more than the amount received, the difference
15 shall be termed the "Prior Fiscal Year Shortfall" for purposes
16 of this Section, and the Prior Fiscal Year Shortfall shall be
17 satisfied under Section 1.2 of the State Pension Funds
18 Continuing Appropriation Act. If the amount due is less than
19 the amount received, the difference shall be termed the "Prior
20 Fiscal Year Overpayment" for purposes of this Section, and the
21 Prior Fiscal Year Overpayment shall be repaid by the System to
22 the General Revenue Fund as soon as practicable after the
23 certification.

24 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
25 101-10, eff. 6-5-19.)

1 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

2 Sec. 15-155. Employer contributions.

3 (a) The State of Illinois shall make contributions by
4 appropriations of amounts which, together with the other
5 employer contributions from trust, federal, and other funds,
6 employee contributions, income from investments, and other
7 income of this System, will be sufficient to meet the cost of
8 maintaining and administering the System on a 90% funded basis
9 in accordance with actuarial recommendations.

10 The Board shall determine the amount of State
11 contributions required for each fiscal year on the basis of
12 the actuarial tables and other assumptions adopted by the
13 Board and the recommendations of the actuary, using the
14 formula in subsection (a-1) and the formula in this subsection
15 (a).

16 Beginning in State fiscal year 2025 and each fiscal year
17 thereafter, there shall be an additional required State
18 contribution to the System of an amount equal to the
19 difference (but not less than zero) between: (1) the required
20 contribution using the formula in subsection (a-1); and (2)
21 the actuarially determined contribution for the fiscal year.
22 The actuarially determined contribution shall be determined by
23 the State Actuary on the basis of the actuarial tables,
24 amortization period, and other assumptions adopted by the
25 Board and in accordance with the Governmental Accounting
26 Standards Board Statement Number 67 and Statement Number 68.

1 (a-1) For State fiscal years 2012 through 2045, the
2 minimum contribution to the System to be made by the State for
3 each fiscal year shall be an amount determined by the System to
4 be sufficient to bring the total assets of the System up to 90%
5 of the total actuarial liabilities of the System by the end of
6 State fiscal year 2045. In making these determinations, the
7 required State contribution shall be calculated each year as a
8 level percentage of payroll over the years remaining to and
9 including fiscal year 2045 and shall be determined under the
10 projected unit credit actuarial cost method.

11 For each of State fiscal years 2018, 2019, and 2020, the
12 State shall make an additional contribution to the System
13 equal to 2% of the total payroll of each employee who is deemed
14 to have elected the benefits under Section 1-161 or who has
15 made the election under subsection (c) of Section 1-161.

16 A change in an actuarial or investment assumption that
17 increases or decreases the required State contribution and
18 first applies in State fiscal year 2018 or thereafter shall be
19 implemented in equal annual amounts over a 5-year period
20 beginning in the State fiscal year in which the actuarial
21 change first applies to the required State contribution.

22 A change in an actuarial or investment assumption that
23 increases or decreases the required State contribution and
24 first applied to the State contribution in fiscal year 2014,
25 2015, 2016, or 2017 shall be implemented:

26 (i) as already applied in State fiscal years before

1 2018; and

2 (ii) in the portion of the 5-year period beginning in
3 the State fiscal year in which the actuarial change first
4 applied that occurs in State fiscal year 2018 or
5 thereafter, by calculating the change in equal annual
6 amounts over that 5-year period and then implementing it
7 at the resulting annual rate in each of the remaining
8 fiscal years in that 5-year period.

9 For State fiscal years 1996 through 2005, the State
10 contribution to the System, as a percentage of the applicable
11 employee payroll, shall be increased in equal annual
12 increments so that by State fiscal year 2011, the State is
13 contributing at the rate required under this Section.

14 Notwithstanding any other provision of this Article, the
15 total required State contribution for State fiscal year 2006
16 is \$166,641,900.

17 Notwithstanding any other provision of this Article, the
18 total required State contribution for State fiscal year 2007
19 is \$252,064,100.

20 For each of State fiscal years 2008 through 2009, the
21 State contribution to the System, as a percentage of the
22 applicable employee payroll, shall be increased in equal
23 annual increments from the required State contribution for
24 State fiscal year 2007, so that by State fiscal year 2011, the
25 State is contributing at the rate otherwise required under
26 this Section.

1 Notwithstanding any other provision of this Article, the
2 total required State contribution for State fiscal year 2010
3 is \$702,514,000 and shall be made from the State Pensions Fund
4 and proceeds of bonds sold in fiscal year 2010 pursuant to
5 Section 7.2 of the General Obligation Bond Act, less (i) the
6 pro rata share of bond sale expenses determined by the
7 System's share of total bond proceeds, (ii) any amounts
8 received from the General Revenue Fund in fiscal year 2010,
9 (iii) any reduction in bond proceeds due to the issuance of
10 discounted bonds, if applicable.

11 Notwithstanding any other provision of this Article, the
12 total required State contribution for State fiscal year 2011
13 is the amount recertified by the System on or before April 1,
14 2011 pursuant to Section 15-165 and shall be made from the
15 State Pensions Fund and proceeds of bonds sold in fiscal year
16 2011 pursuant to Section 7.2 of the General Obligation Bond
17 Act, less (i) the pro rata share of bond sale expenses
18 determined by the System's share of total bond proceeds, (ii)
19 any amounts received from the General Revenue Fund in fiscal
20 year 2011, and (iii) any reduction in bond proceeds due to the
21 issuance of discounted bonds, if applicable.

22 Beginning in State fiscal year 2046, the minimum State
23 contribution for each fiscal year shall be the amount needed
24 to maintain the total assets of the System at 90% of the total
25 actuarial liabilities of the System.

26 Amounts received by the System pursuant to Section 25 of

1 the Budget Stabilization Act or Section 8.12 of the State
2 Finance Act in any fiscal year do not reduce and do not
3 constitute payment of any portion of the minimum State
4 contribution required under this Article in that fiscal year.
5 Such amounts shall not reduce, and shall not be included in the
6 calculation of, the required State contributions under this
7 Article in any future year until the System has reached a
8 funding ratio of at least 90%. A reference in this Article to
9 the "required State contribution" or any substantially similar
10 term does not include or apply to any amounts payable to the
11 System under Section 25 of the Budget Stabilization Act.

12 Notwithstanding any other provision of this Section, the
13 required State contribution for State fiscal year 2005 and for
14 fiscal year 2008 and each fiscal year thereafter, as
15 calculated under this Section and certified under Section
16 15-165, shall not exceed an amount equal to (i) the amount of
17 the required State contribution that would have been
18 calculated under this Section for that fiscal year if the
19 System had not received any payments under subsection (d) of
20 Section 7.2 of the General Obligation Bond Act, minus (ii) the
21 portion of the State's total debt service payments for that
22 fiscal year on the bonds issued in fiscal year 2003 for the
23 purposes of that Section 7.2, as determined and certified by
24 the Comptroller, that is the same as the System's portion of
25 the total moneys distributed under subsection (d) of Section
26 7.2 of the General Obligation Bond Act. In determining this

1 maximum for State fiscal years 2008 through 2010, however, the
2 amount referred to in item (i) shall be increased, as a
3 percentage of the applicable employee payroll, in equal
4 increments calculated from the sum of the required State
5 contribution for State fiscal year 2007 plus the applicable
6 portion of the State's total debt service payments for fiscal
7 year 2007 on the bonds issued in fiscal year 2003 for the
8 purposes of Section 7.2 of the General Obligation Bond Act, so
9 that, by State fiscal year 2011, the State is contributing at
10 the rate otherwise required under this Section.

11 (a-2) Beginning in fiscal year 2018, each employer under
12 this Article shall pay to the System a required contribution
13 determined as a percentage of projected payroll and sufficient
14 to produce an annual amount equal to:

15 (i) for each of fiscal years 2018, 2019, and 2020, the
16 defined benefit normal cost of the defined benefit plan,
17 less the employee contribution, for each employee of that
18 employer who has elected or who is deemed to have elected
19 the benefits under Section 1-161 or who has made the
20 election under subsection (c) of Section 1-161; for fiscal
21 year 2021 and each fiscal year thereafter, the defined
22 benefit normal cost of the defined benefit plan, less the
23 employee contribution, plus 2%, for each employee of that
24 employer who has elected or who is deemed to have elected
25 the benefits under Section 1-161 or who has made the
26 election under subsection (c) of Section 1-161; plus

1 (ii) the amount required for that fiscal year to
2 amortize any unfunded actuarial accrued liability
3 associated with the present value of liabilities
4 attributable to the employer's account under Section
5 15-155.2, determined as a level percentage of payroll over
6 a 30-year rolling amortization period.

7 In determining contributions required under item (i) of
8 this subsection, the System shall determine an aggregate rate
9 for all employers, expressed as a percentage of projected
10 payroll.

11 In determining the contributions required under item (ii)
12 of this subsection, the amount shall be computed by the System
13 on the basis of the actuarial assumptions and tables used in
14 the most recent actuarial valuation of the System that is
15 available at the time of the computation.

16 The contributions required under this subsection (a-2)
17 shall be paid by an employer concurrently with that employer's
18 payroll payment period. The State, as the actual employer of
19 an employee, shall make the required contributions under this
20 subsection.

21 As used in this subsection, "academic year" means the
22 12-month period beginning September 1.

23 (b) If an employee is paid from trust or federal funds, the
24 employer shall pay to the Board contributions from those funds
25 which are sufficient to cover the accruing normal costs on
26 behalf of the employee. However, universities having employees

1 who are compensated out of local auxiliary funds, income
2 funds, or service enterprise funds are not required to pay
3 such contributions on behalf of those employees. The local
4 auxiliary funds, income funds, and service enterprise funds of
5 universities shall not be considered trust funds for the
6 purpose of this Article, but funds of alumni associations,
7 foundations, and athletic associations which are affiliated
8 with the universities included as employers under this Article
9 and other employers which do not receive State appropriations
10 are considered to be trust funds for the purpose of this
11 Article.

12 (b-1) The City of Urbana and the City of Champaign shall
13 each make employer contributions to this System for their
14 respective firefighter employees who participate in this
15 System pursuant to subsection (h) of Section 15-107. The rate
16 of contributions to be made by those municipalities shall be
17 determined annually by the Board on the basis of the actuarial
18 assumptions adopted by the Board and the recommendations of
19 the actuary, and shall be expressed as a percentage of salary
20 for each such employee. The Board shall certify the rate to the
21 affected municipalities as soon as may be practical. The
22 employer contributions required under this subsection shall be
23 remitted by the municipality to the System at the same time and
24 in the same manner as employee contributions.

25 (c) Through State fiscal year 1995: The total employer
26 contribution shall be apportioned among the various funds of

1 the State and other employers, whether trust, federal, or
2 other funds, in accordance with actuarial procedures approved
3 by the Board. State of Illinois contributions for employers
4 receiving State appropriations for personal services shall be
5 payable from appropriations made to the employers or to the
6 System. The contributions for Class I community colleges
7 covering earnings other than those paid from trust and federal
8 funds, shall be payable solely from appropriations to the
9 Illinois Community College Board or the System for employer
10 contributions.

11 (d) Beginning in State fiscal year 1996, the required
12 State contributions to the System shall be appropriated
13 directly to the System and shall be payable through vouchers
14 issued in accordance with subsection (c) of Section 15-165,
15 except as provided in subsection (g).

16 (e) The State Comptroller shall draw warrants payable to
17 the System upon proper certification by the System or by the
18 employer in accordance with the appropriation laws and this
19 Code.

20 (f) Normal costs under this Section means liability for
21 pensions and other benefits which accrues to the System
22 because of the credits earned for service rendered by the
23 participants during the fiscal year and expenses of
24 administering the System, but shall not include the principal
25 of or any redemption premium or interest on any bonds issued by
26 the Board or any expenses incurred or deposits required in

1 connection therewith.

2 (g) If the amount of a participant's earnings for any
3 academic year used to determine the final rate of earnings,
4 determined on a full-time equivalent basis, exceeds the amount
5 of his or her earnings with the same employer for the previous
6 academic year, determined on a full-time equivalent basis, by
7 more than 6%, the participant's employer shall pay to the
8 System, in addition to all other payments required under this
9 Section and in accordance with guidelines established by the
10 System, the present value of the increase in benefits
11 resulting from the portion of the increase in earnings that is
12 in excess of 6%. This present value shall be computed by the
13 System on the basis of the actuarial assumptions and tables
14 used in the most recent actuarial valuation of the System that
15 is available at the time of the computation. The System may
16 require the employer to provide any pertinent information or
17 documentation.

18 Whenever it determines that a payment is or may be
19 required under this subsection (g), the System shall calculate
20 the amount of the payment and bill the employer for that
21 amount. The bill shall specify the calculations used to
22 determine the amount due. If the employer disputes the amount
23 of the bill, it may, within 30 days after receipt of the bill,
24 apply to the System in writing for a recalculation. The
25 application must specify in detail the grounds of the dispute
26 and, if the employer asserts that the calculation is subject

1 to subsection (h), (h-5), or (i) of this Section, must include
2 an affidavit setting forth and attesting to all facts within
3 the employer's knowledge that are pertinent to the
4 applicability of that subsection. Upon receiving a timely
5 application for recalculation, the System shall review the
6 application and, if appropriate, recalculate the amount due.

7 The employer contributions required under this subsection
8 (g) may be paid in the form of a lump sum within 90 days after
9 receipt of the bill. If the employer contributions are not
10 paid within 90 days after receipt of the bill, then interest
11 will be charged at a rate equal to the System's annual
12 actuarially assumed rate of return on investment compounded
13 annually from the 91st day after receipt of the bill. Payments
14 must be concluded within 3 years after the employer's receipt
15 of the bill.

16 When assessing payment for any amount due under this
17 subsection (g), the System shall include earnings, to the
18 extent not established by a participant under Section
19 15-113.11 or 15-113.12, that would have been paid to the
20 participant had the participant not taken (i) periods of
21 voluntary or involuntary furlough occurring on or after July
22 1, 2015 and on or before June 30, 2017 or (ii) periods of
23 voluntary pay reduction in lieu of furlough occurring on or
24 after July 1, 2015 and on or before June 30, 2017. Determining
25 earnings that would have been paid to a participant had the
26 participant not taken periods of voluntary or involuntary

1 furlough or periods of voluntary pay reduction shall be the
2 responsibility of the employer, and shall be reported in a
3 manner prescribed by the System.

4 This subsection (g) does not apply to (1) Tier 2 hybrid
5 plan members and (2) Tier 2 defined benefit members who first
6 participate under this Article on or after the implementation
7 date of the Optional Hybrid Plan.

8 (g-1) (Blank).

9 (h) This subsection (h) applies only to payments made or
10 salary increases given on or after June 1, 2005 but before July
11 1, 2011. The changes made by Public Act 94-1057 shall not
12 require the System to refund any payments received before July
13 31, 2006 (the effective date of Public Act 94-1057).

14 When assessing payment for any amount due under subsection
15 (g), the System shall exclude earnings increases paid to
16 participants under contracts or collective bargaining
17 agreements entered into, amended, or renewed before June 1,
18 2005.

19 When assessing payment for any amount due under subsection
20 (g), the System shall exclude earnings increases paid to a
21 participant at a time when the participant is 10 or more years
22 from retirement eligibility under Section 15-135.

23 When assessing payment for any amount due under subsection
24 (g), the System shall exclude earnings increases resulting
25 from overload work, including a contract for summer teaching,
26 or overtime when the employer has certified to the System, and

1 the System has approved the certification, that: (i) in the
2 case of overloads (A) the overload work is for the sole purpose
3 of academic instruction in excess of the standard number of
4 instruction hours for a full-time employee occurring during
5 the academic year that the overload is paid and (B) the
6 earnings increases are equal to or less than the rate of pay
7 for academic instruction computed using the participant's
8 current salary rate and work schedule; and (ii) in the case of
9 overtime, the overtime was necessary for the educational
10 mission.

11 When assessing payment for any amount due under subsection
12 (g), the System shall exclude any earnings increase resulting
13 from (i) a promotion for which the employee moves from one
14 classification to a higher classification under the State
15 Universities Civil Service System, (ii) a promotion in
16 academic rank for a tenured or tenure-track faculty position,
17 or (iii) a promotion that the Illinois Community College Board
18 has recommended in accordance with subsection (k) of this
19 Section. These earnings increases shall be excluded only if
20 the promotion is to a position that has existed and been filled
21 by a member for no less than one complete academic year and the
22 earnings increase as a result of the promotion is an increase
23 that results in an amount no greater than the average salary
24 paid for other similar positions.

25 (h-5) When assessing payment for any amount due under
26 subsection (g), the System shall exclude any earnings increase

1 paid in an academic year beginning on or after July 1, 2020
2 resulting from overload work performed in an academic year
3 subsequent to an academic year in which the employer was
4 unable to offer or allow to be conducted overload work due to
5 an emergency declaration limiting such activities.

6 (i) When assessing payment for any amount due under
7 subsection (g), the System shall exclude any salary increase
8 described in subsection (h) of this Section given on or after
9 July 1, 2011 but before July 1, 2014 under a contract or
10 collective bargaining agreement entered into, amended, or
11 renewed on or after June 1, 2005 but before July 1, 2011.
12 Except as provided in subsection (h-5), any payments made or
13 salary increases given after June 30, 2014 shall be used in
14 assessing payment for any amount due under subsection (g) of
15 this Section.

16 (j) The System shall prepare a report and file copies of
17 the report with the Governor and the General Assembly by
18 January 1, 2007 that contains all of the following
19 information:

20 (1) The number of recalculations required by the
21 changes made to this Section by Public Act 94-1057 for
22 each employer.

23 (2) The dollar amount by which each employer's
24 contribution to the System was changed due to
25 recalculations required by Public Act 94-1057.

26 (3) The total amount the System received from each

1 employer as a result of the changes made to this Section by
2 Public Act 94-4.

3 (4) The increase in the required State contribution
4 resulting from the changes made to this Section by Public
5 Act 94-1057.

6 (j-5) For State fiscal years beginning on or after July 1,
7 2017, if the amount of a participant's earnings for any State
8 fiscal year exceeds the amount of the salary set by law for the
9 Governor that is in effect on July 1 of that fiscal year, the
10 participant's employer shall pay to the System, in addition to
11 all other payments required under this Section and in
12 accordance with guidelines established by the System, an
13 amount determined by the System to be equal to the employer
14 normal cost, as established by the System and expressed as a
15 total percentage of payroll, multiplied by the amount of
16 earnings in excess of the amount of the salary set by law for
17 the Governor. This amount shall be computed by the System on
18 the basis of the actuarial assumptions and tables used in the
19 most recent actuarial valuation of the System that is
20 available at the time of the computation. The System may
21 require the employer to provide any pertinent information or
22 documentation.

23 Whenever it determines that a payment is or may be
24 required under this subsection, the System shall calculate the
25 amount of the payment and bill the employer for that amount.
26 The bill shall specify the calculation used to determine the

1 amount due. If the employer disputes the amount of the bill, it
2 may, within 30 days after receipt of the bill, apply to the
3 System in writing for a recalculation. The application must
4 specify in detail the grounds of the dispute. Upon receiving a
5 timely application for recalculation, the System shall review
6 the application and, if appropriate, recalculate the amount
7 due.

8 The employer contributions required under this subsection
9 may be paid in the form of a lump sum within 90 days after
10 issuance of the bill. If the employer contributions are not
11 paid within 90 days after issuance of the bill, then interest
12 will be charged at a rate equal to the System's annual
13 actuarially assumed rate of return on investment compounded
14 annually from the 91st day after issuance of the bill. All
15 payments must be received within 3 years after issuance of the
16 bill. If the employer fails to make complete payment,
17 including applicable interest, within 3 years, then the System
18 may, after giving notice to the employer, certify the
19 delinquent amount to the State Comptroller, and the
20 Comptroller shall thereupon deduct the certified delinquent
21 amount from State funds payable to the employer and pay them
22 instead to the System.

23 This subsection (j-5) does not apply to a participant's
24 earnings to the extent an employer pays the employer normal
25 cost of such earnings.

26 The changes made to this subsection (j-5) by Public Act

1 100-624 are intended to apply retroactively to July 6, 2017
2 (the effective date of Public Act 100-23).

3 (k) The Illinois Community College Board shall adopt rules
4 for recommending lists of promotional positions submitted to
5 the Board by community colleges and for reviewing the
6 promotional lists on an annual basis. When recommending
7 promotional lists, the Board shall consider the similarity of
8 the positions submitted to those positions recognized for
9 State universities by the State Universities Civil Service
10 System. The Illinois Community College Board shall file a copy
11 of its findings with the System. The System shall consider the
12 findings of the Illinois Community College Board when making
13 determinations under this Section. The System shall not
14 exclude any earnings increases resulting from a promotion when
15 the promotion was not submitted by a community college.
16 Nothing in this subsection (k) shall require any community
17 college to submit any information to the Community College
18 Board.

19 (l) For purposes of determining the required State
20 contribution to the System, the value of the System's assets
21 shall be equal to the actuarial value of the System's assets,
22 which shall be calculated as follows:

23 As of June 30, 2008, the actuarial value of the System's
24 assets shall be equal to the market value of the assets as of
25 that date. In determining the actuarial value of the System's
26 assets for fiscal years after June 30, 2008, any actuarial

1 gains or losses from investment return incurred in a fiscal
2 year shall be recognized in equal annual amounts over the
3 5-year period following that fiscal year.

4 (m) For purposes of determining the required State
5 contribution to the system for a particular year, the
6 actuarial value of assets shall be assumed to earn a rate of
7 return equal to the system's actuarially assumed rate of
8 return.

9 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
10 102-16, eff. 6-17-21; 102-558, eff. 8-20-21; 102-764, eff.
11 5-13-22.)

12 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)
13 Sec. 16-158. Contributions by State and other employing
14 units.

15 (a) The State shall make contributions to the System by
16 means of appropriations from the Common School Fund and other
17 State funds of amounts which, together with other employer
18 contributions, employee contributions, investment income, and
19 other income, will be sufficient to meet the cost of
20 maintaining and administering the System on a 90% funded basis
21 in accordance with actuarial recommendations.

22 Beginning in State fiscal year 2025 and each fiscal year
23 thereafter, there shall be an additional required State
24 contribution to the System of an amount equal to the
25 difference (but not less than zero) between: (1) the required

1 contribution using the formula in subsection (b-3); and (2)
2 the actuarially determined contribution for the fiscal year.
3 The actuarially determined contribution shall be determined by
4 the State Actuary on the basis of the actuarial tables,
5 amortization period, and other assumptions adopted by the
6 Board and in accordance with the Governmental Accounting
7 Standards Board Statement Number 67 and Statement Number 68.

8 The Board shall determine the amount of State
9 contributions required for each fiscal year on the basis of
10 the actuarial tables and other assumptions adopted by the
11 Board and the recommendations of the actuary, using the
12 formula in subsection (b-3) and the formula in this subsection
13 (a).

14 (a-1) Annually, on or before November 15 until November
15 15, 2011, the Board shall certify to the Governor the amount of
16 the required State contribution for the coming fiscal year.
17 The certification under this subsection (a-1) shall include a
18 copy of the actuarial recommendations upon which it is based
19 and shall specifically identify the System's projected State
20 normal cost for that fiscal year.

21 On or before May 1, 2004, the Board shall recalculate and
22 recertify to the Governor the amount of the required State
23 contribution to the System for State fiscal year 2005, taking
24 into account the amounts appropriated to and received by the
25 System under subsection (d) of Section 7.2 of the General
26 Obligation Bond Act.

1 On or before July 1, 2005, the Board shall recalculate and
2 recertify to the Governor the amount of the required State
3 contribution to the System for State fiscal year 2006, taking
4 into account the changes in required State contributions made
5 by Public Act 94-4.

6 On or before April 1, 2011, the Board shall recalculate
7 and recertify to the Governor the amount of the required State
8 contribution to the System for State fiscal year 2011,
9 applying the changes made by Public Act 96-889 to the System's
10 assets and liabilities as of June 30, 2009 as though Public Act
11 96-889 was approved on that date.

12 (a-5) On or before November 1 of each year, beginning
13 November 1, 2012, the Board shall submit to the State Actuary,
14 the Governor, and the General Assembly a proposed
15 certification of the amount of the required State contribution
16 to the System for the next fiscal year, along with all of the
17 actuarial assumptions, calculations, and data upon which that
18 proposed certification is based. On or before January 1 of
19 each year, beginning January 1, 2013, the State Actuary shall
20 issue a preliminary report concerning the proposed
21 certification and identifying, if necessary, recommended
22 changes in actuarial assumptions that the Board must consider
23 before finalizing its certification of the required State
24 contributions. On or before January 15, 2013 and each January
25 15 thereafter, the Board shall certify to the Governor and the
26 General Assembly the amount of the required State contribution

1 for the next fiscal year. The Board's certification must note
2 any deviations from the State Actuary's recommended changes,
3 the reason or reasons for not following the State Actuary's
4 recommended changes, and the fiscal impact of not following
5 the State Actuary's recommended changes on the required State
6 contribution.

7 (a-10) By November 1, 2017, the Board shall recalculate
8 and recertify to the State Actuary, the Governor, and the
9 General Assembly the amount of the State contribution to the
10 System for State fiscal year 2018, taking into account the
11 changes in required State contributions made by Public Act
12 100-23. The State Actuary shall review the assumptions and
13 valuations underlying the Board's revised certification and
14 issue a preliminary report concerning the proposed
15 recertification and identifying, if necessary, recommended
16 changes in actuarial assumptions that the Board must consider
17 before finalizing its certification of the required State
18 contributions. The Board's final certification must note any
19 deviations from the State Actuary's recommended changes, the
20 reason or reasons for not following the State Actuary's
21 recommended changes, and the fiscal impact of not following
22 the State Actuary's recommended changes on the required State
23 contribution.

24 (a-15) On or after June 15, 2019, but no later than June
25 30, 2019, the Board shall recalculate and recertify to the
26 Governor and the General Assembly the amount of the State

1 contribution to the System for State fiscal year 2019, taking
2 into account the changes in required State contributions made
3 by Public Act 100-587. The recalculation shall be made using
4 assumptions adopted by the Board for the original fiscal year
5 2019 certification. The monthly voucher for the 12th month of
6 fiscal year 2019 shall be paid by the Comptroller after the
7 recertification required pursuant to this subsection is
8 submitted to the Governor, Comptroller, and General Assembly.
9 The recertification submitted to the General Assembly shall be
10 filed with the Clerk of the House of Representatives and the
11 Secretary of the Senate in electronic form only, in the manner
12 that the Clerk and the Secretary shall direct.

13 (b) Through State fiscal year 1995, the State
14 contributions shall be paid to the System in accordance with
15 Section 18-7 of the School Code.

16 (b-1) Beginning in State fiscal year 1996, on the 15th day
17 of each month, or as soon thereafter as may be practicable, the
18 Board shall submit vouchers for payment of State contributions
19 to the System, in a total monthly amount of one-twelfth of the
20 required annual State contribution certified under subsection
21 (a-1). From March 5, 2004 (the effective date of Public Act
22 93-665) through June 30, 2004, the Board shall not submit
23 vouchers for the remainder of fiscal year 2004 in excess of the
24 fiscal year 2004 certified contribution amount determined
25 under this Section after taking into consideration the
26 transfer to the System under subsection (a) of Section 6z-61

1 of the State Finance Act. These vouchers shall be paid by the
2 State Comptroller and Treasurer by warrants drawn on the funds
3 appropriated to the System for that fiscal year.

4 If in any month the amount remaining unexpended from all
5 other appropriations to the System for the applicable fiscal
6 year (including the appropriations to the System under Section
7 8.12 of the State Finance Act and Section 1 of the State
8 Pension Funds Continuing Appropriation Act) is less than the
9 amount lawfully vouchered under this subsection, the
10 difference shall be paid from the Common School Fund under the
11 continuing appropriation authority provided in Section 1.1 of
12 the State Pension Funds Continuing Appropriation Act.

13 (b-2) Allocations from the Common School Fund apportioned
14 to school districts not coming under this System shall not be
15 diminished or affected by the provisions of this Article.

16 (b-3) For State fiscal years 2012 through 2045, the
17 minimum contribution to the System to be made by the State for
18 each fiscal year shall be an amount determined by the System to
19 be sufficient to bring the total assets of the System up to 90%
20 of the total actuarial liabilities of the System by the end of
21 State fiscal year 2045. In making these determinations, the
22 required State contribution shall be calculated each year as a
23 level percentage of payroll over the years remaining to and
24 including fiscal year 2045 and shall be determined under the
25 projected unit credit actuarial cost method.

26 For each of State fiscal years 2018, 2019, and 2020, the

1 State shall make an additional contribution to the System
2 equal to 2% of the total payroll of each employee who is deemed
3 to have elected the benefits under Section 1-161 or who has
4 made the election under subsection (c) of Section 1-161.

5 A change in an actuarial or investment assumption that
6 increases or decreases the required State contribution and
7 first applies in State fiscal year 2018 or thereafter shall be
8 implemented in equal annual amounts over a 5-year period
9 beginning in the State fiscal year in which the actuarial
10 change first applies to the required State contribution.

11 A change in an actuarial or investment assumption that
12 increases or decreases the required State contribution and
13 first applied to the State contribution in fiscal year 2014,
14 2015, 2016, or 2017 shall be implemented:

15 (i) as already applied in State fiscal years before
16 2018; and

17 (ii) in the portion of the 5-year period beginning in
18 the State fiscal year in which the actuarial change first
19 applied that occurs in State fiscal year 2018 or
20 thereafter, by calculating the change in equal annual
21 amounts over that 5-year period and then implementing it
22 at the resulting annual rate in each of the remaining
23 fiscal years in that 5-year period.

24 For State fiscal years 1996 through 2005, the State
25 contribution to the System, as a percentage of the applicable
26 employee payroll, shall be increased in equal annual

1 increments so that by State fiscal year 2011, the State is
2 contributing at the rate required under this Section; except
3 that in the following specified State fiscal years, the State
4 contribution to the System shall not be less than the
5 following indicated percentages of the applicable employee
6 payroll, even if the indicated percentage will produce a State
7 contribution in excess of the amount otherwise required under
8 this subsection and subsection (a), and notwithstanding any
9 contrary certification made under subsection (a-1) before May
10 27, 1998 (the effective date of Public Act 90-582): 10.02% in
11 FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY
12 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

13 Notwithstanding any other provision of this Article, the
14 total required State contribution for State fiscal year 2006
15 is \$534,627,700.

16 Notwithstanding any other provision of this Article, the
17 total required State contribution for State fiscal year 2007
18 is \$738,014,500.

19 For each of State fiscal years 2008 through 2009, the
20 State contribution to the System, as a percentage of the
21 applicable employee payroll, shall be increased in equal
22 annual increments from the required State contribution for
23 State fiscal year 2007, so that by State fiscal year 2011, the
24 State is contributing at the rate otherwise required under
25 this Section.

26 Notwithstanding any other provision of this Article, the

1 total required State contribution for State fiscal year 2010
2 is \$2,089,268,000 and shall be made from the proceeds of bonds
3 sold in fiscal year 2010 pursuant to Section 7.2 of the General
4 Obligation Bond Act, less (i) the pro rata share of bond sale
5 expenses determined by the System's share of total bond
6 proceeds, (ii) any amounts received from the Common School
7 Fund in fiscal year 2010, and (iii) any reduction in bond
8 proceeds due to the issuance of discounted bonds, if
9 applicable.

10 Notwithstanding any other provision of this Article, the
11 total required State contribution for State fiscal year 2011
12 is the amount recertified by the System on or before April 1,
13 2011 pursuant to subsection (a-1) of this Section and shall be
14 made from the proceeds of bonds sold in fiscal year 2011
15 pursuant to Section 7.2 of the General Obligation Bond Act,
16 less (i) the pro rata share of bond sale expenses determined by
17 the System's share of total bond proceeds, (ii) any amounts
18 received from the Common School Fund in fiscal year 2011, and
19 (iii) any reduction in bond proceeds due to the issuance of
20 discounted bonds, if applicable. This amount shall include, in
21 addition to the amount certified by the System, an amount
22 necessary to meet employer contributions required by the State
23 as an employer under paragraph (e) of this Section, which may
24 also be used by the System for contributions required by
25 paragraph (a) of Section 16-127.

26 Beginning in State fiscal year 2046, the minimum State

1 contribution for each fiscal year shall be the amount needed
2 to maintain the total assets of the System at 90% of the total
3 actuarial liabilities of the System.

4 Amounts received by the System pursuant to Section 25 of
5 the Budget Stabilization Act or Section 8.12 of the State
6 Finance Act in any fiscal year do not reduce and do not
7 constitute payment of any portion of the minimum State
8 contribution required under this Article in that fiscal year.
9 Such amounts shall not reduce, and shall not be included in the
10 calculation of, the required State contributions under this
11 Article in any future year until the System has reached a
12 funding ratio of at least 90%. A reference in this Article to
13 the "required State contribution" or any substantially similar
14 term does not include or apply to any amounts payable to the
15 System under Section 25 of the Budget Stabilization Act.

16 Notwithstanding any other provision of this Section, the
17 required State contribution for State fiscal year 2005 and for
18 fiscal year 2008 and each fiscal year thereafter, as
19 calculated under this Section and certified under subsection
20 (a-1), shall not exceed an amount equal to (i) the amount of
21 the required State contribution that would have been
22 calculated under this Section for that fiscal year if the
23 System had not received any payments under subsection (d) of
24 Section 7.2 of the General Obligation Bond Act, minus (ii) the
25 portion of the State's total debt service payments for that
26 fiscal year on the bonds issued in fiscal year 2003 for the

1 purposes of that Section 7.2, as determined and certified by
2 the Comptroller, that is the same as the System's portion of
3 the total moneys distributed under subsection (d) of Section
4 7.2 of the General Obligation Bond Act. In determining this
5 maximum for State fiscal years 2008 through 2010, however, the
6 amount referred to in item (i) shall be increased, as a
7 percentage of the applicable employee payroll, in equal
8 increments calculated from the sum of the required State
9 contribution for State fiscal year 2007 plus the applicable
10 portion of the State's total debt service payments for fiscal
11 year 2007 on the bonds issued in fiscal year 2003 for the
12 purposes of Section 7.2 of the General Obligation Bond Act, so
13 that, by State fiscal year 2011, the State is contributing at
14 the rate otherwise required under this Section.

15 (b-4) Beginning in fiscal year 2018, each employer under
16 this Article shall pay to the System a required contribution
17 determined as a percentage of projected payroll and sufficient
18 to produce an annual amount equal to:

19 (i) for each of fiscal years 2018, 2019, and 2020, the
20 defined benefit normal cost of the defined benefit plan,
21 less the employee contribution, for each employee of that
22 employer who has elected or who is deemed to have elected
23 the benefits under Section 1-161 or who has made the
24 election under subsection (b) of Section 1-161; for fiscal
25 year 2021 and each fiscal year thereafter, the defined
26 benefit normal cost of the defined benefit plan, less the

1 employee contribution, plus 2%, for each employee of that
2 employer who has elected or who is deemed to have elected
3 the benefits under Section 1-161 or who has made the
4 election under subsection (b) of Section 1-161; plus

5 (ii) the amount required for that fiscal year to
6 amortize any unfunded actuarial accrued liability
7 associated with the present value of liabilities
8 attributable to the employer's account under Section
9 16-158.3, determined as a level percentage of payroll over
10 a 30-year rolling amortization period.

11 In determining contributions required under item (i) of
12 this subsection, the System shall determine an aggregate rate
13 for all employers, expressed as a percentage of projected
14 payroll.

15 In determining the contributions required under item (ii)
16 of this subsection, the amount shall be computed by the System
17 on the basis of the actuarial assumptions and tables used in
18 the most recent actuarial valuation of the System that is
19 available at the time of the computation.

20 The contributions required under this subsection (b-4)
21 shall be paid by an employer concurrently with that employer's
22 payroll payment period. The State, as the actual employer of
23 an employee, shall make the required contributions under this
24 subsection.

25 (c) Payment of the required State contributions and of all
26 pensions, retirement annuities, death benefits, refunds, and

1 other benefits granted under or assumed by this System, and
2 all expenses in connection with the administration and
3 operation thereof, are obligations of the State.

4 If members are paid from special trust or federal funds
5 which are administered by the employing unit, whether school
6 district or other unit, the employing unit shall pay to the
7 System from such funds the full accruing retirement costs
8 based upon that service, which, beginning July 1, 2017, shall
9 be at a rate, expressed as a percentage of salary, equal to the
10 total employer's normal cost, expressed as a percentage of
11 payroll, as determined by the System. Employer contributions,
12 based on salary paid to members from federal funds, may be
13 forwarded by the distributing agency of the State of Illinois
14 to the System prior to allocation, in an amount determined in
15 accordance with guidelines established by such agency and the
16 System. Any contribution for fiscal year 2015 collected as a
17 result of the change made by Public Act 98-674 shall be
18 considered a State contribution under subsection (b-3) of this
19 Section.

20 (d) Effective July 1, 1986, any employer of a teacher as
21 defined in paragraph (8) of Section 16-106 shall pay the
22 employer's normal cost of benefits based upon the teacher's
23 service, in addition to employee contributions, as determined
24 by the System. Such employer contributions shall be forwarded
25 monthly in accordance with guidelines established by the
26 System.

1 However, with respect to benefits granted under Section
2 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
3 of Section 16-106, the employer's contribution shall be 12%
4 (rather than 20%) of the member's highest annual salary rate
5 for each year of creditable service granted, and the employer
6 shall also pay the required employee contribution on behalf of
7 the teacher. For the purposes of Sections 16-133.4 and
8 16-133.5, a teacher as defined in paragraph (8) of Section
9 16-106 who is serving in that capacity while on leave of
10 absence from another employer under this Article shall not be
11 considered an employee of the employer from which the teacher
12 is on leave.

13 (e) Beginning July 1, 1998, every employer of a teacher
14 shall pay to the System an employer contribution computed as
15 follows:

16 (1) Beginning July 1, 1998 through June 30, 1999, the
17 employer contribution shall be equal to 0.3% of each
18 teacher's salary.

19 (2) Beginning July 1, 1999 and thereafter, the
20 employer contribution shall be equal to 0.58% of each
21 teacher's salary.

22 The school district or other employing unit may pay these
23 employer contributions out of any source of funding available
24 for that purpose and shall forward the contributions to the
25 System on the schedule established for the payment of member
26 contributions.

1 These employer contributions are intended to offset a
2 portion of the cost to the System of the increases in
3 retirement benefits resulting from Public Act 90-582.

4 Each employer of teachers is entitled to a credit against
5 the contributions required under this subsection (e) with
6 respect to salaries paid to teachers for the period January 1,
7 2002 through June 30, 2003, equal to the amount paid by that
8 employer under subsection (a-5) of Section 6.6 of the State
9 Employees Group Insurance Act of 1971 with respect to salaries
10 paid to teachers for that period.

11 The additional 1% employee contribution required under
12 Section 16-152 by Public Act 90-582 is the responsibility of
13 the teacher and not the teacher's employer, unless the
14 employer agrees, through collective bargaining or otherwise,
15 to make the contribution on behalf of the teacher.

16 If an employer is required by a contract in effect on May
17 1, 1998 between the employer and an employee organization to
18 pay, on behalf of all its full-time employees covered by this
19 Article, all mandatory employee contributions required under
20 this Article, then the employer shall be excused from paying
21 the employer contribution required under this subsection (e)
22 for the balance of the term of that contract. The employer and
23 the employee organization shall jointly certify to the System
24 the existence of the contractual requirement, in such form as
25 the System may prescribe. This exclusion shall cease upon the
26 termination, extension, or renewal of the contract at any time

1 after May 1, 1998.

2 (f) If the amount of a teacher's salary for any school year
3 used to determine final average salary exceeds the member's
4 annual full-time salary rate with the same employer for the
5 previous school year by more than 6%, the teacher's employer
6 shall pay to the System, in addition to all other payments
7 required under this Section and in accordance with guidelines
8 established by the System, the present value of the increase
9 in benefits resulting from the portion of the increase in
10 salary that is in excess of 6%. This present value shall be
11 computed by the System on the basis of the actuarial
12 assumptions and tables used in the most recent actuarial
13 valuation of the System that is available at the time of the
14 computation. If a teacher's salary for the 2005-2006 school
15 year is used to determine final average salary under this
16 subsection (f), then the changes made to this subsection (f)
17 by Public Act 94-1057 shall apply in calculating whether the
18 increase in his or her salary is in excess of 6%. For the
19 purposes of this Section, change in employment under Section
20 10-21.12 of the School Code on or after June 1, 2005 shall
21 constitute a change in employer. The System may require the
22 employer to provide any pertinent information or
23 documentation. The changes made to this subsection (f) by
24 Public Act 94-1111 apply without regard to whether the teacher
25 was in service on or after its effective date.

26 Whenever it determines that a payment is or may be

1 required under this subsection, the System shall calculate the
2 amount of the payment and bill the employer for that amount.
3 The bill shall specify the calculations used to determine the
4 amount due. If the employer disputes the amount of the bill, it
5 may, within 30 days after receipt of the bill, apply to the
6 System in writing for a recalculation. The application must
7 specify in detail the grounds of the dispute and, if the
8 employer asserts that the calculation is subject to subsection
9 (g), (g-5), (g-10), (g-15), or (h) of this Section, must
10 include an affidavit setting forth and attesting to all facts
11 within the employer's knowledge that are pertinent to the
12 applicability of that subsection. Upon receiving a timely
13 application for recalculation, the System shall review the
14 application and, if appropriate, recalculate the amount due.

15 The employer contributions required under this subsection
16 (f) may be paid in the form of a lump sum within 90 days after
17 receipt of the bill. If the employer contributions are not
18 paid within 90 days after receipt of the bill, then interest
19 will be charged at a rate equal to the System's annual
20 actuarially assumed rate of return on investment compounded
21 annually from the 91st day after receipt of the bill. Payments
22 must be concluded within 3 years after the employer's receipt
23 of the bill.

24 (f-1) (Blank).

25 (g) This subsection (g) applies only to payments made or
26 salary increases given on or after June 1, 2005 but before July

1 1, 2011. The changes made by Public Act 94-1057 shall not
2 require the System to refund any payments received before July
3 31, 2006 (the effective date of Public Act 94-1057).

4 When assessing payment for any amount due under subsection
5 (f), the System shall exclude salary increases paid to
6 teachers under contracts or collective bargaining agreements
7 entered into, amended, or renewed before June 1, 2005.

8 When assessing payment for any amount due under subsection
9 (f), the System shall exclude salary increases paid to a
10 teacher at a time when the teacher is 10 or more years from
11 retirement eligibility under Section 16-132 or 16-133.2.

12 When assessing payment for any amount due under subsection
13 (f), the System shall exclude salary increases resulting from
14 overload work, including summer school, when the school
15 district has certified to the System, and the System has
16 approved the certification, that (i) the overload work is for
17 the sole purpose of classroom instruction in excess of the
18 standard number of classes for a full-time teacher in a school
19 district during a school year and (ii) the salary increases
20 are equal to or less than the rate of pay for classroom
21 instruction computed on the teacher's current salary and work
22 schedule.

23 When assessing payment for any amount due under subsection
24 (f), the System shall exclude a salary increase resulting from
25 a promotion (i) for which the employee is required to hold a
26 certificate or supervisory endorsement issued by the State

1 Teacher Certification Board that is a different certification
2 or supervisory endorsement than is required for the teacher's
3 previous position and (ii) to a position that has existed and
4 been filled by a member for no less than one complete academic
5 year and the salary increase from the promotion is an increase
6 that results in an amount no greater than the lesser of the
7 average salary paid for other similar positions in the
8 district requiring the same certification or the amount
9 stipulated in the collective bargaining agreement for a
10 similar position requiring the same certification.

11 When assessing payment for any amount due under subsection
12 (f), the System shall exclude any payment to the teacher from
13 the State of Illinois or the State Board of Education over
14 which the employer does not have discretion, notwithstanding
15 that the payment is included in the computation of final
16 average salary.

17 (g-5) When assessing payment for any amount due under
18 subsection (f), the System shall exclude salary increases
19 resulting from overload or stipend work performed in a school
20 year subsequent to a school year in which the employer was
21 unable to offer or allow to be conducted overload or stipend
22 work due to an emergency declaration limiting such activities.

23 (g-10) When assessing payment for any amount due under
24 subsection (f), the System shall exclude salary increases
25 resulting from increased instructional time that exceeded the
26 instructional time required during the 2019-2020 school year.

1 (g-15) When assessing payment for any amount due under
2 subsection (f), the System shall exclude salary increases
3 resulting from teaching summer school on or after May 1, 2021
4 and before September 15, 2022.

5 (h) When assessing payment for any amount due under
6 subsection (f), the System shall exclude any salary increase
7 described in subsection (g) of this Section given on or after
8 July 1, 2011 but before July 1, 2014 under a contract or
9 collective bargaining agreement entered into, amended, or
10 renewed on or after June 1, 2005 but before July 1, 2011.
11 Notwithstanding any other provision of this Section, any
12 payments made or salary increases given after June 30, 2014
13 shall be used in assessing payment for any amount due under
14 subsection (f) of this Section.

15 (i) The System shall prepare a report and file copies of
16 the report with the Governor and the General Assembly by
17 January 1, 2007 that contains all of the following
18 information:

19 (1) The number of recalculations required by the
20 changes made to this Section by Public Act 94-1057 for
21 each employer.

22 (2) The dollar amount by which each employer's
23 contribution to the System was changed due to
24 recalculations required by Public Act 94-1057.

25 (3) The total amount the System received from each
26 employer as a result of the changes made to this Section by

1 Public Act 94-4.

2 (4) The increase in the required State contribution
3 resulting from the changes made to this Section by Public
4 Act 94-1057.

5 (i-5) For school years beginning on or after July 1, 2017,
6 if the amount of a participant's salary for any school year
7 exceeds the amount of the salary set for the Governor, the
8 participant's employer shall pay to the System, in addition to
9 all other payments required under this Section and in
10 accordance with guidelines established by the System, an
11 amount determined by the System to be equal to the employer
12 normal cost, as established by the System and expressed as a
13 total percentage of payroll, multiplied by the amount of
14 salary in excess of the amount of the salary set for the
15 Governor. This amount shall be computed by the System on the
16 basis of the actuarial assumptions and tables used in the most
17 recent actuarial valuation of the System that is available at
18 the time of the computation. The System may require the
19 employer to provide any pertinent information or
20 documentation.

21 Whenever it determines that a payment is or may be
22 required under this subsection, the System shall calculate the
23 amount of the payment and bill the employer for that amount.
24 The bill shall specify the calculations used to determine the
25 amount due. If the employer disputes the amount of the bill, it
26 may, within 30 days after receipt of the bill, apply to the

1 System in writing for a recalculation. The application must
2 specify in detail the grounds of the dispute. Upon receiving a
3 timely application for recalculation, the System shall review
4 the application and, if appropriate, recalculate the amount
5 due.

6 The employer contributions required under this subsection
7 may be paid in the form of a lump sum within 90 days after
8 receipt of the bill. If the employer contributions are not
9 paid within 90 days after receipt of the bill, then interest
10 will be charged at a rate equal to the System's annual
11 actuarially assumed rate of return on investment compounded
12 annually from the 91st day after receipt of the bill. Payments
13 must be concluded within 3 years after the employer's receipt
14 of the bill.

15 (j) For purposes of determining the required State
16 contribution to the System, the value of the System's assets
17 shall be equal to the actuarial value of the System's assets,
18 which shall be calculated as follows:

19 As of June 30, 2008, the actuarial value of the System's
20 assets shall be equal to the market value of the assets as of
21 that date. In determining the actuarial value of the System's
22 assets for fiscal years after June 30, 2008, any actuarial
23 gains or losses from investment return incurred in a fiscal
24 year shall be recognized in equal annual amounts over the
25 5-year period following that fiscal year.

26 (k) For purposes of determining the required State

1 contribution to the system for a particular year, the
2 actuarial value of assets shall be assumed to earn a rate of
3 return equal to the system's actuarially assumed rate of
4 return.

5 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
6 102-16, eff. 6-17-21; 102-525, eff. 8-20-21; 102-558, eff.
7 8-20-21; 102-813, eff. 5-13-22.)

8 (40 ILCS 5/18-131) (from Ch. 108 1/2, par. 18-131)

9 Sec. 18-131. Financing; employer contributions.

10 (a) The State of Illinois shall make contributions to this
11 System by appropriations of the amounts which, together with
12 the contributions of participants, net earnings on
13 investments, and other income, will meet the costs of
14 maintaining and administering this System on a 90% funded
15 basis in accordance with actuarial recommendations.

16 (b) The Board shall determine the amount of State
17 contributions required for each fiscal year on the basis of
18 the actuarial tables and other assumptions adopted by the
19 Board and the prescribed rate of interest, using the formula
20 in subsection (c) and the formula in this subsection (b).

21 Beginning in State fiscal year 2025 and each fiscal year
22 thereafter, there shall be an additional required State
23 contribution to the System of an amount equal to the
24 difference (but not less than zero) between: (1) the required
25 contribution using the formula in subsection (c); and (2) the

1 actuarially determined contribution for the fiscal year. The
2 actuarially determined contribution shall be determined by the
3 State Actuary on the basis of the actuarial tables,
4 amortization period, and other assumptions adopted by the
5 Board and in accordance with the Governmental Accounting
6 Standards Board Statement Number 67 and Statement Number 68.

7 (c) For State fiscal years 2012 through 2045, the minimum
8 contribution to the System to be made by the State for each
9 fiscal year shall be an amount determined by the System to be
10 sufficient to bring the total assets of the System up to 90% of
11 the total actuarial liabilities of the System by the end of
12 State fiscal year 2045. In making these determinations, the
13 required State contribution shall be calculated each year as a
14 level percentage of payroll over the years remaining to and
15 including fiscal year 2045 and shall be determined under the
16 projected unit credit actuarial cost method.

17 A change in an actuarial or investment assumption that
18 increases or decreases the required State contribution and
19 first applies in State fiscal year 2018 or thereafter shall be
20 implemented in equal annual amounts over a 5-year period
21 beginning in the State fiscal year in which the actuarial
22 change first applies to the required State contribution.

23 A change in an actuarial or investment assumption that
24 increases or decreases the required State contribution and
25 first applied to the State contribution in fiscal year 2014,
26 2015, 2016, or 2017 shall be implemented:

1 (i) as already applied in State fiscal years before
2 2018; and

3 (ii) in the portion of the 5-year period beginning in
4 the State fiscal year in which the actuarial change first
5 applied that occurs in State fiscal year 2018 or
6 thereafter, by calculating the change in equal annual
7 amounts over that 5-year period and then implementing it
8 at the resulting annual rate in each of the remaining
9 fiscal years in that 5-year period.

10 For State fiscal years 1996 through 2005, the State
11 contribution to the System, as a percentage of the applicable
12 employee payroll, shall be increased in equal annual
13 increments so that by State fiscal year 2011, the State is
14 contributing at the rate required under this Section.

15 Notwithstanding any other provision of this Article, the
16 total required State contribution for State fiscal year 2006
17 is \$29,189,400.

18 Notwithstanding any other provision of this Article, the
19 total required State contribution for State fiscal year 2007
20 is \$35,236,800.

21 For each of State fiscal years 2008 through 2009, the
22 State contribution to the System, as a percentage of the
23 applicable employee payroll, shall be increased in equal
24 annual increments from the required State contribution for
25 State fiscal year 2007, so that by State fiscal year 2011, the
26 State is contributing at the rate otherwise required under

1 this Section.

2 Notwithstanding any other provision of this Article, the
3 total required State contribution for State fiscal year 2010
4 is \$78,832,000 and shall be made from the proceeds of bonds
5 sold in fiscal year 2010 pursuant to Section 7.2 of the General
6 Obligation Bond Act, less (i) the pro rata share of bond sale
7 expenses determined by the System's share of total bond
8 proceeds, (ii) any amounts received from the General Revenue
9 Fund in fiscal year 2010, and (iii) any reduction in bond
10 proceeds due to the issuance of discounted bonds, if
11 applicable.

12 Notwithstanding any other provision of this Article, the
13 total required State contribution for State fiscal year 2011
14 is the amount recertified by the System on or before April 1,
15 2011 pursuant to Section 18-140 and shall be made from the
16 proceeds of bonds sold in fiscal year 2011 pursuant to Section
17 7.2 of the General Obligation Bond Act, less (i) the pro rata
18 share of bond sale expenses determined by the System's share
19 of total bond proceeds, (ii) any amounts received from the
20 General Revenue Fund in fiscal year 2011, and (iii) any
21 reduction in bond proceeds due to the issuance of discounted
22 bonds, if applicable.

23 Beginning in State fiscal year 2046, the minimum State
24 contribution for each fiscal year shall be the amount needed
25 to maintain the total assets of the System at 90% of the total
26 actuarial liabilities of the System.

1 Amounts received by the System pursuant to Section 25 of
2 the Budget Stabilization Act or Section 8.12 of the State
3 Finance Act in any fiscal year do not reduce and do not
4 constitute payment of any portion of the minimum State
5 contribution required under this Article in that fiscal year.
6 Such amounts shall not reduce, and shall not be included in the
7 calculation of, the required State contributions under this
8 Article in any future year until the System has reached a
9 funding ratio of at least 90%. A reference in this Article to
10 the "required State contribution" or any substantially similar
11 term does not include or apply to any amounts payable to the
12 System under Section 25 of the Budget Stabilization Act.

13 Notwithstanding any other provision of this Section, the
14 required State contribution for State fiscal year 2005 and for
15 fiscal year 2008 and each fiscal year thereafter, as
16 calculated under this Section and certified under Section
17 18-140, shall not exceed an amount equal to (i) the amount of
18 the required State contribution that would have been
19 calculated under this Section for that fiscal year if the
20 System had not received any payments under subsection (d) of
21 Section 7.2 of the General Obligation Bond Act, minus (ii) the
22 portion of the State's total debt service payments for that
23 fiscal year on the bonds issued in fiscal year 2003 for the
24 purposes of that Section 7.2, as determined and certified by
25 the Comptroller, that is the same as the System's portion of
26 the total moneys distributed under subsection (d) of Section

1 7.2 of the General Obligation Bond Act. In determining this
2 maximum for State fiscal years 2008 through 2010, however, the
3 amount referred to in item (i) shall be increased, as a
4 percentage of the applicable employee payroll, in equal
5 increments calculated from the sum of the required State
6 contribution for State fiscal year 2007 plus the applicable
7 portion of the State's total debt service payments for fiscal
8 year 2007 on the bonds issued in fiscal year 2003 for the
9 purposes of Section 7.2 of the General Obligation Bond Act, so
10 that, by State fiscal year 2011, the State is contributing at
11 the rate otherwise required under this Section.

12 (d) For purposes of determining the required State
13 contribution to the System, the value of the System's assets
14 shall be equal to the actuarial value of the System's assets,
15 which shall be calculated as follows:

16 As of June 30, 2008, the actuarial value of the System's
17 assets shall be equal to the market value of the assets as of
18 that date. In determining the actuarial value of the System's
19 assets for fiscal years after June 30, 2008, any actuarial
20 gains or losses from investment return incurred in a fiscal
21 year shall be recognized in equal annual amounts over the
22 5-year period following that fiscal year.

23 (e) For purposes of determining the required State
24 contribution to the system for a particular year, the
25 actuarial value of assets shall be assumed to earn a rate of
26 return equal to the system's actuarially assumed rate of

1 return.

2 (Source: P.A. 100-23, eff. 7-6-17.)

3 Article 9.

4 Section 9-5. The Illinois Pension Code is amended by
5 changing Sections 1-160 and 15-135 as follows:

6 (40 ILCS 5/1-160)

7 (Text of Section from P.A. 102-719)

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

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

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

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

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

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

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

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

21 (1) (Blank).

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

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

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

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

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

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

11 (A) the amount otherwise calculated under the first
12 paragraph of this subsection; or

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

22 (b-5) Beginning on January 1, 2011, for all purposes under
23 this Code (including without limitation the calculation of
24 benefits and employee contributions), the annual earnings,
25 salary, or wages (based on the plan year) of a member or
26 participant to whom this Section applies shall not exceed

1 \$106,800; however, that amount shall annually thereafter be
2 increased by the lesser of (i) 3% of that amount, including all
3 previous adjustments, or (ii) one-half the annual unadjusted
4 percentage increase (but not less than zero) in the consumer
5 price index-u for the 12 months ending with the September
6 preceding each November 1, including all previous adjustments.

7 For the purposes of this Section, "consumer price index-u"
8 means the index published by the Bureau of Labor Statistics of
9 the United States Department of Labor that measures the
10 average change in prices of goods and services purchased by
11 all urban consumers, United States city average, all items,
12 1982-84 = 100. The new amount resulting from each annual
13 adjustment shall be determined by the Public Pension Division
14 of the Department of Insurance and made available to the
15 boards of the retirement systems and pension funds by November
16 1 of each year.

17 (c) A member or participant is entitled to a retirement
18 annuity upon written application if he or she has attained age
19 67 (age 65, with respect to service under Article 12 that is
20 subject to this Section, for a member or participant under
21 Article 12 who first becomes a member or participant under
22 Article 12 on or after January 1, 2022 or who makes the
23 election under item (i) of subsection (d-15) of this Section)
24 and has at least 10 years of service credit and is otherwise
25 eligible under the requirements of the applicable Article.

26 A member or participant who has attained age 62 (age 60,

1 with respect to service under Article 12 that is subject to
2 this Section, for a member or participant under Article 12 who
3 first becomes a member or participant under Article 12 on or
4 after January 1, 2022 or who makes the election under item (i)
5 of subsection (d-15) of this Section) and has at least 10 years
6 of service credit and is otherwise eligible under the
7 requirements of the applicable Article may elect to receive
8 the lower retirement annuity provided in subsection (d) of
9 this Section.

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

19 (c-10) Notwithstanding subsection (c), a member or
20 participant under Article 14 or 16 subject to this Section is
21 entitled to a retirement annuity upon written application if
22 he or she:

23 (1) has attained age 62, has at least 35 years of
24 service credit, and is otherwise eligible under the
25 requirements of the applicable Article;

26 (2) has attained age 64, has at least 20 years of

1 service credit, and is otherwise eligible under the
2 requirements of the applicable Article; or

3 (3) has attained age 67, has at least 10 years of
4 service credit, and is otherwise eligible under the
5 requirements of the applicable Article.

6 For the purposes of Section 1-103.1 of this Code, the
7 changes made to this Section by this amendatory Act of the
8 103rd General Assembly are applicable without regard to
9 whether the employee was in active service on or after the
10 effective date of this amendatory Act of the 103rd General
11 Assembly.

12 (d) The retirement annuity of a member or participant who
13 is retiring after attaining age 62 (age 60, with respect to
14 service under Article 12 that is subject to this Section, for a
15 member or participant under Article 12 who first becomes a
16 member or participant under Article 12 on or after January 1,
17 2022 or who makes the election under item (i) of subsection
18 (d-15) of this Section) with at least 10 years of service
19 credit shall be reduced by one-half of 1% for each full month
20 that the member's age is under age 67 (age 65, with respect to
21 service under Article 12 that is subject to this Section, for a
22 member or participant under Article 12 who first becomes a
23 member or participant under Article 12 on or after January 1,
24 2022 or who makes the election under item (i) of subsection
25 (d-15) of this Section).

26 (d-5) The retirement annuity payable under Article 8 or

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

5 (d-10) Each person who first became a member or
6 participant under Article 8 or Article 11 of this Code on or
7 after January 1, 2011 and prior to July 6, 2017 (the effective
8 date of Public Act 100-23) shall make an irrevocable election
9 either:

10 (i) to be eligible for the reduced retirement age
11 provided in subsections (c-5) and (d-5) of this Section,
12 the eligibility for which is conditioned upon the member
13 or participant agreeing to the increases in employee
14 contributions for age and service annuities provided in
15 subsection (a-5) of Section 8-174 of this Code (for
16 service under Article 8) or subsection (a-5) of Section
17 11-170 of this Code (for service under Article 11); or

18 (ii) to not agree to item (i) of this subsection
19 (d-10), in which case the member or participant shall
20 continue to be subject to the retirement age provisions in
21 subsections (c) and (d) of this Section and the employee
22 contributions for age and service annuity as provided in
23 subsection (a) of Section 8-174 of this Code (for service
24 under Article 8) or subsection (a) of Section 11-170 of
25 this Code (for service under Article 11).

26 The election provided for in this subsection shall be made

1 between October 1, 2017 and November 15, 2017. A person
2 subject to this subsection who makes the required election
3 shall remain bound by that election. A person subject to this
4 subsection who fails for any reason to make the required
5 election within the time specified in this subsection shall be
6 deemed to have made the election under item (ii).

7 (d-15) Each person who first becomes a member or
8 participant under Article 12 on or after January 1, 2011 and
9 prior to January 1, 2022 shall make an irrevocable election
10 either:

11 (i) to be eligible for the reduced retirement age
12 specified in subsections (c) and (d) of this Section, the
13 eligibility for which is conditioned upon the member or
14 participant agreeing to the increase in employee
15 contributions for service annuities specified in
16 subsection (b) of Section 12-150; or

17 (ii) to not agree to item (i) of this subsection
18 (d-15), in which case the member or participant shall not
19 be eligible for the reduced retirement age specified in
20 subsections (c) and (d) of this Section and shall not be
21 subject to the increase in employee contributions for
22 service annuities specified in subsection (b) of Section
23 12-150.

24 The election provided for in this subsection shall be made
25 between January 1, 2022 and April 1, 2022. A person subject to
26 this subsection who makes the required election shall remain

1 bound by that election. A person subject to this subsection
2 who fails for any reason to make the required election within
3 the time specified in this subsection shall be deemed to have
4 made the election under item (ii).

5 (e) Any retirement annuity or supplemental annuity shall
6 be subject to annual increases on the January 1 occurring
7 either on or after the attainment of age 67 (age 65, with
8 respect to service under Article 12 that is subject to this
9 Section, for a member or participant under Article 12 who
10 first becomes a member or participant under Article 12 on or
11 after January 1, 2022 or who makes the election under item (i)
12 of subsection (d-15); and beginning on July 6, 2017 (the
13 effective date of Public Act 100-23), age 65 with respect to
14 service under Article 8 or Article 11 for eligible persons
15 who: (i) are subject to subsection (c-5) of this Section; or
16 (ii) made the election under item (i) of subsection (d-10) of
17 this Section) or the first anniversary of the annuity start
18 date, whichever is later. Each annual increase shall be
19 calculated at 3% or one-half the annual unadjusted percentage
20 increase (but not less than zero) in the consumer price
21 index-u for the 12 months ending with the September preceding
22 each November 1, whichever is less, of the originally granted
23 retirement annuity. If the annual unadjusted percentage change
24 in the consumer price index-u for the 12 months ending with the
25 September preceding each November 1 is zero or there is a
26 decrease, then the annuity shall not be increased.

1 For the purposes of Section 1-103.1 of this Code, the
2 changes made to this Section by Public Act 102-263 are
3 applicable without regard to whether the employee was in
4 active service on or after August 6, 2021 (the effective date
5 of Public Act 102-263).

6 For the purposes of Section 1-103.1 of this Code, the
7 changes made to this Section by Public Act 100-23 are
8 applicable without regard to whether the employee was in
9 active service on or after July 6, 2017 (the effective date of
10 Public Act 100-23).

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

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

12 (g) The benefits in Section 14-110 apply if the person is a
13 fire fighter in the fire protection service of a department, a
14 security employee of the Department of Corrections or the
15 Department of Juvenile Justice, or a security employee of the
16 Department of Innovation and Technology, as those terms are
17 defined in subsection (b) and subsection (c) of Section
18 14-110. A person who meets the requirements of this Section is
19 entitled to an annuity calculated under the provisions of
20 Section 14-110, in lieu of the regular or minimum retirement
21 annuity, only if the person has withdrawn from service with
22 not less than 20 years of eligible creditable service and has
23 attained age 60, regardless of whether the attainment of age
24 60 occurs while the person is still in service.

25 (g-5) The benefits in Section 14-110 apply if the person
26 is a State policeman, investigator for the Secretary of State,

1 conservation police officer, investigator for the Department
2 of Revenue or the Illinois Gaming Board, investigator for the
3 Office of the Attorney General, Commerce Commission police
4 officer, or arson investigator, as those terms are defined in
5 subsection (b) and subsection (c) of Section 14-110. A person
6 who meets the requirements of this Section is entitled to an
7 annuity calculated under the provisions of Section 14-110, in
8 lieu of the regular or minimum retirement annuity, only if the
9 person has withdrawn from service with not less than 20 years
10 of eligible creditable service and has attained age 55,
11 regardless of whether the attainment of age 55 occurs while
12 the person is still in service.

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

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

20 (i) (Blank).

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

24 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
25 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.
26 5-6-22.)

1 (Text of Section from P.A. 102-813)

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

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

1 Section 1-103.1 of this Code.

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

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

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

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

26 (b) "Final average salary" means, except as otherwise

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

13 (1) (Blank).

14 (2) In Articles 8, 9, 10, 11, and 12, "highest average
15 annual salary for any 4 consecutive years within the last
16 10 years of service immediately preceding the date of
17 withdrawal".

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

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

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

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

23 A member of the Teachers' Retirement System of the State
24 of Illinois who retires on or after June 1, 2021 and for whom
25 the 2020-2021 school year is used in the calculation of the
26 member's final average salary shall use the higher of the

1 following for the purpose of determining the member's final
2 average salary:

3 (A) the amount otherwise calculated under the first
4 paragraph of this subsection; or

5 (B) an amount calculated by the Teachers' Retirement
6 System of the State of Illinois using the average of the
7 monthly (or annual) salary obtained by dividing the total
8 salary or earnings calculated under Article 16 applicable
9 to the member or participant during the 96 months (or 8
10 years) of service within the last 120 months (or 10 years)
11 of service in which the total salary or earnings
12 calculated under the Article was the highest by the number
13 of months (or years) of service in that period.

14 (b-5) Beginning on January 1, 2011, for all purposes under
15 this Code (including without limitation the calculation of
16 benefits and employee contributions), the annual earnings,
17 salary, or wages (based on the plan year) of a member or
18 participant to whom this Section applies shall not exceed
19 \$106,800; however, that amount shall annually thereafter be
20 increased by the lesser of (i) 3% of that amount, including all
21 previous adjustments, or (ii) one-half the annual unadjusted
22 percentage increase (but not less than zero) in the consumer
23 price index-u for the 12 months ending with the September
24 preceding 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 or
12 participant under Article 14 or 16 subject to this Section is
13 entitled to a retirement annuity upon written application if,
14 on or after January 1, 2025, he or she:

15 (1) has attained age 62, has at least 35 years of
16 service credit, and is otherwise eligible under the
17 requirements of the applicable Article;

18 (2) has attained age 64, has at least 20 years of
19 service credit, and is otherwise eligible under the
20 requirements of the applicable Article; or

21 (3) has attained age 67, has at least 10 years of
22 service credit, and is otherwise eligible under the
23 requirements of the applicable Article.

24 For the purposes of Section 1-103.1 of this Code, the
25 changes made to this Section by this amendatory Act of the
26 103rd General Assembly are applicable without regard to

1 whether the employee was in active service on or after the
2 effective date of this amendatory Act of the 103rd General
3 Assembly.

4 (d) The retirement annuity of a member or participant who
5 is retiring after attaining age 62 (age 60, with respect to
6 service under Article 12 that is subject to this Section, for a
7 member or participant under Article 12 who first becomes a
8 member or participant under Article 12 on or after January 1,
9 2022 or who makes the election under item (i) of subsection
10 (d-15) of this Section) with at least 10 years of service
11 credit shall be reduced by one-half of 1% for each full month
12 that the member's age is under age 67 (age 65, with respect to
13 service under Article 12 that is subject to this Section, for a
14 member or participant under Article 12 who first becomes a
15 member or participant under Article 12 on or after January 1,
16 2022 or who makes the election under item (i) of subsection
17 (d-15) of this Section).

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

23 (d-10) Each person who first became a member or
24 participant under Article 8 or Article 11 of this Code on or
25 after January 1, 2011 and prior to July 6, 2017 (the effective
26 date of Public Act 100-23) shall make an irrevocable election

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

19 For the purposes of Section 1-103.1 of this Code, the
20 changes made to this Section by Public Act 102-263 are
21 applicable without regard to whether the employee was in
22 active service on or after August 6, 2021 (the effective date
23 of Public Act 102-263).

24 For the purposes of Section 1-103.1 of this Code, the
25 changes made to this Section by Public Act 100-23 are
26 applicable without regard to whether the employee was in

1 active service on or after July 6, 2017 (the effective date of
2 Public Act 100-23).

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

1 index-u for the 12 months ending with the September preceding
2 each November 1 is zero or there is a decrease, then the
3 annuity shall not be increased.

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

22 (h) If a person who first becomes a member or a participant
23 of a retirement system or pension fund subject to this Section
24 on or after January 1, 2011 is receiving a retirement annuity
25 or retirement pension under that system or fund and becomes a
26 member or participant under any other system or fund created

1 by this Code and is employed on a full-time basis, except for
2 those members or participants exempted from the provisions of
3 this Section under subsection (a) of this Section, then the
4 person's retirement annuity or retirement pension under that
5 system or fund shall be suspended during that employment. Upon
6 termination of that employment, the person's retirement
7 annuity or retirement pension payments shall resume and be
8 recalculated if recalculation is provided for under the
9 applicable Article of this Code.

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

1 retirement pension payments shall resume and, if appropriate,
2 be recalculated under the applicable provisions of this Code.

3 (i) (Blank).

4 (j) In the case of a conflict between the provisions of
5 this Section and any other provision of this Code, the
6 provisions of this Section shall control.

7 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
8 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.
9 5-13-22.)

10 (Text of Section from P.A. 102-956)

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
25 to the contrary in this Section, for purposes of this Section,

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

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

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

25 This Section does not apply to a person who elects under
26 subsection (c-5) of Section 1-161 to receive the benefits

1 under Section 1-161.

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

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

22 (1) (Blank).

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

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

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

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

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

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

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

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

23 (b-5) Beginning on January 1, 2011, for all purposes under
24 this Code (including without limitation the calculation of
25 benefits and employee contributions), the annual earnings,
26 salary, or wages (based on the plan year) of a member or

1 participant to whom this Section applies shall not exceed
2 \$106,800; however, that amount shall annually thereafter be
3 increased by the lesser of (i) 3% of that amount, including all
4 previous adjustments, or (ii) one-half the annual unadjusted
5 percentage increase (but not less than zero) in the consumer
6 price index-u for the 12 months ending with the September
7 preceding each November 1, including all previous adjustments.

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

18 (c) A member or participant is entitled to a retirement
19 annuity upon written application if he or she has attained age
20 67 (age 65, with respect to service under Article 12 that is
21 subject to this Section, for a member or participant under
22 Article 12 who first becomes a member or participant under
23 Article 12 on or after January 1, 2022 or who makes the
24 election under item (i) of subsection (d-15) of this Section)
25 and has at least 10 years of service credit and is otherwise
26 eligible under the requirements of the applicable Article.

1 A member or participant who has attained age 62 (age 60,
2 with respect to service under Article 12 that is subject to
3 this Section, for a member or participant under Article 12 who
4 first becomes a member or participant under Article 12 on or
5 after January 1, 2022 or who makes the election under item (i)
6 of subsection (d-15) of this Section) and has at least 10 years
7 of service credit and is otherwise eligible under the
8 requirements of the applicable Article may elect to receive
9 the lower retirement annuity provided in subsection (d) of
10 this Section.

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

20 (c-10) Notwithstanding subsection (c), a member or
21 participant under Article 14 or 16 subject to this Section is
22 entitled to a retirement annuity upon written application if,
23 on or after January 1, 2025, he or she:

24 (1) has attained age 62, has at least 35 years of
25 service credit, and is otherwise eligible under the
26 requirements of the applicable Article;

1 (2) has attained age 64, has at least 20 years of
2 service credit, and is otherwise eligible under the
3 requirements of the applicable Article; or

4 (3) has attained age 67, has at least 10 years of
5 service credit, and is otherwise eligible under the
6 requirements of the applicable Article.

7 For the purposes of Section 1-103.1 of this Code, the
8 changes made to this Section by this amendatory Act of the
9 103rd General Assembly are applicable without regard to
10 whether the employee was in active service on or after the
11 effective date of this amendatory Act of the 103rd General
12 Assembly.

13 (d) The retirement annuity of a member or participant who
14 is retiring after attaining age 62 (age 60, with respect to
15 service under Article 12 that is subject to this Section, for a
16 member or participant under Article 12 who first becomes a
17 member or participant under Article 12 on or after January 1,
18 2022 or who makes the election under item (i) of subsection
19 (d-15) of this Section) with at least 10 years of service
20 credit shall be reduced by one-half of 1% for each full month
21 that the member's age is under age 67 (age 65, with respect to
22 service under Article 12 that is subject to this Section, for a
23 member or participant under Article 12 who first becomes a
24 member or participant under Article 12 on or after January 1,
25 2022 or who makes the election under item (i) of subsection
26 (d-15) of this Section).

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

6 (d-10) Each person who first became a member or
7 participant under Article 8 or Article 11 of this Code on or
8 after January 1, 2011 and prior to July 6, 2017 (the effective
9 date of Public Act 100-23) shall make an irrevocable election
10 either:

11 (i) to be eligible for the reduced retirement age
12 provided in subsections (c-5) and (d-5) of this Section,
13 the eligibility for which is conditioned upon the member
14 or participant agreeing to the increases in employee
15 contributions for age and service annuities provided in
16 subsection (a-5) of Section 8-174 of this Code (for
17 service under Article 8) or subsection (a-5) of Section
18 11-170 of this Code (for service under Article 11); or

19 (ii) to not agree to item (i) of this subsection
20 (d-10), in which case the member or participant shall
21 continue to be subject to the retirement age provisions in
22 subsections (c) and (d) of this Section and the employee
23 contributions for age and service annuity as provided in
24 subsection (a) of Section 8-174 of this Code (for service
25 under Article 8) or subsection (a) of Section 11-170 of
26 this Code (for service under Article 11).

1 The election provided for in this subsection shall be made
2 between October 1, 2017 and November 15, 2017. A person
3 subject to this subsection who makes the required election
4 shall remain bound by that election. A person subject to this
5 subsection who fails for any reason to make the required
6 election within the time specified in this subsection shall be
7 deemed to have made the election under item (ii).

8 (d-15) Each person who first becomes a member or
9 participant under Article 12 on or after January 1, 2011 and
10 prior to January 1, 2022 shall make an irrevocable election
11 either:

12 (i) to be eligible for the reduced retirement age
13 specified in subsections (c) and (d) of this Section, the
14 eligibility for which is conditioned upon the member or
15 participant agreeing to the increase in employee
16 contributions for service annuities specified in
17 subsection (b) of Section 12-150; or

18 (ii) to not agree to item (i) of this subsection
19 (d-15), in which case the member or participant shall not
20 be eligible for the reduced retirement age specified in
21 subsections (c) and (d) of this Section and shall not be
22 subject to the increase in employee contributions for
23 service annuities specified in subsection (b) of Section
24 12-150.

25 The election provided for in this subsection shall be made
26 between January 1, 2022 and April 1, 2022. A person subject to

1 this subsection who makes the required election shall remain
2 bound by that election. A person subject to this subsection
3 who fails for any reason to make the required election within
4 the time specified in this subsection shall be deemed to have
5 made the election under item (ii).

6 (e) Any retirement annuity or supplemental annuity shall
7 be subject to annual increases on the January 1 occurring
8 either on or after the attainment of age 67 (age 65, with
9 respect to service under Article 12 that is subject to this
10 Section, for a member or participant under Article 12 who
11 first becomes a member or participant under Article 12 on or
12 after January 1, 2022 or who makes the election under item (i)
13 of subsection (d-15); and beginning on July 6, 2017 (the
14 effective date of Public Act 100-23), age 65 with respect to
15 service under Article 8 or Article 11 for eligible persons
16 who: (i) are subject to subsection (c-5) of this Section; or
17 (ii) made the election under item (i) of subsection (d-10) of
18 this Section) or the first anniversary of the annuity start
19 date, whichever is later. Each annual increase shall be
20 calculated at 3% or one-half the annual unadjusted percentage
21 increase (but not less than zero) in the consumer price
22 index-u for the 12 months ending with the September preceding
23 each November 1, whichever is less, of the originally granted
24 retirement annuity. If the annual unadjusted percentage change
25 in the consumer price index-u for the 12 months ending with the
26 September preceding each November 1 is zero or there is a

1 decrease, then the annuity shall not be increased.

2 For the purposes of Section 1-103.1 of this Code, the
3 changes made to this Section by Public Act 102-263 are
4 applicable without regard to whether the employee was in
5 active service on or after August 6, 2021 (the effective date
6 of Public Act 102-263).

7 For the purposes of Section 1-103.1 of this Code, the
8 changes made to this Section by Public Act 100-23 are
9 applicable without regard to whether the employee was in
10 active service on or after July 6, 2017 (the effective date of
11 Public Act 100-23).

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

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

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

1 the regular or minimum retirement annuity, only if the person
2 has withdrawn from service with not less than 20 years of
3 eligible creditable service and has attained age 60,
4 regardless of whether the attainment of age 60 occurs while
5 the person is still in service.

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

20 If a person who first becomes a member of a retirement
21 system or pension fund subject to this Section on or after
22 January 1, 2012 and is receiving a retirement annuity or
23 retirement pension under that system or fund and accepts on a
24 contractual basis a position to provide services to a
25 governmental entity from which he or she has retired, then
26 that person's annuity or retirement pension earned as an

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

13 (i) (Blank).

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

17 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
18 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-956, eff.
19 5-27-22.)

20 (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)

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

22 (a) This subsection (a) applies only to a Tier 1 member. A
23 participant who retires in one of the following specified
24 years with the specified amount of service is entitled to a
25 retirement annuity at any age under the retirement program

1 applicable to the participant:

2 35 years if retirement is in 1997 or before;

3 34 years if retirement is in 1998;

4 33 years if retirement is in 1999;

5 32 years if retirement is in 2000;

6 31 years if retirement is in 2001;

7 30 years if retirement is in 2002 or later.

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

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

14 A participant who has at least 25 years of service in this
15 system as a police officer or firefighter is entitled to a
16 retirement annuity on or after the attainment of age 50, if
17 Rule 4 of Section 15-136 is applicable to the participant.

18 (a-5) A Tier 2 member is entitled to a retirement annuity
19 upon written application if, on or after January 1, 2025, he or
20 she:

21 (1) has attained age 62, has at least 35 years of
22 service credit, and is otherwise eligible under the
23 requirements of this Article;

24 (2) has attained age 64, has at least 20 years of
25 service credit, and is otherwise eligible under the
26 requirements of this Article; or

1 (3) has attained age 67, has at least 10 years of
2 service credit, and is otherwise eligible under the
3 requirements of this Article.

4 A Tier 2 member is entitled to a retirement annuity upon
5 written application if, before January 1, 2025, he or she has
6 attained age 67 and has at least 10 years of service credit and
7 is otherwise eligible under the requirements of this Article.
8 A Tier 2 member who has attained age 62 and has at least 10
9 years of service credit and is otherwise eligible under the
10 requirements of this Article may elect to receive the lower
11 retirement annuity provided in subsection (b-5) of Section
12 15-136 of this Article.

13 For the purposes of Section 1-103.1 of this Code, the
14 changes made to this Section by this amendatory Act of the
15 103rd General Assembly are applicable without regard to
16 whether the employee was in active service on or after the
17 effective date of this amendatory Act of the 103rd General
18 Assembly.

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

26 (b) The annuity payment period shall begin on the date

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

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

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

20 Article 10.

21 Section 10-5. The Illinois Pension Code is amended by
22 changing Sections 1-160, 15-108.2, 15-155.2, and 16-158.3 as
23 follows:

1 (40 ILCS 5/1-160)

2 (Text of Section from P.A. 102-719)

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

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

1 Section 1-103.1 of this Code.

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

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

16 ~~This Section does not apply to a person who elects under~~
17 ~~subsection (c 5) of Section 1-161 to receive the benefits~~
18 ~~under Section 1-161.~~

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

26 (b) "Final average salary" means, except as otherwise

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

13 (1) (Blank).

14 (2) In Articles 8, 9, 10, 11, and 12, "highest average
15 annual salary for any 4 consecutive years within the last
16 10 years of service immediately preceding the date of
17 withdrawal".

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

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

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

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

23 A member of the Teachers' Retirement System of the State
24 of Illinois who retires on or after June 1, 2021 and for whom
25 the 2020-2021 school year is used in the calculation of the
26 member's final average salary shall use the higher of the

1 following for the purpose of determining the member's final
2 average salary:

3 (A) the amount otherwise calculated under the first
4 paragraph of this subsection; or

5 (B) an amount calculated by the Teachers' Retirement
6 System of the State of Illinois using the average of the
7 monthly (or annual) salary obtained by dividing the total
8 salary or earnings calculated under Article 16 applicable
9 to the member or participant during the 96 months (or 8
10 years) of service within the last 120 months (or 10 years)
11 of service in which the total salary or earnings
12 calculated under the Article was the highest by the number
13 of months (or years) of service in that period.

14 (b-5) Beginning on January 1, 2011, for all purposes under
15 this Code (including without limitation the calculation of
16 benefits and employee contributions), the annual earnings,
17 salary, or wages (based on the plan year) of a member or
18 participant to whom this Section applies shall not exceed
19 \$106,800; however, that amount shall annually thereafter be
20 increased by the lesser of (i) 3% of that amount, including all
21 previous adjustments, or (ii) one-half the annual unadjusted
22 percentage increase (but not less than zero) in the consumer
23 price index-u for the 12 months ending with the September
24 preceding 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 (d) The retirement annuity of a member or participant who
12 is retiring after attaining age 62 (age 60, with respect to
13 service under Article 12 that is subject to this Section, for a
14 member or participant under Article 12 who first becomes a
15 member or participant under Article 12 on or after January 1,
16 2022 or who makes the election under item (i) of subsection
17 (d-15) of this Section) with at least 10 years of service
18 credit shall be reduced by one-half of 1% for each full month
19 that the member's age is under age 67 (age 65, with respect to
20 service under Article 12 that is subject to this Section, for a
21 member or participant under Article 12 who first becomes a
22 member or participant under Article 12 on or after January 1,
23 2022 or who makes the election under item (i) of subsection
24 (d-15) of this Section).

25 (d-5) The retirement annuity payable under Article 8 or
26 Article 11 to an eligible person subject to subsection (c-5)

1 of this Section who is retiring at age 60 with at least 10
2 years of service credit shall be reduced by one-half of 1% for
3 each full month that the member's age is under age 65.

4 (d-10) Each person who first became a member or
5 participant under Article 8 or Article 11 of this Code on or
6 after January 1, 2011 and prior to July 6, 2017 (the effective
7 date of Public Act 100-23) shall make an irrevocable election
8 either:

9 (i) to be eligible for the reduced retirement age
10 provided in subsections (c-5) and (d-5) of this Section,
11 the eligibility for which is conditioned upon the member
12 or participant agreeing to the increases in employee
13 contributions for age and service annuities provided in
14 subsection (a-5) of Section 8-174 of this Code (for
15 service under Article 8) or subsection (a-5) of Section
16 11-170 of this Code (for service under Article 11); or

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

25 The election provided for in this subsection shall be made
26 between October 1, 2017 and November 15, 2017. A person

1 subject to this subsection who makes the required election
2 shall remain bound by that election. A person subject to this
3 subsection who fails for any reason to make the required
4 election within the time specified in this subsection shall be
5 deemed to have made the election under item (ii).

6 (d-15) Each person who first becomes a member or
7 participant under Article 12 on or after January 1, 2011 and
8 prior to January 1, 2022 shall make an irrevocable election
9 either:

10 (i) to be eligible for the reduced retirement age
11 specified in subsections (c) and (d) of this Section, the
12 eligibility for which is conditioned upon the member or
13 participant agreeing to the increase in employee
14 contributions for service annuities specified in
15 subsection (b) of Section 12-150; or

16 (ii) to not agree to item (i) of this subsection
17 (d-15), in which case the member or participant shall not
18 be eligible for the reduced retirement age specified in
19 subsections (c) and (d) of this Section and shall not be
20 subject to the increase in employee contributions for
21 service annuities specified in subsection (b) of Section
22 12-150.

23 The election provided for in this subsection shall be made
24 between January 1, 2022 and April 1, 2022. A person subject to
25 this subsection who makes the required election shall remain
26 bound by that election. A person subject to this subsection

1 who fails for any reason to make the required election within
2 the time specified in this subsection shall be deemed to have
3 made the election under item (ii).

4 (e) Any retirement annuity or supplemental annuity shall
5 be subject to annual increases on the January 1 occurring
6 either on or after the attainment of age 67 (age 65, with
7 respect to service under Article 12 that is subject to this
8 Section, for a member or participant under Article 12 who
9 first becomes a member or participant under Article 12 on or
10 after January 1, 2022 or who makes the election under item (i)
11 of subsection (d-15); and beginning on July 6, 2017 (the
12 effective date of Public Act 100-23), age 65 with respect to
13 service under Article 8 or Article 11 for eligible persons
14 who: (i) are subject to subsection (c-5) of this Section; or
15 (ii) made the election under item (i) of subsection (d-10) of
16 this Section) or the first anniversary of the annuity start
17 date, whichever is later. Each annual increase shall be
18 calculated at 3% or one-half the annual unadjusted percentage
19 increase (but not less than zero) in the consumer price
20 index-u for the 12 months ending with the September preceding
21 each November 1, whichever is less, of the originally granted
22 retirement annuity. If the annual unadjusted percentage change
23 in the consumer price index-u for the 12 months ending with the
24 September preceding each November 1 is zero or there is a
25 decrease, then the annuity shall not be increased.

26 For the purposes of Section 1-103.1 of this Code, the

1 changes made to this Section by Public Act 102-263 are
2 applicable without regard to whether the employee was in
3 active service on or after August 6, 2021 (the effective date
4 of Public Act 102-263).

5 For the purposes of Section 1-103.1 of this Code, the
6 changes made to this Section by Public Act 100-23 are
7 applicable without regard to whether the employee was in
8 active service on or after July 6, 2017 (the effective date of
9 Public Act 100-23).

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

1 occurring after the first anniversary of the commencement of
2 the annuity. Each annual increase shall be calculated at 3% or
3 one-half the annual unadjusted percentage increase (but not
4 less than zero) in the consumer price index-u for the 12 months
5 ending with the September preceding each November 1, whichever
6 is less, of the originally granted survivor's annuity. If the
7 annual unadjusted percentage change in the consumer price
8 index-u for the 12 months ending with the September preceding
9 each November 1 is zero or there is a decrease, then the
10 annuity shall not be increased.

11 (g) The benefits in Section 14-110 apply if the person is a
12 fire fighter in the fire protection service of a department, a
13 security employee of the Department of Corrections or the
14 Department of Juvenile Justice, or a security employee of the
15 Department of Innovation and Technology, as those terms are
16 defined in subsection (b) and subsection (c) of Section
17 14-110. A person who meets the requirements of this Section is
18 entitled to an annuity calculated under the provisions of
19 Section 14-110, in lieu of the regular or minimum retirement
20 annuity, only if the person has withdrawn from service with
21 not less than 20 years of eligible creditable service and has
22 attained age 60, regardless of whether the attainment of age
23 60 occurs while the person is still in service.

24 (g-5) The benefits in Section 14-110 apply if the person
25 is a State policeman, investigator for the Secretary of State,
26 conservation police officer, investigator for the Department

1 of Revenue or the Illinois Gaming Board, investigator for the
2 Office of the Attorney General, Commerce Commission police
3 officer, or arson investigator, as those terms are defined in
4 subsection (b) and subsection (c) of Section 14-110. A person
5 who meets the requirements of this Section is entitled to an
6 annuity calculated under the provisions of Section 14-110, in
7 lieu of the regular or minimum retirement annuity, only if the
8 person has withdrawn from service with not less than 20 years
9 of eligible creditable service and has attained age 55,
10 regardless of whether the attainment of age 55 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; 102-719, eff.
25 5-6-22.)

1 (Text of Section from P.A. 102-813)

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

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

1 ~~This Section does not apply to a person who first becomes a~~
2 ~~noncovered employee under Article 14 on or after the~~
3 ~~implementation date of the plan created under Section 1-161~~
4 ~~for that Article, unless that person elects under subsection~~
5 ~~(b) of Section 1-161 to instead receive the benefits provided~~
6 ~~under this Section and the applicable provisions of that~~
7 ~~Article.~~

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

15 ~~This Section does not apply to a person who elects under~~
16 ~~subsection (c 5) of Section 1-161 to receive the benefits~~
17 ~~under Section 1-161.~~

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

25 (b) "Final average salary" means, except as otherwise
26 provided in this subsection, the average monthly (or annual)

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

12 (1) (Blank).

13 (2) In Articles 8, 9, 10, 11, and 12, "highest average
14 annual salary for any 4 consecutive years within the last
15 10 years of service immediately preceding the date of
16 withdrawal".

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

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

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

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

22 A member of the Teachers' Retirement System of the State
23 of Illinois who retires on or after June 1, 2021 and for whom
24 the 2020-2021 school year is used in the calculation of the
25 member's final average salary shall use the higher of the
26 following for the purpose of determining the member's final

1 average salary:

2 (A) the amount otherwise calculated under the first
3 paragraph of this subsection; or

4 (B) an amount calculated by the Teachers' Retirement
5 System of the State of Illinois using the average of the
6 monthly (or annual) salary obtained by dividing the total
7 salary or earnings calculated under Article 16 applicable
8 to the member or participant during the 96 months (or 8
9 years) of service within the last 120 months (or 10 years)
10 of service in which the total salary or earnings
11 calculated under the Article was the highest by the number
12 of months (or years) of service in that period.

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

24 For the purposes of this Section, "consumer price index-u"
25 means the index published by the Bureau of Labor Statistics of
26 the United States Department of Labor that measures the

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

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

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

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

10 (d) The retirement annuity of a member or participant who
11 is retiring after attaining age 62 (age 60, 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) with at least 10 years of service
17 credit shall be reduced by one-half of 1% for each full month
18 that the member's age is under age 67 (age 65, with respect to
19 service under Article 12 that is subject to this Section, for a
20 member or participant under Article 12 who first becomes a
21 member or participant under Article 12 on or after January 1,
22 2022 or who makes the election under item (i) of subsection
23 (d-15) of this Section).

24 (d-5) The retirement annuity payable under Article 8 or
25 Article 11 to an eligible person subject to subsection (c-5)
26 of this Section who is retiring at age 60 with at least 10

1 years of service credit shall be reduced by one-half of 1% for
2 each full month that the member's age is under age 65.

3 (d-10) Each person who first became a member or
4 participant under Article 8 or Article 11 of this Code on or
5 after January 1, 2011 and prior to July 6, 2017 (the effective
6 date of Public Act 100-23) shall make an irrevocable election
7 either:

8 (i) to be eligible for the reduced retirement age
9 provided in subsections (c-5) and (d-5) of this Section,
10 the eligibility for which is conditioned upon the member
11 or participant agreeing to the increases in employee
12 contributions for age and service annuities provided in
13 subsection (a-5) of Section 8-174 of this Code (for
14 service under Article 8) or subsection (a-5) of Section
15 11-170 of this Code (for service under Article 11); or

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

24 The election provided for in this subsection shall be made
25 between October 1, 2017 and November 15, 2017. A person
26 subject to this subsection who makes the required election

1 shall remain bound by that election. A person subject to this
2 subsection who fails for any reason to make the required
3 election within the time specified in this subsection shall be
4 deemed to have made the election under item (ii).

5 (d-15) Each person who first becomes a member or
6 participant under Article 12 on or after January 1, 2011 and
7 prior to January 1, 2022 shall make an irrevocable election
8 either:

9 (i) to be eligible for the reduced retirement age
10 specified in subsections (c) and (d) of this Section, the
11 eligibility for which is conditioned upon the member or
12 participant agreeing to the increase in employee
13 contributions for service annuities specified in
14 subsection (b) of Section 12-150; or

15 (ii) to not agree to item (i) of this subsection
16 (d-15), in which case the member or participant shall not
17 be eligible for the reduced retirement age specified in
18 subsections (c) and (d) of this Section and shall not be
19 subject to the increase in employee contributions for
20 service annuities specified in subsection (b) of Section
21 12-150.

22 The election provided for in this subsection shall be made
23 between January 1, 2022 and April 1, 2022. A person subject to
24 this subsection who makes the required election shall remain
25 bound by that election. A person subject to this subsection
26 who fails for any reason to make the required election within

1 the time specified in this subsection shall be deemed to have
2 made the election under item (ii).

3 (e) Any retirement annuity or supplemental annuity shall
4 be subject to annual increases on the January 1 occurring
5 either on or after the attainment of age 67 (age 65, with
6 respect to service under Article 12 that is subject to this
7 Section, for a member or participant under Article 12 who
8 first becomes a member or participant under Article 12 on or
9 after January 1, 2022 or who makes the election under item (i)
10 of subsection (d-15); and beginning on July 6, 2017 (the
11 effective date of Public Act 100-23), age 65 with respect to
12 service under Article 8 or Article 11 for eligible persons
13 who: (i) are subject to subsection (c-5) of this Section; or
14 (ii) made the election under item (i) of subsection (d-10) of
15 this Section) or the first anniversary of the annuity start
16 date, whichever is later. Each annual increase shall be
17 calculated at 3% or one-half the annual unadjusted percentage
18 increase (but not less than zero) in the consumer price
19 index-u for the 12 months ending with the September preceding
20 each November 1, whichever is less, of the originally granted
21 retirement annuity. If the annual unadjusted percentage change
22 in the consumer price index-u for the 12 months ending with the
23 September preceding each November 1 is zero or there is a
24 decrease, then the annuity shall not be increased.

25 For the purposes of Section 1-103.1 of this Code, the
26 changes made to this Section by Public Act 102-263 are

1 applicable without regard to whether the employee was in
2 active service on or after August 6, 2021 (the effective date
3 of Public Act 102-263).

4 For the purposes of Section 1-103.1 of this Code, the
5 changes made to this Section by Public Act 100-23 are
6 applicable without regard to whether the employee was in
7 active service on or after July 6, 2017 (the effective date of
8 Public Act 100-23).

9 (f) The initial survivor's or widow's annuity of an
10 otherwise eligible survivor or widow of a retired member or
11 participant who first became a member or participant on or
12 after January 1, 2011 shall be in the amount of 66 2/3% of the
13 retired member's or participant's retirement annuity at the
14 date of death. In the case of the death of a member or
15 participant who has not retired and who first became a member
16 or participant on or after January 1, 2011, eligibility for a
17 survivor's or widow's annuity shall be determined by the
18 applicable Article of this Code. The initial benefit shall be
19 66 2/3% of the earned annuity without a reduction due to age. A
20 child's annuity of an otherwise eligible child shall be in the
21 amount prescribed under each Article if applicable. Any
22 survivor's or widow's annuity shall be increased (1) on each
23 January 1 occurring on or after the commencement of the
24 annuity if the deceased member died while receiving a
25 retirement annuity or (2) in other cases, on each January 1
26 occurring after the first anniversary of the commencement of

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

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

1 the person is still in service.

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

16 If a person who first becomes a member of a retirement
17 system or pension fund subject to this Section on or after
18 January 1, 2012 and is receiving a retirement annuity or
19 retirement pension under that system or fund and accepts on a
20 contractual basis a position to provide services to a
21 governmental entity from which he or she has retired, then
22 that person's annuity or retirement pension earned as an
23 active employee of the employer shall be suspended during that
24 contractual service. A person receiving an annuity or
25 retirement pension under this Code shall notify the pension
26 fund or retirement system from which he or she is receiving an

1 annuity or retirement pension, as well as his or her
2 contractual employer, of his or her retirement status before
3 accepting contractual employment. A person who fails to submit
4 such notification shall be guilty of a Class A misdemeanor and
5 required to pay a fine of \$1,000. Upon termination of that
6 contractual employment, the person's retirement annuity or
7 retirement pension payments shall resume and, if appropriate,
8 be recalculated under the applicable provisions of this Code.

9 (i) (Blank).

10 (j) In the case of a conflict between the provisions of
11 this Section and any other provision of this Code, the
12 provisions of this Section shall control.

13 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
14 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.
15 5-13-22.)

16 (Text of Section from P.A. 102-956)

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

18 (a) The provisions of this Section apply to a person who,
19 on or after January 1, 2011, first becomes a member or a
20 participant under any reciprocal retirement system or pension
21 fund established under this Code, other than a retirement
22 system or pension fund established under Article 2, 3, 4, 5, 6,
23 7, 15, or 18 of this Code, notwithstanding any other provision
24 of this Code to the contrary, but do not apply to any
25 self-managed plan established under this Code or to any

1 participant of the retirement plan established under Section
2 22-101; except that this Section applies to a person who
3 elected to establish alternative credits by electing in
4 writing after January 1, 2011, but before August 8, 2011,
5 under Section 7-145.1 of this Code. Notwithstanding anything
6 to the contrary in this Section, for purposes of this Section,
7 a person who is a Tier 1 regular employee as defined in Section
8 7-109.4 of this Code or who participated in a retirement
9 system under Article 15 prior to January 1, 2011 shall be
10 deemed a person who first became a member or participant prior
11 to January 1, 2011 under any retirement system or pension fund
12 subject to this Section. The changes made to this Section by
13 Public Act 98-596 are a clarification of existing law and are
14 intended to be retroactive to January 1, 2011 (the effective
15 date of Public Act 96-889), notwithstanding the provisions of
16 Section 1-103.1 of this Code.

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

24 ~~This Section does not apply to a person who first becomes a~~
25 ~~member or participant under Article 16 on or after the~~
26 ~~implementation date of the plan created under Section 1-161~~

1 ~~for that Article, unless that person elects under subsection~~
2 ~~(b) of Section 1-161 to instead receive the benefits provided~~
3 ~~under this Section and the applicable provisions of that~~
4 ~~Article.~~

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

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

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

1 average salary" shall be substituted for the following:

2 (1) (Blank).

3 (2) In Articles 8, 9, 10, 11, and 12, "highest average
4 annual salary for any 4 consecutive years within the last
5 10 years of service immediately preceding the date of
6 withdrawal".

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

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

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

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

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

18 (A) the amount otherwise calculated under the first
19 paragraph of this subsection; or

20 (B) an amount calculated by the Teachers' Retirement
21 System of the State of Illinois using the average of the
22 monthly (or annual) salary obtained by dividing the total
23 salary or earnings calculated under Article 16 applicable
24 to the member or participant during the 96 months (or 8
25 years) of service within the last 120 months (or 10 years)
26 of service in which the total salary or earnings

1 calculated under the Article was the highest by the number
2 of months (or years) of service in that period.

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

14 For the purposes of this Section, "consumer price index-u"
15 means the index published by the Bureau of Labor Statistics of
16 the United States Department of Labor that measures the
17 average change in prices of goods and services purchased by
18 all urban consumers, United States city average, all items,
19 1982-84 = 100. The new amount resulting from each annual
20 adjustment shall be determined by the Public Pension Division
21 of the Department of Insurance and made available to the
22 boards of the retirement systems and pension funds by November
23 1 of each year.

24 (c) A member or participant is entitled to a retirement
25 annuity upon written application if he or she has attained age
26 67 (age 65, with respect to service under Article 12 that is

1 subject to this Section, for a member or participant under
2 Article 12 who first becomes a member or participant under
3 Article 12 on or after January 1, 2022 or who makes the
4 election under item (i) of subsection (d-15) of this Section)
5 and has at least 10 years of service credit and is otherwise
6 eligible under the requirements of the applicable Article.

7 A member or participant who has attained age 62 (age 60,
8 with respect to service under Article 12 that is subject to
9 this Section, for a member or participant under Article 12 who
10 first becomes a member or participant under Article 12 on or
11 after January 1, 2022 or who makes the election under item (i)
12 of subsection (d-15) of this Section) and has at least 10 years
13 of service credit and is otherwise eligible under the
14 requirements of the applicable Article may elect to receive
15 the lower retirement annuity provided in subsection (d) of
16 this Section.

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

26 (d) The retirement annuity of a member or participant who

1 is retiring after attaining age 62 (age 60, with respect to
2 service under Article 12 that is subject to this Section, for a
3 member or participant under Article 12 who first becomes a
4 member or participant under Article 12 on or after January 1,
5 2022 or who makes the election under item (i) of subsection
6 (d-15) of this Section) with at least 10 years of service
7 credit shall be reduced by one-half of 1% for each full month
8 that the member's age is under age 67 (age 65, with respect to
9 service under Article 12 that is subject to this Section, for a
10 member or participant under Article 12 who first becomes a
11 member or participant under Article 12 on or after January 1,
12 2022 or who makes the election under item (i) of subsection
13 (d-15) of this Section).

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

19 (d-10) Each person who first became a member or
20 participant under Article 8 or Article 11 of this Code on or
21 after January 1, 2011 and prior to July 6, 2017 (the effective
22 date of Public Act 100-23) shall make an irrevocable election
23 either:

24 (i) to be eligible for the reduced retirement age
25 provided in subsections (c-5) and (d-5) of this Section,
26 the eligibility for which is conditioned upon the member

1 or participant agreeing to the increases in employee
2 contributions for age and service annuities provided in
3 subsection (a-5) of Section 8-174 of this Code (for
4 service under Article 8) or subsection (a-5) of Section
5 11-170 of this Code (for service under Article 11); or

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

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

21 (d-15) Each person who first becomes a member or
22 participant under Article 12 on or after January 1, 2011 and
23 prior to January 1, 2022 shall make an irrevocable election
24 either:

25 (i) to be eligible for the reduced retirement age
26 specified in subsections (c) and (d) of this Section, the

1 eligibility for which is conditioned upon the member or
2 participant agreeing to the increase in employee
3 contributions for service annuities specified in
4 subsection (b) of Section 12-150; or

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

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

19 (e) Any retirement annuity or supplemental annuity shall
20 be subject to annual increases on the January 1 occurring
21 either on or after the attainment of age 67 (age 65, with
22 respect to service under Article 12 that is subject to this
23 Section, for a member or participant under Article 12 who
24 first becomes a member or participant under Article 12 on or
25 after January 1, 2022 or who makes the election under item (i)
26 of subsection (d-15); and beginning on July 6, 2017 (the

1 effective date of Public Act 100-23), age 65 with respect to
2 service under Article 8 or Article 11 for eligible persons
3 who: (i) are subject to subsection (c-5) of this Section; or
4 (ii) made the election under item (i) of subsection (d-10) of
5 this Section) or the first anniversary of the annuity start
6 date, whichever is later. Each annual increase shall be
7 calculated at 3% or one-half the annual unadjusted percentage
8 increase (but not less than zero) in the consumer price
9 index-u for the 12 months ending with the September preceding
10 each November 1, whichever is less, of the originally granted
11 retirement annuity. If the annual unadjusted percentage change
12 in the consumer price index-u for the 12 months ending with the
13 September preceding each November 1 is zero or there is a
14 decrease, then the annuity shall not be increased.

15 For the purposes of Section 1-103.1 of this Code, the
16 changes made to this Section by Public Act 102-263 are
17 applicable without regard to whether the employee was in
18 active service on or after August 6, 2021 (the effective date
19 of Public Act 102-263).

20 For the purposes of Section 1-103.1 of this Code, the
21 changes made to this Section by Public Act 100-23 are
22 applicable without regard to whether the employee was in
23 active service on or after July 6, 2017 (the effective date of
24 Public Act 100-23).

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

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

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

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

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

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

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

26 (i) (Blank).

1 (j) In the case of a conflict between the provisions of
2 this Section and any other provision of this Code, the
3 provisions of this Section shall control.

4 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
5 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-956, eff.
6 5-27-22.)

7 (40 ILCS 5/15-108.2)

8 Sec. 15-108.2. Tier 2 member. "Tier 2 member": A person
9 who first becomes a participant under this Article on or after
10 January 1, 2011 ~~and before the implementation date, as defined~~
11 ~~under subsection (a) of Section 1-161, determined by the~~
12 ~~Board,~~ other than a person in the self-managed plan
13 established under Section 15-158.2 ~~or a person who makes the~~
14 ~~election under subsection (c) of Section 1-161,~~ unless the
15 person is otherwise a Tier 1 member. The changes made to this
16 Section by this amendatory Act of the 98th General Assembly
17 are a correction of existing law and are intended to be
18 retroactive to the effective date of Public Act 96-889,
19 notwithstanding the provisions of Section 1-103.1 of this
20 Code.

21 (Source: P.A. 100-23, eff. 7-6-17; 100-563, eff. 12-8-17.)

22 (40 ILCS 5/15-155.2)

23 Sec. 15-155.2. Individual employer accounts.

24 (a) The System shall create and maintain an individual

1 account for each employer for the purposes of determining
2 employer contributions under subsection (a-2) of Section
3 15-155. Each employer's account shall be notionally charged
4 with the liabilities attributable to that employer and
5 credited with the assets attributable to that employer.

6 (b) Beginning with fiscal year 2018, the System shall
7 assign notional liabilities to each employer's account, equal
8 to the amount of employer contributions required to be made by
9 the employer pursuant to items (i) and (ii) of subsection
10 (a-2) of Section 15-155, ~~plus any unfunded actuarial accrued~~
11 ~~liability associated with the defined benefits attributable to~~
12 ~~the employer's employees who first became participants on or~~
13 ~~after the implementation date and the employer's employees who~~
14 ~~made the election under subsection (c-5) of Section 1-161.~~

15 (c) Beginning with fiscal year 2018, the System shall
16 assign notional assets to each employer's account equal to the
17 amounts of employer contributions made pursuant to items (i)
18 and (ii) of subsection (a-2) of Section 15-155.

19 (Source: P.A. 100-23, eff. 7-6-17.)

20 (40 ILCS 5/16-158.3)

21 Sec. 16-158.3. Individual employer accounts.

22 (a) The System shall create and maintain an individual
23 account for each employer for the purposes of determining
24 employer contributions under subsection (b-4) of Section
25 16-158. Each employer's account shall be notionally charged

1 with the liabilities attributable to that employer and
2 credited with the assets attributable to that employer.

3 (b) Beginning with fiscal year 2018, the System shall
4 assign notional liabilities to each employer's account, equal
5 to the amount of the employer contributions required to be
6 made by the employer pursuant to items (i) and (ii) of
7 subsection (b-4) of Section 16-158, ~~plus any unfunded~~
8 ~~actuarial accrued liability associated with the defined~~
9 ~~benefits attributable to the employer's employees who first~~
10 ~~became members on or after the implementation date and the~~
11 ~~employer's employees who made the election under subsection~~
12 ~~(c-5) of Section 1-161.~~

13 (c) Beginning with fiscal year 2018, the System shall
14 assign notional assets to each employer's account equal to the
15 amounts of employer contributions made pursuant to items (i)
16 and (ii) of subsection (b-4) of Section 16-158.

17 (Source: P.A. 100-23, eff. 7-6-17.)

18 (40 ILCS 5/1-161 rep.)

19 (40 ILCS 5/1-162 rep.)

20 Section 10-10. The Illinois Pension Code is amended by
21 repealing Sections 1-161 and 1-162.

22 Article 90.

23 Section 90-5. The Illinois Pension Code is amended by

1 changing Sections 2-162, 14-152.1, 15-198, 16-203, and 18-169
2 as follows:

3 (40 ILCS 5/2-162)

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

6 Sec. 2-162. Application and expiration of new benefit
7 increases.

8 (a) As used in this Section, "new benefit increase" means
9 an increase in the amount of any benefit provided under this
10 Article, or an expansion of the conditions of eligibility for
11 any benefit under this Article, that results from an amendment
12 to this Code that takes effect after the effective date of this
13 amendatory Act of the 94th General Assembly. "New benefit
14 increase", however, does not include any benefit increase
15 resulting from the changes made to this Article by this
16 amendatory Act of the 103rd 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.

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

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

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

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

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

8 (40 ILCS 5/14-152.1)

9 Sec. 14-152.1. Application and expiration of new benefit
10 increases.

11 (a) As used in this Section, "new benefit increase" means
12 an increase in the amount of any benefit provided under this
13 Article, or an expansion of the conditions of eligibility for
14 any benefit under this Article, that results from an amendment
15 to this Code that takes effect after June 1, 2005 (the
16 effective date of Public Act 94-4). "New benefit increase",
17 however, does not include any benefit increase resulting from
18 the changes made to Article 1 or this Article by Public Act
19 96-37, Public Act 100-23, Public Act 100-587, Public Act
20 100-611, Public Act 101-10, Public Act 101-610, Public Act
21 102-210, Public Act 102-856, Public Act 102-956, or this
22 amendatory Act of the 103rd General Assembly ~~this amendatory~~
23 ~~Act of the 102nd General Assembly.~~

24 (b) Notwithstanding any other provision of this Code or
25 any subsequent amendment to this Code, every new benefit

1 increase is subject to this Section and shall be deemed to be
2 granted only in conformance with and contingent upon
3 compliance with the provisions of this Section.

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

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

24 (d) Every new benefit increase shall expire 5 years after
25 its effective date or on such earlier date as may be specified
26 in the language enacting the new benefit increase or provided

1 under subsection (c). This does not prevent the General
2 Assembly from extending or re-creating a new benefit increase
3 by law.

4 (e) Except as otherwise provided in the language creating
5 the new benefit increase, a new benefit increase that expires
6 under this Section continues to apply to persons who applied
7 and qualified for the affected benefit while the new benefit
8 increase was in effect and to the affected beneficiaries and
9 alternate payees of such persons, but does not apply to any
10 other person, including, without limitation, a person who
11 continues in service after the expiration date and did not
12 apply and qualify for the affected benefit while the new
13 benefit increase was in effect.

14 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
15 101-610, eff. 1-1-20; 102-210, eff. 7-30-21; 102-856, eff.
16 1-1-23; 102-956, eff. 5-27-22.)

17 (40 ILCS 5/15-198)

18 Sec. 15-198. Application and expiration of new benefit
19 increases.

20 (a) As used in this Section, "new benefit increase" means
21 an increase in the amount of any benefit provided under this
22 Article, or an expansion of the conditions of eligibility for
23 any benefit under this Article, that results from an amendment
24 to this Code that takes effect after June 1, 2005 (the
25 effective date of Public Act 94-4). "New benefit increase",

1 however, does not include any benefit increase resulting from
2 the changes made to Article 1 or this Article by Public Act
3 100-23, Public Act 100-587, Public Act 100-769, Public Act
4 101-10, Public Act 101-610, Public Act 102-16, or this
5 amendatory Act of the 103rd General Assembly ~~this amendatory~~
6 ~~Act of the 102nd General Assembly~~.

7 (b) Notwithstanding any other provision of this Code or
8 any subsequent amendment to this Code, every new benefit
9 increase is subject to this Section and shall be deemed to be
10 granted only in conformance with and contingent upon
11 compliance with the provisions of this Section.

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

16 Every new benefit increase is contingent upon the General
17 Assembly providing the additional funding required under this
18 subsection. The Commission on Government Forecasting and
19 Accountability shall analyze whether adequate additional
20 funding has been provided for the new benefit increase and
21 shall report its analysis to the Public Pension Division of
22 the Department of Insurance. A new benefit increase created by
23 a Public Act that does not include the additional funding
24 required under this subsection is null and void. If the Public
25 Pension Division determines that the additional funding
26 provided for a new benefit increase under this subsection is

1 or has become inadequate, it may so certify to the Governor and
2 the State Comptroller and, in the absence of corrective action
3 by the General Assembly, the new benefit increase shall expire
4 at the end of the fiscal year in which the certification is
5 made.

6 (d) Every new benefit increase shall expire 5 years after
7 its effective date or on such earlier date as may be specified
8 in the language enacting the new benefit increase or provided
9 under subsection (c). This does not prevent the General
10 Assembly from extending or re-creating a new benefit increase
11 by law.

12 (e) Except as otherwise provided in the language creating
13 the new benefit increase, a new benefit increase that expires
14 under this Section continues to apply to persons who applied
15 and qualified for the affected benefit while the new benefit
16 increase was in effect and to the affected beneficiaries and
17 alternate payees of such persons, but does not apply to any
18 other person, including, without limitation, a person who
19 continues in service after the expiration date and did not
20 apply and qualify for the affected benefit while the new
21 benefit increase was in effect.

22 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
23 101-610, eff. 1-1-20; 102-16, eff. 6-17-21.)

24 (40 ILCS 5/16-203)

25 Sec. 16-203. Application and expiration of new benefit

1 increases.

2 (a) As used in this Section, "new benefit increase" means
3 an increase in the amount of any benefit provided under this
4 Article, or an expansion of the conditions of eligibility for
5 any benefit under this Article, that results from an amendment
6 to this Code that takes effect after June 1, 2005 (the
7 effective date of Public Act 94-4). "New benefit increase",
8 however, does not include any benefit increase resulting from
9 the changes made to Article 1 or this Article by Public Act
10 95-910, Public Act 100-23, Public Act 100-587, Public Act
11 100-743, Public Act 100-769, Public Act 101-10, Public Act
12 101-49, Public Act 102-16, Public Act 102-871, or this
13 amendatory Act of the 103rd General Assembly ~~Public Act 102-16~~
14 ~~this amendatory Act of the 102nd General Assembly.~~

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

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

24 Every new benefit increase is contingent upon the General
25 Assembly providing the additional funding required under this
26 subsection. The Commission on Government Forecasting and

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

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

20 (e) Except as otherwise provided in the language creating
21 the new benefit increase, a new benefit increase that expires
22 under this Section continues to apply to persons who applied
23 and qualified for the affected benefit while the new benefit
24 increase was in effect and to the affected beneficiaries and
25 alternate payees of such persons, but does not apply to any
26 other person, including, without limitation, a person who

1 continues in service after the expiration date and did not
2 apply and qualify for the affected benefit while the new
3 benefit increase was in effect.

4 (Source: P.A. 101-10, eff. 6-5-19; 101-49, eff. 7-12-19;
5 101-81, eff. 7-12-19; 102-16, eff. 6-17-21; 102-558, eff.
6 8-20-21; 102-813, eff. 5-13-22; 102-871, eff. 5-13-22; revised
7 7-26-22.)

8 (40 ILCS 5/18-169)

9 Sec. 18-169. Application and expiration of new benefit
10 increases.

11 (a) As used in this Section, "new benefit increase" means
12 an increase in the amount of any benefit provided under this
13 Article, or an expansion of the conditions of eligibility for
14 any benefit under this Article, that results from an amendment
15 to this Code that takes effect after the effective date of this
16 amendatory Act of the 94th General Assembly. "New benefit
17 increase", however, does not include any benefit increase
18 resulting from the changes made to this Article by this
19 amendatory Act of the 103rd General Assembly.

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

25 (c) The Public Act enacting a new benefit increase must

1 identify and provide for payment to the System of additional
2 funding at least sufficient to fund the resulting annual
3 increase in cost to the System as it accrues.

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

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

26 (e) Except as otherwise provided in the language creating

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

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

11 Section 90-90. The State Mandates Act is amended by adding
12 Section 8.47 as follows:

13 (30 ILCS 805/8.47 new)

14 Sec. 8.47. Exempt mandate. Notwithstanding Sections 6 and
15 8 of this Act, no reimbursement by the State is required for
16 the implementation of any mandate created by this amendatory
17 Act of the 103rd General Assembly.

18 Article 99.

19 Section 99-99. Effective date. This Act takes effect upon
20 becoming law.

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