



Rep. Stephanie A. Kifowit

Filed: 3/6/2024

10300HB4873ham001

LRB103 35886 RPS 69833 a

1 AMENDMENT TO HOUSE BILL 4873

2 AMENDMENT NO. _____. Amend House Bill 4873 by replacing
3 everything after the enacting clause with the following:

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,

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-15) and (b-20)
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 on January 1, 2024, for all purposes
3 under this Code (including, without limitation, the
4 calculation of benefits and employee contributions), the
5 annual earnings, salary, or wages (based on the plan year) of a
6 member or participant under Article 9 to whom this Section
7 applies shall include an annual earnings, salary, or wage cap
8 that tracks the Social Security wage base. Maximum annual
9 earnings, wages, or salary shall be the annual contribution
10 and benefit base established for the applicable year by the
11 Commissioner of the Social Security Administration under the
12 federal Social Security Act.

13 However, in no event shall the annual earnings, salary, or
14 wages for the purposes of this Article and Article 9 exceed any
15 limitation imposed on annual earnings, salary, or wages under
16 Section 1-117. Under no circumstances shall the maximum amount
17 of annual earnings, salary, or wages be greater than the
18 amount set forth in this subsection (b-10) as a result of
19 reciprocal service or any provisions regarding reciprocal
20 services, nor shall the Fund under Article 9 be required to pay
21 any refund as a result of the application of this maximum
22 annual earnings, salary, and wage cap.

23 Nothing in this subsection (b-10) shall cause or otherwise
24 result in any retroactive adjustment of any employee
25 contributions. Nothing in this subsection (b-10) shall cause
26 or otherwise result in any retroactive adjustment of

1 disability or other payments made between January 1, 2011 and
2 January 1, 2024.

3 (b-15) Beginning January 1, 2026 and until January 1,
4 2029, 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 earnings
10 limitation adjustment for that year.

11 In this subsection, "earnings limitation adjustment" means
12 the 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 earnings limitation adjustment shall be
17 determined by the Public Pension Division of the Department of
18 Insurance and made available to the boards of the retirement
19 systems and pension funds by December 1 of each year. If the
20 difference between the federal Social Security wage base for
21 the coming calendar year and the amount calculated under
22 subsection (b-5) for that calendar year is zero or less than
23 zero, the earnings limitation adjustment shall be zero.

24 In this subsection, "smoothing factor" means:

25 (1) for calendar year 2026, 25%;

26 (2) for calendar year 2027, 50%; and

1 (3) for calendar year 2028, 75%.

2 In this subsection and subsection (b-20), "Social Security
3 wage base" means the contribution and benefit base calculated
4 for the calendar year in question by the Commissioner of
5 Social Security under Section 230 of the federal Social
6 Security Act (42 U.S.C. 430).

7 (b-20) Beginning January 1, 2029, for all purposes under
8 this Code (including, without limitation, the calculation of
9 benefits and employee contributions), the annual earnings,
10 salary, or wages (based on the plan year) of a member or
11 participant under Article 14, 16, or 17 to whom this Section
12 applies shall not exceed the federal Social Security wage base
13 then in effect.

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

23 A member or participant who has attained age 62 (age 60,
24 with respect to service under Article 12 that is subject to
25 this Section, for a member or participant under Article 12 who
26 first becomes a member or participant under Article 12 on or

1 after January 1, 2022 or who makes the election under item (i)
2 of subsection (d-15) of this Section) and has at least 10 years
3 of service credit and is otherwise eligible under the
4 requirements of the applicable Article may elect to receive
5 the lower retirement annuity provided in subsection (d) of
6 this Section.

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

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

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

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

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

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

1 subsection (a) of Section 8-174 of this Code (for service
2 under Article 8) or subsection (a) of Section 11-170 of
3 this Code (for service under Article 11).

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

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

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

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

1 12-150.

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

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

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

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

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

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

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

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

1 attained age 60, regardless of whether the attainment of age
2 60 occurs while the person is still in service.

3 (g-5) The benefits in Section 14-110 apply if the person
4 is a State policeman, investigator for the Secretary of State,
5 conservation police officer, investigator for the Department
6 of Revenue or the Illinois Gaming Board, investigator for the
7 Office of the Attorney General, Commerce Commission police
8 officer, or arson investigator, as those terms are defined in
9 subsection (b) and subsection (c) of Section 14-110. A person
10 who meets the requirements of this Section is entitled to an
11 annuity calculated under the provisions of Section 14-110, in
12 lieu of the regular or minimum retirement annuity, only if the
13 person has withdrawn from service with not less than 20 years
14 of eligible creditable service and has attained age 55,
15 regardless of whether the attainment of age 55 occurs while
16 the person is still in service.

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

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

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

24 (i) (Blank).

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

1 provisions of this Section shall control.

2 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
3 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.
4 5-6-22.)

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

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

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

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

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

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

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

1 of Section 1-162 to receive the benefits provided under this
2 Section and the applicable provisions of the Article under
3 which he or she is a member or participant.

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

17 (1) (Blank).

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

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

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

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

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

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

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

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

18 **(b-5) Except as provided in subsections (b-15) and (b-20)**
19 ~~Beginning on January 1, 2011~~, for all purposes under this Code
20 (including without limitation the calculation of benefits and
21 employee contributions), the annual earnings, salary, or wages
22 (based on the plan year) of a member or participant to whom
23 this Section applies shall not exceed \$106,800; however, that
24 amount shall annually thereafter be increased by the lesser of
25 (i) 3% of that amount, including all previous adjustments, or
26 (ii) one-half the annual unadjusted percentage increase (but

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

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

14 (b-10) Beginning on January 1, 2024, for all purposes
15 under this Code (including, without limitation, the
16 calculation of benefits and employee contributions), the
17 annual earnings, salary, or wages (based on the plan year) of a
18 member or participant under Article 9 to whom this Section
19 applies shall include an annual earnings, salary, or wage cap
20 that tracks the Social Security wage base. Maximum annual
21 earnings, wages, or salary shall be the annual contribution
22 and benefit base established for the applicable year by the
23 Commissioner of the Social Security Administration under the
24 federal Social Security Act.

25 However, in no event shall the annual earnings, salary, or
26 wages for the purposes of this Article and Article 9 exceed any

1 limitation imposed on annual earnings, salary, or wages under
2 Section 1-117. Under no circumstances shall the maximum amount
3 of annual earnings, salary, or wages be greater than the
4 amount set forth in this subsection (b-10) as a result of
5 reciprocal service or any provisions regarding reciprocal
6 services, nor shall the Fund under Article 9 be required to pay
7 any refund as a result of the application of this maximum
8 annual earnings, salary, and wage cap.

9 Nothing in this subsection (b-10) shall cause or otherwise
10 result in any retroactive adjustment of any employee
11 contributions. Nothing in this subsection (b-10) shall cause
12 or otherwise result in any retroactive adjustment of
13 disability or other payments made between January 1, 2011 and
14 January 1, 2024.

15 (b-15) Beginning January 1, 2026 and until January 1,
16 2029, for all purposes under this Code (including, without
17 limitation, the calculation of benefits and employee
18 contributions), the annual earnings, salary, or wages (based
19 on the plan year) of a member or participant under Article 14,
20 16, or 17 to whom this Section applies shall not exceed the
21 amount determined under subsection (b-5) plus the earnings
22 limitation adjustment for that year.

23 In this subsection, "earnings limitation adjustment" means
24 the 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 earnings limitation adjustment shall be
3 determined by the Public Pension Division of the Department of
4 Insurance and made available to the boards of the retirement
5 systems and pension funds by December 1 of each year. If the
6 difference between the federal Social Security wage base for
7 the coming calendar year and the amount calculated under
8 subsection (b-5) for that calendar year is zero or less than
9 zero, the earnings limitation adjustment shall be zero.

10 In this subsection, "smoothing factor" means:

11 (1) for calendar year 2026, 25%;

12 (2) for calendar year 2027, 50%; and

13 (3) for calendar year 2028, 75%.

14 In this subsection and subsection (b-20), "Social Security
15 wage base" means the contribution and benefit base calculated
16 for the calendar year in question by the Commissioner of
17 Social Security under Section 230 of the federal Social
18 Security Act (42 U.S.C. 430).

19 (b-20) Beginning January 1, 2029, for all purposes under
20 this Code (including, without limitation, the calculation of
21 benefits and employee contributions), the annual earnings,
22 salary, or wages (based on the plan year) of a member or
23 participant under Article 14, 16, or 17 to whom this Section
24 applies shall not exceed the federal Social Security wage base
25 then in effect.

26 (c) A member or participant is entitled to a retirement

1 annuity upon written application if he or she has attained age
2 67 (age 65, with respect to service under Article 12 that is
3 subject to this Section, for a member or participant under
4 Article 12 who first becomes a member or participant under
5 Article 12 on or after January 1, 2022 or who makes the
6 election under item (i) of subsection (d-15) of this Section)
7 and has at least 10 years of service credit and is otherwise
8 eligible under the requirements of the applicable Article.

9 A member or participant who has attained age 62 (age 60,
10 with respect to service under Article 12 that is subject to
11 this 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) of this Section) and has at least 10 years
15 of service credit and is otherwise eligible under the
16 requirements of the applicable Article may elect to receive
17 the lower retirement annuity provided in subsection (d) of
18 this Section.

19 (c-5) A person who first becomes a member or a participant
20 subject to this Section on or after July 6, 2017 (the effective
21 date of Public Act 100-23), notwithstanding any other
22 provision of this Code to the contrary, is entitled to a
23 retirement annuity under Article 8 or Article 11 upon written
24 application if he or she has attained age 65 and has at least
25 10 years of service credit and is otherwise eligible under the
26 requirements of Article 8 or Article 11 of this Code,

1 whichever is applicable.

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

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

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

26 (i) to be eligible for the reduced retirement age

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (i) (Blank).

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

5 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
6 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.
7 5-13-22.)

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

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

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

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

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

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

26 This Section does not apply to a person who first becomes a

1 member or participant of an affected pension fund on or after 6
2 months after the resolution or ordinance date, as defined in
3 Section 1-162, unless that person elects under subsection (c)
4 of Section 1-162 to receive the benefits provided under this
5 Section and the applicable provisions of the Article under
6 which he or she is a member or participant.

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

20 (1) (Blank).

21 (2) In Articles 8, 9, 10, 11, and 12, "highest average
22 annual salary for any 4 consecutive years within the last
23 10 years of service immediately preceding the date of
24 withdrawal".

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

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

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

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

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

10 (A) the amount otherwise calculated under the first
11 paragraph of this subsection; or

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

21 (b-5) Except as provided in subsections (b-15) and (b-20)
22 ~~Beginning on January 1, 2011,~~ for all purposes under this Code
23 (including without limitation the calculation of benefits and
24 employee contributions), the annual earnings, salary, or wages
25 (based on the plan year) of a member or participant to whom
26 this Section applies shall not exceed \$106,800; however, that

1 amount shall annually thereafter be increased by the lesser of
2 (i) 3% of that amount, including all previous adjustments, or
3 (ii) one-half the annual unadjusted percentage increase (but
4 not less than zero) in the consumer price index-u for the 12
5 months ending with the September preceding each November 1,
6 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 (b-10) Beginning on January 1, 2024, for all purposes
18 under this Code (including, without limitation, the
19 calculation of benefits and employee contributions), the
20 annual earnings, salary, or wages (based on the plan year) of a
21 member or participant under Article 9 to whom this Section
22 applies shall include an annual earnings, salary, or wage cap
23 that tracks the Social Security wage base. Maximum annual
24 earnings, wages, or salary shall be the annual contribution
25 and benefit base established for the applicable year by the
26 Commissioner of the Social Security Administration under the

1 federal Social Security Act.

2 However, in no event shall the annual earnings, salary, or
3 wages for the purposes of this Article and Article 9 exceed any
4 limitation imposed on annual earnings, salary, or wages under
5 Section 1-117. Under no circumstances shall the maximum amount
6 of annual earnings, salary, or wages be greater than the
7 amount set forth in this subsection (b-10) as a result of
8 reciprocal service or any provisions regarding reciprocal
9 services, nor shall the Fund under Article 9 be required to pay
10 any refund as a result of the application of this maximum
11 annual earnings, salary, and wage cap.

12 Nothing in this subsection (b-10) shall cause or otherwise
13 result in any retroactive adjustment of any employee
14 contributions. Nothing in this subsection (b-10) shall cause
15 or otherwise result in any retroactive adjustment of
16 disability or other payments made between January 1, 2011 and
17 January 1, 2024.

18 (b-15) Beginning January 1, 2026 and until January 1,
19 2029, for all purposes under this Code (including, without
20 limitation, the calculation of benefits and employee
21 contributions), the annual earnings, salary, or wages (based
22 on the plan year) of a member or participant under Article 14,
23 16, or 17 to whom this Section applies shall not exceed the
24 amount determined under subsection (b-5) plus the earnings
25 limitation adjustment for that year.

26 In this subsection, "earnings limitation adjustment" means

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

13 In this subsection, "smoothing factor" means:

14 (1) for calendar year 2026, 25%;

15 (2) for calendar year 2027, 50%; and

16 (3) for calendar year 2028, 75%.

17 In this subsection and subsection (b-20), "Social Security
18 wage base" means the contribution and benefit base calculated
19 for the calendar year in question by the Commissioner of
20 Social Security under Section 230 of the federal Social
21 Security Act (42 U.S.C. 430).

22 (b-20) Beginning January 1, 2029, 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 only if the
6 person is a State policeman, a fire fighter in the fire
7 protection service of a department, a conservation police
8 officer, an investigator for the Secretary of State, an
9 investigator for the Office of the Attorney General, an arson
10 investigator, a Commerce Commission police officer,
11 investigator for the Department of Revenue or the Illinois
12 Gaming Board, a security employee of the Department of
13 Corrections or the Department of Juvenile Justice, or a
14 security employee of the Department of Innovation and
15 Technology, as those terms are defined in subsection (b) and
16 subsection (c) of Section 14-110. A person who meets the
17 requirements of this Section is entitled to an annuity
18 calculated under the provisions of Section 14-110, in lieu of
19 the regular or minimum retirement annuity, only if the person
20 has withdrawn from service with not less than 20 years of
21 eligible creditable service and has attained age 60,
22 regardless of whether the attainment of age 60 occurs while
23 the person is still in service.

24 (h) If a person who first becomes a member or a participant
25 of a retirement system or pension fund subject to this Section
26 on or after January 1, 2011 is receiving a retirement annuity

1 or retirement pension under that system or fund and becomes a
2 member or participant under any other system or fund created
3 by this Code and is employed on a full-time basis, except for
4 those members or participants exempted from the provisions of
5 this Section under subsection (a) of this Section, then the
6 person's retirement annuity or retirement pension under that
7 system or fund shall be suspended during that employment. Upon
8 termination of that employment, the person's retirement
9 annuity or retirement pension payments shall resume and be
10 recalculated if recalculation is provided for under the
11 applicable Article of this Code.

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

1 required to pay a fine of \$1,000. Upon termination of that
2 contractual employment, the person's retirement annuity or
3 retirement pension payments shall resume and, if appropriate,
4 be recalculated under the applicable provisions of this Code.

5 (i) (Blank).

6 (j) In the case of a conflict between the provisions of
7 this Section and any other provision of this Code, the
8 provisions of this Section shall control.

9 (Source: P.A. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;
10 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.
11 8-11-23.)

12 (40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)

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

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

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

18 For a participant who first becomes a participant of this
19 System before August 10, 2009 (the effective date of Public
20 Act 96-207):

21 (1) For a participant who is a member of the General
22 Assembly on his or her last day of service: the highest
23 salary that is prescribed by law, on the participant's
24 last day of service, for a member of the General Assembly
25 who is not an officer; plus, if the participant was

1 elected or appointed to serve as an officer of the General
2 Assembly for 2 or more years and has made contributions as
3 required under subsection (d) of Section 2-126, the
4 highest additional amount of compensation prescribed by
5 law, at the time of the participant's service as an
6 officer, for members of the General Assembly who serve in
7 that office.

8 (2) For a participant who holds one of the State
9 executive offices specified in Section 2-105 on his or her
10 last day of service: the highest salary prescribed by law
11 for service in that office on the participant's last day
12 of service.

13 (3) For a participant who is Clerk or Assistant Clerk
14 of the House of Representatives or Secretary or Assistant
15 Secretary of the Senate on his or her last day of service:
16 the salary received for service in that capacity on the
17 last day of service, but not to exceed the highest salary
18 (including additional compensation for service as an
19 officer) that is prescribed by law on the participant's
20 last day of service for the highest paid officer of the
21 General Assembly.

22 (4) For a participant who is a continuing participant
23 under Section 2-117.1 on his or her last day of service:
24 the salary received for service in that capacity on the
25 last day of service, but not to exceed the highest salary
26 (including additional compensation for service as an

1 officer) that is prescribed by law on the participant's
2 last day of service for the highest paid officer of the
3 General Assembly.

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

14 For a participant who first becomes a participant of this
15 System on or after January 1, 2011 (the effective date of
16 Public Act 96-889), the average monthly salary obtained by
17 dividing the total salary of the participant during the 96
18 consecutive months of service within the last 120 months of
19 service in which the total compensation was the highest by the
20 number of months of service in that period; however, except as
21 provided in subsection (a-5) or (a-10), beginning January 1,
22 2011, the highest salary for annuity purposes may not exceed
23 \$106,800, except that that amount shall annually thereafter be
24 increased by the lesser of (i) 3% of that amount, including all
25 previous adjustments, or (ii) the annual unadjusted percentage
26 increase (but not less than zero) in the consumer price

1 index-u for the 12 months ending with the September preceding
2 each November 1. "Consumer price index-u" means the index
3 published by the Bureau of Labor Statistics of the United
4 States Department of Labor that measures the average change in
5 prices of goods and services purchased by all urban consumers,
6 United States city average, all items, 1982-84 = 100. The new
7 amount resulting from each annual adjustment shall be
8 determined by the Public Pension Division of the Department of
9 Insurance and made available to the Board by November 1 of each
10 year.

11 (a-5) Beginning January 1, 2026 and until January 1, 2029,
12 for a participant who first becomes a participant of this
13 System on or after January 1, 2011, the highest salary for
14 annuity purposes may not exceed the amount determined under
15 subsection (a) plus the earnings limitation adjustment for
16 that year.

17 In this subsection, "earnings limitation adjustment" means
18 the product that results from multiplying (i) the difference
19 between the federal Social Security wage base for the coming
20 calendar year and the amount calculated under subsection (a)
21 for that calendar year by (ii) the smoothing factor for that
22 calendar year. The earnings limitation adjustment shall be
23 determined by the Public Pension Division of the Department of
24 Insurance and made available to the boards of the retirement
25 systems and pension funds by December 1 of each year. If the
26 difference between the federal Social Security wage base for

1 the coming calendar year and the amount calculated under
2 subsection (a) for that calendar year is zero or less than
3 zero, the earnings limitation adjustment shall be zero.

4 In this subsection, "smoothing factor" means:

5 (1) for calendar year 2026, 25%;

6 (2) for calendar year 2027, 50%; and

7 (3) for calendar year 2028, 75%.

8 In this subsection and subsection (a-10), "Social Security
9 wage base" means the contribution and benefit base calculated
10 for the calendar year in question by the Commissioner of
11 Social Security under Section 230 of the federal Social
12 Security Act (42 U.S.C. 430).

13 (a-10) Beginning January 1, 2029, the highest salary for
14 annuity purposes may not exceed the federal Social Security
15 wage base then in effect.

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

1 participating system under the Retirement Systems Reciprocal
2 Act that are considered in calculating the proportional
3 annuity of a person who first became a member of this System
4 before August 22, 1994 if, on or after the effective date of
5 this amendatory Act of the 97th General Assembly, that member
6 irrevocably elects to have those limitations apply.

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

16 (Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11;
17 96-1490, eff. 1-1-11; 97-967, eff. 8-16-12.)

18 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

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

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

22 (a) A participant who retires after June 30, 1967, and who
23 has not received an initial increase under this Section before
24 the effective date of this amendatory Act of 1991, shall, in
25 January or July next following the first anniversary of

1 retirement, whichever occurs first, and in the same month of
2 each year thereafter, but in no event prior to age 60, have the
3 amount of the originally granted retirement annuity increased
4 as follows: for each year through 1971, 1 1/2%; for each year
5 from 1972 through 1979, 2%; and for 1980 and each year
6 thereafter, 3%. Annuitants who have received an initial
7 increase under this subsection prior to the effective date of
8 this amendatory Act of 1991 shall continue to receive their
9 annual increases in the same month as the initial increase.

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

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

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

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 (c) The foregoing provisions relating to automatic
22 increases are not applicable to a participant who retires
23 before having made contributions (at the rate prescribed in
24 Section 2-126) for automatic increases for less than the
25 equivalent of one full year. However, in order to be eligible
26 for the automatic increases, such a participant may make

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

5 (d) A participant who terminated service prior to July 1,
6 1967, with at least 14 years of service is entitled to an
7 increase in retirement annuity beginning January, 1976, and to
8 additional increases in January of each year thereafter.

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

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

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

23 (40 ILCS 5/14-103.10) (from Ch. 108 1/2, par. 14-103.10)

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

1 Sec. 14-103.10. Compensation.

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

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

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

- 20 (1) for vacation,
21 (2) for accumulated unused sick leave,
22 (3) upon discharge or dismissal,
23 (4) for approved holidays.

24 (c) For periods of service on or after December 16, 1978,
25 compensation also includes any benefits, other than lump sum
26 salary payments made at termination of employment, which an

1 employee receives or is eligible to receive under a sick pay
2 plan authorized by law.

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

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

- 18 (1) for vacation;
- 19 (2) for accumulated unused sick leave;
- 20 (3) upon discharge or dismissal; and
- 21 (4) for approved holidays.

22 (f) Notwithstanding the other provisions of this Section,
23 for service on or after July 1, 2013, "compensation" does not
24 include any stipend payable to an employee for service on a
25 board or commission.

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

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

2 Sec. 15-111. Earnings.

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

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

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

23 (2) "Earnings" includes transition pay paid to the
24 employee before the effective date of this amendatory Act
25 of the 91st General Assembly only if (i) employee

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

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

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

1 Division of the Department of Insurance and made available to
2 the boards of the retirement systems and pension funds by
3 November 1 of each year.

4 (b-5) Beginning January 1, 2026 and until January 1, 2029,
5 for a participant who first becomes a participant of this
6 System on or after January 1, 2011, the annual earnings may not
7 exceed the amount determined under subsection (b) plus the
8 earnings limitation adjustment for that year.

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

22 In this subsection, "smoothing factor" means:

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

24 (2) for calendar year 2027, 50%; and

25 (3) for calendar year 2028, 75%.

26 In this subsection and subsection (b-10), "Social Security

1 wage base" means the contribution and benefit base calculated
2 for the calendar year in question by the Commissioner of
3 Social Security under Section 230 of the federal Social
4 Security Act (42 U.S.C. 430).

5 (b-10) Beginning January 1, 2029, the annual earnings may
6 not exceed the federal Social Security wage base then in
7 effect.

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

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

13 (40 ILCS 5/18-125) (from Ch. 108 1/2, par. 18-125)

14 Sec. 18-125. Retirement annuity amount.

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

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

25 For purposes of this Section, final average salary for a

1 participant who first serves as a judge before August 10, 2009
2 (the effective date of Public Act 96-207) shall be:

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

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

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

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

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

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

1 average salary under this subsection.

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

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

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

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

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

17 (b-10) Beginning January 1, 2026 and until January 1,
18 2029, for a participant who first serves as a judge on or after
19 January 1, 2011, the annual salary may not exceed the amount
20 determined under subsection (b-5) plus the earnings limitation
21 adjustment for that year.

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

1 calendar year. The earnings limitation adjustment shall be
2 determined by the Public Pension Division of the Department of
3 Insurance and made available to the boards of the retirement
4 systems and pension funds by December 1 of each year. If the
5 difference between the federal Social Security wage base for
6 the coming calendar year and the amount calculated under
7 subsection (b-5) for that calendar year is zero or less than
8 zero, the earnings limitation adjustment shall be zero.

9 In this subsection, "smoothing factor" means:

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

11 (2) for calendar year 2027, 50%; and

12 (3) for calendar year 2028, 75%.

13 In this subsection and subsection (b-15), "Social Security
14 wage base" means the contribution and benefit base calculated
15 for the calendar year in question by the Commissioner of
16 Social Security under Section 230 of the federal Social
17 Security Act (42 U.S.C. 430).

18 (b-15) Beginning January 1, 2029, the annual salary may
19 not exceed the federal Social Security wage base then in
20 effect.

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

1 the percentage reduction in retirement annuity imposed under
2 this subsection shall be reduced by 5/12 of 1% for every month
3 of service in this System in excess of 20 years, and therefore
4 a participant with at least 26 years of service in this System
5 may retire at age 55 without any reduction in annuity.

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

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

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

17 (40 ILCS 5/18-128.01) (from Ch. 108 1/2, par. 18-128.01)

18 Sec. 18-128.01. Amount of survivor's annuity.

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

24 (b) Upon the death of an active participant, his or her
25 surviving spouse shall receive a survivor's annuity of 66 2/3%

1 of the annuity earned by the participant as of the date of his
2 or her death, determined without regard to whether the
3 participant had attained age 60 as of that time, or 7 1/2% of
4 the last salary of the decedent, whichever is greater.

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

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

21 (e) The changes made in the survivor's annuity provisions
22 by Public Act 82-306 shall apply to the survivors of a deceased
23 participant or annuitant whose death occurs on or after August
24 21, 1981.

25 (f) Beginning January 1, 1990, every survivor's annuity
26 shall be increased (1) on each January 1 occurring on or after

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

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

25 In this subsection, "consumer price index-u" means the
26 index published by the Bureau of Labor Statistics of the

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

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

9 Article 2.

10 Section 2-5. The Illinois Pension Code is amended by
11 changing Sections 1-160, 2-119.1, 3-111.1, 4-109.1, 5-167.1,
12 6-164, 15-136, and 18-125.1 as follows:

13 (40 ILCS 5/1-160)

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

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

16 (a) The provisions of this Section apply to a person who,
17 on or after January 1, 2011, first becomes a member or a
18 participant under any reciprocal retirement system or pension
19 fund established under this Code, other than a retirement
20 system or pension fund established under Article 2, 3, 4, 5, 6,
21 7, 15, or 18 of this Code, notwithstanding any other provision
22 of this Code to the contrary, but do not apply to any
23 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 (b-10) Beginning on January 1, 2024, for all purposes
25 under this Code (including, without limitation, the
26 calculation of benefits and employee contributions), the

1 annual earnings, salary, or wages (based on the plan year) of a
2 member or participant under Article 9 to whom this Section
3 applies shall include an annual earnings, salary, or wage cap
4 that tracks the Social Security wage base. Maximum annual
5 earnings, wages, or salary shall be the annual contribution
6 and benefit base established for the applicable year by the
7 Commissioner of the Social Security Administration under the
8 federal Social Security Act.

9 However, in no event shall the annual earnings, salary, or
10 wages for the purposes of this Article and Article 9 exceed any
11 limitation imposed on annual earnings, salary, or wages under
12 Section 1-117. Under no circumstances shall the maximum amount
13 of annual earnings, salary, or wages be greater than the
14 amount set forth in this subsection (b-10) as a result of
15 reciprocal service or any provisions regarding reciprocal
16 services, nor shall the Fund under Article 9 be required to pay
17 any refund as a result of the application of this maximum
18 annual earnings, salary, and wage cap.

19 Nothing in this subsection (b-10) shall cause or otherwise
20 result in any retroactive adjustment of any employee
21 contributions. Nothing in this subsection (b-10) shall cause
22 or otherwise result in any retroactive adjustment of
23 disability or other payments made between January 1, 2011 and
24 January 1, 2024.

25 (c) A member or participant is entitled to a retirement
26 annuity upon written application if he or she has attained age

1 67 (age 65, with respect to service under Article 12 that is
2 subject to this Section, for a member or participant under
3 Article 12 who first becomes a member or participant under
4 Article 12 on or after January 1, 2022 or who makes the
5 election under item (i) of subsection (d-15) of this Section)
6 and has at least 10 years of service credit and is otherwise
7 eligible under the requirements of the applicable Article.

8 A member or participant who has attained age 62 (age 60,
9 with respect to service under Article 12 that is subject to
10 this 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) of this Section) and has at least 10 years
14 of service credit and is otherwise eligible under the
15 requirements of the applicable Article may elect to receive
16 the lower retirement annuity provided in subsection (d) of
17 this Section.

18 (c-5) A person who first becomes a member or a participant
19 subject to this Section on or after July 6, 2017 (the effective
20 date of Public Act 100-23), notwithstanding any other
21 provision of this Code to the contrary, is entitled to a
22 retirement annuity under Article 8 or Article 11 upon written
23 application if he or she has attained age 65 and has at least
24 10 years of service credit and is otherwise eligible under the
25 requirements of Article 8 or Article 11 of this Code,
26 whichever is applicable.

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

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

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

25 (i) to be eligible for the reduced retirement age
26 provided in subsections (c-5) and (d-5) of this Section,

1 the eligibility for which is conditioned upon the member
2 or participant agreeing to the increases in employee
3 contributions for age and service annuities provided in
4 subsection (a-5) of Section 8-174 of this Code (for
5 service under Article 8) or subsection (a-5) of Section
6 11-170 of this Code (for service under Article 11); or

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

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

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

26 (i) to be eligible for the reduced retirement age

1 specified in subsections (c) and (d) of this Section, the
2 eligibility for which is conditioned upon the member or
3 participant agreeing to the increase in employee
4 contributions for service annuities specified in
5 subsection (b) of Section 12-150; or

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

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

20 (e) Except as otherwise provided in this subsection, any
21 ~~Any~~ retirement annuity or supplemental annuity shall be
22 subject to annual increases on the January 1 occurring either
23 on or after the attainment of age 67 (age 65, with respect to
24 service under Article 12 that is subject to this Section, for a
25 member or participant under Article 12 who first becomes a
26 member or participant under Article 12 on or after January 1,

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

18 Beginning January 1, 2026, any retirement annuity or
19 supplemental annuity of a member or participant under Article
20 14, 16, or 17 who is subject to this Section shall be subject
21 to annual increases on the January 1 occurring after the first
22 anniversary of the annuity start date. Each annual increase
23 for a member or participant of a retirement system or pension
24 fund established under Article 14, 16, or 17 who is subject to
25 this Section shall be calculated at 3% of the originally
26 granted retirement annuity.

1 For the purposes of Section 1-103.1 of this Code, the
2 changes made to this Section by this amendatory Act of the
3 103rd General Assembly are applicable without regard to
4 whether the employee was in active service on or after the
5 effective date of this amendatory Act of the 103rd General
6 Assembly.

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

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

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

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

18 (g) The benefits in Section 14-110 apply if the person is a
19 fire fighter in the fire protection service of a department, a
20 security employee of the Department of Corrections or the
21 Department of Juvenile Justice, or a security employee of the
22 Department of Innovation and Technology, as those terms are
23 defined in subsection (b) and subsection (c) of Section
24 14-110. A person who meets the requirements of this Section is
25 entitled to an annuity calculated under the provisions of
26 Section 14-110, in lieu of the regular or minimum retirement

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

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

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

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
24 7-109.4 of this Code or who participated in a retirement
25 system under Article 15 prior to January 1, 2011 shall be

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

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

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

25 This Section does not apply to a person who first becomes a
26 member or participant of an affected pension fund on or after 6

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

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

19 (1) (Blank).

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

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

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

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

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

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

9 (A) the amount otherwise calculated under the first
10 paragraph of this subsection; or

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

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

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

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

15 (b-10) Beginning on January 1, 2024, for all purposes
16 under this Code (including, without limitation, the
17 calculation of benefits and employee contributions), the
18 annual earnings, salary, or wages (based on the plan year) of a
19 member or participant under Article 9 to whom this Section
20 applies shall include an annual earnings, salary, or wage cap
21 that tracks the Social Security wage base. Maximum annual
22 earnings, wages, or salary shall be the annual contribution
23 and benefit base established for the applicable year by the
24 Commissioner of the Social Security Administration under the
25 federal Social Security Act.

26 However, in no event shall the annual earnings, salary, or

1 wages for the purposes of this Article and Article 9 exceed any
2 limitation imposed on annual earnings, salary, or wages under
3 Section 1-117. Under no circumstances shall the maximum amount
4 of annual earnings, salary, or wages be greater than the
5 amount set forth in this subsection (b-10) as a result of
6 reciprocal service or any provisions regarding reciprocal
7 services, nor shall the Fund under Article 9 be required to pay
8 any refund as a result of the application of this maximum
9 annual earnings, salary, and wage cap.

10 Nothing in this subsection (b-10) shall cause or otherwise
11 result in any retroactive adjustment of any employee
12 contributions. Nothing in this subsection (b-10) shall cause
13 or otherwise result in any retroactive adjustment of
14 disability or other payments made between January 1, 2011 and
15 January 1, 2024.

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

25 A member or participant who has attained age 62 (age 60,
26 with respect to service under Article 12 that is subject to

1 this 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) of this Section) and has at least 10 years
5 of service credit and is otherwise eligible under the
6 requirements of the applicable Article may elect to receive
7 the lower retirement annuity provided in subsection (d) of
8 this Section.

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

18 (d) The retirement annuity of a member or participant who
19 is retiring after attaining age 62 (age 60, 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) with at least 10 years of service
25 credit shall be reduced by one-half of 1% for each full month
26 that the member's age is under age 67 (age 65, with respect to

1 service under Article 12 that is subject to this Section, for a
2 member or participant under Article 12 who first becomes a
3 member or participant under Article 12 on or after January 1,
4 2022 or who makes the election under item (i) of subsection
5 (d-15) of this Section).

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

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

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

24 (ii) to not agree to item (i) of this subsection
25 (d-10), in which case the member or participant shall
26 continue to be subject to the retirement age provisions in

1 subsections (c) and (d) of this Section and the employee
2 contributions for age and service annuity as provided in
3 subsection (a) of Section 8-174 of this Code (for service
4 under Article 8) or subsection (a) of Section 11-170 of
5 this Code (for service under Article 11).

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

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

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

23 (ii) to not agree to item (i) of this subsection
24 (d-15), in which case the member or participant shall not
25 be eligible for the reduced retirement age specified in
26 subsections (c) and (d) of this Section and shall not be

1 subject to the increase in employee contributions for
2 service annuities specified in subsection (b) of Section
3 12-150.

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

11 (e) Except as otherwise provided in this subsection, any
12 ~~Any~~ retirement annuity or supplemental annuity shall be
13 subject to annual increases on the January 1 occurring either
14 on or after the attainment of age 67 (age 65, 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); and beginning on July 6, 2017 (the effective date of
20 Public Act 100-23), age 65 with respect to service under
21 Article 8 or Article 11 for eligible persons who: (i) are
22 subject to subsection (c-5) of this Section; or (ii) made the
23 election under item (i) of subsection (d-10) of this Section)
24 or the first anniversary of the annuity start date, whichever
25 is later. Except as otherwise provided in this subsection,
26 each ~~Each~~ annual increase shall be calculated at 3% or

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

9 Beginning January 1, 2026, any retirement annuity or
10 supplemental annuity of a member or participant under Article
11 14, 16, or 17 who is subject to this Section shall be subject
12 to annual increases on the January 1 occurring after the first
13 anniversary of the annuity start date. Each annual increase
14 for a member or participant of a retirement system or pension
15 fund established under Article 14, 16, or 17 who is subject to
16 this Section shall be calculated at 3% of the originally
17 granted retirement annuity.

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

24 For the purposes of Section 1-103.1 of this Code, the
25 changes made to this Section by Public Act 102-263 are
26 applicable without regard to whether the employee was in

1 active service on or after August 6, 2021 (the effective date
2 of Public Act 102-263).

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

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

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

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

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

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

1 contractual employer, of his or her retirement status before
2 accepting contractual employment. A person who fails to submit
3 such notification shall be guilty of a Class A misdemeanor and
4 required to pay a fine of \$1,000. Upon termination of that
5 contractual employment, the person's retirement annuity or
6 retirement pension payments shall resume and, if appropriate,
7 be recalculated under the applicable provisions of this Code.

8 (i) (Blank).

9 (j) In the case of a conflict between the provisions of
10 this Section and any other provision of this Code, the
11 provisions of this Section shall control.

12 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
13 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.
14 5-13-22.)

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

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

17 (a) The provisions of this Section apply to a person who,
18 on or after January 1, 2011, first becomes a member or a
19 participant under any reciprocal retirement system or pension
20 fund established under this Code, other than a retirement
21 system or pension fund established under Article 2, 3, 4, 5, 6,
22 7, 15, or 18 of this Code, notwithstanding any other provision
23 of this Code to the contrary, but do not apply to any
24 self-managed plan established under this Code or to any
25 participant of the retirement plan established under Section

1 22-101; except that this Section applies to a person who
2 elected to establish alternative credits by electing in
3 writing after January 1, 2011, but before August 8, 2011,
4 under Section 7-145.1 of this Code. Notwithstanding anything
5 to the contrary in this Section, for purposes of this Section,
6 a person who is a Tier 1 regular employee as defined in Section
7 7-109.4 of this Code or who participated in a retirement
8 system under Article 15 prior to January 1, 2011 shall be
9 deemed a person who first became a member or participant prior
10 to January 1, 2011 under any retirement system or pension fund
11 subject to this Section. The changes made to this Section by
12 Public Act 98-596 are a clarification of existing law and are
13 intended to be retroactive to January 1, 2011 (the effective
14 date of Public Act 96-889), notwithstanding the provisions of
15 Section 1-103.1 of this Code.

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

23 This Section does not apply to a person who first becomes a
24 member or participant under Article 16 on or after the
25 implementation date of the plan created under Section 1-161
26 for that Article, unless that person elects under subsection

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

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

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

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

1 (1) (Blank).

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

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

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

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

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

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

17 (A) the amount otherwise calculated under the first
18 paragraph of this subsection; or

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

1 of months (or years) of service in that period.

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

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

23 (b-10) Beginning on January 1, 2024, for all purposes
24 under this Code (including, without limitation, the
25 calculation of benefits and employee contributions), the
26 annual earnings, salary, or wages (based on the plan year) of a

1 member or participant under Article 9 to whom this Section
2 applies shall include an annual earnings, salary, or wage cap
3 that tracks the Social Security wage base. Maximum annual
4 earnings, wages, or salary shall be the annual contribution
5 and benefit base established for the applicable year by the
6 Commissioner of the Social Security Administration under the
7 federal Social Security Act.

8 However, in no event shall the annual earnings, salary, or
9 wages for the purposes of this Article and Article 9 exceed any
10 limitation imposed on annual earnings, salary, or wages under
11 Section 1-117. Under no circumstances shall the maximum amount
12 of annual earnings, salary, or wages be greater than the
13 amount set forth in this subsection (b-10) as a result of
14 reciprocal service or any provisions regarding reciprocal
15 services, nor shall the Fund under Article 9 be required to pay
16 any refund as a result of the application of this maximum
17 annual earnings, salary, and wage cap.

18 Nothing in this subsection (b-10) shall cause or otherwise
19 result in any retroactive adjustment of any employee
20 contributions. Nothing in this subsection (b-10) shall cause
21 or otherwise result in any retroactive adjustment of
22 disability or other payments made between January 1, 2011 and
23 January 1, 2024.

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

17 Beginning January 1, 2026, any retirement annuity or
18 supplemental annuity of a member or participant under Article
19 14, 16, or 17 who is subject to this Section shall be subject
20 to annual increases on the January 1 occurring after the first
21 anniversary of the annuity start date. Each annual increase
22 for a member or participant of a retirement system or pension
23 fund established under Article 14, 16, or 17 who is subject to
24 this Section shall be calculated at 3% of the originally
25 granted retirement annuity.

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

1 changes made to this Section by this amendatory Act of the
2 103rd General Assembly are applicable without regard to
3 whether the employee was in active service on or after the
4 effective date of this amendatory Act of the 103rd General
5 Assembly.

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

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

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

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

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

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

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

24 If a person who first becomes a member of a retirement
25 system or pension fund subject to this Section on or after
26 January 1, 2012 and is receiving a retirement annuity or

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

17 (i) (Blank).

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

21 (Source: P.A. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;
22 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.
23 8-11-23.)

24 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

25 (Text of Section WITHOUT the changes made by P.A. 98-599,

1 which has been held unconstitutional)

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

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

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

1 December 31, 1992, regardless of the date of termination of
2 service, the reference to age 55 in clause (1) of this
3 subsection (b) shall be deemed to mean age 50.

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

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

19 Notwithstanding any other provision of this Article,
20 beginning January 1, 2026, a participant who first becomes a
21 participant on or after January 1, 2011 (the effective date of
22 Public Act 96-889) shall, in January or July next following
23 the first anniversary of retirement, whichever occurs first,
24 and in the same month of each year thereafter, have the amount
25 of the retirement annuity then being paid increased by 3%.

26 In this subsection, "consumer price index-u" means the

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

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

15 (c) The foregoing provisions relating to automatic
16 increases are not applicable to a participant who retires
17 before having made contributions (at the rate prescribed in
18 Section 2-126) for automatic increases for less than the
19 equivalent of one full year. However, in order to be eligible
20 for the automatic increases, such a participant may make
21 arrangements to pay to the system the amount required to bring
22 the total contributions for the automatic increase to the
23 equivalent of one year's contributions based upon his or her
24 last salary.

25 (d) A participant who terminated service prior to July 1,
26 1967, with at least 14 years of service is entitled to an

1 increase in retirement annuity beginning January, 1976, and to
2 additional increases in January of each year thereafter.

3 The initial increase shall be 1 1/2% of the originally
4 granted retirement annuity multiplied by the number of full
5 years that the annuitant was in receipt of such annuity prior
6 to January 1, 1972, plus 2% of the originally granted
7 retirement annuity for each year after that date. The
8 subsequent annual increases shall be at the rate of 2% of the
9 originally granted retirement annuity for each year through
10 1979 and at the rate of 3% for 1980 and thereafter.

11 (e) Beginning January 1, 1990, all automatic annual
12 increases payable under this Section shall be calculated as a
13 percentage of the total annuity payable at the time of the
14 increase, including previous increases granted under this
15 Article.

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

17 (40 ILCS 5/3-111.1) (from Ch. 108 1/2, par. 3-111.1)

18 Sec. 3-111.1. Increase in pension.

19 (a) Except as provided in subsection (e), the monthly
20 pension of a police officer who retires after July 1, 1971, and
21 prior to January 1, 1986, shall be increased, upon either the
22 first of the month following the first anniversary of the date
23 of retirement if the officer is 60 years of age or over at
24 retirement date, or upon the first day of the month following
25 attainment of age 60 if it occurs after the first anniversary

1 of retirement, by 3% of the originally granted pension and by
2 an additional 3% of the originally granted pension in January
3 of each year thereafter.

4 (b) The monthly pension of a police officer who retired
5 from service with 20 or more years of service, on or before
6 July 1, 1971, shall be increased in January of the year
7 following the year of attaining age 65 or in January of 1972,
8 if then over age 65, by 3% of the originally granted pension
9 for each year the police officer received pension payments. In
10 each January thereafter, he or she shall receive an additional
11 increase of 3% of the original pension.

12 (c) The monthly pension of a police officer who retires on
13 disability or is retired for disability shall be increased in
14 January of the year following the year of attaining age 60, by
15 3% of the original grant of pension for each year he or she
16 received pension payments. In each January thereafter, the
17 police officer shall receive an additional increase of 3% of
18 the original pension.

19 (d) The monthly pension of a police officer who retires
20 after January 1, 1986, shall be increased, upon either the
21 first of the month following the first anniversary of the date
22 of retirement if the officer is 55 years of age or over, or
23 upon the first day of the month following attainment of age 55
24 if it occurs after the first anniversary of retirement, by
25 1/12 of 3% of the originally granted pension for each full
26 month that has elapsed since the pension began, and by an

1 additional 3% of the originally granted pension in January of
2 each year thereafter.

3 The changes made to this subsection (d) by this amendatory
4 Act of the 91st General Assembly apply to all initial
5 increases that become payable under this subsection on or
6 after January 1, 1999. All initial increases that became
7 payable under this subsection on or after January 1, 1999 and
8 before the effective date of this amendatory Act shall be
9 recalculated and the additional amount accruing for that
10 period, if any, shall be payable to the pensioner in a lump
11 sum.

12 (e) Notwithstanding the provisions of subsection (a), upon
13 the first day of the month following (1) the first anniversary
14 of the date of retirement, or (2) the attainment of age 55, or
15 (3) July 1, 1987, whichever occurs latest, the monthly pension
16 of a police officer who retired on or after January 1, 1977 and
17 on or before January 1, 1986, and did not receive an increase
18 under subsection (a) before July 1, 1987, shall be increased
19 by 3% of the originally granted monthly pension for each full
20 year that has elapsed since the pension began, and by an
21 additional 3% of the originally granted pension in each
22 January thereafter. The increases provided under this
23 subsection are in lieu of the increases provided in subsection
24 (a).

25 (f) Notwithstanding the other provisions of this Section,
26 beginning with increases granted on or after July 1, 1993, the

1 second and all subsequent automatic annual increases granted
2 under subsection (a), (b), (d), or (e) of this Section shall be
3 calculated as 3% of the amount of pension payable at the time
4 of the increase, including any increases previously granted
5 under this Section, rather than 3% of the originally granted
6 pension amount. Section 1-103.1 does not apply to this
7 subsection (f).

8 (g) Notwithstanding any other provision of this Article,
9 the monthly pension of a person who first becomes a police
10 officer under this Article on or after January 1, 2011 shall be
11 increased on the January 1 occurring either on or after the
12 attainment of age 60 or the first anniversary of the pension
13 start date, whichever is later. Before January 1, 2026, each
14 ~~Each~~ annual increase shall be calculated at 3% or one-half the
15 annual unadjusted percentage increase (but not less than zero)
16 in the consumer price index-u for the 12 months ending with the
17 September preceding each November 1, whichever is less, of the
18 originally granted pension. If the annual unadjusted
19 percentage change in the consumer price index-u for a 12-month
20 period ending in September is zero or, when compared with the
21 preceding period, decreases, then the pension shall not be
22 increased. On and after January 1, 2026, each annual increase
23 shall be calculated at 3% of the originally granted pension.

24 For the purposes of this subsection (g), "consumer price
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 pension funds.

7 (Source: P.A. 96-1495, eff. 1-1-11.)

8 (40 ILCS 5/4-109.1) (from Ch. 108 1/2, par. 4-109.1)

9 Sec. 4-109.1. Increase in pension.

10 (a) Except as provided in subsection (e), the monthly
11 pension of a firefighter who retires after July 1, 1971 and
12 prior to January 1, 1986, shall, upon either the first of the
13 month following the first anniversary of the date of
14 retirement if 60 years of age or over at retirement date, or
15 upon the first day of the month following attainment of age 60
16 if it occurs after the first anniversary of retirement, be
17 increased by 2% of the originally granted monthly pension and
18 by an additional 2% in each January thereafter. Effective
19 January 1976, the rate of the annual increase shall be 3% of
20 the originally granted monthly pension.

21 (b) The monthly pension of a firefighter who retired from
22 service with 20 or more years of service, on or before July 1,
23 1971, shall be increased, in January of the year following the
24 year of attaining age 65 or in January 1972, if then over age
25 65, by 2% of the originally granted monthly pension, for each

1 year the firefighter received pension payments. In each
2 January thereafter, he or she shall receive an additional
3 increase of 2% of the original monthly pension. Effective
4 January 1976, the rate of the annual increase shall be 3%.

5 (c) The monthly pension of a firefighter who is receiving
6 a disability pension under this Article shall be increased, in
7 January of the year following the year the firefighter attains
8 age 60, or in January 1974, if then over age 60, by 2% of the
9 originally granted monthly pension for each year he or she
10 received pension payments. In each January thereafter, the
11 firefighter shall receive an additional increase of 2% of the
12 original monthly pension. Effective January 1976, the rate of
13 the annual increase shall be 3%.

14 (c-1) On January 1, 1998, every child's disability benefit
15 payable on that date under Section 4-110 or 4-110.1 shall be
16 increased by an amount equal to 1/12 of 3% of the amount of the
17 benefit, multiplied by the number of months for which the
18 benefit has been payable. On each January 1 thereafter, every
19 child's disability benefit payable under Section 4-110 or
20 4-110.1 shall be increased by 3% of the amount of the benefit
21 then being paid, including any previous increases received
22 under this Article. These increases are not subject to any
23 limitation on the maximum benefit amount included in Section
24 4-110 or 4-110.1.

25 (c-2) On July 1, 2004, every pension payable to or on
26 behalf of a minor or disabled surviving child that is payable

1 on that date under Section 4-114 shall be increased by an
2 amount equal to 1/12 of 3% of the amount of the pension,
3 multiplied by the number of months for which the benefit has
4 been payable. On July 1, 2005, July 1, 2006, July 1, 2007, and
5 July 1, 2008, every pension payable to or on behalf of a minor
6 or disabled surviving child that is payable under Section
7 4-114 shall be increased by 3% of the amount of the pension
8 then being paid, including any previous increases received
9 under this Article. These increases are not subject to any
10 limitation on the maximum benefit amount included in Section
11 4-114.

12 (d) The monthly pension of a firefighter who retires after
13 January 1, 1986, shall, upon either the first of the month
14 following the first anniversary of the date of retirement if
15 55 years of age or over, or upon the first day of the month
16 following attainment of age 55 if it occurs after the first
17 anniversary of retirement, be increased by 1/12 of 3% of the
18 originally granted monthly pension for each full month that
19 has elapsed since the pension began, and by an additional 3% in
20 each January thereafter.

21 The changes made to this subsection (d) by this amendatory
22 Act of the 91st General Assembly apply to all initial
23 increases that become payable under this subsection on or
24 after January 1, 1999. All initial increases that became
25 payable under this subsection on or after January 1, 1999 and
26 before the effective date of this amendatory Act shall be

1 recalculated and the additional amount accruing for that
2 period, if any, shall be payable to the pensioner in a lump
3 sum.

4 (e) Notwithstanding the provisions of subsection (a), upon
5 the first day of the month following (1) the first anniversary
6 of the date of retirement, or (2) the attainment of age 55, or
7 (3) July 1, 1987, whichever occurs latest, the monthly pension
8 of a firefighter who retired on or after January 1, 1977 and on
9 or before January 1, 1986 and did not receive an increase under
10 subsection (a) before July 1, 1987, shall be increased by 3% of
11 the originally granted monthly pension for each full year that
12 has elapsed since the pension began, and by an additional 3% in
13 each January thereafter. The increases provided under this
14 subsection are in lieu of the increases provided in subsection
15 (a).

16 (f) In July 2009, the monthly pension of a firefighter who
17 retired before July 1, 1977 shall be recalculated and
18 increased to reflect the amount that the firefighter would
19 have received in July 2009 had the firefighter been receiving
20 a 3% compounded increase for each year he or she received
21 pension payments after January 1, 1986, plus any increases in
22 pension received for each year prior to January 1, 1986. In
23 each January thereafter, he or she shall receive an additional
24 increase of 3% of the amount of the pension then being paid.
25 The changes made to this Section by this amendatory Act of the
26 96th General Assembly apply without regard to whether the

1 firefighter was in service on or after its effective date.

2 (g) Notwithstanding any other provision of this Article,
3 the monthly pension of a person who first becomes a
4 firefighter under this Article on or after January 1, 2011
5 shall be increased on the January 1 occurring either on or
6 after the attainment of age 60 or the first anniversary of the
7 pension start date, whichever is later. Before January 1,
8 2026, each ~~Each~~ annual increase shall be calculated at 3% or
9 one-half the annual unadjusted percentage increase (but not
10 less than zero) in the consumer price index-u for the 12 months
11 ending with the September preceding each November 1, whichever
12 is less, of the originally granted pension. If the annual
13 unadjusted percentage change in the consumer price index-u for
14 a 12-month period ending in September is zero or, when
15 compared with the preceding period, decreases, then the
16 pension shall not be increased. On and after January 1, 2026,
17 each annual increase shall be calculated at 3% of the
18 originally granted pension.

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

1 the boards of the pension funds.

2 (Source: P.A. 96-775, eff. 8-28-09; 96-1495, eff. 1-1-11.)

3 (40 ILCS 5/5-167.1) (from Ch. 108 1/2, par. 5-167.1)

4 Sec. 5-167.1. Automatic increase in annuity; retirement
5 from service after September 1, 1967.

6 (a) A policeman who retires from service after September
7 1, 1967 with at least 20 years of service credit shall, upon
8 either the first of the month following the first anniversary
9 of his date of retirement if he is age 55 or over on that
10 anniversary date, or upon the first of the month following his
11 attainment of age 55 if it occurs after the first anniversary
12 of his retirement date, have his then fixed and payable
13 monthly annuity increased by 3% and such first fixed annuity
14 as granted at retirement increased by an additional 3% in
15 January of each year thereafter.

16 Any policeman born before January 1, 1945 who qualifies
17 for a minimum annuity and retires after September 1, 1967 but
18 has not received the initial increase under this subsection
19 before January 1, 1996 is entitled to receive the initial
20 increase under this subsection on (1) January 1, 1996, (2) the
21 first anniversary of the date of retirement, or (3) attainment
22 of age 55, whichever occurs last. The changes to this Section
23 made by Public Act 89-12 apply beginning January 1, 1996 and
24 without regard to whether the policeman or annuitant
25 terminated service before the effective date of that Act.

1 Any policeman born before January 1, 1950 who qualifies
2 for a minimum annuity and retires after September 1, 1967 but
3 has not received the initial increase under this subsection
4 before January 1, 2000 is entitled to receive the initial
5 increase under this subsection on (1) January 1, 2000, (2) the
6 first anniversary of the date of retirement, or (3) attainment
7 of age 55, whichever occurs last. The changes to this Section
8 made by this amendatory Act of the 92nd General Assembly apply
9 without regard to whether the policeman or annuitant
10 terminated service before the effective date of this
11 amendatory Act.

12 Any policeman born before January 1, 1955 who qualifies
13 for a minimum annuity and retires after September 1, 1967 but
14 has not received the initial increase under this subsection
15 before January 1, 2005 is entitled to receive the initial
16 increase under this subsection on (1) January 1, 2005, (2) the
17 first anniversary of the date of retirement, or (3) attainment
18 of age 55, whichever occurs last. The changes to this Section
19 made by this amendatory Act of the 94th General Assembly apply
20 without regard to whether the policeman or annuitant
21 terminated service before the effective date of this
22 amendatory Act.

23 Any policeman born before January 1, 1966 who qualifies
24 for a minimum annuity and retires after September 1, 1967 but
25 has not received the initial increase under this subsection
26 before January 1, 2017 is entitled to receive an initial

1 increase under this subsection on (1) January 1, 2017, (2) the
2 first anniversary of the date of retirement, or (3) attainment
3 of age 55, whichever occurs last, in an amount equal to 3% for
4 each complete year following the date of retirement or
5 attainment of age 55, whichever occurs later. The changes to
6 this subsection made by this amendatory Act of the 99th
7 General Assembly apply without regard to whether the policeman
8 or annuitant terminated service before the effective date of
9 this amendatory Act.

10 Any policeman born on or after January 1, 1966 who
11 qualifies for a minimum annuity and retires after September 1,
12 1967 but has not received the initial increase under this
13 subsection before January 1, 2023 is entitled to receive the
14 initial increase under this subsection on (1) January 1, 2023,
15 (2) the first anniversary of the date of retirement, or (3)
16 attainment of age 55, whichever occurs last. The changes to
17 this Section made by this amendatory Act of the 103rd General
18 Assembly apply without regard to whether the policeman or
19 annuitant terminated service before the effective date of this
20 amendatory Act of the 103rd General Assembly.

21 (b) Subsection (a) of this Section is not applicable to an
22 employee receiving a term annuity.

23 (c) To help defray the cost of such increases in annuity,
24 there shall be deducted, beginning September 1, 1967, from
25 each payment of salary to a policeman, 1/2 of 1% of each salary
26 payment concurrently with and in addition to the salary

1 deductions otherwise made for annuity purposes.

2 The city, in addition to the contributions otherwise made
3 by it for annuity purposes under other provisions of this
4 Article, shall make matching contributions concurrently with
5 such salary deductions.

6 Each such 1/2 of 1% deduction from salary and each such
7 contribution by the city of 1/2 of 1% of salary shall be
8 credited to the Automatic Increase Reserve, to be used to
9 defray the cost of the annuity increase provided by this
10 Section. Any balance in such reserve as of the beginning of
11 each calendar year shall be credited with interest at the rate
12 of 3% per annum.

13 Such deductions from salary and city contributions shall
14 continue while the policeman is in service.

15 The salary deductions provided in this Section are not
16 subject to refund, except to the policeman himself, in any
17 case in which: (i) the policeman withdraws prior to
18 qualification for minimum annuity or Tier 2 monthly retirement
19 annuity and applies for refund, (ii) the policeman applies for
20 an annuity of a type that is not subject to annual increases
21 under this Section, or (iii) a term annuity becomes payable.
22 In such cases, the total of such salary deductions shall be
23 refunded to the policeman, without interest, and charged to
24 the Automatic Increase Reserve.

25 (d) Notwithstanding any other provision of this Article,
26 the Tier 2 monthly retirement annuity of a person who first

1 becomes a policeman under this Article on or after the
2 effective date of this amendatory Act of the 97th General
3 Assembly shall be increased on the January 1 occurring either
4 on or after (i) the attainment of age 60 or (ii) the first
5 anniversary of the annuity start date, whichever is later.
6 Before January 1, 2026, each ~~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 a 12-month period ending in
13 September is zero or, when compared with the preceding period,
14 decreases, then the annuity shall not be increased. On and
15 after January 1, 2026, each annual increase shall be
16 calculated at 3% of the originally granted retirement annuity.

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

26 (Source: P.A. 103-582, eff. 12-8-23.)

1 (40 ILCS 5/6-164) (from Ch. 108 1/2, par. 6-164)

2 Sec. 6-164. Automatic annual increase; retirement after
3 September 1, 1959.

4 (a) A fireman qualifying for a minimum annuity who retires
5 from service after September 1, 1959 shall, upon either the
6 first of the month following the first anniversary of his date
7 of retirement if he is age 55 or over on that anniversary date,
8 or upon the first of the month following his attainment of age
9 55 if that occurs after the first anniversary of his
10 retirement date, have his then fixed and payable monthly
11 annuity increased by 1 1/2%, and such first fixed annuity as
12 granted at retirement increased by an additional 1 1/2% in
13 January of each year thereafter up to a maximum increase of
14 30%. Beginning July 1, 1982 for firemen born before January 1,
15 1930, and beginning January 1, 1990 for firemen born after
16 December 31, 1929 and before January 1, 1940, and beginning
17 January 1, 1996 for firemen born after December 31, 1939 but
18 before January 1, 1945, and beginning January 1, 2004, for
19 firemen born after December 31, 1944 but before January 1,
20 1955, and beginning January 1, 2017, for firemen born after
21 December 31, 1954, such increases shall be 3% and such firemen
22 shall not be subject to the 30% maximum increase.

23 Any fireman born before January 1, 1945 who qualifies for
24 a minimum annuity and retires after September 1, 1967 but has
25 not received the initial increase under this subsection before

1 January 1, 1996 is entitled to receive the initial increase
2 under this subsection on (1) January 1, 1996, (2) the first
3 anniversary of the date of retirement, or (3) attainment of
4 age 55, whichever occurs last. The changes to this Section
5 made by this amendatory Act of 1995 apply beginning January 1,
6 1996 and apply without regard to whether the fireman or
7 annuitant terminated service before the effective date of this
8 amendatory Act of 1995.

9 Any fireman born before January 1, 1955 who qualifies for
10 a minimum annuity and retires after September 1, 1967 but has
11 not received the initial increase under this subsection before
12 January 1, 2004 is entitled to receive the initial increase
13 under this subsection on (1) January 1, 2004, (2) the first
14 anniversary of the date of retirement, or (3) attainment of
15 age 55, whichever occurs last. The changes to this Section
16 made by this amendatory Act of the 93rd General Assembly apply
17 without regard to whether the fireman or annuitant terminated
18 service before the effective date of this amendatory Act.

19 Any fireman born after December 31, 1954 but before
20 January 1, 1966 who qualifies for a minimum annuity and
21 retires after September 1, 1967 is entitled to receive an
22 increase under this subsection on (1) January 1, 2017, (2) the
23 first anniversary of the date of retirement, or (3) attainment
24 of age 55, whichever occurs last, in an amount equal to an
25 increase of 3% of his then fixed and payable monthly annuity
26 upon the first of the month following the first anniversary of

1 his date of retirement if he is age 55 or over on that
2 anniversary date or upon the first of the month following his
3 attainment of age 55 if that date occurs after the first
4 anniversary of his retirement date and such first fixed
5 annuity as granted at retirement shall be increased by an
6 additional 3% in January of each year thereafter. In the case
7 of a fireman born after December 31, 1954 but before January 1,
8 1966 who received an increase in any year of 1.5%, that fireman
9 shall receive an increase for any such year so that the total
10 increase is equal to 3% for each year the fireman would have
11 been otherwise eligible had the fireman not received any
12 increase. The changes to this subsection made by this
13 amendatory Act of the 99th General Assembly apply without
14 regard to whether the fireman or annuitant terminated service
15 before the effective date of this amendatory Act. The changes
16 to this subsection made by this amendatory Act of the 100th
17 General Assembly are a declaration of existing law and shall
18 not be construed as a new enactment.

19 Any fireman who qualifies for a minimum annuity and
20 retires after September 1, 1967 is entitled to receive an
21 increase under this subsection on (1) January 1, 2020, (2) the
22 first anniversary of the date of retirement, or (3) attainment
23 of age 55, whichever occurs last, in an amount equal to an
24 increase of 3% of his or her then fixed and payable monthly
25 annuity upon the first of the month following the first
26 anniversary of his or her date of retirement if he or she is

1 age 55 or over on that anniversary date or upon the first of
2 the month following his or her attainment of age 55 if that
3 date occurs after the first anniversary of his or her
4 retirement date and such first fixed annuity as granted at
5 retirement shall be increased by an additional 3% in January
6 of each year thereafter. In the case of a fireman who received
7 an increase in any year of 1.5%, that fireman shall receive an
8 increase for any such year so that the total increase is equal
9 to 3% for each year the fireman would have been otherwise
10 eligible had the fireman not received any increase. The
11 changes to this subsection made by this amendatory Act of the
12 101st General Assembly apply without regard to whether the
13 fireman or annuitant terminated service before the effective
14 date of this amendatory Act of the 101st General Assembly.

15 (b) Subsection (a) of this Section is not applicable to an
16 employee receiving a term annuity.

17 (c) To help defray the cost of such increases in annuity,
18 there shall be deducted, beginning September 1, 1959, from
19 each payment of salary to a fireman, 1/8 of 1% of each such
20 salary payment and an additional 1/8 of 1% beginning on
21 September 1, 1961, and September 1, 1963, respectively,
22 concurrently with and in addition to the salary deductions
23 otherwise made for annuity purposes.

24 Each such additional 1/8 of 1% deduction from salary which
25 shall, on September 1, 1963, result in a total increase of 3/8
26 of 1% of salary, shall be credited to the Automatic Increase

1 Reserve, to be used, together with city contributions as
2 provided in this Article, to defray the cost of the annuity
3 increments specified in this Section. Any balance in such
4 reserve as of the beginning of each calendar year shall be
5 credited with interest at the rate of 3% per annum.

6 The salary deductions provided in this Section are not
7 subject to refund, except to the fireman himself in any case in
8 which: (i) the fireman withdraws prior to qualification for
9 minimum annuity or Tier 2 monthly retirement annuity and
10 applies for refund, (ii) the fireman applies for an annuity of
11 a type that is not subject to annual increases under this
12 Section, or (iii) a term annuity becomes payable. In such
13 cases, the total of such salary deductions shall be refunded
14 to the fireman, without interest, and charged to the
15 aforementioned reserve.

16 (d) Notwithstanding any other provision of this Article,
17 the Tier 2 monthly retirement annuity of a person who first
18 becomes a fireman under this Article on or after January 1,
19 2011 shall be increased on the January 1 occurring either on or
20 after (i) the attainment of age 60 or (ii) the first
21 anniversary of the annuity start date, whichever is later.
22 Before January 1, 2026, each ~~Each~~ annual increase shall be
23 calculated at 3% or one-half the annual unadjusted percentage
24 increase (but not less than zero) in the consumer price
25 index-u for the 12 months ending with the September preceding
26 each November 1, whichever is less, of the originally granted

1 retirement annuity. If the annual unadjusted percentage change
2 in the consumer price index-u for a 12-month period ending in
3 September is zero or, when compared with the preceding period,
4 decreases, then the annuity shall not be increased. On and
5 after January 1, 2026, each annual increase shall be
6 calculated at 3% of originally granted retirement annuity.

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

16 (Source: P.A. 100-23, eff. 7-6-17; 100-539, eff. 11-7-17;
17 101-673, eff. 4-5-21.)

18 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

19 Sec. 15-136. Retirement annuities; amount annuities
20 ~~Amount~~. The provisions of this Section 15-136 apply only to
21 those participants who are participating in the traditional
22 benefit package or the portable benefit package and do not
23 apply to participants who are participating in the
24 self-managed plan.

25 (a) The amount of a participant's retirement annuity,

1 expressed in the form of a single-life annuity, shall be
2 determined by whichever of the following rules is applicable
3 and provides the largest annuity:

4 Rule 1: The retirement annuity shall be 1.67% of final
5 rate of earnings for each of the first 10 years of service,
6 1.90% for each of the next 10 years of service, 2.10% for each
7 year of service in excess of 20 but not exceeding 30, and 2.30%
8 for each year in excess of 30; or for persons who retire on or
9 after January 1, 1998, 2.2% of the final rate of earnings for
10 each year of service.

11 Rule 2: The retirement annuity shall be the sum of the
12 following, determined from amounts credited to the participant
13 in accordance with the actuarial tables and the effective rate
14 of interest in effect at the time the retirement annuity
15 begins:

16 (i) the normal annuity which can be provided on an
17 actuarially equivalent basis, by the accumulated normal
18 contributions as of the date the annuity begins;

19 (ii) an annuity from employer contributions of an
20 amount equal to that which can be provided on an
21 actuarially equivalent basis from the accumulated normal
22 contributions made by the participant under Section
23 15-113.6 and Section 15-113.7 plus 1.4 times all other
24 accumulated normal contributions made by the participant;
25 and

26 (iii) the annuity that can be provided on an

1 actuarially equivalent basis from the entire contribution
2 made by the participant under Section 15-113.3.

3 With respect to a police officer or firefighter who
4 retires on or after August 14, 1998, the accumulated normal
5 contributions taken into account under clauses (i) and (ii) of
6 this Rule 2 shall include the additional normal contributions
7 made by the police officer or firefighter under Section
8 15-157(a).

9 The amount of a retirement annuity calculated under this
10 Rule 2 shall be computed solely on the basis of the
11 participant's accumulated normal contributions, as specified
12 in this Rule and defined in Section 15-116. Neither an
13 employee or employer contribution for early retirement under
14 Section 15-136.2 nor any other employer contribution shall be
15 used in the calculation of the amount of a retirement annuity
16 under this Rule 2.

17 This amendatory Act of the 91st General Assembly is a
18 clarification of existing law and applies to every participant
19 and annuitant without regard to whether status as an employee
20 terminates before the effective date of this amendatory Act.

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

23 Rule 3: The retirement annuity of a participant who is
24 employed at least one-half time during the period on which his
25 or her final rate of earnings is based, shall be equal to the
26 participant's years of service not to exceed 30, multiplied by

1 (1) \$96 if the participant's final rate of earnings is less
2 than \$3,500, (2) \$108 if the final rate of earnings is at least
3 \$3,500 but less than \$4,500, (3) \$120 if the final rate of
4 earnings is at least \$4,500 but less than \$5,500, (4) \$132 if
5 the final rate of earnings is at least \$5,500 but less than
6 \$6,500, (5) \$144 if the final rate of earnings is at least
7 \$6,500 but less than \$7,500, (6) \$156 if the final rate of
8 earnings is at least \$7,500 but less than \$8,500, (7) \$168 if
9 the final rate of earnings is at least \$8,500 but less than
10 \$9,500, and (8) \$180 if the final rate of earnings is \$9,500 or
11 more, except that the annuity for those persons having made an
12 election under Section 15-154(a-1) shall be calculated and
13 payable under the portable retirement benefit program pursuant
14 to the provisions of Section 15-136.4.

15 Rule 4: A participant who is at least age 50 and has 25 or
16 more years of service as a police officer or firefighter, and a
17 participant who is age 55 or over and has at least 20 but less
18 than 25 years of service as a police officer or firefighter,
19 shall be entitled to a retirement annuity of 2 1/4% of the
20 final rate of earnings for each of the first 10 years of
21 service as a police officer or firefighter, 2 1/2% for each of
22 the next 10 years of service as a police officer or
23 firefighter, and 2 3/4% for each year of service as a police
24 officer or firefighter in excess of 20. The retirement annuity
25 for all other service shall be computed under Rule 1. A Tier 2
26 member is eligible for a retirement annuity calculated under

1 Rule 4 only if that Tier 2 member meets the service
2 requirements for that benefit calculation as prescribed under
3 this Rule 4 in addition to the applicable age requirement
4 under subsection (a-10) of Section 15-135.

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

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

9 (ii) in the case of an individual who was a
10 participating employee employed in the fire department of
11 the University of Illinois's Champaign-Urbana campus
12 immediately prior to the elimination of that fire
13 department and who immediately after the elimination of
14 that fire department transferred to another job with the
15 University of Illinois, service performed as an employee
16 of the University of Illinois in a position other than
17 police officer or firefighter, from the date of that
18 transfer until the employee's next termination of service
19 with the University of Illinois.

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

25 (1) For a disabled participant whose disability
26 benefits have been discontinued because he or she has

1 exhausted eligibility for disability benefits under clause
2 (6) of Section 15-152;

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

6 (3) For that portion of a retirement annuity which has
7 been provided on account of service of the participant
8 during periods when he or she performed the duties of a
9 police officer or firefighter, if these duties were
10 performed for at least 5 years immediately preceding the
11 date the retirement annuity is to begin.

12 (b-5) The retirement annuity of a Tier 2 member who is
13 retiring under Rule 1 or 3 after attaining age 62 with at least
14 10 years of service credit shall be reduced by 1/2 of 1% for
15 each full month that the member's age is under age 67.

16 (c) The maximum retirement annuity provided under Rules 1,
17 2, 4, and 5 shall be the lesser of (1) the annual limit of
18 benefits as specified in Section 415 of the Internal Revenue
19 Code of 1986, as such Section may be amended from time to time
20 and as such benefit limits shall be adjusted by the
21 Commissioner of Internal Revenue, and (2) 80% of final rate of
22 earnings.

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

26 Effective January 1 immediately following the date the

1 retirement annuity begins, the annuitant shall receive an
2 increase in his or her monthly retirement annuity of 0.125% of
3 the monthly retirement annuity provided under Rule 1, Rule 2,
4 Rule 3, or Rule 4 contained in this Section, multiplied by the
5 number of full months which elapsed from the date the
6 retirement annuity payments began to January 1, 1972, plus
7 0.1667% of such annuity, multiplied by the number of full
8 months which elapsed from January 1, 1972, or the date the
9 retirement annuity payments began, whichever is later, to
10 January 1, 1978, plus 0.25% of such annuity multiplied by the
11 number of full months which elapsed from January 1, 1978, or
12 the date the retirement annuity payments began, whichever is
13 later, to the effective date of the increase.

14 The annuitant shall receive an increase in his or her
15 monthly retirement annuity on each January 1 thereafter during
16 the annuitant's life of 3% of the monthly annuity provided
17 under Rule 1, Rule 2, Rule 3, or Rule 4 contained in this
18 Section. The change made under this subsection by P.A. 81-970
19 is effective January 1, 1980 and applies to each annuitant
20 whose status as an employee terminates before or after that
21 date.

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

26 The change made in this subsection by P.A. 85-1008 is

1 effective January 26, 1988, and is applicable without regard
2 to whether status as an employee terminated before that date.

3 (d-5) Except as otherwise provided in this subsection, a
4 retirement annuity of a Tier 2 member shall receive annual
5 increases on the January 1 occurring either on or after the
6 attainment of age 67 or the first anniversary of the annuity
7 start date, whichever is later. Each annual increase shall be
8 calculated at 3% or one half the annual unadjusted percentage
9 increase (but not less than zero) in the consumer price
10 index-u for the 12 months ending with the September preceding
11 each November 1, whichever is less, of the originally granted
12 retirement annuity. If the annual unadjusted percentage change
13 in the consumer price index-u for the 12 months ending with the
14 September preceding each November 1 is zero or there is a
15 decrease, then the annuity shall not be increased.

16 Beginning January 1, 2026, a retirement annuity of a Tier
17 2 member shall receive annual increases on the January 1
18 occurring either on or after the first anniversary of the
19 annuity start date. Each annual increase shall be calculated
20 at 3% of the originally granted retirement annuity.

21 (e) If, on January 1, 1987, or the date the retirement
22 annuity payment period begins, whichever is later, the sum of
23 the retirement annuity provided under Rule 1 or Rule 2 of this
24 Section and the automatic annual increases provided under the
25 preceding subsection or Section 15-136.1, amounts to less than
26 the retirement annuity which would be provided by Rule 3, the

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

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

19 (g) If, (1) by law, a function of a governmental unit, as
20 defined by Section 20-107 of this Code, is transferred in
21 whole or in part to an employer, and (2) a participant
22 transfers employment from such governmental unit to such
23 employer within 6 months after the transfer of the function,
24 and (3) the sum of (A) the annuity payable to the participant
25 under Rule 1, 2, or 3 of this Section (B) all proportional
26 annuities payable to the participant by all other retirement

1 systems covered by Article 20, and (C) the initial primary
2 insurance amount to which the participant is entitled under
3 the Social Security Act, is less than the retirement annuity
4 which would have been payable if all of the participant's
5 pension credits validated under Section 20-109 had been
6 validated under this system, a supplemental annuity equal to
7 the difference in such amounts shall be payable to the
8 participant.

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

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

22 (j) The changes made to this Section by this amendatory
23 Act of the 101st General Assembly apply retroactively to
24 January 1, 2011.

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

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

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

11 Notwithstanding any other provision of this Article and
12 except as otherwise provided in this Section, a retirement
13 annuity for a participant who first serves as a judge on or
14 after January 1, 2011 (the effective date of Public Act
15 96-889) shall be increased in January of the year next
16 following the year in which the first anniversary of
17 retirement occurs, but in no event prior to age 67, and in
18 January of each year thereafter, by an amount equal to 3% or
19 the annual 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 retirement annuity then being paid.

23 Notwithstanding any other provision of this Article,
24 beginning January 1, 2026, a retirement annuity for a
25 participant who first serves as a judge on or after January 1,
26 2011 (the effective date of Public Act 96-889) shall be

1 increased in January of the year next following the year in
2 which the first anniversary of retirement occurs, and in
3 January of each year thereafter, by an amount equal to 3% of
4 the retirement annuity then being paid.

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

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

20 This Section is not applicable to a participant who
21 retires before he or she has made contributions at the rate
22 prescribed in Section 18-133 for automatic increases for not
23 less than the equivalent of one full year, unless such a
24 participant arranges to pay the system the amount required to
25 bring the total contributions for the automatic increase to
26 the equivalent of one year's contribution based upon his or

1 her last year's salary.

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

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

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

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

25

Article 3.

1 Section 3-5. The Illinois Administrative Procedure Act is
2 amended by adding Section 5-45.55 as follows:

3 (5 ILCS 100/5-45.55 new)

4 Sec. 5-45.55. Emergency rulemaking; accelerated pension
5 benefit payments. To provide for the expeditious and timely
6 implementation of accelerated pension benefit payments under
7 Articles 2 and 18 of the Illinois Pension Code, emergency
8 rules implementing the accelerated pension benefit payments
9 under Article 2 may be adopted in accordance with Section 5-45
10 by the Board of Trustees established under Article 2 of the
11 Illinois Pension Code and emergency rules implementing the
12 accelerated pension benefit payments under Article 18 may be
13 adopted in accordance with Section 5-45 by the Board of
14 Trustees established under Article 18 of the Illinois Pension
15 Code. The adoption of emergency rules authorized by Section
16 5-45 and this Section is deemed to be necessary for the public
17 interest, safety, and welfare.

18 This Section is repealed one year after the effective date
19 of this amendatory Act of the 103rd General Assembly.

20 Section 3-10. The Illinois Pension Code is amended by
21 adding Sections 2-154.5, 2-154.6, 17-156.10, 17-156.11,
22 18-161.5, and 18-161.6 as follows:

1 (40 ILCS 5/2-154.5 new)

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

4 (a) As used in this Section:

5 "Eligible person" means a person who:

6 (1) has terminated service;

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

10 (3) has not received any retirement annuity under this
11 Article; and

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

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

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

1 offer shall specify the dollar amount that the eligible person
2 will receive if he or she so elects and shall expire when a
3 subsequent offer is made to an eligible person. An eligible
4 person is limited to one calculation and offer per calendar
5 year. The System shall make a good faith effort to contact
6 every eligible person to notify him or her of the election.
7 Until June 30, 2027, an eligible person may irrevocably elect
8 to receive an accelerated pension benefit payment in the
9 amount that the System offers under this subsection in lieu of
10 receiving any pension benefit. A person who elects to receive
11 an accelerated pension benefit payment under this Section may
12 not elect to proceed under the Retirement Systems Reciprocal
13 Act with respect to service under this Article.

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

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

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

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

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

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

26 (g) The Board shall adopt any rules, including emergency

1 rules, necessary to implement this Section.

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

5 (40 ILCS 5/2-154.6 new)

6 Sec. 2-154.6. Accelerated pension benefit payment for a
7 reduction in annual retirement annuity and survivor's annuity
8 increases.

9 (a) As used in this Section:

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

19 "Eligible person" means a person who:

20 (1) is a Tier 1 participant;

21 (2) has submitted an application for a retirement
22 annuity under this Article;

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

25 (4) has not received any retirement annuity under this

1 Article; and

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

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, 2027, 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 (d-5) Upon receipt of a participant's irrevocable election
2 to receive an accelerated pension benefit payment under this
3 Section, the System shall submit a voucher to the Comptroller
4 for payment of the participant's accelerated pension benefit
5 payment. The Comptroller shall transfer the amount of the
6 voucher from the General Revenue Fund to the System, and the
7 System shall transfer the amount into the member's eligible
8 retirement plan or qualified account.

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

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

14 (40 ILCS 5/17-156.10 new)

15 Sec. 17-156.10. Accelerated pension benefit payment in
16 lieu of any pension benefit.

17 (a) As used in this Section:

18 "Eligible person" means a person who:

19 (1) has terminated service;

20 (2) has accrued sufficient service credit to be
21 eligible to receive a service retirement pension under
22 this Article;

23 (3) has not received any service retirement pension
24 under this Article; and

25 (4) has not made the election under Section 17-156.11.

1 "Pension benefit" means the benefits under this Article,
2 including any anticipated annual increases, that an eligible
3 person is entitled to upon attainment of the applicable
4 retirement age. "Pension benefit" also includes applicable
5 survivor's pensions, duty disability pensions, and disability
6 retirement pensions.

7 (b) As soon as practical after the effective date of this
8 amendatory Act of the 103rd General Assembly, the Fund shall
9 calculate, using actuarial tables and other assumptions
10 adopted by the Board, the present value of pension benefits
11 for each eligible person who requests that information and
12 shall offer each eligible person the opportunity to
13 irrevocably elect to receive an amount determined by the Fund
14 to be equal to 60% of the present value of his or her pension
15 benefits in lieu of receiving any pension benefit. The offer
16 shall specify the dollar amount that the eligible person will
17 receive if he or she so elects and shall expire when a
18 subsequent offer is made to an eligible person. An eligible
19 person is limited to one calculation and offer per calendar
20 year. The Fund shall make a good faith effort to contact every
21 eligible person to notify him or her of the election. Until
22 June 30, 2027, an eligible person may irrevocably elect to
23 receive an accelerated pension benefit payment in the amount
24 that the Fund offers under this subsection in lieu of
25 receiving any pension benefit. A person who elects to receive
26 an accelerated pension benefit payment under this Section may

1 not elect to proceed under the Retirement Systems Reciprocal
2 Act with respect to service under this Article.

3 (c) A person's creditable service under this Article shall
4 be terminated upon the person's receipt of an accelerated
5 pension benefit payment under this Section, and no other
6 benefit shall be paid under this Article based on the
7 terminated creditable service, including any retirement,
8 survivor, or other pension benefit; except that to the extent
9 that participation, benefits, or premiums under the State
10 Employees Group Insurance Act of 1971 are based on the amount
11 of service credit, the terminated service credit shall be used
12 for that purpose.

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

16 (1) Any benefits under the Fund earned as a result of
17 that return to active service shall be based solely on the
18 person's creditable service arising from the return to
19 active service.

20 (2) The accelerated pension benefit payment may not be
21 repaid to the Fund, and the terminated creditable service
22 may not under any circumstances be reinstated.

23 (e) As a condition of receiving an accelerated pension
24 benefit payment, the accelerated pension benefit payment must
25 be transferred into a tax qualified retirement plan or
26 account. The accelerated pension benefit payment under this

1 Section may be subject to withholding or payment of applicable
2 taxes, but to the extent permitted by federal law, a person who
3 receives an accelerated pension benefit payment under this
4 Section must direct the Fund to pay all of that payment as a
5 rollover into another retirement plan or account qualified
6 under the Internal Revenue Code of 1986, as amended.

7 (f) Upon receipt of a member's irrevocable election to
8 receive an accelerated pension benefit payment under this
9 Section, the Fund shall submit a voucher to the Comptroller
10 for payment of the member's accelerated pension benefit
11 payment. The Comptroller shall transfer the amount of the
12 voucher from the General Revenue Fund to the Fund, and the Fund
13 shall transfer the amount into the member's eligible
14 retirement plan or qualified account.

15 (g) The Board shall adopt any rules necessary to implement
16 this Section.

17 (h) No provision of this Section shall be interpreted in a
18 way that would cause the Fund to cease to be a qualified plan
19 under the Internal Revenue Code of 1986.

20 (40 ILCS 5/17-156.11 new)

21 Sec. 17-156.11. Accelerated pension benefit payment for a
22 reduction in annual service retirement pension and survivor's
23 pension increases.

24 (a) As used in this Section:

25 "Accelerated pension benefit payment" means a lump sum

1 payment equal to 70% of the difference of the present value of
2 the automatic annual increases to a Tier 1 member's service
3 retirement pension and survivor's pension using the formula
4 applicable to the Tier 1 member and the present value of the
5 automatic annual increases to the Tier 1 member's service
6 retirement pension using the formula provided under subsection
7 (b-5) and survivor's pension using the formula provided under
8 subsection (b-6).

9 "Eligible person" means a person who:

10 (1) is a Tier 1 member;

11 (2) has submitted an application for a service
12 retirement pension under this Article;

13 (3) meets the age and service requirements for
14 receiving a service retirement pension under this Article;

15 (4) has not received any service retirement pension
16 under this Article; and

17 (5) has not made the election under Section 17-156.10.

18 "Tier 1 member" means a person who first became a member
19 before January 1, 2011.

20 (b) As soon as practical after the effective date of this
21 amendatory Act of the 103rd General Assembly and until June
22 30, 2027, the Fund shall implement an accelerated pension
23 benefit payment option for eligible persons. Upon the request
24 of an eligible person, the Fund shall calculate, using
25 actuarial tables and other assumptions adopted by the Board,
26 an accelerated pension benefit payment amount and shall offer

1 that eligible person the opportunity to irrevocably elect to
2 have his or her automatic annual increases in service
3 retirement pension calculated in accordance with the formula
4 provided under subsection (b-5) and any increases in
5 survivor's pension payable to his or her survivor's pension
6 beneficiary calculated in accordance with the formula provided
7 under subsection (b-6) in exchange for the accelerated pension
8 benefit payment. The election under this subsection must be
9 made before the eligible person receives the first payment of
10 a service retirement pension otherwise payable under this
11 Article.

12 (b-5) Notwithstanding any other provision of law, the
13 service retirement pension of a person who made the election
14 under subsection (b) shall be subject to annual increases on
15 the January 1 occurring either on or after the attainment of
16 age 67 or the first anniversary of the pension start date,
17 whichever is later. Each annual increase shall be calculated
18 at 1.5% of the originally granted service retirement pension.

19 (b-6) Notwithstanding any other provision of law, a
20 survivor's pension payable to a survivor's pension beneficiary
21 of a person who made the election under subsection (b) shall be
22 subject to annual increases on the January 1 occurring on or
23 after the first anniversary of the commencement of the
24 pension. Each annual increase shall be calculated at 1.5% of
25 the originally granted survivor's pension.

26 (c) If a person who has received an accelerated pension

1 benefit payment returns to active service under this Article,
2 then:

3 (1) the calculation of any future automatic annual
4 increase in service retirement pension shall be calculated
5 in accordance with the formula provided under subsection
6 (b-5); and

7 (2) the accelerated pension benefit payment may not be
8 repaid to the Fund.

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

19 (d-5) Upon receipt of a member's irrevocable election to
20 receive an accelerated pension benefit payment under this
21 Section, the Fund shall submit a voucher to the Comptroller
22 for payment of the member's accelerated pension benefit
23 payment. The Comptroller shall transfer the amount of the
24 voucher from the General Revenue Fund to the Fund, and the Fund
25 shall transfer the amount into the member's eligible
26 retirement plan or qualified account.

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

3 (f) No provision of this Section shall be interpreted in a
4 way that would cause the Fund to cease to be a qualified plan
5 under the Internal Revenue Code of 1986.

6 (40 ILCS 5/18-161.5 new)
7 Sec. 18-161.5. 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 18-161.6.

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
24 amendatory Act of the 103rd General Assembly, the System shall
25 calculate, using actuarial tables and other assumptions

1 adopted by the Board, the present value of pension benefits
2 for each eligible person who requests that information and
3 shall offer each eligible person the opportunity to
4 irrevocably elect to receive an amount determined by the
5 System to be equal to 60% of the present value of his or her
6 pension benefits in lieu of receiving any pension benefit. The
7 offer shall specify the dollar amount that the eligible person
8 will receive if he or she so elects and shall expire when a
9 subsequent offer is made to an eligible person. An eligible
10 person is limited to one calculation and offer per calendar
11 year. The System shall make a good faith effort to contact
12 every eligible person to notify him or her of the election.
13 Until June 30, 2027, an eligible person may irrevocably elect
14 to receive an accelerated pension benefit payment in the
15 amount that the System offers under this subsection in lieu of
16 receiving any pension benefit. A person who elects to receive
17 an accelerated pension benefit payment under this Section may
18 not elect to proceed under the Retirement Systems Reciprocal
19 Act with respect to service under this Article.

20 (c) A person's creditable service under this Article shall
21 be terminated upon the person's receipt of an accelerated
22 pension benefit payment under this Section, and no other
23 benefit shall be paid under this Article based on the
24 terminated creditable service, including any retirement,
25 survivor, or other benefit; except that to the extent that
26 participation, benefits, or premiums under the State Employees

1 Group Insurance Act of 1971 are based on the amount of service
2 credit, the terminated service credit shall be used for that
3 purpose.

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

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

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

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

24 (f) Upon receipt of a member's irrevocable election to
25 receive an accelerated pension benefit payment under this
26 Section, the System shall submit a voucher to the Comptroller

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

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

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

11 (40 ILCS 5/18-161.6 new)

12 Sec. 18-161.6. Accelerated pension benefit payment for a
13 reduction in annual retirement annuity and survivor's annuity
14 increases.

15 (a) As used in this Section:

16 "Accelerated pension benefit payment" means a lump sum
17 payment equal to 70% of the difference of the present value of
18 the automatic annual increases to a Tier 1 participant's
19 retirement annuity and survivor's annuity using the formula
20 applicable to the Tier 1 participant and the present value of
21 the automatic annual increases to the Tier 1 participant's
22 retirement annuity using the formula provided under subsection
23 (b-5) and survivor's annuity using the formula provided under
24 subsection (b-6).

25 "Eligible person" means a person who:

1 (1) is a Tier 1 participant;

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

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

6 (4) has not received any retirement annuity under this
7 Article; and

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

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

11 (b) As soon as practical after the effective date of this
12 amendatory Act of the 103rd General Assembly and until June
13 30, 2027, the System shall implement an accelerated pension
14 benefit payment option for eligible persons. Upon the request
15 of an eligible person, the System shall calculate, using
16 actuarial tables and other assumptions adopted by the Board,
17 an accelerated pension benefit payment amount and shall offer
18 that eligible person the opportunity to irrevocably elect to
19 have his or her automatic annual increases in retirement
20 annuity calculated in accordance with the formula provided
21 under subsection (b-5) and any increases in survivor's annuity
22 payable to his or her survivor's annuity beneficiary
23 calculated in accordance with the formula provided under
24 subsection (b-6) in exchange for the accelerated pension
25 benefit payment. The election under this subsection must be
26 made before the eligible person receives the first payment of

1 a retirement annuity otherwise payable under this Article.

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

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

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

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

23 (2) the accelerated pension benefit payment may not be
24 repaid to the System.

25 (d) As a condition of receiving an accelerated pension
26 benefit payment, the accelerated pension benefit payment must

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

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

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

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

22 Article 4.

23 Section 4-5. The Illinois Pension Code is amended by
24 adding Sections 1-168, 3-118, 4-136, and 7-142.2 as follows:

1 (40 ILCS 5/1-168 new)

2 Sec. 1-168. Deferred retirement option plan.

3 (a) In this Section:

4 "Applicable pension fund or retirement system" means the
5 pension fund or retirement system established under Article
6 14, 15, 16, or 17 under which the eligible member or DROP
7 member participates.

8 "Deferred retirement option plan" or "DROP" means the plan
9 created under this Section that provides an alternative method
10 of benefit accrual in the pension fund or retirement system.

11 "DROP member" means an eligible member who makes an
12 election to participate in the DROP no later than January 1,
13 2029.

14 "Eligible member" means a participating member under a
15 pension fund or retirement system established under Article
16 14, 15, 16, or 17 who, at the time of the member's election to
17 participate in the DROP:

18 (1) is otherwise eligible to retire under the
19 applicable Article with a full and unreduced pension as
20 determined by the retirement system or pension fund of
21 which the member is an active member at the time of the
22 election to participate in the DROP;

23 (2) is not in receipt of a disability or retirement
24 annuity from the applicable retirement system or pension
25 fund at the time of his or her election to participate in

1 the DROP; and

2 (3) is actively employed in a position that is covered
3 under a collective bargaining agreement.

4 (b) The DROP shall be made available to eligible members
5 no later than January 1, 2026.

6 (c) Eligible members must make their election to
7 participate in the DROP in writing with the applicable pension
8 fund or retirement system in a form acceptable to the
9 applicable pension fund or retirement system. The applicable
10 pension fund or retirement system must process the election
11 and begin crediting an account on behalf of the DROP member as
12 soon as is practicable after the election has been received.

13 At the time of or prior to electing to participate in the
14 DROP, a member must, unless otherwise provided by law, make
15 all other elections required to be made at or before the date
16 of retirement, including, but not limited to, purchase of
17 optional service, election of an accelerated pension benefit
18 payment, or any other election identified by the retirement
19 system or pension fund.

20 (d) An eligible member may participate in the DROP for a
21 period not to exceed 5 years from the date of the eligible
22 member's election.

23 (e) During the period of the DROP member's participation
24 in the DROP, the applicable pension fund or retirement system
25 shall transfer and credit into a notional account on behalf of
26 the DROP member an amount equal to the monthly amount of

1 retirement annuity the DROP member would otherwise be eligible
2 to receive if the DROP member had retired on the date of the
3 election under this Section. A DROP member who is entitled to a
4 benefit from a participating system under the Retirement
5 Systems Reciprocal Act shall be eligible to have the benefit
6 the DROP member would have otherwise been eligible to receive
7 if the DROP member retired on the date of the election under
8 this Section deposited with the applicable pension fund or
9 retirement system in the DROP member's DROP account and
10 administered in a manner consistent with the requirements of
11 this Section. The applicable pension fund or retirement system
12 shall deduct any amounts required to be deducted under State
13 or federal law, including, but not limited to, payments
14 required under a Qualified Illinois Domestic Relations Order
15 under Section 1-119. Any automatic annual increases that would
16 have otherwise been applied to the DROP member's benefit if
17 the DROP member had elected to retire instead of participate
18 in the DROP shall accrue to the DROP member's monthly payment
19 placed into the account prior to the expiration of the DROP and
20 shall otherwise apply to the DROP member's annuity upon
21 expiration of the DROP. The account shall be held on behalf of
22 the DROP member.

23 (f) DROP members shall make contributions to the
24 applicable pension fund or retirement system during their
25 participation in the DROP in an amount equal to the employee
26 contributions under the applicable Article that would

1 otherwise be required if the DROP member were an active
2 participant of the applicable pension fund or retirement
3 system. Those amounts shall be credited to the member's DROP
4 account, minus any administrative costs determined by the
5 pension fund or retirement system to be attributable to the
6 administration of the DROP benefits experienced by the
7 applicable pension fund or retirement system.

8 (g) The amounts credited to the DROP account shall be held
9 in notional accounts by the applicable pension fund or
10 retirement system. The amounts in the DROP account shall not
11 accrue interest. The applicable pension fund or retirement
12 system shall reduce the amounts in the DROP account on a
13 schedule set by the applicable pension fund or retirement
14 system to cover all of the administrative costs of the
15 applicable pension fund or retirement system that are deemed
16 to be attributable to the administration of the DROP account
17 and any duties required under this Section.

18 (h) Upon expiration or termination of the DROP member's
19 participation in the DROP, the account balance shall be paid
20 to the DROP member as a lump sum. The applicable pension fund
21 or retirement system shall provide options for the transfer of
22 the account consistent with its fiduciary duty and any
23 applicable State or federal law. The expiration or termination
24 of a DROP member's participation in the DROP may not occur
25 after January 1, 2034.

26 (i) The DROP election is irrevocable, and the DROP member

1 may not, except as otherwise provided in this Section, access
2 the account prior to the date established as the last day of
3 the DROP when the DROP member made the initial election to
4 participate in the DROP. The DROP member must terminate
5 employment with the employer upon expiration of his or her
6 participation in the DROP. The DROP member's participation in
7 the DROP shall terminate prior to the expiration date:

8 (1) if the DROP member terminates employment with the
9 employer prior to the expiration of the designated DROP
10 period;

11 (2) if the DROP member becomes eligible for and begins
12 collecting a disability benefit from the pension fund or
13 retirement system; or

14 (3) upon the death of the DROP member.

15 Upon termination from the DROP, the member shall commence
16 his or her retirement annuity from the pension fund or
17 retirement system. After termination or expiration of a
18 member's participation in the DROP, the member may not
19 participate in employment in any way that would require the
20 member to become an active contributing member of the
21 retirement system or pension fund.

22 The applicable pension fund or retirement system may allow
23 for the payment of the balance of the DROP account prior to the
24 last date of participation in the DROP established by the DROP
25 member when the DROP member made the initial election to
26 participate in the DROP if (i) the member's participation in

1 the DROP terminated and (ii) the applicable pension fund or
2 retirement system determines the DROP member should have
3 access to the DROP account balance due to hardship or
4 necessity as determined by the applicable pension fund or
5 retirement system.

6 (j) A DROP member shall be considered in active service
7 for purposes of eligibility for death and disability benefits
8 and access to any health care benefits provided for by the
9 employer and shall retain all rights of employment as
10 established under the DROP member's collective bargaining
11 agreement.

12 The DROP member shall not accrue additional service credit
13 in the pension fund or retirement system while participating
14 in the DROP, regardless of any service accruals, future pay
15 increases, active cost of living adjustments, or promotions.
16 Additionally, the DROP member shall not be eligible to
17 purchase any optional service credit or to repay any refunds.

18 Eligibility for a surviving spouse benefit shall be
19 determined at the time of the DROP election.

20 Any amounts due to an alternate payee under a Qualified
21 Illinois Domestic Relations Order under Section 1-119 shall be
22 calculated at the time of the DROP election and such amounts
23 shall be payable at the time of election.

24 If the DROP member's designated beneficiary predeceases
25 the DROP member and the DROP member dies before designating a
26 new beneficiary, the DROP member's DROP account shall be paid

1 to the DROP member's estate.

2 When determining if a member is owed a refund of
3 contributions due to the member's death prior to collecting an
4 amount equal to or greater than the member's contributions,
5 the proceeds of the DROP account shall be considered part of
6 the total payment made to the member or the member's estate.

7 (k) It is intended that the DROP shall not jeopardize the
8 tax qualified status of the pension fund or retirement system.
9 The pension fund or retirement system shall have the authority
10 to adopt rules necessary or appropriate for the DROP to
11 maintain compliance with applicable federal laws and
12 regulations. Notwithstanding any other provision of this Code,
13 all benefits provided under the DROP shall be subject to the
14 requirements and limits of the Internal Revenue Code of 1986,
15 as amended.

16 (l) Each applicable pension fund or retirement system
17 shall be the administrator of the DROP plan created in this
18 Section. The administration shall be subject to any applicable
19 laws, and the pension fund or retirement system shall
20 administer the program in the best interest of the DROP
21 members in a way that a prudent person in a similar
22 circumstance would.

23 (40 ILCS 5/3-118 new)

24 Sec. 3-118. Deferred retirement option plan.

25 (a) As used in this Section:

1 "Deferred retirement option plan" or "DROP" means a plan
2 created under this Section that provides an alternative method
3 of benefit accrual in the fund.

4 "DROP member" means an eligible member who makes an
5 election to participate in the DROP no later than January 1,
6 2029.

7 "DROP period" means the period during which a DROP member
8 participates in the DROP.

9 "Eligible member" means a police officer who, at the time
10 of electing to participate in the DROP:

11 (1) is otherwise eligible to retire under this Article
12 with a benefit under Section 3-111;

13 (2) has never received a retirement annuity from the
14 fund;

15 (3) is in active service under this Article; and

16 (4) is not subject to mandatory retirement under the
17 law and will not become subject to mandatory retirement
18 under the law during participation in the DROP.

19 (b) The DROP shall be made available to eligible members
20 no later than January 1, 2026.

21 (c) Eligible members must make their election to
22 participate in the DROP in writing with the fund in a form
23 acceptable to the fund. The fund must process the election and
24 begin crediting an account on behalf of the member as soon as
25 is practicable after the election has been received by the
26 fund.

1 At the time of or prior to electing to participate in the
2 DROP, a member must, unless otherwise provided by law, make
3 all other elections required to be made at or before the date
4 of retirement, including, but not limited to, purchase of
5 optional service, conversion of any annuity benefit into an
6 up-front or lump sum payment, or any other election identified
7 by the retirement system or pension fund.

8 (d) An eligible member may participate in the DROP for a
9 period not to exceed 5 years from the date of the eligible
10 member's election to participate.

11 (e) During the DROP period, the fund shall credit, to a
12 notional account on behalf of the DROP member, an amount equal
13 to the monthly amount of retirement annuity the DROP member
14 would otherwise be eligible to receive if the DROP member had
15 retired on the date of the election under this Section, minus
16 any amounts required to be deducted under State or federal
17 law, including, but not limited to, payments required under a
18 Qualified Illinois Domestic Relations Order under Section
19 1-119. A DROP member who is entitled to a benefit from a
20 participating system under the Retirement Systems Reciprocal
21 Act shall be eligible to have the benefit the DROP member would
22 have otherwise been eligible to receive if the DROP member
23 retired on the date of the election under this Section
24 deposited with the fund in the DROP member's DROP account and
25 administered in a manner consistent with the requirements of
26 this Section. Any automatic annual increases that would have

1 otherwise been applied to the DROP member's retirement annuity
2 if the DROP member had elected to retire instead of
3 participate in the DROP shall accrue to the DROP member's
4 monthly payment credited to the account prior to the
5 expiration of the DROP and shall otherwise apply to the DROP
6 member's annuity upon expiration of the DROP. The account
7 shall be held on behalf of the DROP member.

8 (f) DROP members shall make contributions to the fund
9 during their participation in the DROP in an amount equal to
10 the employee contributions that would otherwise be required if
11 the DROP member were an active participant of the fund. Those
12 amounts shall be credited to the DROP account.

13 (g) The amounts credited to the DROP account shall be held
14 in notional accounts by the fund. The amounts credited to the
15 DROP account shall not accrue interest.

16 (h) Upon the expiration or termination of the DROP
17 member's participation in the DROP, the account balance shall
18 be paid to the DROP member as a lump sum. The fund shall
19 provide options for the transfer of the account consistent
20 with its fiduciary duty and any applicable State or federal
21 law. The expiration or termination of a DROP member's
22 participation in the DROP may not occur after January 1, 2034.

23 (i) The DROP election is irrevocable, and the DROP member
24 may not access the account prior to termination or expiration
25 of the DROP member's participation in the DROP. The DROP
26 member must terminate employment with the employer upon

1 expiration of his or her participation in the DROP. The DROP
2 member's participation in the DROP shall terminate prior to
3 the expiration date:

4 (1) if the DROP member terminates employment with the
5 employer prior to the expiration of the designated DROP
6 period;

7 (2) if the DROP member becomes eligible for and begins
8 collecting a disability benefit from the fund; or

9 (3) upon the death of the DROP member.

10 Upon termination or expiration of the DROP period, the
11 DROP member's retirement annuity from the fund shall commence.
12 After termination or expiration of a member's participation in
13 the DROP, the member may not participate in employment in any
14 way that would require the member to become an active
15 contributing member of the fund.

16 (j) The DROP member shall be considered in active service
17 for purposes of eligibility for death and disability benefits
18 and shall retain all rights of employment as established under
19 the DROP member's collective bargaining agreement, if
20 applicable.

21 While participating in the DROP, the DROP member shall not
22 accrue additional service credit, including any service
23 accruals, in the fund, and earnings paid to the DROP member
24 while participating in the DROP shall not be included in the
25 calculation of final average salary, regardless of future pay
26 increases, active cost of living adjustments, or promotions.

1 Additionally, the DROP member shall not be eligible to
2 purchase service credit under this Article.

3 Any amounts due to an alternate payee under a Qualified
4 Illinois Domestic Relations Order under Section 1-119 shall be
5 calculated at the time of the DROP election, and such amounts
6 shall be payable at the time of election.

7 If the DROP member's designated beneficiary predeceases
8 the DROP member and the DROP member dies before designating a
9 new beneficiary, the DROP member's DROP account shall be paid
10 to the DROP member's estate.

11 When determining if a police officer is owed a refund of
12 contributions due to the police officer's death prior to
13 collecting an amount equal to or greater than the member's
14 contributions, the proceeds of the DROP account shall be
15 considered part of the total payment made to the police
16 officer or the police officer's estate.

17 (k) It is intended that the DROP shall not jeopardize the
18 tax qualified status of the fund. The board of trustees of the
19 fund shall have the authority to adopt rules necessary or
20 appropriate for the DROP to maintain compliance with
21 applicable federal laws and regulations. Notwithstanding any
22 other provision of this Article, all benefits provided under
23 the DROP shall be subject to the requirements and limits of the
24 Internal Revenue Code of 1986, as amended.

25 (l) The costs of administering the DROP account shall be
26 the exclusive responsibility of the DROP member. The fund

1 shall pay any reasonable administrative cost of the account
2 and shall reduce the balance of the DROP account in an amount
3 determined by the fund to meet all costs of the DROP account.

4 (m) The Board may transfer the administrative
5 responsibility of the DROP program to the State Treasurer
6 under Section 1-168 after an affirmative vote of the Board.

7 (40 ILCS 5/4-136 new)

8 Sec. 4-136. Deferred retirement option plan.

9 (a) As used in this Section:

10 "Deferred retirement option plan" or "DROP" means the plan
11 created under this Section that provides an alternative method
12 of benefit accrual in the fund.

13 "DROP member" means an eligible member who makes an
14 election to participate in the DROP no later than January 1,
15 2029.

16 "DROP period" means the period during which a DROP member
17 participates in the DROP.

18 "Eligible member" means a firefighter who, at the time of
19 electing to participate in the DROP:

20 (1) is otherwise eligible to retire under this Article
21 with a benefit under Section 4-109;

22 (2) has never received a retirement annuity from the
23 fund;

24 (3) is in active service under this Article; and

25 (4) is not subject to mandatory retirement under the

1 law and will not become subject to mandatory retirement
2 under the law during participation in the DROP.

3 (b) The DROP shall be made available to eligible members
4 no later than January 1, 2026.

5 (c) Eligible members must make their election to
6 participate in the DROP in writing with the fund in a form
7 acceptable to the fund. The fund must process the election and
8 begin crediting an account on behalf of the member as soon as
9 is practicable after the election has been received by the
10 fund.

11 At the time of or prior to electing to participate in the
12 DROP, a member must, unless otherwise provided by law, make
13 all other elections required to be made at or before the date
14 of retirement, including, but not limited to, purchase of
15 optional service, conversion of any annuity benefit into an
16 up-front or lump sum payment, or any other election identified
17 by the retirement system or pension fund.

18 (d) An eligible member may participate in the DROP for a
19 period not to exceed 5 years from the date of the eligible
20 member's election to participate in the DROP.

21 (e) During the DROP period, the fund shall credit, to a
22 notional account on behalf of the DROP member, an amount equal
23 to the monthly amount of retirement annuity the DROP member
24 would otherwise be eligible to receive if the DROP member had
25 retired on the date of the election under this Section, minus
26 any amounts required to be deducted under State or federal

1 law, including, but not limited to, payments required under a
2 Qualified Illinois Domestic Relations Order under Section
3 1-119. A DROP member who is entitled to a benefit from a
4 participating system under the Retirement Systems Reciprocal
5 Act shall be eligible to have the benefit the DROP member would
6 have otherwise been eligible to receive if the DROP member
7 retired on the date of the election under this Section
8 deposited with the fund in the DROP member's DROP account and
9 administered in a manner consistent with the requirements of
10 this Section. Any automatic annual increases that would have
11 otherwise been applied to the DROP member's retirement annuity
12 if the DROP member had elected to retire instead of
13 participate in the DROP shall accrue to the DROP member's
14 monthly payment credited to the account prior to the
15 expiration of the DROP and shall otherwise apply to the DROP
16 member's annuity upon expiration of the DROP. The account
17 shall be held on behalf of the DROP member.

18 (f) DROP members shall make contributions to the fund
19 during their participation in the DROP in an amount equal to
20 the employee contributions that would otherwise be required if
21 the DROP member were an active participant of the fund. Those
22 amounts shall be credited to the DROP account.

23 (g) The amounts credited to the DROP account shall be held
24 in notional accounts by the fund. The amounts credited to the
25 DROP account shall not accrue interest.

26 (h) Upon the expiration or termination of the DROP

1 member's participation in the DROP, the account balance shall
2 be paid to the DROP member as a lump sum. The fund shall
3 provide options for the transfer of the account consistent
4 with its fiduciary duty and any applicable State or federal
5 law. The expiration or termination of a DROP member's
6 participation in the DROP may not occur after January 1, 2034.

7 (i) The DROP election is irrevocable, and the DROP member
8 may not access the account prior to termination or expiration
9 of the DROP member's participation in the DROP. The DROP
10 member must terminate employment with the employer upon
11 expiration of his or her participation in the DROP. The DROP
12 member's participation in the DROP shall terminate prior to
13 the expiration date:

14 (1) if the DROP member terminates employment with the
15 employer prior to the expiration of the designated DROP
16 period;

17 (2) if the DROP member becomes eligible for and begins
18 collecting a disability benefit from the fund; or

19 (3) upon the death of the DROP member.

20 Upon termination or expiration of the DROP period, the
21 DROP member's retirement annuity from the fund shall commence.
22 After termination or expiration of a member's participation in
23 the DROP, the member may not participate in employment in any
24 way that would require the member to become an active
25 contributing member of the fund.

26 (j) The DROP member shall be considered in active service

1 for purposes of eligibility for death and disability benefits
2 and shall retain all rights of employment as established under
3 the DROP member's collective bargaining agreement, if
4 applicable.

5 While participating in the DROP, the DROP member shall not
6 accrue additional service credit, including any service
7 accruals, in the fund, and earnings paid to the DROP member
8 while participating in the DROP shall not be included in the
9 calculation of final average salary, regardless of future pay
10 increases, active cost of living adjustments, or promotions.
11 Additionally, the DROP member shall not be eligible to
12 purchase service credit under this Article.

13 Any amounts due to an alternate payee under a Qualified
14 Illinois Domestic Relations Order under Section 1-119 shall be
15 calculated at the time of the DROP election, and such amounts
16 shall be payable at the time of election.

17 If the DROP member's designated beneficiary predeceases
18 the DROP member and the DROP member dies before designating a
19 new beneficiary, the DROP member's DROP account shall be paid
20 to the DROP member's estate.

21 When determining if a firefighter is owed a refund of
22 contributions due to the firefighter's death prior to
23 collecting an amount equal to or greater than the
24 firefighter's contributions, the proceeds of the DROP account
25 shall be considered part of the total payment made to the
26 firefighter or the firefighter's estate.

1 (k) It is intended that the DROP shall not jeopardize the
2 tax qualified status of the fund. The board of trustees of the
3 fund shall have the authority to adopt rules necessary or
4 appropriate for the DROP to maintain compliance with
5 applicable federal laws and regulations. Notwithstanding any
6 other provision of this Article, all benefits provided under
7 the DROP shall be subject to the requirements and limits of the
8 Internal Revenue Code of 1986, as amended.

9 (l) The costs of administering the DROP account shall be
10 the exclusive responsibility of the DROP member. The fund
11 shall pay any reasonable administrative cost of the account
12 and shall reduce the balance of the DROP account in an amount
13 determined by the fund to meet all costs of the DROP account.

14 (m) The Board may transfer the administrative
15 responsibility of the DROP program to the State Treasurer
16 under Section 1-168 after an affirmative vote of the Board.

17 (40 ILCS 5/7-142.2 new)

18 Sec. 7-142.2. Deferred retirement option plan.

19 (a) As used in this Section:

20 "Deferred retirement option plan" or "DROP" means the plan
21 created under this Section that provides an alternative method
22 of benefit accrual in the Fund.

23 "DROP member" means an eligible member who makes an
24 election to participate in the DROP no later than January 1,
25 2029.

1 "DROP period" means the period during which a DROP member
2 participates in the DROP.

3 "Eligible member" means a participating employee of the
4 Fund who, at the time of electing to participate in the DROP:

5 (1) is otherwise eligible to retire under this Article
6 with a benefit under Section 7-142.1;

7 (2) has never received a retirement annuity from the
8 Fund;

9 (3) is in active service as a sheriff's law
10 enforcement employee; and

11 (4) has terminated participation with respect to any
12 employer other than the employer for which the member is a
13 sheriff's law enforcement employee.

14 (b) The DROP shall be made available to eligible members
15 no later than January 1, 2026.

16 (c) Eligible members must make their election to
17 participate in the DROP in writing with the Fund in a form
18 acceptable to the Fund. The Fund must process the election and
19 begin crediting an account on behalf of the member as soon as
20 is practicable after the election has been received by the
21 Fund.

22 Unless otherwise provided for by law, any election that a
23 member may elect at or before the time of retirement must be
24 made at or before the time of electing to participate in the
25 DROP, including, but not limited to, purchase of optional
26 service, election of an accelerated pension benefit payment,

1 conversion of any annuity benefit into an up-front or lump sum
2 payment, or any other elections identified by the Fund.

3 (d) An eligible member may elect to participate in the
4 DROP for a period not to exceed 5 years from the date of
5 election.

6 (e) During the DROP period, the Fund shall credit a
7 notional account on behalf of the DROP member an amount equal
8 to the monthly amount of retirement annuity the DROP member
9 would otherwise be eligible to receive had the DROP member
10 retired on the date of the election under this Section, minus
11 any amounts required to be deducted under State or federal
12 law, including, but not limited to, payments required under a
13 Qualified Illinois Domestic Relations Order under Section
14 1-119. A DROP member who is entitled to a benefit from a
15 participating system under the Retirement Systems Reciprocal
16 Act shall be eligible to have the benefit the DROP member would
17 have otherwise been eligible to receive if the DROP member
18 retired on the date of the election under this Section
19 deposited with the Fund in the DROP member's DROP account and
20 administered in a manner consistent with the requirements of
21 this Section. Any automatic annual increases that would have
22 otherwise been applied to the DROP member's retirement annuity
23 had the DROP member elected to retire instead of participate
24 in the DROP shall accrue to the DROP member's monthly payment
25 credited to the account prior to the expiration of the DROP and
26 shall otherwise apply to the DROP member's annuity upon

1 expiration of the DROP. The account shall be held on behalf of
2 the DROP member.

3 (f) DROP members shall make contributions to the Fund
4 during their participation in the DROP in an amount equal to
5 the employee contributions under paragraph (1) of subsection
6 (a) of Section 7-173 and subsection (a) of Section 7-173.1
7 that would otherwise be required if the DROP member were an
8 active participant of the Fund. Those amounts shall be
9 credited to the general account of the Fund. Earnings paid to
10 DROP members during their participation in the DROP shall be
11 included in the calculation of employer contributions as
12 required in Section 7-172.

13 (g) The amounts credited to the DROP account shall be held
14 in notional accounts by the Fund. The amounts credited to the
15 DROP account shall not accrue interest.

16 (h) Upon the expiration or termination of the DROP
17 member's participation in the DROP, the account balance shall
18 be paid to the DROP member as a lump sum. The Fund shall
19 provide options for the transfer of the account consistent
20 with its fiduciary duty and any applicable State or federal
21 law. The expiration or termination of a DROP member's
22 participation in the DROP may not occur after January 1, 2034.

23 (i) The DROP election is irrevocable, and the DROP member
24 may not access the account prior to termination or expiration
25 of the DROP member's participation in the DROP. The DROP
26 member must terminate employment with the employer upon

1 expiration of his or her participation in the DROP. The DROP
2 member's participation in the DROP shall terminate prior to
3 the expiration date:

4 (1) if the DROP member terminates employment with the
5 employer prior to the expiration of the designated DROP
6 period;

7 (2) if the DROP member becomes eligible for and begins
8 collecting a disability benefit from the Fund; or

9 (3) upon the death of the DROP member.

10 Upon termination or expiration of the DROP period, the
11 DROP member must separate from the service of all employers
12 under this Article for a period of not less than 60 days. Upon
13 termination of the DROP, the DROP member's retirement annuity
14 from the Fund shall commence. After termination or expiration
15 of a member's participation in the DROP, the member may not
16 participate in employment in any way that would require the
17 member to become an active contributing member of the Fund.

18 (j) The DROP member shall be considered in active service
19 for purposes of eligibility for death and disability benefits
20 and shall retain all rights of employment as established under
21 the DROP member's collective bargaining agreement, if
22 applicable.

23 While participating in the DROP, the DROP member shall not
24 accrue additional service credit, including any service
25 accruals, in the Fund and earnings paid to the DROP member
26 while participating in the DROP shall not be included in the

1 calculation of final rate of earnings, regardless of future
2 pay increases, active cost of living adjustments, or
3 promotions. Additionally, the DROP member shall not be
4 eligible to make additional contributions under paragraph (2)
5 of subsection (a) of Section 7-173. During the DROP period,
6 the DROP member shall not be eligible for a distribution of any
7 amounts accrued from previous contributions made under
8 paragraph (2) of subsection (a) of Section 7-173.

9 Eligibility for a surviving spouse benefit under Section
10 7-154 shall be determined at the time of the DROP election.

11 The pickup of employee contribution requirements in
12 Section 7-173.2 shall be applicable to amounts paid by the
13 DROP member under subsection (f).

14 Any amounts due to an alternate payee under a Qualified
15 Illinois Domestic Relations Order under Section 1-119 shall be
16 calculated at the time of the DROP election, and such amounts
17 shall be payable at the time of election.

18 If the DROP member's designated beneficiary predeceases
19 the DROP member and the DROP member dies before designating a
20 new beneficiary, the DROP member's DROP account shall be paid
21 to the DROP member's estate.

22 When determining if a participating employee is owed a
23 refund of contributions due to the participating employee's
24 death prior to collecting an amount equal to or greater than
25 the participating employee's contributions, the proceeds of
26 the DROP account shall be considered part of the total payment

1 made to the participating employee or the participating
2 employee's estate.

3 (k) It is intended that the DROP shall not jeopardize the
4 tax-qualified status of the Fund. The Board shall have the
5 authority to adopt rules necessary or appropriate for the DROP
6 to maintain compliance with applicable federal laws and
7 regulations. Notwithstanding any other provision of this
8 Article, all benefits provided under the DROP shall be subject
9 to the requirements and limitations of the Internal Revenue
10 Code of 1986, as amended.

11 (l) The Board may transfer the administrative
12 responsibility of the DROP program to the State Treasurer
13 under Section 1-168 after an affirmative vote of the Board.

14 Article 5.

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

17 (30 ILCS 330/7.2)

18 Sec. 7.2. State pension funding.

19 (a) The amount of \$10,000,000,000 is authorized to be used
20 for the purpose of making contributions to the designated
21 retirement systems. For the purposes of this Section,
22 "designated retirement systems" means the State Employees'
23 Retirement System of Illinois; the Teachers' Retirement System

1 of the State of Illinois; the State Universities Retirement
2 System; the Judges Retirement System of Illinois; and the
3 General Assembly Retirement System.

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

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

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

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

23 The proceeds of the additional \$3,466,000,000 of Bonds
24 authorized by Public Act 96-43, less the amounts directly paid
25 out for bond sale expenses under Section 8, shall be deposited
26 into the Pension Contribution Fund, and the Comptroller and

1 the Treasurer shall, as soon as practical, (i) first, transfer
2 from the Pension Contribution Fund to the General Revenue Fund
3 or Common School Fund an amount equal to the amount of
4 payments, if any, made to the designated retirement systems
5 from the General Revenue Fund or Common School Fund in State
6 fiscal year 2010 and (ii) second, make transfers from the
7 Pension Contribution Fund to the designated retirement systems
8 pursuant to Sections 2-124, 14-131, 15-155, 16-158, and 18-131
9 of the Illinois Pension Code.

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

24 (c) Of the amount of Bond proceeds from the bond sale
25 authorized by Public Act 93-2 first deposited into the Pension
26 Contribution Fund, there shall be reserved for transfers under

1 this subsection the sum of \$300,000,000, representing the
2 required State contributions to the designated retirement
3 systems for the last quarter of State fiscal year 2003, plus
4 the sum of \$1,860,000,000, representing the required State
5 contributions to the designated retirement systems for State
6 fiscal year 2004.

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

12 Whenever any payment of required State contributions for
13 State fiscal year 2004 is made to one of the designated
14 retirement systems, the Comptroller and Treasurer shall, as
15 soon as practicable, transfer from the Pension Contribution
16 Fund to the General Revenue Fund an amount equal to the amount
17 of that payment to the designated retirement system. Beginning
18 on the effective date of this amendatory Act of the 93rd
19 General Assembly, the transfers from the Pension Contribution
20 Fund to the General Revenue Fund shall be suspended until June
21 30, 2004, and the remaining balance in the Pension
22 Contribution Fund shall be transferred directly to the
23 designated retirement systems as provided in Section 6z-61 of
24 the State Finance Act. On and after July 1, 2004, in the event
25 that any amount is on deposit in the Pension Contribution Fund
26 from time to time, the Comptroller and Treasurer shall

1 continue to make such transfers based on fiscal year 2005
2 payments until the entire amount on deposit has been
3 transferred.

4 (d) All amounts deposited into the Pension Contribution
5 Fund, other than the amounts reserved for the transfers under
6 subsection (c) from the bond sale authorized by Public Act
7 93-2, other than amounts deposited into the Pension
8 Contribution Fund from the bond sale authorized by Public Act
9 96-43 and other than amounts deposited into the Pension
10 Contribution Fund from the bond sale authorized by this
11 amendatory Act of the 96th General Assembly, shall be
12 appropriated to the designated retirement systems to reduce
13 their actuarial reserve deficiencies. The amount of the
14 appropriation to each designated retirement system shall
15 constitute a portion of the total appropriation under this
16 subsection that is the same as that retirement system's
17 portion of the total actuarial reserve deficiency of the
18 systems, as most recently determined by the Governor's Office
19 of Management and Budget under Section 8.12 of the State
20 Finance Act.

21 With respect to proceeds from the bond sale authorized by
22 Public Act 93-2 only, within 15 days after any Bond proceeds in
23 excess of the amounts initially reserved under subsection (c)
24 are deposited into the Pension Contribution Fund, the
25 Governor's Office of Management and Budget shall (i) allocate
26 those proceeds among the designated retirement systems in

1 proportion to their respective actuarial reserve deficiencies,
2 as most recently determined under Section 8.12 of the State
3 Finance Act, and (ii) certify those allocations to the
4 designated retirement systems and the Comptroller.

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

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

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

19 (30 ILCS 330/7.6)

20 Sec. 7.6. Income Tax Proceed Bonds.

21 (a) As used in this Act, "Income Tax Proceed Bonds" means
22 Bonds (i) authorized by Public Act 100-23 or any other Public
23 Act of the 100th or 101st General Assembly authorizing the
24 issuance of Income Tax Proceed Bonds and (ii) used for the
25 payment of unpaid obligations of the State as incurred from

1 time to time and as authorized by the General Assembly.

2 (b) Income Tax Proceed Bonds in the amount of
3 \$6,000,000,000 are hereby authorized to be used for the
4 purpose of paying vouchers incurred by the State prior to July
5 1, 2017. Additional Income Tax Proceed Bonds in the amount of
6 \$1,200,000,000 are hereby authorized to be used for the
7 purpose of paying vouchers incurred by the State and accruing
8 interest payable by the State prior to the date on which the
9 Income Tax Proceed Bonds are issued.

10 (c) The Income Tax Bond Fund is hereby created as a special
11 fund in the State treasury. All moneys from the proceeds of the
12 sale of the Income Tax Proceed Bonds, less the amounts
13 authorized in the Bond Sale Order to be directly paid out for
14 bond sale expenses under Section 8, shall be deposited into
15 the Income Tax Bond Fund. All moneys in the Income Tax Bond
16 Fund shall be used for the purpose of paying vouchers incurred
17 by the State prior to July 1, 2017 or for paying vouchers
18 incurred by the State more than 90 days prior to the date on
19 which the Income Tax Proceed Bonds are issued. For the purpose
20 of paying such vouchers, the Comptroller has the authority to
21 transfer moneys from the Income Tax Bond Fund to general funds
22 and the Health Insurance Reserve Fund. "General funds" has the
23 meaning provided in Section 50-40 of the State Budget Law.

24 (d) Each fiscal year after all the bonds authorized under
25 this Section are retired, the Comptroller shall order and the
26 State Treasurer shall transfer the sum of \$500,000,000 from

1 the General Revenue Fund to the Pension Unfunded Liability
2 Reduction Fund, which shall be used to make additional
3 contributions to eligible pension funds in accordance with
4 Section 8s of the State Finance Act.

5 (Source: P.A. 103-7, eff. 7-1-23.)

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

8 (30 ILCS 105/8s new)

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

10 (a) In this Section, "eligible pension fund" means a
11 pension fund or retirement system established under Article 2,
12 14, 15, 16, 17, or 18 of the Illinois Pension Code that has a
13 total actuarial liability in excess of its total actuarial
14 assets.

15 (b) The Pension Unfunded Liability Reduction Fund is
16 created as a special fund in the State treasury. Moneys in the
17 Fund may be used only to make annual additional contributions
18 to eligible pension funds.

19 (c) Moneys in the Fund shall be disbursed every fiscal
20 year to each eligible pension fund based on the pro rata share
21 of the State's required annual contribution to that eligible
22 pension fund for that fiscal year relative to the State's
23 total required annual contribution to all eligible pension
24 funds for that fiscal year.

1 Article 7.

2 Section 7-5. The Illinois Pension Code is amended by
3 changing Sections 2-101, 2-105, 2-107, 2-117, 8-120,
4 14-103.05, 14-104, 14-104.14, 14-105.4, 18-101, 18-108,
5 18-109, 18-110, and 18-120 as follows:

6 (40 ILCS 5/2-101) (from Ch. 108 1/2, par. 2-101)

7 Sec. 2-101. Creation of system. A retirement system is
8 created to provide retirement annuities, survivor's annuities
9 and other benefits for certain members of the General
10 Assembly, certain elected state officials, and their
11 beneficiaries.

12 The system shall be known as the "General Assembly
13 Retirement System". All its funds and property shall be a
14 trust separate from all other entities, maintained for the
15 purpose of securing payment of annuities and benefits under
16 this Article.

17 Participation in the retirement system created under this
18 Article is restricted to persons who became participants
19 before January 13, 2027. Beginning on that date, the System
20 shall not accept any new participants.

21 (Source: P.A. 83-1440.)

22 (40 ILCS 5/2-105) (from Ch. 108 1/2, par. 2-105)

1 Sec. 2-105. Member. "Member": Members of the General
2 Assembly of this State, including persons who enter military
3 service while a member of the General Assembly, and any person
4 serving as Governor, Lieutenant Governor, Secretary of State,
5 Treasurer, Comptroller, or Attorney General for the period of
6 service in such office.

7 Any person who has served for 10 or more years as Clerk or
8 Assistant Clerk of the House of Representatives, Secretary or
9 Assistant Secretary of the Senate, or any combination thereof,
10 may elect to become a member of this system while thenceforth
11 engaged in such service by filing a written election with the
12 board. Any person so electing shall be deemed an active member
13 of the General Assembly for the purpose of validating and
14 transferring any service credits earned under any of the funds
15 and systems established under Articles 3 through 18 of this
16 Code.

17 Notwithstanding any other provision of this Article, a
18 person shall not be deemed a member for the purposes of this
19 Article unless he or she became a participant of the System
20 before January 13, 2027.

21 (Source: P.A. 85-1008.)

22 (40 ILCS 5/2-107) (from Ch. 108 1/2, par. 2-107)

23 Sec. 2-107. Participant. "Participant": Any member who
24 elects to participate; and any former member who elects to
25 continue participation under Section 2-117.1, for the duration

1 of such continued participation. Notwithstanding any other
2 provision of this Article, a person shall not be deemed a
3 participant for the purposes of this Article unless he or she
4 became a participant of the System before January 13, 2027.

5 (Source: P.A. 86-1488.)

6 (40 ILCS 5/2-117) (from Ch. 108 1/2, par. 2-117)

7 Sec. 2-117. Participants; election not to participate or
8 to terminate participation ~~Participants — Election not to~~
9 ~~participate.~~

10 (a) Every person who was a member on November 1, 1947, or
11 in military service on such date, is subject to the provisions
12 of this system beginning upon such date, unless prior to such
13 date he or she filed with the board a written notice of
14 election not to participate.

15 Every person who becomes a member after November 1, 1947,
16 and who is then not a participant becomes a participant
17 beginning upon the date of becoming a member unless, within 24
18 months from that date, he or she has filed with the board a
19 written notice of election not to participate.

20 (b) A member who has filed notice of an election not to
21 participate (and a former member who has not yet begun to
22 receive a retirement annuity under this Article) may become a
23 participant with respect to the period for which the member
24 elected not to participate upon filing with the board, before
25 April 1, 1993, a written rescission of the election not to

1 participate. Upon contributing an amount equal to the
2 contributions he or she would have made as a participant from
3 November 1, 1947, or the date of becoming a member, whichever
4 is later, to the date of becoming a participant, with interest
5 at the rate of 4% per annum until the contributions are paid,
6 the participant shall receive credit for service as a member
7 prior to the date of the rescission, both before and after
8 November 1, 1947. The required contributions shall be made
9 before commencement of the retirement annuity; otherwise no
10 credit for service prior to the date of participation shall be
11 granted.

12 (c) Notwithstanding any other provision of this Article,
13 an active participant may irrevocably elect, in writing and in
14 a form and manner prescribed by the board, to terminate
15 participation in the System and instead participate in the
16 retirement system established under Article 14. Upon making
17 the election under this subsection (c), all credits and
18 creditable service shall be transferred to the retirement
19 system under Article 14 in accordance with Section 14-105.4
20 and all participation in this System is terminated.

21 (Source: P.A. 86-273; 87-1265.)

22 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)
23 Sec. 14-103.05. Employee.

24 (a) Any person employed by a Department who receives
25 salary for personal services rendered to the Department on a

1 warrant issued pursuant to a payroll voucher certified by a
2 Department and drawn by the State Comptroller upon the State
3 Treasurer, including an elected official described in
4 subparagraph (d) of Section 14-104, shall become an employee
5 for purpose of membership in the Retirement System on the
6 first day of such employment.

7 A person entering service on or after January 1, 1972 and
8 prior to January 1, 1984 shall become a member as a condition
9 of employment and shall begin making contributions as of the
10 first day of employment.

11 A person entering service on or after January 1, 1984
12 shall, upon completion of 6 months of continuous service which
13 is not interrupted by a break of more than 2 months, become a
14 member as a condition of employment. Contributions shall begin
15 the first of the month after completion of the qualifying
16 period.

17 A person employed by the Chicago Metropolitan Agency for
18 Planning on the effective date of this amendatory Act of the
19 95th General Assembly who was a member of this System as an
20 employee of the Chicago Area Transportation Study and makes an
21 election under Section 14-104.13 to participate in this System
22 for his or her employment with the Chicago Metropolitan Agency
23 for Planning.

24 The qualifying period of 6 months of service is not
25 applicable to: (1) a person who has been granted credit for
26 service in a position covered by the State Universities

1 Retirement System, the Teachers' Retirement System of the
2 State of Illinois, the General Assembly Retirement System, or
3 the Judges Retirement System of Illinois unless that service
4 has been forfeited under the laws of those systems; (2) a
5 person entering service on or after July 1, 1991 in a
6 noncovered position; (3) a person to whom Section 14-108.2a or
7 14-108.2b applies; or (4) a person to whom subsection (a-5) of
8 this Section applies.

9 (a-5) A person entering service on or after December 1,
10 2010 shall become a member as a condition of employment and
11 shall begin making contributions as of the first day of
12 employment. A person serving in the qualifying period on
13 December 1, 2010 will become a member on December 1, 2010 and
14 shall begin making contributions as of December 1, 2010.

15 (b) The term "employee" does not include the following:

16 (1) ~~members of the State Legislature, and persons~~
17 ~~electing to become~~ members of the General Assembly
18 Retirement System pursuant to Section 2-105;

19 (2) incumbents of offices normally filled by vote of
20 the people;

21 (3) except as otherwise provided in this Section, any
22 person appointed by the Governor with the advice and
23 consent of the Senate unless that person elects to
24 participate in this system;

25 (3.1) any person serving as a commissioner of an
26 ethics commission created under the State Officials and

1 Employees Ethics Act unless that person elects to
2 participate in this system with respect to that service as
3 a commissioner;

4 (3.2) any person serving as a part-time employee in
5 any of the following positions: Legislative Inspector
6 General, Special Legislative Inspector General, employee
7 of the Office of the Legislative Inspector General,
8 Executive Director of the Legislative Ethics Commission,
9 or staff of the Legislative Ethics Commission, regardless
10 of whether he or she is in active service on or after July
11 8, 2004 (the effective date of Public Act 93-685), unless
12 that person elects to participate in this System with
13 respect to that service; in this item (3.2), a "part-time
14 employee" is a person who is not required to work at least
15 35 hours per week;

16 (3.3) any person who has made an election under
17 Section 1-123 and who is serving either as legal counsel
18 in the Office of the Governor or as Chief Deputy Attorney
19 General;

20 (4) except as provided in Section 14-108.2 or
21 14-108.2c, any person who is covered or eligible to be
22 covered by the Teachers' Retirement System of the State of
23 Illinois, the State Universities Retirement System, or the
24 Judges Retirement System of Illinois;

25 (5) an employee of a municipality or any other
26 political subdivision of the State;

1 (6) any person who becomes an employee after June 30,
2 1979 as a public service employment program participant
3 under the Federal Comprehensive Employment and Training
4 Act and whose wages or fringe benefits are paid in whole or
5 in part by funds provided under such Act;

6 (7) enrollees of the Illinois Young Adult Conservation
7 Corps program, administered by the Department of Natural
8 Resources, authorized grantee pursuant to Title VIII of
9 the "Comprehensive Employment and Training Act of 1973",
10 29 USC 993, as now or hereafter amended;

11 (8) enrollees and temporary staff of programs
12 administered by the Department of Natural Resources under
13 the Youth Conservation Corps Act of 1970;

14 (9) any person who is a member of any professional
15 licensing or disciplinary board created under an Act
16 administered by the Department of Professional Regulation
17 or a successor agency or created or re-created after the
18 effective date of this amendatory Act of 1997, and who
19 receives per diem compensation rather than a salary,
20 notwithstanding that such per diem compensation is paid by
21 warrant issued pursuant to a payroll voucher; such persons
22 have never been included in the membership of this System,
23 and this amendatory Act of 1987 (P.A. 84-1472) is not
24 intended to effect any change in the status of such
25 persons;

26 (10) any person who is a member of the Illinois Health

1 Care Cost Containment Council, and receives per diem
2 compensation rather than a salary, notwithstanding that
3 such per diem compensation is paid by warrant issued
4 pursuant to a payroll voucher; such persons have never
5 been included in the membership of this System, and this
6 amendatory Act of 1987 is not intended to effect any
7 change in the status of such persons;

8 (11) any person who is a member of the Oil and Gas
9 Board created by Section 1.2 of the Illinois Oil and Gas
10 Act, and receives per diem compensation rather than a
11 salary, notwithstanding that such per diem compensation is
12 paid by warrant issued pursuant to a payroll voucher;

13 (12) a person employed by the State Board of Higher
14 Education in a position with the Illinois Century Network
15 as of June 30, 2004, who remains continuously employed
16 after that date by the Department of Central Management
17 Services in a position with the Illinois Century Network
18 and participates in the Article 15 system with respect to
19 that employment;

20 (13) any person who first becomes a member of the
21 Civil Service Commission on or after January 1, 2012;

22 (14) any person, other than the Director of Employment
23 Security, who first becomes a member of the Board of
24 Review of the Department of Employment Security on or
25 after January 1, 2012;

26 (15) any person who first becomes a member of the

1 Civil Service Commission on or after January 1, 2012;

2 (16) any person who first becomes a member of the
3 Illinois Liquor Control Commission on or after January 1,
4 2012;

5 (17) any person who first becomes a member of the
6 Secretary of State Merit Commission on or after January 1,
7 2012;

8 (18) any person who first becomes a member of the
9 Human Rights Commission on or after January 1, 2012 unless
10 he or she is eligible to participate in accordance with
11 subsection (d) of this Section;

12 (19) any person who first becomes a member of the
13 State Mining Board on or after January 1, 2012;

14 (20) any person who first becomes a member of the
15 Property Tax Appeal Board on or after January 1, 2012;

16 (21) any person who first becomes a member of the
17 Illinois Racing Board on or after January 1, 2012;

18 (22) any person who first becomes a member of the
19 Illinois State Police Merit Board on or after January 1,
20 2012;

21 (23) any person who first becomes a member of the
22 Illinois State Toll Highway Authority on or after January
23 1, 2012; or

24 (24) any person who first becomes a member of the
25 Illinois State Board of Elections on or after January 1,
26 2012.

1 (c) An individual who represents or is employed as an
2 officer or employee of a statewide labor organization that
3 represents members of this System may participate in the
4 System and shall be deemed an employee, provided that (1) the
5 individual has previously earned creditable service under this
6 Article, (2) the individual files with the System an
7 irrevocable election to become a participant within 6 months
8 after the effective date of this amendatory Act of the 94th
9 General Assembly, and (3) the individual does not receive
10 credit for that employment under any other provisions of this
11 Code. An employee under this subsection (c) is responsible for
12 paying to the System both (i) employee contributions based on
13 the actual compensation received for service with the labor
14 organization and (ii) employer contributions based on the
15 percentage of payroll certified by the board; all or any part
16 of these contributions may be paid on the employee's behalf or
17 picked up for tax purposes (if authorized under federal law)
18 by the labor organization.

19 A person who is an employee as defined in this subsection
20 (c) may establish service credit for similar employment prior
21 to becoming an employee under this subsection by paying to the
22 System for that employment the contributions specified in this
23 subsection, plus interest at the effective rate from the date
24 of service to the date of payment. However, credit shall not be
25 granted under this subsection (c) for any such prior
26 employment for which the applicant received credit under any

1 other provision of this Code or during which the applicant was
2 on a leave of absence.

3 (d) A person appointed as a member of the Human Rights
4 Commission on or after June 1, 2019 may elect to participate in
5 the System and shall be deemed an employee. Service and
6 contributions shall begin on the first payroll period
7 immediately following the employee's election to participate
8 in the System.

9 A person who is an employee as described in this
10 subsection (d) may establish service credit for employment as
11 a Human Rights Commissioner that occurred on or after June 1,
12 2019 and before establishing service under this subsection by
13 paying to the System for that employment the contributions
14 specified in paragraph (1) of subsection (a) of Section
15 14-133, plus regular interest from the date of service to the
16 date of payment.

17 (Source: P.A. 101-10, eff. 6-5-19; 102-538, eff. 8-20-21.)

18 (40 ILCS 5/14-104) (from Ch. 108 1/2, par. 14-104)

19 Sec. 14-104. Service for which contributions permitted.
20 Contributions provided for in this Section shall cover the
21 period of service granted. Except as otherwise provided in
22 this Section, the contributions shall be based upon the
23 employee's compensation and contribution rate in effect on the
24 date he last became a member of the System; provided that for
25 all employment prior to January 1, 1969 the contribution rate

1 shall be that in effect for a noncovered employee on the date
2 he last became a member of the System. Except as otherwise
3 provided in this Section, contributions permitted under this
4 Section shall include regular interest from the date an
5 employee last became a member of the System to the date of
6 payment.

7 These contributions must be paid in full before retirement
8 either in a lump sum or in installment payments in accordance
9 with such rules as may be adopted by the board.

10 (a) Any member may make contributions as required in this
11 Section for any period of service, subsequent to the date of
12 establishment, but prior to the date of membership.

13 (b) Any employee who had been previously excluded from
14 membership because of age at entry and subsequently became
15 eligible may elect to make contributions as required in this
16 Section for the period of service during which he was
17 ineligible.

18 (c) An employee of the Department of Insurance who, after
19 January 1, 1944 but prior to becoming eligible for membership,
20 received salary from funds of insurance companies in the
21 process of rehabilitation, liquidation, conservation or
22 dissolution, may elect to make contributions as required in
23 this Section for such service.

24 (d) Any employee who rendered service in a State office to
25 which he was elected, or rendered service in the elective
26 office of Clerk of the Appellate Court prior to the date he

1 became a member, may make contributions for such service as
2 required in this Section. Any member who served by appointment
3 of the Governor under the Civil Administrative Code of
4 Illinois and did not participate in this System may make
5 contributions as required in this Section for such service.

6 (e) Any person employed by the United States government or
7 any instrumentality or agency thereof from January 1, 1942
8 through November 15, 1946 as the result of a transfer from
9 State service by executive order of the President of the
10 United States shall be entitled to prior service credit
11 covering the period from January 1, 1942 through December 31,
12 1943 as provided for in this Article and to membership service
13 credit for the period from January 1, 1944 through November
14 15, 1946 by making the contributions required in this Section.
15 A person so employed on January 1, 1944 but whose employment
16 began after January 1, 1942 may qualify for prior service and
17 membership service credit under the same conditions.

18 (f) An employee of the Department of Labor of the State of
19 Illinois who performed services for and under the supervision
20 of that Department prior to January 1, 1944 but who was
21 compensated for those services directly by federal funds and
22 not by a warrant of the Auditor of Public Accounts paid by the
23 State Treasurer may establish credit for such employment by
24 making the contributions required in this Section. An employee
25 of the Department of Agriculture of the State of Illinois, who
26 performed services for and under the supervision of that

1 Department prior to June 1, 1963, but was compensated for
2 those services directly by federal funds and not paid by a
3 warrant of the Auditor of Public Accounts paid by the State
4 Treasurer, and who did not contribute to any other public
5 employee retirement system for such service, may establish
6 credit for such employment by making the contributions
7 required in this Section.

8 (g) Any employee who executed a waiver of membership
9 within 60 days prior to January 1, 1944 may, at any time while
10 in the service of a department, file with the board a
11 rescission of such waiver. Upon making the contributions
12 required by this Section, the member shall be granted the
13 creditable service that would have been received if the waiver
14 had not been executed.

15 (h) Until May 1, 1990, an employee who was employed on a
16 full-time basis by a regional planning commission for at least
17 5 continuous years may establish creditable service for such
18 employment by making the contributions required under this
19 Section, provided that any credits earned by the employee in
20 the commission's retirement plan have been terminated.

21 (i) Any person who rendered full time contractual services
22 to the General Assembly as a member of a legislative staff may
23 establish service credit for up to 8 years of such services by
24 making the contributions required under this Section, provided
25 that application therefor is made not later than July 1, 1991.

26 (j) By paying the contributions otherwise required under

1 this Section, plus an amount determined by the Board to be
2 equal to the employer's normal cost of the benefit plus
3 interest, but with all of the interest calculated from the
4 date the employee last became a member of the System or
5 November 19, 1991, whichever is later, to the date of payment,
6 an employee may establish service credit for a period of up to
7 4 years spent in active military service for which he does not
8 qualify for credit under Section 14-105, provided that (1) he
9 was not dishonorably discharged from such military service,
10 and (2) the amount of service credit established by a member
11 under this subsection (j), when added to the amount of
12 military service credit granted to the member under subsection
13 (b) of Section 14-105, shall not exceed 5 years. The change in
14 the manner of calculating interest under this subsection (j)
15 made by this amendatory Act of the 92nd General Assembly
16 applies to credit purchased by an employee on or after its
17 effective date and does not entitle any person to a refund of
18 contributions or interest already paid. In compliance with
19 Section 14-152.1 of this Act concerning new benefit increases,
20 any new benefit increase as a result of the changes to this
21 subsection (j) made by Public Act 95-483 is funded through the
22 employee contributions provided for in this subsection (j).
23 Any new benefit increase as a result of the changes made to
24 this subsection (j) by Public Act 95-483 is exempt from the
25 provisions of subsection (d) of Section 14-152.1.

26 (k) An employee who was employed on a full-time basis by

1 the Illinois State's Attorneys Association Statewide Appellate
2 Assistance Service LEAA-ILEC grant project prior to the time
3 that project became the State's Attorneys Appellate Service
4 Commission, now the Office of the State's Attorneys Appellate
5 Prosecutor, an agency of State government, may establish
6 creditable service for not more than 60 months service for
7 such employment by making contributions required under this
8 Section.

9 (1) By paying the contributions otherwise required under
10 this Section, plus an amount determined by the Board to be
11 equal to the employer's normal cost of the benefit plus
12 interest, a member may establish service credit for periods of
13 less than one year spent on authorized leave of absence from
14 service, provided that (1) the period of leave began on or
15 after January 1, 1982 and (2) any credit established by the
16 member for the period of leave in any other public employee
17 retirement system has been terminated. A member may establish
18 service credit under this subsection for more than one period
19 of authorized leave, and in that case the total period of
20 service credit established by the member under this subsection
21 may exceed one year. In determining the contributions required
22 for establishing service credit under this subsection, the
23 interest shall be calculated from the beginning of the leave
24 of absence to the date of payment.

25 (1-5) By paying the contributions otherwise required under
26 this Section, plus an amount determined by the Board to be

1 equal to the employer's normal cost of the benefit plus
2 interest, a member may establish service credit for periods of
3 up to 2 years spent on authorized leave of absence from
4 service, provided that during that leave the member
5 represented or was employed as an officer or employee of a
6 statewide labor organization that represents members of this
7 System. In determining the contributions required for
8 establishing service credit under this subsection, the
9 interest shall be calculated from the beginning of the leave
10 of absence to the date of payment.

11 (m) Any person who rendered contractual services to a
12 member of the General Assembly as a worker in the member's
13 district office may establish creditable service for up to 3
14 years of those contractual services by making the
15 contributions required under this Section. The System shall
16 determine a full-time salary equivalent for the purpose of
17 calculating the required contribution. To establish credit
18 under this subsection, the applicant must apply to the System
19 by March 1, 1998.

20 (n) Any person who rendered contractual services to a
21 member of the General Assembly as a worker providing
22 constituent services to persons in the member's district may
23 establish creditable service for up to 8 years of those
24 contractual services by making the contributions required
25 under this Section. The System shall determine a full-time
26 salary equivalent for the purpose of calculating the required

1 contribution. To establish credit under this subsection, the
2 applicant must apply to the System by March 1, 1998.

3 (o) A member who participated in the Illinois Legislative
4 Staff Internship Program may establish creditable service for
5 up to one year of that participation by making the
6 contribution required under this Section. The System shall
7 determine a full-time salary equivalent for the purpose of
8 calculating the required contribution. Credit may not be
9 established under this subsection for any period for which
10 service credit is established under any other provision of
11 this Code.

12 (p) By paying the contributions otherwise required under
13 this Section, plus an amount determined by the Board to be
14 equal to the employer's normal cost of the benefit plus
15 interest, a member may establish service credit for a period
16 of up to 8 years during which he or she was employed by the
17 Visually Handicapped Managers of Illinois in a vending program
18 operated under a contractual agreement with the Department of
19 Rehabilitation Services or its successor agency.

20 This subsection (p) applies without regard to whether the
21 person was in service on or after the effective date of this
22 amendatory Act of the 94th General Assembly. In the case of a
23 person who is receiving a retirement annuity on that effective
24 date, the increase, if any, shall begin to accrue on the first
25 annuity payment date following receipt by the System of the
26 contributions required under this subsection (p).

1 (q) By paying the required contributions under this
2 Section, plus an amount determined by the Board to be equal to
3 the employer's normal cost of the benefit plus interest, an
4 employee who was laid off but returned to any State employment
5 may establish creditable service for the period of the layoff,
6 provided that (1) the applicant applies for the creditable
7 service under this subsection (q) within 6 months after July
8 27, 2010 (the effective date of Public Act 96-1320), (2) the
9 applicant does not receive credit for that period under any
10 other provision of this Code, (3) at the time of the layoff,
11 the applicant is not in an initial probationary status
12 consistent with the rules of the Department of Central
13 Management Services, and (4) the total amount of creditable
14 service established by the applicant under this subsection (q)
15 does not exceed 3 years. For service established under this
16 subsection (q), the required employee contribution shall be
17 based on the rate of compensation earned by the employee on the
18 date of returning to employment after the layoff and the
19 contribution rate then in effect, and the required interest
20 shall be calculated at the actuarially assumed rate from the
21 date of returning to employment after the layoff to the date of
22 payment. Funding for any new benefit increase, as defined in
23 Section 14-152.1 of this Act, that is created under this
24 subsection (q) will be provided by the employee contributions
25 required under this subsection (q).

26 (r) A member who participated in the University of

1 Illinois Government Public Service Internship Program (GPSI)
2 may establish creditable service for up to 2 years of that
3 participation by making the contribution required 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. The
6 System shall determine a full-time salary equivalent for the
7 purpose of calculating the required contribution. Credit may
8 not be established under this subsection for any period for
9 which service credit is established under any other provision
10 of this Code.

11 (s) A member who worked as a nurse under a contractual
12 agreement for the Department of Public Aid, or its successor
13 agency, the Department of Human Services, in the Client
14 Assessment Unit and was subsequently determined to be a State
15 employee by the United States Internal Revenue Service and the
16 Illinois Labor Relations Board may establish creditable
17 service for those contractual services by making the
18 contributions required under this Section. To establish credit
19 under this subsection, the applicant must apply to the System
20 by July 1, 2008.

21 The Department of Human Services shall pay an employer
22 contribution based upon an amount determined by the Board to
23 be equal to the employer's normal cost of the benefit, plus
24 interest.

25 In compliance with Section 14-152.1 added by Public Act
26 94-4, the cost of the benefits provided by Public Act 95-583

1 are offset by the required employee and employer
2 contributions.

3 (t) Any person who rendered contractual services on a
4 full-time basis to the Illinois Institute of Natural Resources
5 and the Illinois Department of Energy and Natural Resources
6 may establish creditable service for up to 4 years of those
7 contractual services by making the contributions required
8 under this Section, plus an amount determined by the Board to
9 be equal to the employer's normal cost of the benefit plus
10 interest at the actuarially assumed rate from the first day of
11 the service for which credit is being established to the date
12 of payment. To establish credit under this subsection (t), the
13 applicant must apply to the System within 6 months after July
14 27, 2010 (the effective date of Public Act 96-1320).

15 (u) By paying the required contributions under this
16 Section, plus an amount determined by the Board to be equal to
17 the employer's normal cost of the benefit, plus interest, a
18 member may establish creditable service and earnings credit
19 for periods of furlough beginning on or after July 1, 2008. To
20 receive this credit, the participant must (i) apply in writing
21 to the System before December 31, 2011 and (ii) not receive
22 compensation for the furlough period. For service established
23 under this subsection, the required employee contribution
24 shall be based on the rate of compensation earned by the
25 employee immediately following the date of the first furlough
26 day in the time period specified in this subsection (u), and

1 the required interest shall be calculated at the actuarially
2 assumed rate from the date of the furlough to the date of
3 payment.

4 (v) Any member who rendered full-time contractual services
5 to an Illinois Veterans Home operated by the Department of
6 Veterans' Affairs may establish service credit for up to 8
7 years of such services by making the contributions required
8 under this Section, plus an amount determined by the Board to
9 be equal to the employer's normal cost of the benefit, plus
10 interest at the actuarially assumed rate. To establish credit
11 under this subsection, the applicant must apply to the System
12 no later than 6 months after July 27, 2010 (the effective date
13 of Public Act 96-1320).

14 (w) Any employee who served as a member of the General
15 Assembly and did not contribute to any other public employee
16 retirement system for such service may establish service
17 credit for up to 10 years of that service by making the
18 contributions required under this Section, plus an amount
19 determined by the Board to be equal to the employer's normal
20 cost of the benefit, plus interest at the actuarially assumed
21 rate. To establish credit under this subsection, the applicant
22 must make the contributions required under this subsection no
23 later than 10 years after making application to the System.

24 (x) Any employee who served as a judge, as defined in
25 Section 18-108, and did not contribute to any other public
26 employee retirement system for such service may establish

1 service credit for up to 10 years of that service by making the
2 contributions required under this Section, plus an amount
3 determined by the Board to be equal to the employer's normal
4 cost of the benefit, plus interest at the actuarially assumed
5 rate. To establish credit under this subsection, the applicant
6 must make the contributions required under this subsection no
7 later than 10 years after making application to the System.

8 (Source: P.A. 96-97, eff. 7-27-09; 96-718, eff. 8-25-09;
9 96-775, eff. 8-28-09; 96-961, eff. 7-2-10; 96-1000, eff.
10 7-2-10; 96-1320, eff. 7-27-10; 96-1535, eff. 3-4-11; 97-333,
11 8-12-11.)

12 (40 ILCS 5/14-104.14 new)

13 Sec. 14-104.14. Transfer of service from the Judges
14 Retirement System of Illinois. An active participant in the
15 Judges Retirement System of Illinois may elect to terminate
16 participation in the Judges Retirement System of Illinois in
17 accordance with subsection (b) of Section 18-120. All credits
18 and creditable service accumulated under Article 18 shall be
19 transferred to this System upon payment to this System of (1)
20 the amount by which the employer and employee contributions
21 that would have been required if he or she had participated in
22 this System during the period for which credit is being
23 transferred, plus regular interest, exceeds the amounts
24 actually transferred under that Section to this System, plus
25 (2) regular interest thereon from the date of such

1 participation to the date of payment.

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 13, 2027. Beginning on that date,
18 the 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 13, 2027.

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 13, 2027.

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 13, 2027.

23 (Source: P.A. 83-1440.)

1 (40 ILCS 5/18-120) (from Ch. 108 1/2, par. 18-120)

2 Sec. 18-120. Employee participation; election not to
3 participate or terminate participation.

4 (a) An eligible judge who is not a participant shall
5 become a participant beginning on the date he or she becomes an
6 eligible judge, unless the judge files with the board a
7 written notice of election not to participate within 30 days
8 of the date of being notified of the option.

9 A person electing not to participate shall thereafter be
10 ineligible to become a participant unless the election is
11 revoked as provided in Section 18-121.

12 (b) Notwithstanding any other provision of this Article,
13 an active participant may irrevocably elect, in writing and in
14 a form and manner prescribed by the board, to terminate
15 participation in the System and instead participate in the
16 retirement system established under Article 14. Upon making
17 the election under this subsection (b), all credits and
18 creditable service shall be transferred to the retirement
19 system under Article 14 in accordance with Section 14-104.14
20 and all participation in this System is terminated.

21 (Source: P.A. 83-1440.)

22 Article 9.

23 Section 9-5. The Illinois Pension Code is amended by
24 changing Sections 1-160 and 15-135 as 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

1 date of Public Act 96-889), notwithstanding the provisions of
2 Section 1-103.1 of this Code.

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

10 This Section does not apply to a person who first becomes a
11 member or participant under Article 16 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 elects under
18 subsection (c-5) of Section 1-161 to receive the benefits
19 under Section 1-161.

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

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

14 (1) (Blank).

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

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

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

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

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

24 A member of the Teachers' Retirement System of the State
25 of Illinois who retires on or after June 1, 2021 and for whom
26 the 2020-2021 school year is used in the calculation of the

1 member's final average salary shall use the higher of the
2 following for the purpose of determining the member's final
3 average salary:

4 (A) the amount otherwise calculated under the first
5 paragraph of this subsection; or

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

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

26 For the purposes of this Section, "consumer price index-u"

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

10 (b-10) Beginning on January 1, 2024, for all purposes
11 under this Code (including, without limitation, the
12 calculation of benefits and employee contributions), the
13 annual earnings, salary, or wages (based on the plan year) of a
14 member or participant under Article 9 to whom this Section
15 applies shall include an annual earnings, salary, or wage cap
16 that tracks the Social Security wage base. Maximum annual
17 earnings, wages, or salary shall be the annual contribution
18 and benefit base established for the applicable year by the
19 Commissioner of the Social Security Administration under the
20 federal Social Security Act.

21 However, in no event shall the annual earnings, salary, or
22 wages for the purposes of this Article and Article 9 exceed any
23 limitation imposed on annual earnings, salary, or wages under
24 Section 1-117. Under no circumstances shall the maximum amount
25 of annual earnings, salary, or wages be greater than the
26 amount set forth in this subsection (b-10) as a result of

1 reciprocal service or any provisions regarding reciprocal
2 services, nor shall the Fund under Article 9 be required to pay
3 any refund as a result of the application of this maximum
4 annual earnings, salary, and wage cap.

5 Nothing in this subsection (b-10) shall cause or otherwise
6 result in any retroactive adjustment of any employee
7 contributions. Nothing in this subsection (b-10) shall cause
8 or otherwise result in any retroactive adjustment of
9 disability or other payments made between January 1, 2011 and
10 January 1, 2024.

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 (c-10) Notwithstanding subsection (c), beginning July 1,
14 2025, a member or participant under Article 14, 16, or 17
15 subject to this Section is entitled to a retirement annuity
16 upon written application if he or she:

17 (1) has attained age 62, has at least 35 years of
18 service credit, and is otherwise eligible under the
19 requirements of the applicable Article;

20 (2) has attained age 64, has at least 20 years of
21 service credit, and is otherwise eligible under the
22 requirements of the applicable Article; or

23 (3) has attained age 67, has at least 10 years of
24 service credit, and is otherwise eligible under the
25 requirements of the applicable Article.

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

1 changes made to this Section by this amendatory Act of the
2 103rd General Assembly are applicable without regard to
3 whether the employee was in active service on or after the
4 effective date of this amendatory Act of the 103rd General
5 Assembly.

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

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

25 (d-10) Each person who first became a member or
26 participant under Article 8 or Article 11 of this Code on or

1 after January 1, 2011 and prior to July 6, 2017 (the effective
2 date of Public Act 100-23) shall make an irrevocable election
3 either:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 annuity calculated under the provisions of Section 14-110, in
2 lieu of the regular or minimum retirement annuity, only if the
3 person has withdrawn from service with not less than 20 years
4 of eligible creditable service and has attained age 55,
5 regardless of whether the attainment of age 55 occurs while
6 the person is still in service.

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

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

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

14 (i) (Blank).

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

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

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

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

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

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

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

1 under this Section and the applicable provisions of that
2 Article.

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

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

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

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

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

7 (1) (Blank).

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

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

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

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

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

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

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

25 (B) an amount calculated by the Teachers' Retirement
26 System of the State of Illinois using the average of the

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

8 (b-5) Beginning on January 1, 2011, for all purposes under
9 this Code (including without limitation the calculation of
10 benefits and employee contributions), the annual earnings,
11 salary, or wages (based on the plan year) of a member or
12 participant to whom this Section applies shall not exceed
13 \$106,800; however, that amount shall annually thereafter be
14 increased by the lesser of (i) 3% of that amount, including all
15 previous adjustments, or (ii) one-half the annual unadjusted
16 percentage increase (but not less than zero) in the consumer
17 price index-u for the 12 months ending with the September
18 preceding each November 1, 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 on January 1, 2024, for all purposes
4 under this Code (including, without limitation, the
5 calculation of benefits and employee contributions), the
6 annual earnings, salary, or wages (based on the plan year) of a
7 member or participant under Article 9 to whom this Section
8 applies shall include an annual earnings, salary, or wage cap
9 that tracks the Social Security wage base. Maximum annual
10 earnings, wages, or salary shall be the annual contribution
11 and benefit base established for the applicable year by the
12 Commissioner of the Social Security Administration under the
13 federal Social Security Act.

14 However, in no event shall the annual earnings, salary, or
15 wages for the purposes of this Article and Article 9 exceed any
16 limitation imposed on annual earnings, salary, or wages under
17 Section 1-117. Under no circumstances shall the maximum amount
18 of annual earnings, salary, or wages be greater than the
19 amount set forth in this subsection (b-10) as a result of
20 reciprocal service or any provisions regarding reciprocal
21 services, nor shall the Fund under Article 9 be required to pay
22 any refund as a result of the application of this maximum
23 annual earnings, salary, and wage cap.

24 Nothing in this subsection (b-10) shall cause or otherwise
25 result in any retroactive adjustment of any employee
26 contributions. Nothing in this subsection (b-10) shall cause

1 or otherwise result in any retroactive adjustment of
2 disability or other payments made between January 1, 2011 and
3 January 1, 2024.

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

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

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

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

6 (c-10) Notwithstanding subsection (c), beginning July 1,
7 2025, a member or participant under Article 14, 16, or 17
8 subject to this Section is entitled to a retirement annuity
9 upon written application if he or she:

10 (1) has attained age 62, has at least 35 years of
11 service credit, and is otherwise eligible under the
12 requirements of the applicable Article;

13 (2) has attained age 64, has at least 20 years of
14 service credit, and is otherwise eligible under the
15 requirements of the applicable Article; or

16 (3) has attained age 67, has at least 10 years of
17 service credit, and is otherwise eligible under the
18 requirements of the applicable Article.

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

25 (d) The retirement annuity of a member or participant who
26 is retiring after attaining age 62 (age 60, with respect to

1 service under Article 12 that is subject to this Section, for a
2 member or participant under Article 12 who first becomes a
3 member or participant under Article 12 on or after January 1,
4 2022 or who makes the election under item (i) of subsection
5 (d-15) of this Section) with at least 10 years of service
6 credit shall be reduced by one-half of 1% for each full month
7 that the member's age is under age 67 (age 65, with respect to
8 service under Article 12 that is subject to this Section, for a
9 member or participant under Article 12 who first becomes a
10 member or participant under Article 12 on or after January 1,
11 2022 or who makes the election under item (i) of subsection
12 (d-15) of this Section).

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

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

23 (i) to be eligible for the reduced retirement age
24 provided in subsections (c-5) and (d-5) of this Section,
25 the eligibility for which is conditioned upon the member
26 or participant agreeing to the increases in employee

1 contributions for age and service annuities provided in
2 subsection (a-5) of Section 8-174 of this Code (for
3 service under Article 8) or subsection (a-5) of Section
4 11-170 of this Code (for service under Article 11); or

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

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

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

24 (i) to be eligible for the reduced retirement age
25 specified in subsections (c) and (d) of this Section, the
26 eligibility for which is conditioned upon the member or

1 participant agreeing to the increase in employee
2 contributions for service annuities specified in
3 subsection (b) of Section 12-150; or

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

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

18 (e) Any retirement annuity or supplemental annuity shall
19 be subject to annual increases on the January 1 occurring
20 either on or after the attainment of age 67 (age 65, with
21 respect to service under Article 12 that is subject to this
22 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); and beginning on July 6, 2017 (the
26 effective date of Public Act 100-23), age 65 with respect to

1 service under Article 8 or Article 11 for eligible persons
2 who: (i) are subject to subsection (c-5) of this Section; or
3 (ii) made the election under item (i) of subsection (d-10) of
4 this Section) or the first anniversary of the annuity start
5 date, whichever is later. Each annual increase shall be
6 calculated at 3% or one-half 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, whichever is less, of the originally granted
10 retirement annuity. If the annual unadjusted percentage change
11 in the consumer price index-u for the 12 months ending with the
12 September preceding each November 1 is zero or there is a
13 decrease, then the annuity shall not be increased.

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

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

24 (f) The initial survivor's or widow's annuity of an
25 otherwise eligible survivor or widow of a retired member or
26 participant who first became a member or participant on or

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

25 (g) The benefits in Section 14-110 apply only if the
26 person is a State policeman, a fire fighter in the fire

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

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

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

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

24 (i) (Blank).

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

1 provisions of this Section shall control.

2 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
3 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.
4 5-13-22.)

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

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

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

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

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

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

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

1 of Section 1-162 to receive the benefits provided under this
2 Section and the applicable provisions of the Article under
3 which he or she is a member or participant.

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

17 (1) (Blank).

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

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

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

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

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

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

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

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

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

1 price index-u for the 12 months ending with the September
2 preceding each November 1, including all previous adjustments.

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

13 (b-10) Beginning on January 1, 2024, for all purposes
14 under this Code (including, without limitation, the
15 calculation of benefits and employee contributions), the
16 annual earnings, salary, or wages (based on the plan year) of a
17 member or participant under Article 9 to whom this Section
18 applies shall include an annual earnings, salary, or wage cap
19 that tracks the Social Security wage base. Maximum annual
20 earnings, wages, or salary shall be the annual contribution
21 and benefit base established for the applicable year by the
22 Commissioner of the Social Security Administration under the
23 federal Social Security Act.

24 However, in no event shall the annual earnings, salary, or
25 wages for the purposes of this Article and Article 9 exceed any
26 limitation imposed on annual earnings, salary, or wages under

1 Section 1-117. Under no circumstances shall the maximum amount
2 of annual earnings, salary, or wages be greater than the
3 amount set forth in this subsection (b-10) as a result of
4 reciprocal service or any provisions regarding reciprocal
5 services, nor shall the Fund under Article 9 be required to pay
6 any refund as a result of the application of this maximum
7 annual earnings, salary, and wage cap.

8 Nothing in this subsection (b-10) shall cause or otherwise
9 result in any retroactive adjustment of any employee
10 contributions. Nothing in this subsection (b-10) shall cause
11 or otherwise result in any retroactive adjustment of
12 disability or other payments made between January 1, 2011 and
13 January 1, 2024.

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

23 A member or participant who has attained age 62 (age 60,
24 with respect to service under Article 12 that is subject to
25 this Section, for a member or participant under Article 12 who
26 first becomes a member or participant under Article 12 on or

1 after January 1, 2022 or who makes the election under item (i)
2 of subsection (d-15) of this Section) and has at least 10 years
3 of service credit and is otherwise eligible under the
4 requirements of the applicable Article may elect to receive
5 the lower retirement annuity provided in subsection (d) of
6 this Section.

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

16 (c-10) Notwithstanding subsection (c), beginning July 1,
17 2025, a member or participant under Article 14, 16, or 17
18 subject to this Section is entitled to a retirement annuity
19 upon written application if he or she:

20 (1) has attained age 62, has at least 35 years of
21 service credit, and is otherwise eligible under the
22 requirements of the applicable Article;

23 (2) has attained age 64, has at least 20 years of
24 service credit, and is otherwise eligible under the
25 requirements of the applicable Article; or

26 (3) has attained age 67, has at least 10 years of

1 service credit, and is otherwise eligible under the
2 requirements of the applicable Article.

3 For the purposes of Section 1-103.1 of this Code, the
4 changes made to this Section by this amendatory Act of the
5 103rd General Assembly are applicable without regard to
6 whether the employee was in active service on or after the
7 effective date of this amendatory Act of the 103rd General
8 Assembly.

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

23 (d-5) The retirement annuity payable under Article 8 or
24 Article 11 to an eligible person subject to subsection (c-5)
25 of this Section who is retiring at age 60 with at least 10
26 years of service credit shall be reduced by one-half of 1% for

1 each full month that the member's age is under age 65.

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

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

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

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

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

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

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

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

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

1 made the election under item (ii).

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

24 For the purposes of Section 1-103.1 of this Code, the
25 changes made to this Section by Public Act 102-263 are
26 applicable without regard to whether the employee was in

1 active service on or after August 6, 2021 (the effective date
2 of Public Act 102-263).

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

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

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

9 (g) The benefits in Section 14-110 apply only if the
10 person is a State policeman, a fire fighter in the fire
11 protection service of a department, a conservation police
12 officer, an investigator for the Secretary of State, an
13 investigator for the Office of the Attorney General, 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. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;
14 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.
15 8-11-23.)

16 (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)

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

18 (a) This subsection (a) applies only to a Tier 1 member. A
19 participant who retires in one of the following specified
20 years with the specified amount of service is entitled to a
21 retirement annuity at any age under the retirement program
22 applicable to the participant:

23 35 years if retirement is in 1997 or before;

24 34 years if retirement is in 1998;

25 33 years if retirement is in 1999;

1 32 years if retirement is in 2000;

2 31 years if retirement is in 2001;

3 30 years if retirement is in 2002 or later.

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

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

10 A participant who has at least 25 years of service in this
11 system as a police officer or firefighter is entitled to a
12 retirement annuity on or after the attainment of age 50, if
13 Rule 4 of Section 15-136 is applicable to the participant.

14 (a-5) Beginning July 1, 2025, a Tier 2 member is entitled
15 to a retirement annuity upon written application if he or she:

16 (1) has attained age 62, has at least 35 years of
17 service credit, and is otherwise eligible under the
18 requirements of this Article;

19 (2) has attained age 64, has at least 20 years of
20 service credit, and is otherwise eligible under the
21 requirements of this Article; or

22 (3) has attained age 67, has at least 10 years of
23 service credit, and is otherwise eligible under the
24 requirements of this Article.

25 For the purposes of Section 1-103.1 of this Code, the
26 changes made to this Section by this amendatory Act of the

1 103rd General Assembly are applicable without regard to
2 whether the employee was in active service on or after the
3 effective date of this amendatory Act of the 103rd General
4 Assembly.

5 Before July 1, 2025, a ~~A~~ Tier 2 member is entitled to a
6 retirement annuity upon written application if he or she has
7 attained age 67 and has at least 10 years of service credit and
8 is otherwise eligible under the requirements of this Article.
9 A Tier 2 member who has attained age 62 and has at least 10
10 years of service credit and is otherwise eligible under the
11 requirements of this Article may elect to receive the lower
12 retirement annuity provided in subsection (b-5) of Section
13 15-136 of this Article.

14 (a-10) Before July 1, 2025, a ~~A~~ Tier 2 member who has at
15 least 20 years of service in this system as a police officer or
16 firefighter is entitled to a retirement annuity upon written
17 application on or after the attainment of age 60 if Rule 4 of
18 Section 15-136 is applicable to the participant. Beginning
19 July 1, 2025, a Tier 2 member who has at least 20 years of
20 service in this system as a police officer or firefighter is
21 entitled to a retirement annuity upon written application on
22 or after the attainment of age 55 if Rule 4 of Section 15-136
23 is 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, 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 (b-10) Beginning on January 1, 2024, for all purposes
10 under this Code (including, without limitation, the
11 calculation of benefits and employee contributions), the
12 annual earnings, salary, or wages (based on the plan year) of a
13 member or participant under Article 9 to whom this Section
14 applies shall include an annual earnings, salary, or wage cap
15 that tracks the Social Security wage base. Maximum annual
16 earnings, wages, or salary shall be the annual contribution
17 and benefit base established for the applicable year by the
18 Commissioner of the Social Security Administration under the
19 federal Social Security Act.

20 However, in no event shall the annual earnings, salary, or
21 wages for the purposes of this Article and Article 9 exceed any
22 limitation imposed on annual earnings, salary, or wages under
23 Section 1-117. Under no circumstances shall the maximum amount
24 of annual earnings, salary, or wages be greater than the
25 amount set forth in this subsection (b-10) as a result of
26 reciprocal service or any provisions regarding reciprocal

1 services, nor shall the Fund under Article 9 be required to pay
2 any refund as a result of the application of this maximum
3 annual earnings, salary, and wage cap.

4 Nothing in this subsection (b-10) shall cause or otherwise
5 result in any retroactive adjustment of any employee
6 contributions. Nothing in this subsection (b-10) shall cause
7 or otherwise result in any retroactive adjustment of
8 disability or other payments made between January 1, 2011 and
9 January 1, 2024.

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 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 (b-10) Beginning on January 1, 2024, for all purposes
10 under this Code (including, without limitation, the
11 calculation of benefits and employee contributions), the
12 annual earnings, salary, or wages (based on the plan year) of a
13 member or participant under Article 9 to whom this Section
14 applies shall include an annual earnings, salary, or wage cap
15 that tracks the Social Security wage base. Maximum annual
16 earnings, wages, or salary shall be the annual contribution
17 and benefit base established for the applicable year by the
18 Commissioner of the Social Security Administration under the
19 federal Social Security Act.

20 However, in no event shall the annual earnings, salary, or
21 wages for the purposes of this Article and Article 9 exceed any
22 limitation imposed on annual earnings, salary, or wages under
23 Section 1-117. Under no circumstances shall the maximum amount
24 of annual earnings, salary, or wages be greater than the
25 amount set forth in this subsection (b-10) as a result of
26 reciprocal service or any provisions regarding reciprocal

1 services, nor shall the Fund under Article 9 be required to pay
2 any refund as a result of the application of this maximum
3 annual earnings, salary, and wage cap.

4 Nothing in this subsection (b-10) shall cause or otherwise
5 result in any retroactive adjustment of any employee
6 contributions. Nothing in this subsection (b-10) shall cause
7 or otherwise result in any retroactive adjustment of
8 disability or other payments made between January 1, 2011 and
9 January 1, 2024.

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 arson
16 investigator, a Commerce Commission police officer,
17 investigator for the Department of Revenue or the Illinois
18 Gaming Board, a security employee of the Department of
19 Corrections or the Department of Juvenile Justice, or a
20 security employee of the Department of Innovation and
21 Technology, as those terms are defined in subsection (b) and
22 subsection (c) of Section 14-110. A person who meets the
23 requirements of this Section is entitled to an annuity
24 calculated under the provisions of Section 14-110, in lieu of
25 the regular or minimum retirement annuity, only if the person
26 has withdrawn from service with not less than 20 years of

1 eligible creditable service and has attained age 60,
2 regardless of whether the attainment of age 60 occurs while
3 the person is still in service.

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

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

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

11 (i) (Blank).

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

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

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

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

20 (a) The provisions of this Section apply to a person who,
21 on or after January 1, 2011, first becomes a member or a
22 participant under any reciprocal retirement system or pension
23 fund established under this Code, other than a retirement
24 system or pension fund established under Article 2, 3, 4, 5, 6,
25 7, 15, or 18 of this Code, notwithstanding any other provision

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

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

26 ~~This Section does not apply to a person who first becomes a~~

1 ~~member or participant under Article 16 on or after the~~
2 ~~implementation date of the plan created under Section 1-161~~
3 ~~for that Article, unless that person elects under subsection~~
4 ~~(b) of Section 1-161 to instead receive the benefits provided~~
5 ~~under this Section and the applicable provisions of that~~
6 ~~Article.~~

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

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

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

1 retirement system or pension fund to which this Section
2 applies on or after January 1, 2011, in this Code, "final
3 average salary" shall be substituted for the following:

4 (1) (Blank).

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

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

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

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

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

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

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

22 (B) an amount calculated by the Teachers' Retirement
23 System of the State of Illinois using the average of the
24 monthly (or annual) salary obtained by dividing the total
25 salary or earnings calculated under Article 16 applicable
26 to the member or participant during the 96 months (or 8

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

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

16 For the purposes of this Section, "consumer price index-u"
17 means the index published by the Bureau of Labor Statistics of
18 the United States Department of Labor that measures the
19 average change in prices of goods and services purchased by
20 all urban consumers, United States city average, all items,
21 1982-84 = 100. The new amount resulting from each annual
22 adjustment shall be determined by the Public Pension Division
23 of the Department of Insurance and made available to the
24 boards of the retirement systems and pension funds by November
25 1 of each year.

26 (b-10) Beginning on January 1, 2024, for all purposes

1 under this Code (including, without limitation, the
2 calculation of benefits and employee contributions), the
3 annual earnings, salary, or wages (based on the plan year) of a
4 member or participant under Article 9 to whom this Section
5 applies shall include an annual earnings, salary, or wage cap
6 that tracks the Social Security wage base. Maximum annual
7 earnings, wages, or salary shall be the annual contribution
8 and benefit base established for the applicable year by the
9 Commissioner of the Social Security Administration under the
10 federal Social Security Act.

11 However, in no event shall the annual earnings, salary, or
12 wages for the purposes of this Article and Article 9 exceed any
13 limitation imposed on annual earnings, salary, or wages under
14 Section 1-117. Under no circumstances shall the maximum amount
15 of annual earnings, salary, or wages be greater than the
16 amount set forth in this subsection (b-10) as a result of
17 reciprocal service or any provisions regarding reciprocal
18 services, nor shall the Fund under Article 9 be required to pay
19 any refund as a result of the application of this maximum
20 annual earnings, salary, and wage cap.

21 Nothing in this subsection (b-10) shall cause or otherwise
22 result in any retroactive adjustment of any employee
23 contributions. Nothing in this subsection (b-10) shall cause
24 or otherwise result in any retroactive adjustment of
25 disability or other payments made between January 1, 2011 and
26 January 1, 2024.

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

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

20 (c-5) A person who first becomes a member or a participant
21 subject to this Section on or after July 6, 2017 (the effective
22 date of Public Act 100-23), notwithstanding any other
23 provision of this Code to the contrary, is entitled to a
24 retirement annuity under Article 8 or Article 11 upon written
25 application if he or she has attained age 65 and has at least
26 10 years of service credit and is otherwise eligible under the

1 requirements of Article 8 or Article 11 of this Code,
2 whichever is applicable.

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

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

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

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

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

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

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

1 either:

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

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

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

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

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

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

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

1 Public Act 100-23).

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

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

3 (g) The benefits in Section 14-110 apply only if the
4 person is a State policeman, a fire fighter in the fire
5 protection service of a department, a conservation police
6 officer, an investigator for the Secretary of State, an
7 investigator for the Office of the Attorney General, 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. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;
8 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.
9 8-11-23.)

10 (40 ILCS 5/15-108.2)

11 Sec. 15-108.2. Tier 2 member. "Tier 2 member": A person
12 who first becomes a participant under this Article on or after
13 January 1, 2011 ~~and before the implementation date, as defined~~
14 ~~under subsection (a) of Section 1-161, determined by the~~
15 ~~Board,~~ other than a person in the self-managed plan
16 established under Section 15-158.2 ~~or a person who makes the~~
17 ~~election under subsection (c) of Section 1-161,~~ unless the
18 person is otherwise a Tier 1 member. The changes made to this
19 Section by this amendatory Act of the 98th General Assembly
20 are a correction of existing law and are intended to be
21 retroactive to the effective date of Public Act 96-889,
22 notwithstanding the provisions of Section 1-103.1 of this
23 Code.

24 (Source: P.A. 100-23, eff. 7-6-17; 100-563, eff. 12-8-17.)

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).

15 (a-1) For State fiscal years 2012 through 2045, the
16 minimum contribution to the System to be made by the State for
17 each fiscal year shall be an amount determined by the System to
18 be sufficient to bring the total assets of the System up to 90%
19 of the total actuarial liabilities of the System by the end of
20 State fiscal year 2045. In making these determinations, the
21 required State contribution shall be calculated each year as a
22 level percentage of payroll over the years remaining to and
23 including fiscal year 2045 and shall be determined under the
24 projected unit credit actuarial cost method.

25 For each of State fiscal years 2018, 2019, and 2020, the
26 State shall make an additional contribution to the System

1 equal to 2% of the total payroll of each employee who is deemed
2 to have elected the benefits under Section 1-161 or who has
3 made the election under subsection (c) of Section 1-161.

4 A change in an actuarial or investment assumption that
5 increases or decreases the required State contribution and
6 first applies in State fiscal year 2018 or thereafter shall be
7 implemented in equal annual amounts over a 5-year period
8 beginning in the State fiscal year in which the actuarial
9 change first applies to the required State contribution.

10 A change in an actuarial or investment assumption that
11 increases or decreases the required State contribution and
12 first applied to the State contribution in fiscal year 2014,
13 2015, 2016, or 2017 shall be implemented:

14 (i) as already applied in State fiscal years before
15 2018; and

16 (ii) in the portion of the 5-year period beginning in
17 the State fiscal year in which the actuarial change first
18 applied that occurs in State fiscal year 2018 or
19 thereafter, by calculating the change in equal annual
20 amounts over that 5-year period and then implementing it
21 at the resulting annual rate in each of the remaining
22 fiscal years in that 5-year period.

23 For State fiscal years 1996 through 2005, the State
24 contribution to the System, as a percentage of the applicable
25 employee payroll, shall be increased in equal annual
26 increments so that by State fiscal year 2011, the State is

1 contributing at the rate required under this Section.

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

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

8 For each of State fiscal years 2008 through 2009, the
9 State contribution to the System, as a percentage of the
10 applicable employee payroll, shall be increased in equal
11 annual increments from the required State contribution for
12 State fiscal year 2007, so that by State fiscal year 2011, the
13 State is contributing at the rate otherwise required under
14 this Section.

15 Notwithstanding any other provision of this Article, the
16 total required State contribution for State fiscal year 2010
17 is \$702,514,000 and shall be made from the State Pensions Fund
18 and proceeds of bonds sold in fiscal year 2010 pursuant to
19 Section 7.2 of the General Obligation Bond Act, less (i) the
20 pro rata share of bond sale expenses determined by the
21 System's share of total bond proceeds, (ii) any amounts
22 received from the General Revenue Fund in fiscal year 2010,
23 (iii) any reduction in bond proceeds due to the issuance of
24 discounted bonds, if applicable.

25 Notwithstanding any other provision of this Article, the
26 total required State contribution for State fiscal year 2011

1 is the amount recertified by the System on or before April 1,
2 2011 pursuant to Section 15-165 and shall be made from the
3 State Pensions Fund and proceeds of bonds sold in fiscal year
4 2011 pursuant to Section 7.2 of the General Obligation Bond
5 Act, less (i) the pro rata share of bond sale expenses
6 determined by the System's share of total bond proceeds, (ii)
7 any amounts received from the General Revenue Fund in fiscal
8 year 2011, and (iii) any reduction in bond proceeds due to the
9 issuance of discounted bonds, if applicable.

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

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

26 Notwithstanding any other provision of this Section, the

1 required State contribution for State fiscal year 2005 and for
2 fiscal year 2008 and each fiscal year thereafter, as
3 calculated under this Section and certified under Section
4 15-165, shall not exceed an amount equal to (i) the amount of
5 the required State contribution that would have been
6 calculated under this Section for that fiscal year if the
7 System had not received any payments under subsection (d) of
8 Section 7.2 of the General Obligation Bond Act, minus (ii) the
9 portion of the State's total debt service payments for that
10 fiscal year on the bonds issued in fiscal year 2003 for the
11 purposes of that Section 7.2, as determined and certified by
12 the Comptroller, that is the same as the System's portion of
13 the total moneys distributed under subsection (d) of Section
14 7.2 of the General Obligation Bond Act. In determining this
15 maximum for State fiscal years 2008 through 2010, however, the
16 amount referred to in item (i) shall be increased, as a
17 percentage of the applicable employee payroll, in equal
18 increments calculated from the sum of the required State
19 contribution for State fiscal year 2007 plus the applicable
20 portion of the State's total debt service payments for fiscal
21 year 2007 on the bonds issued in fiscal year 2003 for the
22 purposes of Section 7.2 of the General Obligation Bond Act, so
23 that, by State fiscal year 2011, the State is contributing at
24 the rate otherwise required under this Section.

25 (a-2) (Blank). ~~Beginning in fiscal year 2018, each~~
26 ~~employer under this Article shall pay to the System a required~~

1 ~~contribution determined as a percentage of projected payroll~~
2 ~~and sufficient to produce an annual amount equal to:~~

3 ~~(i) for each of fiscal years 2018, 2019, and 2020, the~~
4 ~~defined benefit normal cost of the defined benefit plan,~~
5 ~~less the employee contribution, for each employee of that~~
6 ~~employer who has elected or who is deemed to have elected~~
7 ~~the benefits under Section 1-161 or who has made the~~
8 ~~election under subsection (c) of Section 1-161; for fiscal~~
9 ~~year 2021 and each fiscal year thereafter, the defined~~
10 ~~benefit normal cost of the defined benefit plan, less the~~
11 ~~employee contribution, plus 2%, for each employee of that~~
12 ~~employer who has elected or who is deemed to have elected~~
13 ~~the benefits under Section 1-161 or who has made the~~
14 ~~election under subsection (c) of Section 1-161; plus~~

15 ~~(ii) the amount required for that fiscal year to~~
16 ~~amortize any unfunded actuarial accrued liability~~
17 ~~associated with the present value of liabilities~~
18 ~~attributable to the employer's account under Section~~
19 ~~15-155.2, determined as a level percentage of payroll over~~
20 ~~a 30-year rolling amortization period.~~

21 ~~In determining contributions required under item (i) of~~
22 ~~this subsection, the System shall determine an aggregate rate~~
23 ~~for all employers, expressed as a percentage of projected~~
24 ~~payroll.~~

25 ~~In determining the contributions required under item (ii)~~
26 ~~of this subsection, the amount shall be computed by the System~~

1 ~~on the basis of the actuarial assumptions and tables used in~~
2 ~~the most recent actuarial valuation of the System that is~~
3 ~~available at the time of the computation.~~

4 ~~The contributions required under this subsection (a-2)~~
5 ~~shall be paid by an employer concurrently with that employer's~~
6 ~~payroll payment period. The State, as the actual employer of~~
7 ~~an employee, shall make the required contributions under this~~
8 ~~subsection.~~

9 ~~As used in this subsection, "academic year" means the~~
10 ~~12-month period beginning September 1.~~

11 (b) If an employee is paid from trust or federal funds, the
12 employer shall pay to the Board contributions from those funds
13 which are sufficient to cover the accruing normal costs on
14 behalf of the employee. However, universities having employees
15 who are compensated out of local auxiliary funds, income
16 funds, or service enterprise funds are not required to pay
17 such contributions on behalf of those employees. The local
18 auxiliary funds, income funds, and service enterprise funds of
19 universities shall not be considered trust funds for the
20 purpose of this Article, but funds of alumni associations,
21 foundations, and athletic associations which are affiliated
22 with the universities included as employers under this Article
23 and other employers which do not receive State appropriations
24 are considered to be trust funds for the purpose of this
25 Article.

26 (b-1) The City of Urbana and the City of Champaign shall

1 each make employer contributions to this System for their
2 respective firefighter employees who participate in this
3 System pursuant to subsection (h) of Section 15-107. The rate
4 of contributions to be made by those municipalities shall be
5 determined annually by the Board on the basis of the actuarial
6 assumptions adopted by the Board and the recommendations of
7 the actuary, and shall be expressed as a percentage of salary
8 for each such employee. The Board shall certify the rate to the
9 affected municipalities as soon as may be practical. The
10 employer contributions required under this subsection shall be
11 remitted by the municipality to the System at the same time and
12 in the same manner as employee contributions.

13 (c) Through State fiscal year 1995: The total employer
14 contribution shall be apportioned among the various funds of
15 the State and other employers, whether trust, federal, or
16 other funds, in accordance with actuarial procedures approved
17 by the Board. State of Illinois contributions for employers
18 receiving State appropriations for personal services shall be
19 payable from appropriations made to the employers or to the
20 System. The contributions for Class I community colleges
21 covering earnings other than those paid from trust and federal
22 funds, shall be payable solely from appropriations to the
23 Illinois Community College Board or the System for employer
24 contributions.

25 (d) Beginning in State fiscal year 1996, the required
26 State contributions to the System shall be appropriated

1 directly to the System and shall be payable through vouchers
2 issued in accordance with subsection (c) of Section 15-165,
3 except as provided in subsection (g).

4 (e) The State Comptroller shall draw warrants payable to
5 the System upon proper certification by the System or by the
6 employer in accordance with the appropriation laws and this
7 Code.

8 (f) Normal costs under this Section means liability for
9 pensions and other benefits which accrues to the System
10 because of the credits earned for service rendered by the
11 participants during the fiscal year and expenses of
12 administering the System, but shall not include the principal
13 of or any redemption premium or interest on any bonds issued by
14 the Board or any expenses incurred or deposits required in
15 connection therewith.

16 (g) If the amount of a participant's earnings for any
17 academic year used to determine the final rate of earnings,
18 determined on a full-time equivalent basis, exceeds the amount
19 of his or her earnings with the same employer for the previous
20 academic year, determined on a full-time equivalent basis, by
21 more than 6%, the participant's employer shall pay to the
22 System, in addition to all other payments required under this
23 Section and in accordance with guidelines established by the
24 System, the present value of the increase in benefits
25 resulting from the portion of the increase in earnings that is
26 in excess of 6%. This present value shall be computed by the

1 System on the basis of the actuarial assumptions and tables
2 used in the most recent actuarial valuation of the System that
3 is available at the time of the computation. The System may
4 require the employer to provide any pertinent information or
5 documentation.

6 Whenever it determines that a payment is or may be
7 required under this subsection (g), the System shall calculate
8 the amount of the payment and bill the employer for that
9 amount. The bill shall specify the calculations used to
10 determine the amount due. If the employer disputes the amount
11 of the bill, it may, within 30 days after receipt of the bill,
12 apply to the System in writing for a recalculation. The
13 application must specify in detail the grounds of the dispute
14 and, if the employer asserts that the calculation is subject
15 to subsection (h), (h-5), or (i) of this Section, must include
16 an affidavit setting forth and attesting to all facts within
17 the employer's knowledge that are pertinent to the
18 applicability of that subsection. Upon receiving a timely
19 application for recalculation, the System shall review the
20 application and, if appropriate, recalculate the amount due.

21 The employer contributions required under this subsection
22 (g) may be paid in the form of a lump sum within 90 days after
23 receipt of the bill. If the employer contributions are not
24 paid within 90 days after receipt of the bill, then interest
25 will be charged at a rate equal to the System's annual
26 actuarially assumed rate of return on investment compounded

1 annually from the 91st day after receipt of the bill. Payments
2 must be concluded within 3 years after the employer's receipt
3 of the bill.

4 When assessing payment for any amount due under this
5 subsection (g), the System shall include earnings, to the
6 extent not established by a participant under Section
7 15-113.11 or 15-113.12, that would have been paid to the
8 participant had the participant not taken (i) periods of
9 voluntary or involuntary furlough occurring on or after July
10 1, 2015 and on or before June 30, 2017 or (ii) periods of
11 voluntary pay reduction in lieu of furlough occurring on or
12 after July 1, 2015 and on or before June 30, 2017. Determining
13 earnings that would have been paid to a participant had the
14 participant not taken periods of voluntary or involuntary
15 furlough or periods of voluntary pay reduction shall be the
16 responsibility of the employer, and shall be reported in a
17 manner prescribed by the System.

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

22 (g-1) (Blank).

23 (h) This subsection (h) applies only to payments made or
24 salary increases given on or after June 1, 2005 but before July
25 1, 2011. The changes made by Public Act 94-1057 shall not
26 require the System to refund any payments received before July

1 31, 2006 (the effective date of Public Act 94-1057).

2 When assessing payment for any amount due under subsection
3 (g), the System shall exclude earnings increases paid to
4 participants under contracts or collective bargaining
5 agreements entered into, amended, or renewed before June 1,
6 2005.

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

11 When assessing payment for any amount due under subsection
12 (g), the System shall exclude earnings increases resulting
13 from overload work, including a contract for summer teaching,
14 or overtime when the employer has certified to the System, and
15 the System has approved the certification, that: (i) in the
16 case of overloads (A) the overload work is for the sole purpose
17 of academic instruction in excess of the standard number of
18 instruction hours for a full-time employee occurring during
19 the academic year that the overload is paid and (B) the
20 earnings increases are equal to or less than the rate of pay
21 for academic instruction computed using the participant's
22 current salary rate and work schedule; and (ii) in the case of
23 overtime, the overtime was necessary for the educational
24 mission.

25 When assessing payment for any amount due under subsection
26 (g), the System shall exclude any earnings increase resulting

1 from (i) a promotion for which the employee moves from one
2 classification to a higher classification under the State
3 Universities Civil Service System, (ii) a promotion in
4 academic rank for a tenured or tenure-track faculty position,
5 or (iii) a promotion that the Illinois Community College Board
6 has recommended in accordance with subsection (k) of this
7 Section. These earnings increases shall be excluded only if
8 the promotion is to a position that has existed and been filled
9 by a member for no less than one complete academic year and the
10 earnings increase as a result of the promotion is an increase
11 that results in an amount no greater than the average salary
12 paid for other similar positions.

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

20 (i) When assessing payment for any amount due under
21 subsection (g), the System shall exclude any salary increase
22 described in subsection (h) of this Section given on or after
23 July 1, 2011 but before July 1, 2014 under a contract or
24 collective bargaining agreement entered into, amended, or
25 renewed on or after June 1, 2005 but before July 1, 2011.
26 Except as provided in subsection (h-5), any payments made or

1 salary increases given after June 30, 2014 shall be used in
2 assessing payment for any amount due under subsection (g) of
3 this Section.

4 (j) The System shall prepare a report and file copies of
5 the report with the Governor and the General Assembly by
6 January 1, 2007 that contains all of the following
7 information:

8 (1) The number of recalculations required by the
9 changes made to this Section by Public Act 94-1057 for
10 each employer.

11 (2) The dollar amount by which each employer's
12 contribution to the System was changed due to
13 recalculations required by Public Act 94-1057.

14 (3) The total amount the System received from each
15 employer as a result of the changes made to this Section by
16 Public Act 94-4.

17 (4) The increase in the required State contribution
18 resulting from the changes made to this Section by Public
19 Act 94-1057.

20 (j-5) For State fiscal years beginning on or after July 1,
21 2017, if the amount of a participant's earnings for any State
22 fiscal year exceeds the amount of the salary set by law for the
23 Governor that is in effect on July 1 of that fiscal year, the
24 participant's employer shall pay to the System, in addition to
25 all other payments required under this Section and in
26 accordance with guidelines established by the System, an

1 amount determined by the System to be equal to the employer
2 normal cost, as established by the System and expressed as a
3 total percentage of payroll, multiplied by the amount of
4 earnings in excess of the amount of the salary set by law for
5 the Governor. This amount shall be computed by the System on
6 the basis of the actuarial assumptions and tables used in the
7 most recent actuarial valuation of the System that is
8 available at the time of the computation. The System may
9 require the employer to provide any pertinent information or
10 documentation.

11 Whenever it determines that a payment is or may be
12 required under this subsection, the System shall calculate the
13 amount of the payment and bill the employer for that amount.
14 The bill shall specify the calculation used to determine the
15 amount due. If the employer disputes the amount of the bill, it
16 may, within 30 days after receipt of the bill, apply to the
17 System in writing for a recalculation. The application must
18 specify in detail the grounds of the dispute. Upon receiving a
19 timely application for recalculation, the System shall review
20 the application and, if appropriate, recalculate the amount
21 due.

22 The employer contributions required under this subsection
23 may be paid in the form of a lump sum within 90 days after
24 issuance of the bill. If the employer contributions are not
25 paid within 90 days after issuance of the bill, then interest
26 will be charged at a rate equal to the System's annual

1 actuarially assumed rate of return on investment compounded
2 annually from the 91st day after issuance of the bill. All
3 payments must be received within 3 years after issuance of the
4 bill. If the employer fails to make complete payment,
5 including applicable interest, within 3 years, then the System
6 may, after giving notice to the employer, certify the
7 delinquent amount to the State Comptroller, and the
8 Comptroller shall thereupon deduct the certified delinquent
9 amount from State funds payable to the employer and pay them
10 instead to the System.

11 This subsection (j-5) does not apply to a participant's
12 earnings to the extent an employer pays the employer normal
13 cost of such earnings.

14 The changes made to this subsection (j-5) by Public Act
15 100-624 are intended to apply retroactively to July 6, 2017
16 (the effective date of Public Act 100-23).

17 (k) The Illinois Community College Board shall adopt rules
18 for recommending lists of promotional positions submitted to
19 the Board by community colleges and for reviewing the
20 promotional lists on an annual basis. When recommending
21 promotional lists, the Board shall consider the similarity of
22 the positions submitted to those positions recognized for
23 State universities by the State Universities Civil Service
24 System. The Illinois Community College Board shall file a copy
25 of its findings with the System. The System shall consider the
26 findings of the Illinois Community College Board when making

1 determinations under this Section. The System shall not
2 exclude any earnings increases resulting from a promotion when
3 the promotion was not submitted by a community college.
4 Nothing in this subsection (k) shall require any community
5 college to submit any information to the Community College
6 Board.

7 (l) For purposes of determining the required State
8 contribution to the System, the value of the System's assets
9 shall be equal to the actuarial value of the System's assets,
10 which shall be calculated as follows:

11 As of June 30, 2008, the actuarial value of the System's
12 assets shall be equal to the market value of the assets as of
13 that date. In determining the actuarial value of the System's
14 assets for fiscal years after June 30, 2008, any actuarial
15 gains or losses from investment return incurred in a fiscal
16 year shall be recognized in equal annual amounts over the
17 5-year period following that fiscal year.

18 (m) For purposes of determining the required State
19 contribution to the system for a particular year, the
20 actuarial value of assets shall be assumed to earn a rate of
21 return equal to the system's actuarially assumed rate of
22 return.

23 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
24 102-16, eff. 6-17-21; 102-558, eff. 8-20-21; 102-764, eff.
25 5-13-22.)

1 (40 ILCS 5/16-158.3)

2 Sec. 16-158.3. Individual employer accounts.

3 (a) The System shall create and maintain an individual
4 account for each employer for the purposes of determining
5 employer contributions under subsection (b-4) of Section
6 16-158. Each employer's account shall be notionally charged
7 with the liabilities attributable to that employer and
8 credited with the assets attributable to that employer.

9 (b) Beginning with fiscal year 2018, the System shall
10 assign notional liabilities to each employer's account, equal
11 to the amount of the employer contributions required to be
12 made by the employer pursuant to items (i) and (ii) of
13 subsection (b-4) of Section 16-158, ~~plus any unfunded~~
14 ~~actuarial accrued liability associated with the defined~~
15 ~~benefits attributable to the employer's employees who first~~
16 ~~became members on or after the implementation date and the~~
17 ~~employer's employees who made the election under subsection~~
18 ~~(c-5) of Section 1-161.~~

19 (c) Beginning with fiscal year 2018, the System shall
20 assign notional assets to each employer's account equal to the
21 amounts of employer contributions made pursuant to items (i)
22 and (ii) of subsection (b-4) of Section 16-158.

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

24 (40 ILCS 5/1-161 rep.)

25 (40 ILCS 5/1-162 rep.)

1 (40 ILCS 5/15-155.2 rep.)

2 Section 10-10. The Illinois Pension Code is amended by
3 repealing Sections 1-161, 1-162, and 15-155.2.

4 Article 11.

5 Section 11-5. The Illinois Pension Code is amended by
6 changing Sections 1-160 and 14-110 as follows:

7 (40 ILCS 5/1-160)

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

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

10 (a) The provisions of this Section apply to a person who,
11 on or after January 1, 2011, first becomes a member or a
12 participant under any reciprocal retirement system or pension
13 fund established under this Code, other than a retirement
14 system or pension fund established under Article 2, 3, 4, 5, 6,
15 7, 15, or 18 of this Code, notwithstanding any other provision
16 of this Code to the contrary, but do not apply to any
17 self-managed plan established under this Code or to any
18 participant of the retirement plan established under Section
19 22-101; except that this Section applies to a person who
20 elected to establish alternative credits by electing in
21 writing after January 1, 2011, but before August 8, 2011,
22 under Section 7-145.1 of this Code. Notwithstanding anything
23 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 (b-10) Beginning on January 1, 2024, for all purposes
19 under this Code (including, without limitation, the
20 calculation of benefits and employee contributions), the
21 annual earnings, salary, or wages (based on the plan year) of a
22 member or participant under Article 9 to whom this Section
23 applies shall include an annual earnings, salary, or wage cap
24 that tracks the Social Security wage base. Maximum annual
25 earnings, wages, or salary shall be the annual contribution
26 and benefit base established for the applicable year by the

1 Commissioner of the Social Security Administration under the
2 federal Social Security Act.

3 However, in no event shall the annual earnings, salary, or
4 wages for the purposes of this Article and Article 9 exceed any
5 limitation imposed on annual earnings, salary, or wages under
6 Section 1-117. Under no circumstances shall the maximum amount
7 of annual earnings, salary, or wages be greater than the
8 amount set forth in this subsection (b-10) as a result of
9 reciprocal service or any provisions regarding reciprocal
10 services, nor shall the Fund under Article 9 be required to pay
11 any refund as a result of the application of this maximum
12 annual earnings, salary, and wage cap.

13 Nothing in this subsection (b-10) shall cause or otherwise
14 result in any retroactive adjustment of any employee
15 contributions. Nothing in this subsection (b-10) shall cause
16 or otherwise result in any retroactive adjustment of
17 disability or other payments made between January 1, 2011 and
18 January 1, 2024.

19 (c) A member or participant is entitled to a retirement
20 annuity upon written application if he or she has attained age
21 67 (age 65, with respect to service under Article 12 that is
22 subject to this Section, for a member or participant under
23 Article 12 who first becomes a member or participant under
24 Article 12 on or after January 1, 2022 or who makes the
25 election under item (i) of subsection (d-15) of this Section)
26 and has at least 10 years of service credit and is otherwise

1 eligible under the requirements of the applicable Article.

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

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

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

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

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

19 (i) to be eligible for the reduced retirement age
20 provided in subsections (c-5) and (d-5) of this Section,
21 the eligibility for which is conditioned upon the member
22 or participant agreeing to the increases in employee
23 contributions for age and service annuities provided in
24 subsection (a-5) of Section 8-174 of this Code (for
25 service under Article 8) or subsection (a-5) of Section
26 11-170 of this Code (for service under Article 11); or

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

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

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

20 (i) to be eligible for the reduced retirement age
21 specified in subsections (c) and (d) of this Section, the
22 eligibility for which is conditioned upon the member or
23 participant agreeing to the increase in employee
24 contributions for service annuities specified in
25 subsection (b) of Section 12-150; or

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

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

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

14 (e) Any retirement annuity or supplemental annuity shall
15 be subject to annual increases on the January 1 occurring
16 either on or after the attainment of age 67 (age 65, with
17 respect to service under Article 12 that is subject to this
18 Section, for a member or participant under Article 12 who
19 first becomes a member or participant under Article 12 on or
20 after January 1, 2022 or who makes the election under item (i)
21 of subsection (d-15); and beginning on July 6, 2017 (the
22 effective date of Public Act 100-23), age 65 with respect to
23 service under Article 8 or Article 11 for eligible persons
24 who: (i) are subject to subsection (c-5) of this Section; or
25 (ii) made the election under item (i) of subsection (d-10) of
26 this Section) or the first anniversary of the annuity start

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

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

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

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

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

21 (g) The benefits in Section 14-110 apply if the person is a
22 fire fighter in the fire protection service of a department,~~a~~
23 ~~security employee of the Department of Corrections or the~~
24 ~~Department of Juvenile Justice,~~ or a security employee of the
25 Department of Innovation and Technology, as those terms are
26 defined in subsection (b) and subsection (c) of Section

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

8 (g-1) The benefits in Section 14-110 apply if the person
9 is a security employee of the Department of Corrections or the
10 Department of Juvenile Justice, a security employee of the
11 Department of Human Services, or an investigator for the
12 Department of the Lottery, as those terms are defined in
13 subsection (b) and subsection (c) of Section 14-110. A person
14 who meets the requirements of this Section is entitled to an
15 annuity calculated under the provisions of Section 14-110, in
16 lieu of the regular or minimum retirement annuity, only if the
17 person has withdrawn from service with not less than 20 years
18 of eligible creditable service and has attained age 55,
19 regardless of whether the attainment of age 55 occurs while
20 the person is still in service.

21 (g-5) The benefits in Section 14-110 apply if the person
22 is a State policeman, investigator for the Secretary of State,
23 conservation police officer, investigator for the Department
24 of Revenue or the Illinois Gaming Board, investigator for the
25 Office of the Attorney General, Commerce Commission police
26 officer, or arson investigator, as those terms are defined in

1 subsection (b) and subsection (c) of Section 14-110. A person
2 who meets the requirements of this Section is entitled to an
3 annuity calculated under the provisions of Section 14-110, in
4 lieu of the regular or minimum retirement annuity, only if the
5 person has withdrawn from service with not less than 20 years
6 of eligible creditable service and has attained age 55,
7 regardless of whether the attainment of age 55 occurs while
8 the person is still in service.

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

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

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

16 (i) (Blank).

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

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

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

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

25 (a) The provisions of this Section apply to a person who,

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

24 This Section does not apply to a person who first becomes a
25 noncovered employee under Article 14 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 first becomes a
6 member or participant under Article 16 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 elects under
13 subsection (c-5) of Section 1-161 to receive the benefits
14 under Section 1-161.

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

22 (b) "Final average salary" means, except as otherwise
23 provided in this subsection, the average monthly (or annual)
24 salary obtained by dividing the total salary or earnings
25 calculated under the Article applicable to the member or
26 participant during the 96 consecutive months (or 8 consecutive

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

9 (1) (Blank).

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

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

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

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

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

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

25 (A) the amount otherwise calculated under the first
26 paragraph of this subsection; or

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

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

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

1 adjustment shall be determined by the Public Pension Division
2 of the Department of Insurance and made available to the
3 boards of the retirement systems and pension funds by November
4 1 of each year.

5 (b-10) Beginning on January 1, 2024, for all purposes
6 under this Code (including, without limitation, the
7 calculation of benefits and employee contributions), the
8 annual earnings, salary, or wages (based on the plan year) of a
9 member or participant under Article 9 to whom this Section
10 applies shall include an annual earnings, salary, or wage cap
11 that tracks the Social Security wage base. Maximum annual
12 earnings, wages, or salary shall be the annual contribution
13 and benefit base established for the applicable year by the
14 Commissioner of the Social Security Administration under the
15 federal Social Security Act.

16 However, in no event shall the annual earnings, salary, or
17 wages for the purposes of this Article and Article 9 exceed any
18 limitation imposed on annual earnings, salary, or wages under
19 Section 1-117. Under no circumstances shall the maximum amount
20 of annual earnings, salary, or wages be greater than the
21 amount set forth in this subsection (b-10) as a result of
22 reciprocal service or any provisions regarding reciprocal
23 services, nor shall the Fund under Article 9 be required to pay
24 any refund as a result of the application of this maximum
25 annual earnings, salary, and wage cap.

26 Nothing in this subsection (b-10) shall cause or otherwise

1 result in any retroactive adjustment of any employee
2 contributions. Nothing in this subsection (b-10) shall cause
3 or otherwise result in any retroactive adjustment of
4 disability or other payments made between January 1, 2011 and
5 January 1, 2024.

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

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

25 (c-5) A person who first becomes a member or a participant
26 subject to this Section on or after July 6, 2017 (the effective

1 date of Public Act 100-23), notwithstanding any other
2 provision of this Code to the contrary, is entitled to a
3 retirement annuity under Article 8 or Article 11 upon written
4 application if he or she has attained age 65 and has at least
5 10 years of service credit and is otherwise eligible under the
6 requirements of Article 8 or Article 11 of this Code,
7 whichever is applicable.

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

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

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

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

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

22 The election provided for in this subsection shall be made
23 between October 1, 2017 and November 15, 2017. A person
24 subject to this subsection who makes the required election
25 shall remain bound by that election. A person subject to this
26 subsection who fails for any reason to make the required

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

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

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

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

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

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

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

1 of Public Act 102-263).

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

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

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

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

26 (g-1) The benefits in Section 14-110 apply if the person

1 is a security employee of the Department of Corrections or the
2 Department of Juvenile Justice, a security employee of the
3 Department of Human Services, or an investigator for the
4 Department of the Lottery, 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; 102-813, eff.
26 5-13-22.)

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

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 (b-10) Beginning on January 1, 2024, for all purposes
10 under this Code (including, without limitation, the
11 calculation of benefits and employee contributions), the
12 annual earnings, salary, or wages (based on the plan year) of a
13 member or participant under Article 9 to whom this Section
14 applies shall include an annual earnings, salary, or wage cap
15 that tracks the Social Security wage base. Maximum annual
16 earnings, wages, or salary shall be the annual contribution
17 and benefit base established for the applicable year by the
18 Commissioner of the Social Security Administration under the
19 federal Social Security Act.

20 However, in no event shall the annual earnings, salary, or
21 wages for the purposes of this Article and Article 9 exceed any
22 limitation imposed on annual earnings, salary, or wages under
23 Section 1-117. Under no circumstances shall the maximum amount
24 of annual earnings, salary, or wages be greater than the
25 amount set forth in this subsection (b-10) as a result of
26 reciprocal service or any provisions regarding reciprocal

1 services, nor shall the Fund under Article 9 be required to pay
2 any refund as a result of the application of this maximum
3 annual earnings, salary, and wage cap.

4 Nothing in this subsection (b-10) shall cause or otherwise
5 result in any retroactive adjustment of any employee
6 contributions. Nothing in this subsection (b-10) shall cause
7 or otherwise result in any retroactive adjustment of
8 disability or other payments made between January 1, 2011 and
9 January 1, 2024.

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 (g-1) The benefits in Section 14-110 apply if the person
6 is a security employee of the Department of Corrections or the
7 Department of Juvenile Justice, a security employee of the
8 Department of Human Services, or an investigator for the
9 Department of the Lottery, as those terms are defined in
10 subsection (b) and subsection (c) of Section 14-110. A person
11 who meets the requirements of this Section is entitled to an
12 annuity calculated under the provisions of Section 14-110, in
13 lieu of the regular or minimum retirement annuity, only if the
14 person has withdrawn from service with not less than 20 years
15 of eligible creditable service and has attained age 55,
16 regardless of whether the attainment of age 55 occurs while
17 the person is still in service.

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

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

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

25 (i) (Blank).

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

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

3 (Source: P.A. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;
4 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.
5 8-11-23.)

6 (40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

7 (Text of Section from P.A. 102-813 and 103-34)

8 Sec. 14-110. Alternative retirement annuity.

9 (a) Any member who has withdrawn from service with not
10 less than 20 years of eligible creditable service and has
11 attained age 55, and any member who has withdrawn from service
12 with not less than 25 years of eligible creditable service and
13 has attained age 50, regardless of whether the attainment of
14 either of the specified ages occurs while the member is still
15 in service, shall be entitled to receive at the option of the
16 member, in lieu of the regular or minimum retirement annuity,
17 a retirement annuity computed as follows:

18 (i) for periods of service as a noncovered employee:
19 if retirement occurs on or after January 1, 2001, 3% of
20 final average compensation for each year of creditable
21 service; if retirement occurs before January 1, 2001, 2
22 1/4% of final average compensation for each of the first
23 10 years of creditable service, 2 1/2% for each year above
24 10 years to and including 20 years of creditable service,
25 and 2 3/4% for each year of creditable service above 20

1 years; and

2 (ii) for periods of eligible creditable service as a
3 covered employee: if retirement occurs on or after January
4 1, 2001, 2.5% of final average compensation for each year
5 of creditable service; if retirement occurs before January
6 1, 2001, 1.67% of final average compensation for each of
7 the first 10 years of such service, 1.90% for each of the
8 next 10 years of such service, 2.10% for each year of such
9 service in excess of 20 but not exceeding 30, and 2.30% for
10 each year in excess of 30.

11 Such annuity shall be subject to a maximum of 75% of final
12 average compensation if retirement occurs before January 1,
13 2001 or to a maximum of 80% of final average compensation if
14 retirement occurs on or after January 1, 2001.

15 These rates shall not be applicable to any service
16 performed by a member as a covered employee which is not
17 eligible creditable service. Service as a covered employee
18 which is not eligible creditable service shall be subject to
19 the rates and provisions of Section 14-108.

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

23 (1) State policeman;

24 (2) fire fighter in the fire protection service of a
25 department;

26 (3) air pilot;

- 1 (4) special agent;
- 2 (5) investigator for the Secretary of State;
- 3 (6) conservation police officer;
- 4 (7) investigator for the Department of Revenue or the
- 5 Illinois Gaming Board;
- 6 (8) security employee of the Department of Human
- 7 Services;
- 8 (9) Central Management Services security police
- 9 officer;
- 10 (10) security employee of the Department of
- 11 Corrections or the Department of Juvenile Justice;
- 12 (11) dangerous drugs investigator;
- 13 (12) investigator for the Illinois State Police;
- 14 (13) investigator for the Office of the Attorney
- 15 General;
- 16 (14) controlled substance inspector;
- 17 (15) investigator for the Office of the State's
- 18 Attorneys Appellate Prosecutor;
- 19 (16) Commerce Commission police officer;
- 20 (17) arson investigator;
- 21 (18) State highway maintenance worker;
- 22 (19) security employee of the Department of Innovation
- 23 and Technology; ~~or~~
- 24 (20) transferred employee; or
- 25 (21) investigator for the Department of the Lottery.

26 A person employed in one of the positions specified in

1 this subsection is entitled to eligible creditable service for
2 service credit earned under this Article while undergoing the
3 basic police training course approved by the Illinois Law
4 Enforcement Training Standards Board, if completion of that
5 training is required of persons serving in that position. For
6 the purposes of this Code, service during the required basic
7 police training course shall be deemed performance of the
8 duties of the specified position, even though the person is
9 not a sworn peace officer at the time of the training.

10 A person under paragraph (20) is entitled to eligible
11 creditable service for service credit earned under this
12 Article on and after his or her transfer by Executive Order No.
13 2003-10, Executive Order No. 2004-2, or Executive Order No.
14 2016-1.

15 (c) For the purposes of this Section:

16 (1) The term "State policeman" includes any title or
17 position in the Illinois State Police that is held by an
18 individual employed under the Illinois State Police Act.

19 (2) The term "fire fighter in the fire protection
20 service of a department" includes all officers in such
21 fire protection service including fire chiefs and
22 assistant fire chiefs.

23 (3) The term "air pilot" includes any employee whose
24 official job description on file in the Department of
25 Central Management Services, or in the department by which
26 he is employed if that department is not covered by the

1 Personnel Code, states that his principal duty is the
2 operation of aircraft, and who possesses a pilot's
3 license; however, the change in this definition made by
4 Public Act 83-842 shall not operate to exclude any
5 noncovered employee who was an "air pilot" for the
6 purposes of this Section on January 1, 1984.

7 (4) The term "special agent" means any person who by
8 reason of employment by the Division of Narcotic Control,
9 the Bureau of Investigation or, after July 1, 1977, the
10 Division of Criminal Investigation, the Division of
11 Internal Investigation, the Division of Operations, the
12 Division of Patrol, or any other Division or
13 organizational entity in the Illinois State Police is
14 vested by law with duties to maintain public order,
15 investigate violations of the criminal law of this State,
16 enforce the laws of this State, make arrests and recover
17 property. The term "special agent" includes any title or
18 position in the Illinois State Police that is held by an
19 individual employed under the Illinois State Police Act.

20 (5) The term "investigator for the Secretary of State"
21 means any person employed by the Office of the Secretary
22 of State and vested with such investigative duties as
23 render him ineligible for coverage under the Social
24 Security Act by reason of Sections 218(d)(5)(A),
25 218(d)(8)(D) and 218(1)(1) of that Act.

26 A person who became employed as an investigator for

1 the Secretary of State between January 1, 1967 and
2 December 31, 1975, and who has served as such until
3 attainment of age 60, either continuously or with a single
4 break in service of not more than 3 years duration, which
5 break terminated before January 1, 1976, shall be entitled
6 to have his retirement annuity calculated in accordance
7 with subsection (a), notwithstanding that he has less than
8 20 years of credit for such service.

9 (6) The term "Conservation Police Officer" means any
10 person employed by the Division of Law Enforcement of the
11 Department of Natural Resources and vested with such law
12 enforcement duties as render him ineligible for coverage
13 under the Social Security Act by reason of Sections
14 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The
15 term "Conservation Police Officer" includes the positions
16 of Chief Conservation Police Administrator and Assistant
17 Conservation Police Administrator.

18 (7) The term "investigator for the Department of
19 Revenue" means any person employed by the Department of
20 Revenue and vested with such investigative duties as
21 render him ineligible for coverage under the Social
22 Security Act by reason of Sections 218(d)(5)(A),
23 218(d)(8)(D) and 218(1)(1) of that Act.

24 The term "investigator for the Illinois Gaming Board"
25 means any person employed as such by the Illinois Gaming
26 Board and vested with such peace officer duties as render

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

4 (8) The term "security employee of the Department of
5 Human Services" means any person employed by the
6 Department of Human Services who (i) is employed at the
7 Chester Mental Health Center and has daily contact with
8 the residents thereof, (ii) is employed within a security
9 unit at a facility operated by the Department and has
10 daily contact with the residents of the security unit,
11 (iii) is employed at a facility operated by the Department
12 that includes a security unit and is regularly scheduled
13 to work at least 50% of his or her working hours within
14 that security unit, or (iv) is a mental health police
15 officer. "Mental health police officer" means any person
16 employed by the Department of Human Services in a position
17 pertaining to the Department's mental health and
18 developmental disabilities functions who is vested with
19 such law enforcement duties as render the person
20 ineligible for coverage under the Social Security Act by
21 reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
22 218(1)(1) of that Act. "Security unit" means that portion
23 of a facility that is devoted to the care, containment,
24 and treatment of persons committed to the Department of
25 Human Services as sexually violent persons, persons unfit
26 to stand trial, or persons not guilty by reason of

1 insanity. With respect to past employment, references to
2 the Department of Human Services include its predecessor,
3 the Department of Mental Health and Developmental
4 Disabilities.

5 The changes made to this subdivision (c)(8) by Public
6 Act 92-14 apply to persons who retire on or after January
7 1, 2001, notwithstanding Section 1-103.1.

8 (9) "Central Management Services security police
9 officer" means any person employed by the Department of
10 Central Management Services who is vested with such law
11 enforcement duties as render him ineligible for coverage
12 under the Social Security Act by reason of Sections
13 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

14 (10) For a member who first became an employee under
15 this Article before July 1, 2005, the term "security
16 employee of the Department of Corrections or the
17 Department of Juvenile Justice" means any employee of the
18 Department of Corrections or the Department of Juvenile
19 Justice or the former Department of Personnel, and any
20 member or employee of the Prisoner Review Board, who has
21 daily contact with inmates or youth by working within a
22 correctional facility or Juvenile facility operated by the
23 Department of Juvenile Justice or who is a parole officer
24 or an employee who has direct contact with committed
25 persons in the performance of his or her job duties. For a
26 member who first becomes an employee under this Article on

1 or after July 1, 2005, the term means an employee of the
2 Department of Corrections or the Department of Juvenile
3 Justice who is any of the following: (i) officially
4 headquartered at a correctional facility or Juvenile
5 facility operated by the Department of Juvenile Justice,
6 (ii) a parole officer, (iii) a member of the apprehension
7 unit, (iv) a member of the intelligence unit, (v) a member
8 of the sort team, or (vi) an investigator.

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

12 (12) The term "investigator for the Illinois State
13 Police" means a person employed by the Illinois State
14 Police who is vested under Section 4 of the Narcotic
15 Control Division Abolition Act with such law enforcement
16 powers as render him ineligible for coverage under the
17 Social Security Act by reason of Sections 218(d)(5)(A),
18 218(d)(8)(D) and 218(1)(1) of that Act.

19 (13) "Investigator for the Office of the Attorney
20 General" means any person who is employed as such by the
21 Office of the Attorney General and is vested with such
22 investigative duties as render him ineligible for coverage
23 under the Social Security Act by reason of Sections
24 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For
25 the period before January 1, 1989, the term includes all
26 persons who were employed as investigators by the Office

1 of the Attorney General, without regard to social security
2 status.

3 (14) "Controlled substance inspector" means any person
4 who is employed as such by the Department of Professional
5 Regulation and is vested with such law enforcement duties
6 as render him ineligible for coverage under the Social
7 Security Act by reason of Sections 218(d)(5)(A),
8 218(d)(8)(D) and 218(1)(1) of that Act. The term
9 "controlled substance inspector" includes the Program
10 Executive of Enforcement and the Assistant Program
11 Executive of Enforcement.

12 (15) The term "investigator for the Office of the
13 State's Attorneys Appellate Prosecutor" means a person
14 employed in that capacity on a full-time basis under the
15 authority of Section 7.06 of the State's Attorneys
16 Appellate Prosecutor's Act.

17 (16) "Commerce Commission police officer" means any
18 person employed by the Illinois Commerce Commission who is
19 vested with such law enforcement duties as render him
20 ineligible for coverage under the Social Security Act by
21 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and
22 218(1)(1) of that Act.

23 (17) "Arson investigator" means any person who is
24 employed as such by the Office of the State Fire Marshal
25 and is vested with such law enforcement duties as render
26 the person ineligible for coverage under the Social

1 Security Act by reason of Sections 218(d)(5)(A),
2 218(d)(8)(D), and 218(1)(1) of that Act. A person who was
3 employed as an arson investigator on January 1, 1995 and
4 is no longer in service but not yet receiving a retirement
5 annuity may convert his or her creditable service for
6 employment as an arson investigator into eligible
7 creditable service by paying to the System the difference
8 between the employee contributions actually paid for that
9 service and the amounts that would have been contributed
10 if the applicant were contributing at the rate applicable
11 to persons with the same social security status earning
12 eligible creditable service on the date of application.

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

15 (i) A person employed on a full-time basis by the
16 Illinois Department of Transportation in the position
17 of highway maintainer, highway maintenance lead
18 worker, highway maintenance lead/lead worker, heavy
19 construction equipment operator, power shovel
20 operator, or bridge mechanic; and whose principal
21 responsibility is to perform, on the roadway, the
22 actual maintenance necessary to keep the highways that
23 form a part of the State highway system in serviceable
24 condition for vehicular traffic.

25 (ii) A person employed on a full-time basis by the
26 Illinois State Toll Highway Authority in the position

1 of equipment operator/laborer H-4, equipment
2 operator/laborer H-6, welder H-4, welder H-6,
3 mechanical/electrical H-4, mechanical/electrical H-6,
4 water/sewer H-4, water/sewer H-6, sign maker/hanger
5 H-4, sign maker/hanger H-6, roadway lighting H-4,
6 roadway lighting H-6, structural H-4, structural H-6,
7 painter H-4, or painter H-6; and whose principal
8 responsibility is to perform, on the roadway, the
9 actual maintenance necessary to keep the Authority's
10 tollways in serviceable condition for vehicular
11 traffic.

12 (19) The term "security employee of the Department of
13 Innovation and Technology" means a person who was a
14 security employee of the Department of Corrections or the
15 Department of Juvenile Justice, was transferred to the
16 Department of Innovation and Technology pursuant to
17 Executive Order 2016-01, and continues to perform similar
18 job functions under that Department.

19 (20) "Transferred employee" means an employee who was
20 transferred to the Department of Central Management
21 Services by Executive Order No. 2003-10 or Executive Order
22 No. 2004-2 or transferred to the Department of Innovation
23 and Technology by Executive Order No. 2016-1, or both, and
24 was entitled to eligible creditable service for services
25 immediately preceding the transfer.

26 (21) The term "investigator for the Department of the

1 Lottery" means any person employed by the Department of
2 the Lottery and who is vested with such investigative
3 duties which render him or her ineligible for coverage
4 under the Social Security Act by reason of Sections
5 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. An
6 investigator for the Department of the Lottery who
7 qualifies under this Section shall earn eligible
8 creditable service and be required to make contributions
9 at the rate specified in paragraph (3) of subsection (a)
10 of Section 14-133 for all periods of service as an
11 investigator for the Department of the Lottery.

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

20 (i) 25 years of eligible creditable service and age
21 55; or

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

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

1 creditable service and age 55; or

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

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

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

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

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

1 in this Section.

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

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

1 item (1) from the date of service to the date of payment.

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

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

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

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

1 annually, from the date of service to the date of payment.

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

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

1 after August 25, 2009 (the effective date of Public Act
2 96-745) and paying to the System an amount to be determined by
3 the Board, equal to (i) the difference between the amount of
4 employee and employer contributions transferred to the System
5 under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the
6 amounts that would have been contributed had such
7 contributions been made at the rates applicable to State
8 policemen, plus (ii) interest thereon at the actuarially
9 assumed rate for each year, compounded annually, from the date
10 of service to the date of payment.

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

1 been contributed had such contributions been made at the rates
2 applicable to State policemen, plus (ii) interest thereon at
3 the actuarially assumed rate for each year, compounded
4 annually, from the date of service to the date of payment.

5 Subject to the limitation in subsection (i), a State
6 policeman, arson investigator, or Commerce Commission police
7 officer may elect to establish eligible creditable service for
8 up to 5 years of service as a person employed by a
9 participating municipality to perform police duties under
10 Article 7, a county corrections officer, a court services
11 officer under Article 9, or a firefighter under Article 4 by
12 filing a written election with the Board within 6 months after
13 July 30, 2021 (the effective date of Public Act 102-210) and
14 paying to the System an amount to be determined by the Board
15 equal to (i) the difference between the amount of employee and
16 employer contributions transferred to the System under
17 Sections 4-108.8, 7-139.8, and 9-121.10 and the amounts that
18 would have been contributed had such contributions been made
19 at the rates applicable to State policemen, plus (ii) interest
20 thereon at the actuarially assumed rate for each year,
21 compounded annually, from the date of service to the date of
22 payment.

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

1 duties under Article 7, a county corrections officer, or a
2 court services officer under Article 9 by filing a written
3 election with the Board within 6 months after July 30, 2021
4 (the effective date of Public Act 102-210) and paying to the
5 System an amount to be determined by the Board equal to (i) the
6 difference between the amount of employee and employer
7 contributions transferred to the System under Sections 7-139.8
8 and 9-121.10 and the amounts that would have been contributed
9 had such contributions been made at the rates applicable to
10 State policemen, plus (ii) interest thereon at the actuarially
11 assumed rate for each year, compounded annually, from the date
12 of service to the date of payment.

13 Notwithstanding the limitation in subsection (i), a State
14 policeman or conservation police officer may elect to convert
15 service credit earned under this Article to eligible
16 creditable service, as defined by this Section, by filing a
17 written election with the board within 6 months after July 30,
18 2021 (the effective date of Public Act 102-210) and paying to
19 the System an amount to be determined by the Board equal to (i)
20 the difference between the amount of employee contributions
21 originally paid for that service and the amounts that would
22 have been contributed had such contributions been made at the
23 rates applicable to State policemen, plus (ii) the difference
24 between the employer's normal cost of the credit prior to the
25 conversion authorized by Public Act 102-210 and the employer's
26 normal cost of the credit converted in accordance with Public

1 Act 102-210, plus (iii) interest thereon at the actuarially
2 assumed rate for each year, compounded annually, from the date
3 of service to the date of payment.

4 Subject to the limitation in subsection (i), a security
5 employee of the Department of Human Services who is subject to
6 subsection (g-1) of Section 1-160 may elect to convert up to 12
7 years of service credit established before the effective date
8 of this amendatory Act of the 103rd General Assembly as a
9 security employee of the Department of Human Services to
10 eligible creditable service by filing a written election with
11 the Board no later than 2 years after the effective date of
12 this amendatory Act of the 103rd General Assembly, accompanied
13 by payment of an amount, to be determined by the Board, equal
14 to (i) the difference between the amount of the employee
15 contributions actually paid for that service and the amount of
16 the employee contributions that would have been paid had the
17 employee contributions been made as a covered employee serving
18 in a position in which eligible creditable service, as defined
19 in this Section, may be earned, plus (ii) interest thereon at
20 the effective rate for each year, compounded annually, from
21 the date of service to the date of payment.

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

26 (j) Subject to the limitation in subsection (i), an

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

15 (k) Subject to the limitation in subsection (i) of this
16 Section, an alternative formula employee may elect to
17 establish eligible creditable service for periods spent as a
18 full-time law enforcement officer or full-time corrections
19 officer employed by the federal government or by a state or
20 local government located outside of Illinois, for which credit
21 is not held in any other public employee pension fund or
22 retirement system. To obtain this credit, the applicant must
23 file a written application with the Board by March 31, 1998,
24 accompanied by evidence of eligibility acceptable to the Board
25 and payment of an amount to be determined by the Board, equal
26 to (1) employee contributions for the credit being

1 established, based upon the applicant's salary on the first
2 day as an alternative formula employee after the employment
3 for which credit is being established and the rates then
4 applicable to alternative formula employees, plus (2) an
5 amount determined by the Board to be the employer's normal
6 cost of the benefits accrued for the credit being established,
7 plus (3) regular interest on the amounts in items (1) and (2)
8 from the first day as an alternative formula employee after
9 the employment for which credit is being established to the
10 date of payment.

11 (1) Subject to the limitation in subsection (i), a
12 security employee of the Department of Corrections may elect,
13 not later than July 1, 1998, to establish eligible creditable
14 service for up to 10 years of his or her service as a policeman
15 under Article 3, by filing a written election with the Board,
16 accompanied by payment of an amount to be determined by the
17 Board, equal to (i) the difference between the amount of
18 employee and employer contributions transferred to the System
19 under Section 3-110.5, and the amounts that would have been
20 contributed had such contributions been made at the rates
21 applicable to security employees of the Department of
22 Corrections, plus (ii) interest thereon at the effective rate
23 for each year, compounded annually, from the date of service
24 to the date of payment.

25 (1-5) Subject to the limitation in subsection (i) of this
26 Section, a State policeman may elect to establish eligible

1 creditable service for up to 5 years of service as a full-time
2 law enforcement officer employed by the federal government or
3 by a state or local government located outside of Illinois for
4 which credit is not held in any other public employee pension
5 fund or retirement system. To obtain this credit, the
6 applicant must file a written application with the Board no
7 later than 3 years after January 1, 2020 (the effective date of
8 Public Act 101-610), accompanied by evidence of eligibility
9 acceptable to the Board and payment of an amount to be
10 determined by the Board, equal to (1) employee contributions
11 for the credit being established, based upon the applicant's
12 salary on the first day as an alternative formula employee
13 after the employment for which credit is being established and
14 the rates then applicable to alternative formula employees,
15 plus (2) an amount determined by the Board to be the employer's
16 normal cost of the benefits accrued for the credit being
17 established, plus (3) regular interest on the amounts in items
18 (1) and (2) from the first day as an alternative formula
19 employee after the employment for which credit is being
20 established to the date of payment.

21 (m) The amendatory changes to this Section made by Public
22 Act 94-696 apply only to: (1) security employees of the
23 Department of Juvenile Justice employed by the Department of
24 Corrections before June 1, 2006 (the effective date of Public
25 Act 94-696) and transferred to the Department of Juvenile
26 Justice by Public Act 94-696; and (2) persons employed by the

1 Department of Juvenile Justice on or after June 1, 2006 (the
2 effective date of Public Act 94-696) who are required by
3 subsection (b) of Section 3-2.5-15 of the Unified Code of
4 Corrections to have any bachelor's or advanced degree from an
5 accredited college or university or, in the case of persons
6 who provide vocational training, who are required to have
7 adequate knowledge in the skill for which they are providing
8 the vocational training.

9 Beginning with the pay period that immediately follows the
10 effective date of this amendatory Act of the 103rd General
11 Assembly, the bachelor's or advanced degree requirement of
12 subsection (b) of Section 3-2.5-15 of the Unified Code of
13 Corrections shall no longer determine the eligibility to earn
14 eligible creditable service for a person employed by the
15 Department of Juvenile Justice.

16 An employee may elect to convert into eligible creditable
17 service his or her creditable service earned with the
18 Department of Juvenile Justice while employed in a position
19 that required the employee to do any one or more of the
20 following: (1) participate or assist in the rehabilitative and
21 vocational training of delinquent youths; (2) supervise the
22 daily activities and assume direct and continuing
23 responsibility for the youth's security, welfare, and
24 development; or (3) participate in the personal rehabilitation
25 of delinquent youth by training, supervising, and assisting
26 lower-level personnel. To convert that creditable service to

1 eligible creditable service, the employee must pay to the
2 System the difference between the employee contributions
3 actually paid for that service and the amounts that would have
4 been contributed if the applicant were contributing at the
5 rate applicable to persons with the same Social Security
6 status earning eligible creditable service on the date of
7 application.

8 (n) A person employed in a position under subsection (b)
9 of this Section who has purchased service credit under
10 subsection (j) of Section 14-104 or subsection (b) of Section
11 14-105 in any other capacity under this Article may convert up
12 to 5 years of that service credit into service credit covered
13 under this Section by paying to the Fund an amount equal to (1)
14 the additional employee contribution required under Section
15 14-133, plus (2) the additional employer contribution required
16 under Section 14-131, plus (3) interest on items (1) and (2) at
17 the actuarially assumed rate from the date of the service to
18 the date of payment.

19 (o) Subject to the limitation in subsection (i), a
20 conservation police officer, investigator for the Secretary of
21 State, Commerce Commission police officer, investigator for
22 the Department of Revenue or the Illinois Gaming Board, or
23 arson investigator subject to subsection (g) of Section 1-160
24 may elect to convert up to 8 years of service credit
25 established before January 1, 2020 (the effective date of
26 Public Act 101-610) as a conservation police officer,

1 investigator for the Secretary of State, Commerce Commission
2 police officer, investigator for the Department of Revenue or
3 the Illinois Gaming Board, or arson investigator under this
4 Article into eligible creditable service by filing a written
5 election with the Board no later than one year after January 1,
6 2020 (the effective date of Public Act 101-610), accompanied
7 by payment of an amount to be determined by the Board equal to
8 (i) the difference between the amount of the employee
9 contributions actually paid for that service and the amount of
10 the employee contributions that would have been paid had the
11 employee contributions been made as a noncovered employee
12 serving in a position in which eligible creditable service, as
13 defined in this Section, may be earned, plus (ii) interest
14 thereon at the effective rate for each year, compounded
15 annually, from the date of service to the date of payment.

16 (Source: P.A. 102-210, eff. 7-30-21; 102-538, eff. 8-20-21;
17 102-813, eff. 5-13-22; 103-34, eff. 1-1-24.)

18 (Text of Section from P.A. 102-856 and 103-34)

19 Sec. 14-110. Alternative retirement annuity.

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

1 in service, shall be entitled to receive at the option of the
2 member, in lieu of the regular or minimum retirement annuity,
3 a retirement annuity computed as follows:

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

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

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

26 These rates shall not be applicable to any service

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

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

8 (1) State policeman;

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

11 (3) air pilot;

12 (4) special agent;

13 (5) investigator for the Secretary of State;

14 (6) conservation police officer;

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

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

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

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

23 (11) dangerous drugs investigator;

24 (12) investigator for the Illinois State Police;

25 (13) investigator for the Office of the Attorney
26 General;

- 1 (14) controlled substance inspector;
- 2 (15) investigator for the Office of the State's
3 Attorneys Appellate Prosecutor;
- 4 (16) Commerce Commission police officer;
- 5 (17) arson investigator;
- 6 (18) State highway maintenance worker;
- 7 (19) security employee of the Department of Innovation
8 and Technology; ~~or~~
- 9 (20) transferred employee; or ~~-~~
- 10 (21) investigator for the Department of the Lottery.

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

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

26 (c) For the purposes of this Section:

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

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

8 (3) The term "air pilot" includes any employee whose
9 official job description on file in the Department of
10 Central Management Services, or in the department by which
11 he is employed if that department is not covered by the
12 Personnel Code, states that his principal duty is the
13 operation of aircraft, and who possesses a pilot's
14 license; however, the change in this definition made by
15 Public Act 83-842 shall not operate to exclude any
16 noncovered employee who was an "air pilot" for the
17 purposes of this Section on January 1, 1984.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Appellate Prosecutor's Act.

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

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

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

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

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

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

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

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

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

11 (21) The term "investigator for the Department of the
12 Lottery" means any person employed by the Department of
13 the Lottery and who is vested with such investigative
14 duties which render him or her ineligible for coverage
15 under the Social Security Act by reason of Sections
16 218(d)(5)(A), 218(d)(8)(D), and 218(l)(1) of that Act. An
17 investigator for the Department of the Lottery who
18 qualifies under this Section shall earn eligible
19 creditable service and be required to make contributions
20 at the rate specified in paragraph (3) of subsection (a)
21 of Section 14-133 for all periods of service as an
22 investigator for the Department of the Lottery.

23 (d) A security employee of the Department of Corrections
24 or the Department of Juvenile Justice, a security employee of
25 the Department of Human Services who is not a mental health
26 police officer, and a security employee of the Department of

1 Innovation and Technology shall not be eligible for the
2 alternative retirement annuity provided by this Section unless
3 he or she meets the following minimum age and service
4 requirements at the time of retirement:

5 (i) 25 years of eligible creditable service and age
6 55; or

7 (ii) beginning January 1, 1987, 25 years of eligible
8 creditable service and age 54, or 24 years of eligible
9 creditable service and age 55; or

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

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

16 (v) beginning January 1, 1990, 25 years of eligible
17 creditable service and age 51, or 21 years of eligible
18 creditable service and age 55; or

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

22 Persons who have service credit under Article 16 of this
23 Code for service as a security employee of the Department of
24 Corrections or the Department of Juvenile Justice, or the
25 Department of Human Services in a position requiring
26 certification as a teacher may count such service toward

1 establishing their eligibility under the service requirements
2 of this Section; but such service may be used only for
3 establishing such eligibility, and not for the purpose of
4 increasing or calculating any benefit.

5 (e) If a member enters military service while working in a
6 position in which eligible creditable service may be earned,
7 and returns to State service in the same or another such
8 position, and fulfills in all other respects the conditions
9 prescribed in this Article for credit for military service,
10 such military service shall be credited as eligible creditable
11 service for the purposes of the retirement annuity prescribed
12 in this Section.

13 (f) For purposes of calculating retirement annuities under
14 this Section, periods of service rendered after December 31,
15 1968 and before October 1, 1975 as a covered employee in the
16 position of special agent, conservation police officer, mental
17 health police officer, or investigator for the Secretary of
18 State, shall be deemed to have been service as a noncovered
19 employee, provided that the employee pays to the System prior
20 to retirement an amount equal to (1) the difference between
21 the employee contributions that would have been required for
22 such service as a noncovered employee, and the amount of
23 employee contributions actually paid, plus (2) if payment is
24 made after July 31, 1987, regular interest on the amount
25 specified in item (1) from the date of service to the date of
26 payment.

1 For purposes of calculating retirement annuities under
2 this Section, periods of service rendered after December 31,
3 1968 and before January 1, 1982 as a covered employee in the
4 position of investigator for the Department of Revenue shall
5 be deemed to have been service as a noncovered employee,
6 provided that the employee pays to the System prior to
7 retirement an amount equal to (1) the difference between the
8 employee contributions that would have been required for such
9 service as a noncovered employee, and the amount of employee
10 contributions actually paid, plus (2) if payment is made after
11 January 1, 1990, regular interest on the amount specified in
12 item (1) from the date of service to the date of payment.

13 (g) A State policeman may elect, not later than January 1,
14 1990, to establish eligible creditable service for up to 10
15 years of his service as a policeman under Article 3, by filing
16 a written election with the Board, accompanied by payment of
17 an amount to be determined by the Board, equal to (i) the
18 difference between the amount of employee and employer
19 contributions transferred to the System under Section 3-110.5,
20 and the amounts that would have been contributed had such
21 contributions been made at the rates applicable to State
22 policemen, plus (ii) interest thereon at the effective rate
23 for each year, compounded annually, from the date of service
24 to the date of payment.

25 Subject to the limitation in subsection (i), a State
26 policeman may elect, not later than July 1, 1993, to establish

1 eligible creditable service for up to 10 years of his service
2 as a member of the County Police Department under Article 9, by
3 filing a written election with the Board, accompanied by
4 payment of an amount to be determined by the Board, equal to
5 (i) the difference between the amount of employee and employer
6 contributions transferred to the System under Section 9-121.10
7 and the amounts that would have been contributed had those
8 contributions been made at the rates applicable to State
9 policemen, plus (ii) interest thereon at the effective rate
10 for each year, compounded annually, from the date of service
11 to the date of payment.

12 (h) Subject to the limitation in subsection (i), a State
13 policeman or investigator for the Secretary of State may elect
14 to establish eligible creditable service for up to 12 years of
15 his service as a policeman under Article 5, by filing a written
16 election with the Board on or before January 31, 1992, and
17 paying to the System by January 31, 1994 an amount to be
18 determined by the Board, equal to (i) the difference between
19 the amount of employee and employer contributions transferred
20 to the System under Section 5-236, and the amounts that would
21 have been contributed had such contributions been made at the
22 rates applicable to State policemen, plus (ii) interest
23 thereon at the effective rate for each year, compounded
24 annually, from the date of service to the date of payment.

25 Subject to the limitation in subsection (i), a State
26 policeman, conservation police officer, or investigator for

1 the Secretary of State may elect to establish eligible
2 creditable service for up to 10 years of service as a sheriff's
3 law enforcement employee under Article 7, by filing a written
4 election with the Board on or before January 31, 1993, and
5 paying to the System by January 31, 1994 an amount to be
6 determined by the Board, equal to (i) the difference between
7 the amount of employee and employer contributions transferred
8 to the System under Section 7-139.7, and the amounts that
9 would have been contributed had such contributions been made
10 at the rates applicable to State policemen, plus (ii) interest
11 thereon at the effective rate for each year, compounded
12 annually, from the date of service to the date of payment.

13 Subject to the limitation in subsection (i), a State
14 policeman, conservation police officer, or investigator for
15 the Secretary of State may elect to establish eligible
16 creditable service for up to 5 years of service as a police
17 officer under Article 3, a policeman under Article 5, a
18 sheriff's law enforcement employee under Article 7, a member
19 of the county police department under Article 9, or a police
20 officer under Article 15 by filing a written election with the
21 Board and paying to the System an amount to be determined by
22 the Board, equal to (i) the difference between the amount of
23 employee and employer contributions transferred to the System
24 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4
25 and the amounts that would have been contributed had such
26 contributions been made at the rates applicable to State

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

4 Subject to the limitation in subsection (i), an
5 investigator for the Office of the Attorney General, or an
6 investigator for the Department of Revenue, may elect to
7 establish eligible creditable service for up to 5 years of
8 service as a police officer under Article 3, a policeman under
9 Article 5, a sheriff's law enforcement employee under Article
10 7, or a member of the county police department under Article 9
11 by filing a written election with the Board within 6 months
12 after August 25, 2009 (the effective date of Public Act
13 96-745) and paying to the System an amount to be determined by
14 the Board, equal to (i) the difference between the amount of
15 employee and employer contributions transferred to the System
16 under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the
17 amounts that would have been contributed had such
18 contributions been made at the rates applicable to State
19 policemen, plus (ii) interest thereon at the actuarially
20 assumed rate for each year, compounded annually, from the date
21 of service to the date of payment.

22 Subject to the limitation in subsection (i), a State
23 policeman, conservation police officer, investigator for the
24 Office of the Attorney General, an investigator for the
25 Department of Revenue, or investigator for the Secretary of
26 State may elect to establish eligible creditable service for

1 up to 5 years of service as a person employed by a
2 participating municipality to perform police duties, or law
3 enforcement officer employed on a full-time basis by a forest
4 preserve district under Article 7, a county corrections
5 officer, or a court services officer under Article 9, by
6 filing a written election with the Board within 6 months after
7 August 25, 2009 (the effective date of Public Act 96-745) and
8 paying to the System an amount to be determined by the Board,
9 equal to (i) the difference between the amount of employee and
10 employer contributions transferred to the System under
11 Sections 7-139.8 and 9-121.10 and the amounts that would have
12 been contributed had such contributions been made at the rates
13 applicable to State policemen, plus (ii) interest thereon at
14 the actuarially assumed rate for each year, compounded
15 annually, from the date of service to the date of payment.

16 Subject to the limitation in subsection (i), a State
17 policeman, arson investigator, or Commerce Commission police
18 officer may elect to establish eligible creditable service for
19 up to 5 years of service as a person employed by a
20 participating municipality to perform police duties under
21 Article 7, a county corrections officer, a court services
22 officer under Article 9, or a firefighter under Article 4 by
23 filing a written election with the Board within 6 months after
24 July 30, 2021 (the effective date of Public Act 102-210) and
25 paying to the System an amount to be determined by the Board
26 equal to (i) the difference between the amount of employee and

1 employer contributions transferred to the System under
2 Sections 4-108.8, 7-139.8, and 9-121.10 and the amounts that
3 would have been contributed had such contributions been made
4 at the rates applicable to State policemen, plus (ii) interest
5 thereon at the actuarially assumed rate for each year,
6 compounded annually, from the date of service to the date of
7 payment.

8 Subject to the limitation in subsection (i), a
9 conservation police officer may elect to establish eligible
10 creditable service for up to 5 years of service as a person
11 employed by a participating municipality to perform police
12 duties under Article 7, a county corrections officer, or a
13 court services officer under Article 9 by filing a written
14 election with the Board within 6 months after July 30, 2021
15 (the effective date of Public Act 102-210) and paying to the
16 System an amount to be determined by the Board equal to (i) the
17 difference between the amount of employee and employer
18 contributions transferred to the System under Sections 7-139.8
19 and 9-121.10 and the amounts that would have been contributed
20 had such contributions been made at the rates applicable to
21 State policemen, plus (ii) interest thereon at the actuarially
22 assumed rate for each year, compounded annually, from the date
23 of service to the date of payment.

24 Subject to the limitation in subsection (i), an
25 investigator for the Department of Revenue, investigator for
26 the Illinois Gaming Board, investigator for the Secretary of

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

17 Notwithstanding the limitation in subsection (i), a State
18 policeman or conservation police officer may elect to convert
19 service credit earned under this Article to eligible
20 creditable service, as defined by this Section, by filing a
21 written election with the board within 6 months after July 30,
22 2021 (the effective date of Public Act 102-210) and paying to
23 the System an amount to be determined by the Board equal to (i)
24 the difference between the amount of employee contributions
25 originally paid for that service and the amounts that would
26 have been contributed had such contributions been made at the

1 rates applicable to State policemen, plus (ii) the difference
2 between the employer's normal cost of the credit prior to the
3 conversion authorized by Public Act 102-210 and the employer's
4 normal cost of the credit converted in accordance with Public
5 Act 102-210, plus (iii) interest thereon at the actuarially
6 assumed rate for each year, compounded annually, from the date
7 of service to the date of payment.

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

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

5 Subject to the limitation in subsection (i), a security
6 employee of the Department of Human Services who is subject to
7 subsection (g-1) of Section 1-160 may elect to convert up to 12
8 years of service credit established before the effective date
9 of this amendatory Act of the 103rd General Assembly as a
10 security employee of the Department of Human Services to
11 eligible creditable service by filing a written election with
12 the Board no later than 2 years after the effective date of
13 this amendatory Act of the 103rd General Assembly, accompanied
14 by payment of an amount, to be determined by the Board, equal
15 to (i) the difference between the amount of the employee
16 contributions actually paid for that service and the amount of
17 the employee contributions that would have been paid had the
18 employee contributions been made as a covered employee serving
19 in a position in which eligible creditable service, as defined
20 in this Section, may be earned, plus (ii) interest thereon at
21 the effective rate for each year, compounded annually, from
22 the date of service to the date of payment.

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

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

16 (k) Subject to the limitation in subsection (i) of this
17 Section, an alternative formula employee may elect to
18 establish eligible creditable service for periods spent as a
19 full-time law enforcement officer or full-time corrections
20 officer employed by the federal government or by a state or
21 local government located outside of Illinois, for which credit
22 is not held in any other public employee pension fund or
23 retirement system. To obtain this credit, the applicant must
24 file a written application with the Board by March 31, 1998,
25 accompanied by evidence of eligibility acceptable to the Board
26 and payment of an amount to be determined by the Board, equal

1 to (1) employee contributions for the credit being
2 established, based upon the applicant's salary on the first
3 day as an alternative formula employee after the employment
4 for which credit is being established and the rates then
5 applicable to alternative formula employees, plus (2) an
6 amount determined by the Board to be the employer's normal
7 cost of the benefits accrued for the credit being established,
8 plus (3) regular interest on the amounts in items (1) and (2)
9 from the first day as an alternative formula employee after
10 the employment for which credit is being established to the
11 date of payment.

12 (1) Subject to the limitation in subsection (i), a
13 security employee of the Department of Corrections may elect,
14 not later than July 1, 1998, to establish eligible creditable
15 service for up to 10 years of his or her service as a policeman
16 under Article 3, by filing a written election with the Board,
17 accompanied by payment of an amount to be determined by the
18 Board, equal to (i) the difference between the amount of
19 employee and employer contributions transferred to the System
20 under Section 3-110.5, and the amounts that would have been
21 contributed had such contributions been made at the rates
22 applicable to security employees of the Department of
23 Corrections, plus (ii) interest thereon at the effective rate
24 for each year, compounded annually, from the date of service
25 to the date of payment.

26 (1-5) Subject to the limitation in subsection (i) of this

1 Section, a State policeman may elect to establish eligible
2 creditable service for up to 5 years of service as a full-time
3 law enforcement officer employed by the federal government or
4 by a state or local government located outside of Illinois for
5 which credit is not held in any other public employee pension
6 fund or retirement system. To obtain this credit, the
7 applicant must file a written application with the Board no
8 later than 3 years after January 1, 2020 (the effective date of
9 Public Act 101-610), accompanied by evidence of eligibility
10 acceptable to the Board and payment of an amount to be
11 determined by the Board, equal to (1) employee contributions
12 for the credit being established, based upon the applicant's
13 salary on the first day as an alternative formula employee
14 after the employment for which credit is being established and
15 the rates then applicable to alternative formula employees,
16 plus (2) an amount determined by the Board to be the employer's
17 normal cost of the benefits accrued for the credit being
18 established, plus (3) regular interest on the amounts in items
19 (1) and (2) from the first day as an alternative formula
20 employee after the employment for which credit is being
21 established to the date of payment.

22 (m) The amendatory changes to this Section made by Public
23 Act 94-696 apply only to: (1) security employees of the
24 Department of Juvenile Justice employed by the Department of
25 Corrections before June 1, 2006 (the effective date of Public
26 Act 94-696) and transferred to the Department of Juvenile

1 Justice by Public Act 94-696; and (2) persons employed by the
2 Department of Juvenile Justice on or after June 1, 2006 (the
3 effective date of Public Act 94-696) who are required by
4 subsection (b) of Section 3-2.5-15 of the Unified Code of
5 Corrections to have any bachelor's or advanced degree from an
6 accredited college or university or, in the case of persons
7 who provide vocational training, who are required to have
8 adequate knowledge in the skill for which they are providing
9 the vocational training.

10 Beginning with the pay period that immediately follows the
11 effective date of this amendatory Act of the 103rd General
12 Assembly, the bachelor's or advanced degree requirement of
13 subsection (b) of Section 3-2.5-15 of the Unified Code of
14 Corrections shall no longer determine the eligibility to earn
15 eligible creditable service for a person employed by the
16 Department of Juvenile Justice.

17 An employee may elect to convert into eligible creditable
18 service his or her creditable service earned with the
19 Department of Juvenile Justice while employed in a position
20 that required the employee to do any one or more of the
21 following: (1) participate or assist in the rehabilitative and
22 vocational training of delinquent youths; (2) supervise the
23 daily activities and assume direct and continuing
24 responsibility for the youth's security, welfare, and
25 development; or (3) participate in the personal rehabilitation
26 of delinquent youth by training, supervising, and assisting

1 lower-level personnel. To convert that creditable service to
2 eligible creditable service, the employee must pay to the
3 System the difference between the employee contributions
4 actually paid for that service and the amounts that would have
5 been contributed if the applicant were contributing at the
6 rate applicable to persons with the same Social Security
7 status earning eligible creditable service on the date of
8 application.

9 (n) A person employed in a position under subsection (b)
10 of this Section who has purchased service credit under
11 subsection (j) of Section 14-104 or subsection (b) of Section
12 14-105 in any other capacity under this Article may convert up
13 to 5 years of that service credit into service credit covered
14 under this Section by paying to the Fund an amount equal to (1)
15 the additional employee contribution required under Section
16 14-133, plus (2) the additional employer contribution required
17 under Section 14-131, plus (3) interest on items (1) and (2) at
18 the actuarially assumed rate from the date of the service to
19 the date of payment.

20 (o) Subject to the limitation in subsection (i), a
21 conservation police officer, investigator for the Secretary of
22 State, Commerce Commission police officer, investigator for
23 the Department of Revenue or the Illinois Gaming Board, or
24 arson investigator subject to subsection (g) of Section 1-160
25 may elect to convert up to 8 years of service credit
26 established before January 1, 2020 (the effective date of

1 Public Act 101-610) as a conservation police officer,
2 investigator for the Secretary of State, Commerce Commission
3 police officer, investigator for the Department of Revenue or
4 the Illinois Gaming Board, or arson investigator under this
5 Article into eligible creditable service by filing a written
6 election with the Board no later than one year after January 1,
7 2020 (the effective date of Public Act 101-610), accompanied
8 by payment of an amount to be determined by the Board equal to
9 (i) the difference between the amount of the employee
10 contributions actually paid for that service and the amount of
11 the employee contributions that would have been paid had the
12 employee contributions been made as a noncovered employee
13 serving in a position in which eligible creditable service, as
14 defined in this Section, may be earned, plus (ii) interest
15 thereon at the effective rate for each year, compounded
16 annually, from the date of service to the date of payment.

17 (Source: P.A. 102-210, eff. 7-30-21; 102-538, eff. 8-20-21;
18 102-856, eff. 1-1-23; 103-34, eff. 1-1-24.)

19 (Text of Section from P.A. 102-956 and 103-34)

20 Sec. 14-110. Alternative retirement annuity.

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

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

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

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

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

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

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

9 (1) State policeman;

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

12 (3) air pilot;

13 (4) special agent;

14 (5) investigator for the Secretary of State;

15 (6) conservation police officer;

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

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

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

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

24 (11) dangerous drugs investigator;

25 (12) investigator for the Illinois State Police;

26 (13) investigator for the Office of the Attorney

1 General;

2 (14) controlled substance inspector;

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

5 (16) Commerce Commission police officer;

6 (17) arson investigator;

7 (18) State highway maintenance worker;

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

10 (20) transferred employee; or ~~or~~

11 (21) investigator for the Department of the Lottery.

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

22 A person under paragraph (20) is entitled to eligible
23 creditable service for service credit earned under this
24 Article on and after his or her transfer by Executive Order No.
25 2003-10, Executive Order No. 2004-2, or Executive Order No.
26 2016-1.

1 (c) For the purposes of this Section:

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

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

9 (3) The term "air pilot" includes any employee whose
10 official job description on file in the Department of
11 Central Management Services, or in the department by which
12 he is employed if that department is not covered by the
13 Personnel Code, states that his principal duty is the
14 operation of aircraft, and who possesses a pilot's
15 license; however, the change in this definition made by
16 Public Act 83-842 shall not operate to exclude any
17 noncovered employee who was an "air pilot" for the
18 purposes of this Section on January 1, 1984.

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

1 investigate violations of the criminal law of this State,
2 enforce the laws of this State, make arrests and recover
3 property. The term "special agent" includes any title or
4 position in the Illinois State Police that is held by an
5 individual employed under the Illinois State Police Act.

6 (5) The term "investigator for the Secretary of State"
7 means any person employed by the Office of the Secretary
8 of State and vested with such investigative duties as
9 render him ineligible for coverage under the Social
10 Security Act by reason of Sections 218(d)(5)(A),
11 218(d)(8)(D) and 218(1)(1) of that Act.

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

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

1 term "Conservation Police Officer" includes the positions
2 of Chief Conservation Police Administrator and Assistant
3 Conservation Police Administrator.

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

10 The term "investigator for the Illinois Gaming Board"
11 means any person employed as such by the Illinois Gaming
12 Board and vested with such peace officer duties as render
13 the person ineligible for coverage under the Social
14 Security Act by reason of Sections 218(d)(5)(A),
15 218(d)(8)(D), and 218(1)(1) of that Act.

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

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

17 The changes made to this subdivision (c)(8) by Public
18 Act 92-14 apply to persons who retire on or after January
19 1, 2001, notwithstanding Section 1-103.1.

20 (9) "Central Management Services security police
21 officer" means any person employed by the Department of
22 Central Management Services who is vested with such law
23 enforcement duties as render him ineligible for coverage
24 under the Social Security Act by reason of Sections
25 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

26 (10) For a member who first became an employee under

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

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

24 (12) The term "investigator for the Illinois State
25 Police" means a person employed by the Illinois State
26 Police who is vested under Section 4 of the Narcotic

1 Control Division Abolition Act with such law enforcement
2 powers as render him ineligible for coverage under the
3 Social Security Act by reason of Sections 218(d)(5)(A),
4 218(d)(8)(D) and 218(1)(1) of that Act.

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

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

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

1 authority of Section 7.06 of the State's Attorneys
2 Appellate Prosecutor's Act.

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

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

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

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

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

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

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

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

12 (21) The term "investigator for the Department of the
13 Lottery" means any person employed by the Department of
14 the Lottery and who is vested with such investigative
15 duties which render him or her ineligible for coverage
16 under the Social Security Act by reason of Sections
17 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. An
18 investigator for the Department of the Lottery who
19 qualifies under this Section shall earn eligible
20 creditable service and be required to make contributions
21 at the rate specified in paragraph (3) of subsection (a)
22 of Section 14-133 for all periods of service as an
23 investigator for the Department of the Lottery.

24 (d) A security employee of the Department of Corrections
25 or the Department of Juvenile Justice, a security employee of
26 the Department of Human Services who is not a mental health

1 police officer, and a security employee of the Department of
2 Innovation and Technology shall not be eligible for the
3 alternative retirement annuity provided by this Section unless
4 he or she meets the following minimum age and service
5 requirements at the time of retirement:

6 (i) 25 years of eligible creditable service and age
7 55; or

8 (ii) beginning January 1, 1987, 25 years of eligible
9 creditable service and age 54, or 24 years of eligible
10 creditable service and age 55; or

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

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

17 (v) beginning January 1, 1990, 25 years of eligible
18 creditable service and age 51, or 21 years of eligible
19 creditable service and age 55; or

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

23 Persons who have service credit under Article 16 of this
24 Code for service as a security employee of the Department of
25 Corrections or the Department of Juvenile Justice, or the
26 Department of Human Services in a position requiring

1 certification as a teacher may count such service toward
2 establishing their eligibility under the service requirements
3 of this Section; but such service may be used only for
4 establishing such eligibility, and not for the purpose of
5 increasing or calculating any benefit.

6 (e) If a member enters military service while working in a
7 position in which eligible creditable service may be earned,
8 and returns to State service in the same or another such
9 position, and fulfills in all other respects the conditions
10 prescribed in this Article for credit for military service,
11 such military service shall be credited as eligible creditable
12 service for the purposes of the retirement annuity prescribed
13 in this Section.

14 (f) For purposes of calculating retirement annuities under
15 this Section, periods of service rendered after December 31,
16 1968 and before October 1, 1975 as a covered employee in the
17 position of special agent, conservation police officer, mental
18 health police officer, or investigator for the Secretary of
19 State, shall be deemed to have been service as a noncovered
20 employee, provided that the employee pays to the System prior
21 to retirement an amount equal to (1) the difference between
22 the employee contributions that would have been required for
23 such service as a noncovered employee, and the amount of
24 employee contributions actually paid, plus (2) if payment is
25 made after July 31, 1987, regular interest on the amount
26 specified in item (1) from the date of service to the date of

1 payment.

2 For purposes of calculating retirement annuities under
3 this Section, periods of service rendered after December 31,
4 1968 and before January 1, 1982 as a covered employee in the
5 position of investigator for the Department of Revenue shall
6 be deemed to have been service as a noncovered employee,
7 provided that the employee pays to the System prior to
8 retirement an amount equal to (1) the difference between the
9 employee contributions that would have been required for such
10 service as a noncovered employee, and the amount of employee
11 contributions actually paid, plus (2) if payment is made after
12 January 1, 1990, regular interest on the amount specified in
13 item (1) from the date of service to the date of payment.

14 (g) A State policeman may elect, not later than January 1,
15 1990, to establish eligible creditable service for up to 10
16 years of his service as a policeman under Article 3, by filing
17 a written election with the Board, accompanied by payment of
18 an amount to be determined by the Board, equal to (i) the
19 difference between the amount of employee and employer
20 contributions transferred to the System under Section 3-110.5,
21 and the amounts that would have been contributed had such
22 contributions been made at the rates applicable to State
23 policemen, plus (ii) interest thereon at the effective rate
24 for each year, compounded annually, from the date of service
25 to the date of payment.

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

1 policeman may elect, not later than July 1, 1993, to establish
2 eligible creditable service for up to 10 years of his service
3 as a member of the County Police Department under Article 9, by
4 filing a written election with the Board, accompanied by
5 payment of an amount to be determined by the Board, equal to
6 (i) the difference between the amount of employee and employer
7 contributions transferred to the System under Section 9-121.10
8 and the amounts that would have been contributed had those
9 contributions been made at the rates applicable to State
10 policemen, plus (ii) interest thereon at the effective rate
11 for each year, compounded annually, from the date of service
12 to the date of payment.

13 (h) Subject to the limitation in subsection (i), a State
14 policeman or investigator for the Secretary of State may elect
15 to establish eligible creditable service for up to 12 years of
16 his service as a policeman under Article 5, by filing a written
17 election with the Board on or before January 31, 1992, and
18 paying to the System by January 31, 1994 an amount to be
19 determined by the Board, equal to (i) the difference between
20 the amount of employee and employer contributions transferred
21 to the System under Section 5-236, and the amounts that would
22 have been contributed had such contributions been made at the
23 rates applicable to State policemen, plus (ii) interest
24 thereon at the effective rate for each year, compounded
25 annually, from the date of service to the date of payment.

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

1 policeman, conservation police officer, or investigator for
2 the Secretary of State may elect to establish eligible
3 creditable service for up to 10 years of service as a sheriff's
4 law enforcement employee under Article 7, by filing a written
5 election with the Board on or before January 31, 1993, and
6 paying to the System by January 31, 1994 an amount to be
7 determined by the Board, equal to (i) the difference between
8 the amount of employee and employer contributions transferred
9 to the System under Section 7-139.7, and the amounts that
10 would have been contributed had such contributions been made
11 at the rates applicable to State policemen, plus (ii) interest
12 thereon at the effective rate for each year, compounded
13 annually, from the date of service to the date of payment.

14 Subject to the limitation in subsection (i), a State
15 policeman, conservation police officer, or investigator for
16 the Secretary of State may elect to establish eligible
17 creditable service for up to 5 years of service as a police
18 officer under Article 3, a policeman under Article 5, a
19 sheriff's law enforcement employee under Article 7, a member
20 of the county police department under Article 9, or a police
21 officer under Article 15 by filing a written election with the
22 Board and paying to the System an amount to be determined by
23 the Board, equal to (i) the difference between the amount of
24 employee and employer contributions transferred to the System
25 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4
26 and the amounts that would have been contributed had such

1 contributions been made at the rates applicable to State
2 policemen, plus (ii) interest thereon at the effective rate
3 for each year, compounded annually, from the date of service
4 to the date of payment.

5 Subject to the limitation in subsection (i), an
6 investigator for the Office of the Attorney General, or an
7 investigator for the Department of Revenue, may elect to
8 establish eligible creditable service for up to 5 years of
9 service as a police officer under Article 3, a policeman under
10 Article 5, a sheriff's law enforcement employee under Article
11 7, or a member of the county police department under Article 9
12 by filing a written election with the Board within 6 months
13 after August 25, 2009 (the effective date of Public Act
14 96-745) and paying to the System an amount to be determined by
15 the Board, equal to (i) the difference between the amount of
16 employee and employer contributions transferred to the System
17 under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the
18 amounts that would have been contributed had such
19 contributions been made at the rates applicable to State
20 policemen, plus (ii) interest thereon at the actuarially
21 assumed rate for each year, compounded annually, from the date
22 of service to the date of payment.

23 Subject to the limitation in subsection (i), a State
24 policeman, conservation police officer, investigator for the
25 Office of the Attorney General, an investigator for the
26 Department of Revenue, or investigator for the Secretary of

1 State may elect to establish eligible creditable service for
2 up to 5 years of service as a person employed by a
3 participating municipality to perform police duties, or law
4 enforcement officer employed on a full-time basis by a forest
5 preserve district under Article 7, a county corrections
6 officer, or a court services officer under Article 9, by
7 filing a written election with the Board within 6 months after
8 August 25, 2009 (the effective date of Public Act 96-745) and
9 paying to the System an amount to be determined by the Board,
10 equal to (i) the difference between the amount of employee and
11 employer contributions transferred to the System under
12 Sections 7-139.8 and 9-121.10 and the amounts that would have
13 been contributed had such contributions been made at the rates
14 applicable to State policemen, plus (ii) interest thereon at
15 the actuarially assumed rate for each year, compounded
16 annually, from the date of service to the date of payment.

17 Subject to the limitation in subsection (i), a State
18 policeman, arson investigator, or Commerce Commission police
19 officer may elect to establish eligible creditable service for
20 up to 5 years of service as a person employed by a
21 participating municipality to perform police duties under
22 Article 7, a county corrections officer, a court services
23 officer under Article 9, or a firefighter under Article 4 by
24 filing a written election with the Board within 6 months after
25 July 30, 2021 (the effective date of Public Act 102-210) and
26 paying to the System an amount to be determined by the Board

1 equal to (i) the difference between the amount of employee and
2 employer contributions transferred to the System under
3 Sections 4-108.8, 7-139.8, and 9-121.10 and the amounts that
4 would have been contributed had such contributions been made
5 at the rates applicable to State policemen, plus (ii) interest
6 thereon at the actuarially assumed rate for each year,
7 compounded annually, from the date of service to the date of
8 payment.

9 Subject to the limitation in subsection (i), a
10 conservation police officer may elect to establish eligible
11 creditable service for up to 5 years of service as a person
12 employed by a participating municipality to perform police
13 duties under Article 7, a county corrections officer, or a
14 court services officer under Article 9 by filing a written
15 election with the Board within 6 months after July 30, 2021
16 (the effective date of Public Act 102-210) and paying to the
17 System an amount to be determined by the Board equal to (i) the
18 difference between the amount of employee and employer
19 contributions transferred to the System under Sections 7-139.8
20 and 9-121.10 and the amounts that would have been contributed
21 had such contributions been made at the rates applicable to
22 State policemen, plus (ii) interest thereon at the actuarially
23 assumed rate for each year, compounded annually, from the date
24 of service to the date of payment.

25 Notwithstanding the limitation in subsection (i), a State
26 policeman or conservation police officer may elect to convert

1 service credit earned under this Article to eligible
2 creditable service, as defined by this Section, by filing a
3 written election with the board within 6 months after July 30,
4 2021 (the effective date of Public Act 102-210) and paying to
5 the System an amount to be determined by the Board equal to (i)
6 the difference between the amount of employee contributions
7 originally paid for that service and the amounts that would
8 have been contributed had such contributions been made at the
9 rates applicable to State policemen, plus (ii) the difference
10 between the employer's normal cost of the credit prior to the
11 conversion authorized by Public Act 102-210 and the employer's
12 normal cost of the credit converted in accordance with Public
13 Act 102-210, plus (iii) interest thereon at the actuarially
14 assumed rate for each year, compounded annually, from the date
15 of service to the date of payment.

16 Subject to the limitation in subsection (i), a security
17 employee of the Department of Human Services who is subject to
18 subsection (g-1) of Section 1-160 may elect to convert up to 12
19 years of service credit established before the effective date
20 of this amendatory Act of the 103rd General Assembly as a
21 security employee of the Department of Human Services to
22 eligible creditable service by filing a written election with
23 the Board no later than 2 years after the effective date of
24 this amendatory Act of the 103rd General Assembly, accompanied
25 by payment of an amount, to be determined by the Board, equal
26 to (i) the difference between the amount of the employee

1 contributions actually paid for that service and the amount of
2 the employee contributions that would have been paid had the
3 employee contributions been made as a covered employee serving
4 in a position in which eligible creditable service, as defined
5 in this Section, may be earned, plus (ii) interest thereon at
6 the effective rate for each year, compounded annually, from
7 the date of service to the date of payment.

8 (i) The total amount of eligible creditable service
9 established by any person under subsections (g), (h), (j),
10 (k), (l), (l-5), (o), and (p) of this Section shall not exceed
11 12 years.

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

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

23 (1) Subject to the limitation in subsection (i), a
24 security employee of the Department of Corrections may elect,
25 not later than July 1, 1998, to establish eligible creditable
26 service for up to 10 years of his or her service as a policeman

1 under Article 3, by filing a written election with the Board,
2 accompanied by payment of an amount to be determined by the
3 Board, equal to (i) the difference between the amount of
4 employee and employer contributions transferred to the System
5 under Section 3-110.5, and the amounts that would have been
6 contributed had such contributions been made at the rates
7 applicable to security employees of the Department of
8 Corrections, plus (ii) interest thereon at the effective rate
9 for each year, compounded annually, from the date of service
10 to the date of payment.

11 (1-5) Subject to the limitation in subsection (i) of this
12 Section, a State policeman may elect to establish eligible
13 creditable service for up to 5 years of service as a full-time
14 law enforcement officer employed by the federal government or
15 by a state or local government located outside of Illinois for
16 which credit is not held in any other public employee pension
17 fund or retirement system. To obtain this credit, the
18 applicant must file a written application with the Board no
19 later than 3 years after January 1, 2020 (the effective date of
20 Public Act 101-610), accompanied by evidence of eligibility
21 acceptable to the Board and payment of an amount to be
22 determined by the Board, equal to (1) employee contributions
23 for the credit being established, based upon the applicant's
24 salary on the first day as an alternative formula employee
25 after the employment for which credit is being established and
26 the rates then applicable to alternative formula employees,

1 plus (2) an amount determined by the Board to be the employer's
2 normal cost of the benefits accrued for the credit being
3 established, plus (3) regular interest on the amounts in items
4 (1) and (2) from the first day as an alternative formula
5 employee after the employment for which credit is being
6 established to the date of payment.

7 (m) The amendatory changes to this Section made by Public
8 Act 94-696 apply only to: (1) security employees of the
9 Department of Juvenile Justice employed by the Department of
10 Corrections before June 1, 2006 (the effective date of Public
11 Act 94-696) and transferred to the Department of Juvenile
12 Justice by Public Act 94-696; and (2) persons employed by the
13 Department of Juvenile Justice on or after June 1, 2006 (the
14 effective date of Public Act 94-696) who are required by
15 subsection (b) of Section 3-2.5-15 of the Unified Code of
16 Corrections to have any bachelor's or advanced degree from an
17 accredited college or university or, in the case of persons
18 who provide vocational training, who are required to have
19 adequate knowledge in the skill for which they are providing
20 the vocational training.

21 Beginning with the pay period that immediately follows the
22 effective date of this amendatory Act of the 103rd General
23 Assembly, the bachelor's or advanced degree requirement of
24 subsection (b) of Section 3-2.5-15 of the Unified Code of
25 Corrections shall no longer determine the eligibility to earn
26 eligible creditable service for a person employed by the

1 Department of Juvenile Justice.

2 An employee may elect to convert into eligible creditable
3 service his or her creditable service earned with the
4 Department of Juvenile Justice while employed in a position
5 that required the employee to do any one or more of the
6 following: (1) participate or assist in the rehabilitative and
7 vocational training of delinquent youths; (2) supervise the
8 daily activities and assume direct and continuing
9 responsibility for the youth's security, welfare, and
10 development; or (3) participate in the personal rehabilitation
11 of delinquent youth by training, supervising, and assisting
12 lower-level personnel. To convert that creditable service to
13 eligible creditable service, the employee must pay to the
14 System the difference between the employee contributions
15 actually paid for that service and the amounts that would have
16 been contributed if the applicant were contributing at the
17 rate applicable to persons with the same Social Security
18 status earning eligible creditable service on the date of
19 application.

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

1 14-133, plus (2) the additional employer contribution required
2 under Section 14-131, plus (3) interest on items (1) and (2) at
3 the actuarially assumed rate from the date of the service to
4 the date of payment.

5 (o) Subject to the limitation in subsection (i), a
6 conservation police officer, investigator for the Secretary of
7 State, Commerce Commission police officer, investigator for
8 the Department of Revenue or the Illinois Gaming Board, or
9 arson investigator subject to subsection (g) of Section 1-160
10 may elect to convert up to 8 years of service credit
11 established before January 1, 2020 (the effective date of
12 Public Act 101-610) as a conservation police officer,
13 investigator for the Secretary of State, Commerce Commission
14 police officer, investigator for the Department of Revenue or
15 the Illinois Gaming Board, or arson investigator under this
16 Article into eligible creditable service by filing a written
17 election with the Board no later than one year after January 1,
18 2020 (the effective date of Public Act 101-610), accompanied
19 by payment of an amount to be determined by the Board equal to
20 (i) the difference between the amount of the employee
21 contributions actually paid for that service and the amount of
22 the employee contributions that would have been paid had the
23 employee contributions been made as a noncovered employee
24 serving in a position in which eligible creditable service, as
25 defined in this Section, may be earned, plus (ii) interest
26 thereon at the effective rate for each year, compounded

1 annually, from the date of service to the date of payment.

2 (p) Subject to the limitation in subsection (i), an
3 investigator for the Office of the Attorney General subject to
4 subsection (g) of Section 1-160 may elect to convert up to 8
5 years of service credit established before the effective date
6 of this amendatory Act of the 102nd General Assembly as an
7 investigator for the Office of the Attorney General under this
8 Article into eligible creditable service by filing a written
9 election with the Board no later than one year after the
10 effective date of this amendatory Act of the 102nd General
11 Assembly, accompanied by payment of an amount to be determined
12 by the Board equal to (i) the difference between the amount of
13 the employee contributions actually paid for that service and
14 the amount of the employee contributions that would have been
15 paid had the employee contributions been made as a noncovered
16 employee serving in a position in which eligible creditable
17 service, as defined in this Section, may be earned, plus (ii)
18 interest thereon at the effective rate for each year,
19 compounded annually, from the date of service to the date of
20 payment.

21 (Source: P.A. 102-210, eff. 7-30-21; 102-538, eff. 8-20-21;
22 102-956, eff. 5-27-22; 103-34, eff. 1-1-24.)

23 Article 12.

24 Section 12-5. The Illinois Pension Code is amended by

1 adding Sections 3-144.3 and 4-138.15 as follows:

2 (40 ILCS 5/3-144.3 new)

3 Sec. 3-144.3. Retirement Systems Reciprocal Act. The
4 Retirement Systems Reciprocal Act, Article 20 of this Code, is
5 adopted and made a part of this Article, but only with respect
6 to a person who, on or after the effective date of this
7 amendatory Act of the 103rd General Assembly, is entitled
8 under this Article or through a participating system under the
9 Retirement Systems Reciprocal Act, as defined in Section
10 20-108, to begin receiving a retirement annuity or survivor's
11 annuity (as those terms are defined in Article 20) and who
12 elects to proceed under the Retirement Systems Reciprocal Act.

13 (40 ILCS 5/4-138.15 new)

14 Sec. 4-138.15. Retirement Systems Reciprocal Act. The
15 Retirement Systems Reciprocal Act, Article 20 of this Code, is
16 adopted and made a part of this Article, but only with respect
17 to a person who, on or after the effective date of this
18 amendatory Act of the 103rd General Assembly, is entitled
19 under this Article or through a participating system under the
20 Retirement Systems Reciprocal Act, as defined in Section
21 20-108, to begin receiving a retirement annuity or survivor's
22 annuity (as those terms are defined in Article 20) and who
23 elects to proceed under the Retirement Systems Reciprocal Act.

1 Article 90.

2 Section 90-5. The Illinois Pension Code is amended by
3 changing Sections 2-162, 14-152.1, 15-198, 16-203, and 18-169
4 as follows:

5 (40 ILCS 5/2-162)

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

1 increase in cost to the System as it accrues.

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

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

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

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

8 (Source: P.A. 103-426, eff. 8-4-23.)

9 (40 ILCS 5/14-152.1)

10 Sec. 14-152.1. Application and expiration of new benefit
11 increases.

12 (a) As used in this Section, "new benefit increase" means
13 an increase in the amount of any benefit provided under this
14 Article, or an expansion of the conditions of eligibility for
15 any benefit under this Article, that results from an amendment
16 to this Code that takes effect after June 1, 2005 (the
17 effective date of Public Act 94-4). "New benefit increase",
18 however, does not include any benefit increase resulting from
19 the changes made to Article 1 or this Article by Public Act
20 96-37, Public Act 100-23, Public Act 100-587, Public Act
21 100-611, Public Act 101-10, Public Act 101-610, Public Act
22 102-210, Public Act 102-856, Public Act 102-956, or this
23 amendatory Act of the 103rd General Assembly ~~this amendatory~~
24 ~~Act of the 102nd General Assembly.~~

25 (b) Notwithstanding any other provision of this Code or

1 any subsequent amendment to this Code, every new benefit
2 increase is subject to this Section and shall be deemed to be
3 granted only in conformance with and contingent upon
4 compliance with the provisions of this Section.

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

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

25 (d) Every new benefit increase shall expire 5 years after
26 its effective date or on such earlier date as may be specified

1 in the language enacting the new benefit increase or provided
2 under subsection (c). This does not prevent the General
3 Assembly from extending or re-creating a new benefit increase
4 by law.

5 (e) Except as otherwise provided in the language creating
6 the new benefit increase, a new benefit increase that expires
7 under this Section continues to apply to persons who applied
8 and qualified for the affected benefit while the new benefit
9 increase was in effect and to the affected beneficiaries and
10 alternate payees of such persons, but does not apply to any
11 other person, including, without limitation, a person who
12 continues in service after the expiration date and did not
13 apply and qualify for the affected benefit while the new
14 benefit increase was in effect.

15 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
16 101-610, eff. 1-1-20; 102-210, eff. 7-30-21; 102-856, eff.
17 1-1-23; 102-956, eff. 5-27-22.)

18 (40 ILCS 5/15-198)

19 Sec. 15-198. Application and expiration of new benefit
20 increases.

21 (a) As used in this Section, "new benefit increase" means
22 an increase in the amount of any benefit provided under this
23 Article, or an expansion of the conditions of eligibility for
24 any benefit under this Article, that results from an amendment
25 to this Code that takes effect after June 1, 2005 (the

1 effective date of Public Act 94-4). "New benefit increase",
2 however, does not include any benefit increase resulting from
3 the changes made to Article 1 or this Article by Public Act
4 100-23, Public Act 100-587, Public Act 100-769, Public Act
5 101-10, Public Act 101-610, Public Act 102-16, Public Act
6 103-80, Public Act 103-548, or this amendatory Act of the
7 103rd General Assembly ~~or this amendatory Act of the 103rd~~
8 ~~General Assembly.~~

9 (b) Notwithstanding any other provision of this Code or
10 any subsequent amendment to this Code, every new benefit
11 increase is subject to this Section and shall be deemed to be
12 granted only in conformance with and contingent upon
13 compliance with the provisions of this Section.

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

18 Every new benefit increase is contingent upon the General
19 Assembly providing the additional funding required under this
20 subsection. The Commission on Government Forecasting and
21 Accountability shall analyze whether adequate additional
22 funding has been provided for the new benefit increase and
23 shall report its analysis to the Public Pension Division of
24 the Department of Insurance. A new benefit increase created by
25 a Public Act that does not include the additional funding
26 required under this subsection is null and void. If the Public

1 Pension Division determines that the additional funding
2 provided for a new benefit increase under this subsection is
3 or has become inadequate, it may so certify to the Governor and
4 the State Comptroller and, in the absence of corrective action
5 by the General Assembly, the new benefit increase shall expire
6 at the end of the fiscal year in which the certification is
7 made.

8 (d) Every new benefit increase shall expire 5 years after
9 its effective date or on such earlier date as may be specified
10 in the language enacting the new benefit increase or provided
11 under subsection (c). This does not prevent the General
12 Assembly from extending or re-creating a new benefit increase
13 by law.

14 (e) Except as otherwise provided in the language creating
15 the new benefit increase, a new benefit increase that expires
16 under this Section continues to apply to persons who applied
17 and qualified for the affected benefit while the new benefit
18 increase was in effect and to the affected beneficiaries and
19 alternate payees of such persons, but does not apply to any
20 other person, including, without limitation, a person who
21 continues in service after the expiration date and did not
22 apply and qualify for the affected benefit while the new
23 benefit increase was in effect.

24 (Source: P.A. 102-16, eff. 6-17-21; 103-80, eff. 6-9-23;
25 103-548, eff. 8-11-23; revised 8-31-23.)

1 (40 ILCS 5/16-203)

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

4 (a) As used in this Section, "new benefit increase" means
5 an increase in the amount of any benefit provided under this
6 Article, or an expansion of the conditions of eligibility for
7 any benefit under this Article, that results from an amendment
8 to this Code that takes effect after June 1, 2005 (the
9 effective date of Public Act 94-4). "New benefit increase",
10 however, does not include any benefit increase resulting from
11 the changes made to Article 1 or this Article by Public Act
12 95-910, Public Act 100-23, Public Act 100-587, Public Act
13 100-743, Public Act 100-769, Public Act 101-10, Public Act
14 101-49, Public Act 102-16, ~~or~~ Public Act 102-871, or this
15 amendatory Act of the 103rd General Assembly.

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

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

25 Every new benefit increase is contingent upon the General
26 Assembly providing the additional funding required under this

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

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

21 (e) Except as otherwise provided in the language creating
22 the new benefit increase, a new benefit increase that expires
23 under this Section continues to apply to persons who applied
24 and qualified for the affected benefit while the new benefit
25 increase was in effect and to the affected beneficiaries and
26 alternate payees of such persons, but does not apply to any

1 other person, including, without limitation, a person who
2 continues in service after the expiration date and did not
3 apply and qualify for the affected benefit while the new
4 benefit increase was in effect.

5 (Source: P.A. 102-16, eff. 6-17-21; 102-558, eff. 8-20-21;
6 102-813, eff. 5-13-22; 102-871, eff. 5-13-22; 103-154, eff.
7 6-30-23.)

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 Insurance. A new benefit increase created by
11 a Public Act that does not include the additional funding
12 required under this subsection is null and void. If the Public
13 Pension Division determines that the additional funding
14 provided for a new benefit increase under this subsection is
15 or has become inadequate, it may so certify to the Governor and
16 the State Comptroller and, in the absence of corrective action
17 by the General Assembly, the new benefit increase shall expire
18 at the end of the fiscal year in which the certification is
19 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. 103-426, eff. 8-4-23.)

11 Section 90-90. The State Mandates Act is amended by adding
12 Section 8.48 as follows:

13 (30 ILCS 805/8.48 new)

14 Sec. 8.48. 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 July
20 1, 2025."