

1 AN ACT in relation to public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by
5 changing Sections 11-134, 11-134.1, 11-145.1, 11-163, 11-167,
6 and 11-170.1 and adding Section 11-221.4 as follows:

7 (40 ILCS 5/11-134) (from Ch. 108 1/2, par. 11-134)
8 Sec. 11-134. Minimum annuities.

9 (a) An employee whose withdrawal occurs after July 1,
10 1957 at age 60 or over, with 20 or more years of service, (as
11 service is defined or computed in Section 11-216), for whom
12 the age and service and prior service annuity combined is
13 less than the amount stated in this Section, shall, from and
14 after the date of withdrawal, in lieu of all annuities
15 otherwise provided in this Article, be entitled to receive an
16 annuity for life of an amount equal to 1 2/3% for each year
17 of service, of the highest average annual salary for any 5
18 consecutive years within the last 10 years of service
19 immediately preceding the date of withdrawal; provided, that
20 in the case of any employee who withdraws on or after July 1,
21 1971, such employee age 60 or over with 20 or more years of
22 service, shall be entitled to instead receive an annuity for
23 life equal to 1.67% for each of the first 10 years of
24 service; 1.90% for each of the next 10 years of service;
25 2.10% for each year of service in excess of 20 but not
26 exceeding 30; and 2.30% for each year of service in excess of
27 30, based on the highest average annual salary for any 4
28 consecutive years within the last 10 years of service
29 immediately preceding the date of withdrawal.

30 An employee who withdraws after July 1, 1957 and before
31 January 1, 1988, with 20 or more years of service, before age

1 60, shall be entitled to an annuity, to begin not earlier
2 than age 55, if under such age at withdrawal, as computed in
3 the last preceding paragraph, reduced 0.25% if the employee
4 was born before January 1, 1936, or 0.5% if the employee was
5 born on or after January 1, 1936, for each full month or
6 fractional part thereof that his attained age when such
7 annuity is to begin is less than 60.

8 Any employee born before January 1, 1936 who withdraws
9 with 20 or more years of service, and any employee with 20 or
10 more years of service who withdraws on or after January 1,
11 1988, may elect to receive, in lieu of any other employee
12 annuity provided in this Section, an annuity for life equal
13 to 1.80% for each of the first 10 years of service, 2.00% for
14 each of the next 10 years of service, 2.20% for each year of
15 service in excess of 20, but not exceeding 30, and 2.40% for
16 each year of service in excess of 30, of the highest average
17 annual salary for any 4 consecutive years within the last 10
18 years of service immediately preceding the date of
19 withdrawal, to begin not earlier than upon attained age of 55
20 years, if under such age at withdrawal, reduced 0.25% for
21 each full month or fractional part thereof that his attained
22 age when annuity is to begin is less than 60; except that an
23 employee retiring on or after January 1, 1988, at age 55 or
24 over but less than age 60, having at least 35 years of
25 service, or an employee retiring on or after July 1, 1990, at
26 age 55 or over but less than age 60, having at least 30 years
27 of service, or an employee retiring on or after the effective
28 date of this amendatory Act of 1997, at age 55 or over but
29 less than age 60, having at least 25 years of service, shall
30 not be subject to the reduction in retirement annuity because
31 of retirement below age 60.

32 However, in the case of an employee who retired on or
33 after January 1, 1985 but before January 1, 1988, at age 55
34 or older and with at least 35 years of service, and who was

1 subject under this subsection (a) to the reduction in
2 retirement annuity because of retirement below age 60, that
3 reduction shall cease to be effective January 1, 1991, and
4 the retirement annuity shall be recalculated accordingly.

5 Any employee who withdraws on or after July 1, 1990, with
6 20 or more years of service, may elect to receive, in lieu of
7 any other employee annuity provided in this Section, an
8 annuity for life equal to 2.20% for each year of service if
9 withdrawal is before January 1, 2002, ~~60-days-after-the~~
10 ~~effective-date-of-this-amendatory-Act--of--the--92nd--General~~
11 ~~Assembly,~~ or 2.40% for each year of service if withdrawal is
12 on or after January 1, 2002, ~~60-days-after-the-effective-date~~
13 ~~of-this-amendatory-Act-of-the-92nd-General-Assembly-or-later,~~
14 of the highest average annual salary for any 4 consecutive
15 years within the last 10 years of service immediately
16 preceding the date of withdrawal, to begin not earlier than
17 upon attained age of 55 years, if under such age at
18 withdrawal, reduced 0.25% for each full month or fractional
19 part thereof that his attained age when annuity is to begin
20 is less than 60; except that an employee retiring at age 55
21 or over but less than age 60, having at least 30 years of
22 service, shall not be subject to the reduction in retirement
23 annuity because of retirement below age 60.

24 Any employee who withdraws on or after the effective date
25 of this amendatory Act of 1997 with 20 or more years of
26 service may elect to receive, in lieu of any other employee
27 annuity provided in this Section, an annuity for life equal
28 to 2.20% for each year of service if withdrawal is before
29 January 1, 2002, ~~60--days-after-the-effective-date-of-this~~
30 ~~amendatory-Act-of-the-92nd-General--Assembly,~~ or 2.40% for
31 each year of service if withdrawal is on or after January 1,
32 2002, ~~60-days-after-the-effective-date-of-this-amendatory-Act~~
33 ~~of-the-92nd-General-Assembly-or-later,~~ of the highest average
34 annual salary for any 4 consecutive years within the last 10

1 years of service immediately preceding the date of
2 withdrawal, to begin not earlier than upon attainment of age
3 55 (age 50 if the employee has at least 30 years of service),
4 reduced 0.25% for each full month or remaining fractional
5 part thereof that the employee's attained age when annuity is
6 to begin is less than 60; except that an employee retiring at
7 age 50 or over with at least 30 years of service or at age 55
8 or over with at least 25 years of service shall not be
9 subject to the reduction in retirement annuity because of
10 retirement below age 60.

11 The maximum annuity payable under this paragraph (a) of
12 this Section shall not exceed 70% of highest average annual
13 salary in the case of an employee who withdraws prior to July
14 1, 1971, 75% if withdrawal takes place on or after July 1,
15 1971 and prior to January 1, 2002, ~~60--days--after--the~~
16 ~~effective-date-of-this-amendatory-Act--of--the--92nd--General~~
17 ~~Assembly,~~ or 80% if withdrawal is on or after January 1, 2002
18 ~~60--days--after--the-effective-date-of-this-amendatory-Act-of~~
19 ~~the-92nd-General-Assembly-or-later.~~ For the purpose of the
20 minimum annuity provided in said paragraphs \$1,500 shall be
21 considered the minimum annual salary for any year; and the
22 maximum annual salary to be considered for the computation of
23 such annuity shall be \$4,800 for any year prior to 1953,
24 \$6,000 for the years 1953 to 1956, inclusive, and the actual
25 annual salary, as salary is defined in this Article, for any
26 year thereafter.

27 (b) For an employee receiving disability benefit, his
28 salary for annuity purposes under this Section shall, for all
29 periods of disability benefit subsequent to the year 1956, be
30 the amount on which his disability benefit was based.

31 (c) An employee with 20 or more years of service, whose
32 entire disability benefit credit period expires prior to
33 attainment of age 55 while still disabled for service, shall
34 be entitled upon withdrawal to the larger of (1) the minimum

1 annuity provided above assuming that he is then age 55, and
2 reducing such annuity to its actuarial equivalent at his
3 attained age on such date, or (2) the annuity provided from
4 his age and service and prior service annuity credits.

5 (d) The minimum annuity provisions as aforesaid shall
6 not apply to any former employee receiving an annuity from
7 the fund, and who re-enters service as an employee, unless he
8 renders at least 3 years of additional service after the date
9 of re-entry.

10 (e) An employee in service on July 1, 1947, or who
11 became a contributor after July 1, 1947 and prior to July 1,
12 1950, or who shall become a contributor to the fund after
13 July 1, 1950 prior to attainment of age 70, who withdraws
14 after age 65 with less than 20 years of service, for whom the
15 annuity has been fixed under the foregoing Sections of this
16 Article shall, in lieu of the annuity so fixed, receive an
17 annuity as follows:

18 Such amount as he could have received had the accumulated
19 amounts for annuity been improved with interest at the
20 effective rate to the date of his withdrawal, or to
21 attainment of age 70, whichever is earlier, and had the city
22 contributed to such earlier date for age and service annuity
23 the amount that would have been contributed had he been under
24 age 65, after the date his annuity was fixed in accordance
25 with this Article, and assuming his annuity were computed
26 from such accumulations as of his age on such earlier date.
27 The annuity so computed shall not exceed the annuity which
28 would be payable under the other provisions of this Section
29 if the employee was credited with 20 years of service and
30 would qualify for annuity thereunder.

31 (f) In lieu of the annuity provided in this or in any
32 other Section of this Article, an employee having attained
33 age 65 with at least 15 years of service who withdraws from
34 service on or after July 1, 1971 and whose annuity computed

1 under other provisions of this Article is less than the
2 amount provided under this paragraph shall be entitled to
3 receive a minimum annual annuity for life equal to 1% of the
4 highest average annual salary for any 4 consecutive years
5 within the last 10 years of service immediately preceding
6 retirement for each year of his service plus the sum of \$25
7 for each year of service. Such annual annuity shall not
8 exceed the maximum percentages stated under paragraph (a) of
9 this Section of such highest average annual salary.

10 (f-1) Instead of any other retirement annuity provided
11 in this Article, an employee who has at least 10 years of
12 service and withdraws from service on or after January 1,
13 1999 may elect to receive a retirement annuity for life,
14 beginning no earlier than upon attainment of age 60, equal to
15 2.2% if withdrawal is before January 1, 2002, ~~60--days--after~~
16 ~~the-effective-date-of-this-amendatory-Act-of-the-92nd-General~~
17 ~~Assembly~~ or 2.4% for each year of service if withdrawal is on
18 or after January 1, 2002, ~~60-days-after-the-effective-date-of~~
19 ~~this-amendatory-Act-of-the-92nd-General-Assembly-or-later,~~ of
20 final average salary for each year of service, subject to a
21 maximum of 75% of final average salary if withdrawal is
22 before January 1, 2002, ~~60-days-after-the-effective-date-of~~
23 ~~this-amendatory-Act-of-the-92nd-General-Assembly,~~ or 80% if
24 withdrawal is on or after January 1, 2002 ~~60-days-after-the~~
25 ~~effective-date-of-this-amendatory-Act--of--the--92nd--General~~
26 ~~Assembly--or--later.~~ For the purpose of calculating this
27 annuity, "final average salary" means the highest average
28 annual salary for any 4 consecutive years in the last 10
29 years of service.

30 (g) Any annuity payable under the preceding subsections
31 of this Section 11-134 shall be paid in equal monthly
32 installments.

33 (h) The amendatory provisions of part (a) and (f) of
34 this Section shall be effective July 1, 1971 and apply in the

1 case of every qualifying employee withdrawing on or after
2 July 1, 1971.

3 (h-1) The changes made to this Section by Public Act
4 92-609 ~~this--amendatory--Act--of--the--92nd-General-Assembly~~
5 (increasing the retirement formula to 2.4% per year of
6 service and increasing the maximum to 80%) apply to persons
7 who withdraw from service on or after January 1, 2002,
8 regardless of whether that withdrawal takes place before the
9 effective date of that ~~this-amendatory~~ Act. In the case of a
10 person who withdraws from service on or after January 1, 2002
11 but begins to receive a retirement annuity before July 1,
12 2002 ~~the--effective-date-of-this-amendatory-Act,~~ the annuity
13 shall be recalculated, with the increase resulting from
14 Public ~~this-amendatory~~ Act 92-609 accruing from the date the
15 retirement annuity began. The changes made by Public Act
16 92-609 control over the changes made by Public Act 92-599, as
17 provided in Section 95 of P.A. 92-609.

18 (i) The amendatory provisions of this amendatory Act of
19 1985 relating to the discount of annuity because of
20 retirement prior to attainment of age 60 and increasing the
21 retirement formula for those born before January 1, 1936,
22 shall apply only to qualifying employees withdrawing on or
23 after August 16, 1985.

24 (j) Beginning on July 1, 2003 ~~January--17--1999,~~ the
25 minimum amount of employee's annuity shall be \$1,050 ~~\$850~~ per
26 month for life for the following classes of employees,
27 without regard to the fact that withdrawal occurred prior to
28 the effective date of this amendatory Act of the 93rd General
29 Assembly 1998:

30 (1) any employee annuitant alive and receiving a
31 life annuity on the effective date of this amendatory Act
32 of the 93rd General Assembly 1998, except a reciprocal
33 annuity;

34 (2) any employee annuitant alive and receiving a

1 term annuity on the effective date of this amendatory Act
2 of the 93rd General Assembly 1998, except a reciprocal
3 annuity;

4 (3) any employee annuitant alive and receiving a
5 reciprocal annuity on the effective date of this
6 amendatory Act of the 93rd General Assembly 1998, whose
7 service in this fund is at least 5 years;

8 (4) any employee annuitant withdrawing after age 60
9 on or after the effective date of this amendatory Act of
10 the 93rd General Assembly 1998, with at least 10 years of
11 service in this fund.

12 The increases granted under items (1), (2) and (3) of
13 this subsection (j) shall not be limited by any other Section
14 of this Act.

15 (Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02;
16 revised 9-11-02.)

17 (40 ILCS 5/11-134.1) (from Ch. 108 1/2, par. 11-134.1)
18 Sec. 11-134.1. Automatic increase in annuity.

19 (a) An employee who retired or retires from service
20 after December 31, 1963, and before January 1, 1987, having
21 attained age 60 or more, shall, in the month of January of
22 the year following the year in which the first anniversary of
23 retirement occurs, have the amount of his then fixed and
24 payable monthly annuity increased by 1 1/2%, and such first
25 fixed annuity as granted at retirement increased by a further
26 1 1/2% in January of each year thereafter. Beginning with
27 January of the year 1972, such increases shall be at the rate
28 of 2% in lieu of the aforesaid specified 1 1/2%. Beginning
29 January, 1984, such increases shall be at the rate of 3%.
30 Beginning in January of 1999, such increases shall be at the
31 rate of 3% of the currently payable monthly annuity,
32 including any increases previously granted under this
33 Article. An employee who retires on annuity after December

1 31, 1963 and before January 1, 1987, but prior to age 60,
 2 shall receive such increases beginning with January of the
 3 year immediately following the year in which he attains the
 4 age of 60 years.

5 An employee who retires from service on or after January
 6 1, 1987 shall, upon the first annuity payment date following
 7 the first anniversary of the date of retirement, or upon the
 8 first annuity payment date following attainment of age 60,
 9 whichever occurs later, have his then fixed and payable
 10 monthly annuity increased by 3%, and such annuity shall be
 11 increased by an additional 3% of the original fixed annuity
 12 on the same date each year thereafter. Beginning in January
 13 of 1999, such increases shall be at the rate of 3% of the
 14 currently payable monthly annuity, including any increases
 15 previously granted under this Article.

16 (a-5) Notwithstanding the provisions of subsection (a),
 17 upon the first annuity payment date following (1) the third
 18 anniversary of retirement, (2) the attainment of age 53, or
 19 (3) January 1, 2002, ~~the date 60 days after the effective~~
 20 ~~date of this amendatory Act of the 92nd General Assembly,~~
 21 whichever occurs latest, the monthly annuity of an employee
 22 who retires on annuity prior to the attainment of age 60 and
 23 who has not received an increase under subsection (a) shall
 24 be increased by 3%, and the such annuity shall be increased
 25 by an additional 3% of the current payable monthly annuity,
 26 including any such increases previously granted under this
 27 Article, on the same date each year thereafter. The
 28 increases provided under this subsection are in lieu of the
 29 increases provided in subsection (a).

30 (a-6) Notwithstanding the provisions of subsections (a)
 31 and (a-5), for all calendar years following the year in which
 32 this amendatory Act of the 93rd General Assembly takes
 33 effect, an increase in annuity under this Section that would
 34 otherwise take effect at any time during the year shall

1 instead take effect in January of that year.

2 (b) Subsections (a), and (a-5), and (a-6) are not
3 applicable to an employee retiring and receiving a term
4 annuity, as defined in this Article, nor to any otherwise
5 qualified employee who retires before he shall have made
6 employee contributions (at the 1/2 of 1% rate as hereinafter
7 provided) for the purposes of this additional annuity for not
8 less than the equivalent of one full year. Such employee,
9 however, shall make arrangement to pay to the fund a balance
10 of such 1/2 of 1% contributions, based on his final salary,
11 as will bring such 1/2 of 1% contributions, computed without
12 interest, to the equivalent of or completion of one year's
13 contributions.

14 Beginning with the month of January, 1964, each employee
15 shall contribute by means of salary deductions 1/2 of 1% of
16 each salary payment, concurrently with and in addition to the
17 employee contributions otherwise made for annuity purposes.

18 Each such additional employee contribution shall be
19 credited to an account in the prior service annuity reserve,
20 to be used, together with city contributions, to defray the
21 cost of the specified annuity increments. Any balance as of
22 the beginning of each calendar year existing in such account
23 shall be credited with interest at the rate of 3% per annum.

24 Such employee contributions shall not be subject to
25 refund, except to an employee who resigns or is discharged
26 and applies for refund under this Article, and also in cases
27 where a term annuity becomes payable.

28 In such cases the employee contributions shall be
29 refunded him, without interest, and charged to the
30 aforementioned account in the prior service annuity reserve.

31 (Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02;
32 revised 8-26-02.)

33 (40 ILCS 5/11-145.1) (from Ch. 108 1/2, par. 11-145.1)

1 Sec. 11-145.1. Minimum annuities for widows.

2 The widow otherwise eligible for widow's annuity under
3 other Sections of this Article 11, of an employee hereinafter
4 described, who retires from service or dies while in the
5 service subsequent to the effective date of this amendatory
6 provision, and for which widow the amount of widow's annuity
7 and widow's prior service annuity combined, fixed or provided
8 for such widow under other provisions of said Article 11 is
9 less than the amount hereinafter provided in this section,
10 shall, from and after the date her otherwise provided annuity
11 would begin, in lieu of such otherwise provided widow's and
12 widow's prior service annuity, be entitled to the following
13 indicated amount of annuity:

14 (a) The widow of any employee who dies while in service
15 on or after the date on which he attains age 60 if the death
16 occurs before July 1, 1990, or on or after the date on which
17 he attains age 55 if the death occurs on or after July 1,
18 1990, with at least 20 years of service, or on or after the
19 date on which he attains age 50 if the death occurs on or
20 after the effective date of this amendatory Act of 1997 with
21 at least 30 years of service, shall be entitled to an annuity
22 equal to one-half of the amount of annuity which her deceased
23 husband would have been entitled to receive had he withdrawn
24 from the service on the day immediately preceding the date of
25 his death, conditional upon such widow having attained age 60
26 on or before such date if the death occurs before July 1,
27 1990, or age 55 if the death occurs on or after July 1, 1990,
28 or age 50 if the death occurs on or after January 1, 1998 and
29 the employee is age 50 or over with at least 30 years of
30 service or age 55 or over with at least 25 years of service.
31 Except as provided in subsection (j), the widow's annuity
32 shall not, however, exceed the sum of \$500 a month if the
33 employee's death in service occurs before January 23, 1987.
34 The widow's annuity shall not be limited to a maximum dollar

1 amount if the employee's death in service occurs on or after
2 January 23, 1987.

3 If the employee dies in service before July 1, 1990, and
4 if such widow of such described employee shall not be 60 or
5 more years of age on such date of death, the amount provided
6 in the immediately preceding paragraph for a widow 60 or more
7 years of age, shall, in the case of such younger widow, be
8 reduced by 0.25% for each month that her then attained age is
9 less than 60 years if the employee was born before January 1,
10 1936, or dies in service on or after January 1, 1988, or 0.5%
11 for each month that her then attained age is less than 60
12 years if the employee was born on or after January 1, 1936
13 and dies in service before January 1, 1988.

14 If the employee dies in service on or after July 1, 1990,
15 and if the widow of the employee has not attained age 55 on
16 or before the employee's date of death, the amount otherwise
17 provided in this subsection (a) shall be reduced by 0.25% for
18 each month that her then attained age is less than 55 years;
19 except that if the employee dies in service on or after
20 January 1, 1998 at age 50 or over with at least 30 years of
21 service or at age 55 or over with at least 25 years of
22 service, there shall be no reduction due to the widow's age
23 if she has attained age 50 on or before the employee's date
24 of death, and if the widow has not attained age 50 on or
25 before the employee's date of death the amount otherwise
26 provided in this subsection (a) shall be reduced by 0.25% for
27 each month that her then attained age is less than 50 years.

28 (b) The widow of any employee who dies subsequent to the
29 date of his retirement on annuity, and who so retired on or
30 after the date on which he attained age 60 if retirement
31 occurs before July 1, 1990, or on or after the date on which
32 he attained age 55 if retirement occurs on or after July 1,
33 1990, with at least 20 years of service, or on or after the
34 date on which he attained age 50 if the retirement occurs on

1 or after the effective date of this amendatory Act of 1997
2 with at least 30 years of service, shall be entitled to an
3 annuity equal to one-half of the amount of annuity which her
4 deceased husband received as of the date of his retirement on
5 annuity, conditional upon such widow having attained age 60
6 on or before the date of her husband's retirement on annuity
7 if retirement occurs before July 1, 1990, or age 55 if
8 retirement occurs on or after July 1, 1990, or age 50 if the
9 retirement on annuity occurs on or after January 1, 1998 and
10 the employee is age 50 or over with at least 30 years of
11 service or age 55 or over with at least 25 years of service.
12 Except as provided in subsection (j), this widow's annuity
13 shall not, however, exceed the sum of \$500 a month if the
14 employee's death occurs before January 23, 1987. The widow's
15 annuity shall not be limited to a maximum dollar amount if
16 the employee's death occurs on or after January 23, 1987,
17 regardless of the date of retirement; provided that, if
18 retirement was before January 23, 1987, the employee or
19 eligible spouse repays the excess spouse refund with interest
20 at the effective rate from the date of refund to the date of
21 repayment.

22 If the date of the employee's retirement on annuity is
23 before July 1, 1990, and if such widow of such described
24 employee shall not have attained such age of 60 or more years
25 on such date of her husband's retirement on annuity, the
26 amount provided in the immediately preceding paragraph for a
27 widow 60 or more years of age on the date of her husband's
28 retirement on annuity, shall, in the case of such then
29 younger widow, be reduced by 0.25% for each month that her
30 then attained age was less than 60 years if the employee was
31 born before January 1, 1936, or withdraws from service on or
32 after January 1, 1988, or 0.5% for each month that her then
33 attained age was less than 60 years if the employee was born
34 on or after January 1, 1936 and withdraws from service before

1 January 1, 1988.

2 If the date of the employee's retirement on annuity is on
3 or after July 1, 1990, and if the widow of the employee has
4 not attained age 55 by the date of the employee's retirement
5 on annuity, the amount otherwise provided in this subsection
6 (b) shall be reduced by 0.25% for each month that her then
7 attained age is less than 55 years; except that if the
8 employee retires on annuity on or after January 1, 1998 at
9 age 50 or over with at least 30 years of service or at age 55
10 or over with at least 25 years of service, there shall be no
11 reduction due to the widow's age if she has attained age 50
12 on or before the employee's date of death, and if the widow
13 has not attained age 50 on or before the employee's date of
14 death the amount otherwise provided in this subsection (b)
15 shall be reduced by 0.25% for each month that her then
16 attained age is less than 50 years.

17 (c) The foregoing provisions relating to minimum
18 annuities for widows shall not apply to the widow of any
19 former employee receiving an annuity from the fund on August
20 2, 1965 or on the effective date of this amendatory
21 provision, who re-enters service as a former employee, unless
22 such employee renders at least 3 years of additional service
23 after the date of re-entry.

24 (d) (Blank).

25 (e) (Blank).

26 (f) The amendments to this Section by this amendatory
27 Act of 1985, relating to changing the discount because of age
28 from 1/2 of 1% to 0.25% per month for widows of employees
29 born before January 1, 1936, shall apply only to qualifying
30 widows whose husbands die while in the service on or after
31 August 16, 1985 or withdraw and enter on annuity on or after
32 August 16, 1985.

33 (g) Beginning on the first payment date occurring at
34 least 30 days after the effective date of this amendatory Act

1 of the 93rd General Assembly, January 17, 1999, the minimum
2 amount of widow's annuity shall be \$1,000 \$800 per month for
3 life for the following classes of widows, without regard to
4 the fact that the death of the employee occurred prior to the
5 effective date of this amendatory Act of the 93rd General
6 Assembly 1998:

7 (1) any widow annuitant alive and receiving a term
8 annuity on the effective date of this amendatory Act of
9 the 93rd General Assembly 1998, except a reciprocal
10 annuity;

11 (2) any widow annuitant alive and receiving a life
12 annuity on the effective date of this amendatory Act of
13 the 93rd General Assembly 1998, except a reciprocal
14 annuity;

15 (3) any widow annuitant alive and receiving a
16 reciprocal annuity on the effective date of this
17 amendatory Act of the 93rd General Assembly 1998, whose
18 employee spouse's service in this fund was at least 5
19 years;

20 (4) the widow of an employee with at least 10 years
21 of service in this fund who dies after retirement, if the
22 retirement occurred prior to the effective date of this
23 amendatory Act of the 93rd General Assembly 1998;

24 (5) the widow of an employee with at least 10 years
25 of service in this fund who dies after retirement, if
26 withdrawal occurs on or after the effective date of this
27 amendatory Act of the 93rd General Assembly 1998;

28 (6) the widow of an employee who dies in service
29 with at least 5 years of service in this fund, if the
30 death in service occurs on or after the effective date of
31 this amendatory Act of the 93rd General Assembly 1998.

32 The increases granted under items (1), (2), (3) and (4)
33 of this subsection (g) shall not be limited by any other
34 Section of this Act.

1 (h) The widow of an employee who retired or died in
2 service on or after January 1, 1985 and before July 1, 1990,
3 at age 55 or older, and with at least 35 years of service
4 credit, shall be entitled to have her widow's annuity
5 increased, effective January 1, 1991, to an amount equal to
6 50% of the retirement annuity that the deceased employee
7 received on the date of retirement, or would have been
8 eligible to receive if he had retired on the day preceding
9 the date of his death in service, provided that if the widow
10 had not attained age 60 by the date of the employee's
11 retirement or death in service, the amount of the annuity
12 shall be reduced by 0.25% for each month that her then
13 attained age was less than age 60 if the employee's
14 retirement or death in service occurred on or after January
15 1, 1988, or by 0.5% for each month that her attained age is
16 less than age 60 if the employee's retirement or death in
17 service occurred prior to January 1, 1988. However, in cases
18 where a refund of excess contributions for widow's annuity
19 has been paid by the Fund, the increase in benefit provided
20 by this subsection (h) shall be contingent upon repayment of
21 the refund to the Fund with interest at the effective rate
22 from the date of refund to the date of payment.

23 (i) If a deceased employee is receiving a retirement
24 annuity at the time of death and that death occurs on or
25 after June 27, 1997, the widow may elect to receive, in lieu
26 of any other annuity provided under this Article, 50% of the
27 deceased employee's retirement annuity at the time of death
28 reduced by 0.25% for each month that the widow's age on the
29 date of death is less than 55; except that if the employee
30 dies on or after January 1, 1998 and withdrew from service on
31 or after June 27, 1997 at age 50 or over with at least 30
32 years of service or at age 55 or over with at least 25 years
33 of service, there shall be no reduction due to the widow's
34 age if she has attained age 50 on or before the employee's

1 date of death, and if the widow has not attained age 50 on or
2 before the employee's date of death the amount otherwise
3 provided in this subsection (i) shall be reduced by 0.25% for
4 each month that her age on the date of death is less than 50
5 years. However, in cases where a refund of excess
6 contributions for widow's annuity has been paid by the Fund,
7 the benefit provided by this subsection (i) is contingent
8 upon repayment of the refund to the Fund with interest at the
9 effective rate from the date of refund to the date of
10 payment.

11 (j) For widows of employees who died before January 23,
12 1987 after retirement on annuity or in service, the maximum
13 dollar amount limitation on widow's annuity shall cease to
14 apply, beginning with the first annuity payment after the
15 effective date of this amendatory Act of 1997; except that if
16 a refund of excess contributions for widow's annuity has been
17 paid by the Fund, the increase resulting from this subsection
18 (j) shall not begin before the refund has been repaid to the
19 Fund, together with interest at the effective rate from the
20 date of the refund to the date of repayment.

21 (k) In lieu of any other annuity provided in this
22 Article, an eligible spouse of an employee who dies in
23 service on or after January 1, 2002 (regardless of whether
24 that death in service occurs prior to at-least-60-days-after
25 the effective date of this amendatory Act of the 93rd 92nd
26 General Assembly) with at least 10 years of service shall be
27 entitled to an annuity of 50% of the minimum formula annuity
28 earned and accrued to the credit of the employee at the date
29 of death. For the purposes of this subsection, the minimum
30 formula annuity earned and accrued to the credit of the
31 employee is equal to 2.40% for each year of service of the
32 highest average annual salary for any 4 consecutive years
33 within the last 10 years of service immediately preceding the
34 date of death, up to a maximum of 80% of the highest average

1 annual salary. This annuity shall not be reduced due to the
2 age of the employee or spouse. In addition to any other
3 eligibility requirements under this Article, the spouse is
4 eligible for this annuity only if the marriage was in effect
5 for 10 full years or more.

6 (1) In lieu of any other annuity provided in this
7 Article, an eligible spouse of any employee who dies in
8 service on or after the effective date of this amendatory Act
9 of the 93rd General Assembly with at least 10 years of
10 Laborers' service shall be entitled to an annuity of 60%,
11 plus 1% for each year of total Laborers' service to a maximum
12 of 85%, of the minimum formula annuity earned and accrued to
13 the credit of the employee at the date of death. For the
14 purposes of this subsection, the minimum formula annuity
15 earned and accrued to the credit of the employee is equal to,
16 for each year of service, 2.4% of the highest average annual
17 salary for any 4 consecutive years within the last 10 years
18 of service immediately preceding the date of death, to a
19 maximum of 80% of the highest average annual salary. This
20 annuity shall not be reduced due to the age of the employee
21 or spouse.

22 In lieu of any other annuity provided in this Article, an
23 eligible spouse of any employee annuitant who dies after
24 retirement on or after the effective date of this amendatory
25 Act of the 93rd General Assembly with at least 10 years of
26 Laborers' service shall be entitled to an annuity of 60%,
27 plus 1% for each year of total Laborers' service to a maximum
28 of 85%, of the deceased employee's retirement annuity at the
29 time of death, reduced by 0.25% for each month that the
30 widow's age on the date of death is less than 55; except that
31 if the employee withdrew from service on or after June 27,
32 1997 at age 50 or over with at least 30 years of service or
33 at age 55 or over with at least 25 years of service, there
34 shall be no reduction due to the widow's age if she has

1 attained age 50 on or before the employee's date of death,
2 and if the widow has not attained age 50 on or before the
3 employee's date of death the amount otherwise provided in
4 this subsection (1) shall be reduced by 0.25% for each month
5 that her than attained age is less than 50 years. However,
6 in cases where a refund of excess contributions for widow's
7 annuity has been paid by the Fund, the benefit provided by
8 this subsection (1) is contingent upon repayment of the
9 refund to the Fund with interest at the effective rate from
10 the date of refund to the date of payment.

11 In addition to any other eligibility requirements under
12 this Article, a spouse is eligible for an annuity under this
13 subsection (1) only if the marriage was in effect for 10 full
14 years or more at the date of retirement or death in service.

15 (Source: P.A. 92-599, eff. 6-28-02.)

16 (40 ILCS 5/11-163) (from Ch. 108 1/2, par. 11-163)

17 Sec. 11-163. Restoration of rights. An employee who has
18 withdrawn as a refund the amounts credited for annuity
19 purposes, and who (i) re-enters service of the employer and
20 serves for periods comprising at least 90 days 2-years after
21 the date of the last refund paid to him or (ii) has completed
22 at least 2 years of service under a participating system (as
23 defined in the Retirement Systems Reciprocal Act) other than
24 this Fund after the date of the last refund, shall have his
25 annuity rights restored by making application to the board in
26 writing for the privilege of re-instating such rights and by
27 compliance with the following provisions:

28 (a) After that 90 day or 2 year period, whichever
29 applies, he shall repay in full to the Fund, while in
30 service, ~~in-full~~ all refunds received, together with
31 interest at the effective rate from the application dates
32 of such refund or refunds to the date of repayment.;

33 (b) If payment is not made in a single sum,

1 repayment may be made in installments by deductions from
2 salary or otherwise, in such manner and amounts as the
3 board, by rule, may prescribe, with interest at the
4 effective rate accruing on the unpaid balance employee
5 may--elect. The employee shall be credited with interest
6 at the effective rate from the date of each installment
7 until full repayment is made.

8 (c) If the employee withdraws from service or dies
9 in service before full repayment is made or during the
10 required 90 day or 2 year period, service credit shall be
11 restored in accordance with Section 11-221.2(b) any
12 repayments--made--shall--be--refunded,--without--interest
13 thereon--and--in-accordance-with-the-refund-provisions-of
14 this-Article.

15 (d) If the employee repays the refund while
16 participating in a participating system (as defined in
17 the Retirement Systems Reciprocal Act) other than this
18 Fund, the service credit restored must be used for a
19 proportional annuity calculated in accordance with the
20 Retirement Systems Reciprocal Act. If not so used, the
21 restored service credit shall be forfeited and the amount
22 of the repayment shall be refunded, without interest.

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

24 (40 ILCS 5/11-167) (from Ch. 108 1/2, par. 11-167)

25 Sec. 11-167. Refunds in lieu of annuity. In lieu of an
26 annuity, an employee who withdraws, and whose annuity would
27 amount to less than \$800 a month for life may elect to
28 receive a refund of the total sum accumulated to his credit
29 from employee contributions for annuity purposes.

30 The widow of any employee, eligible for annuity upon the
31 death of her husband, whose annuity would amount to less than
32 \$800 a month for life, may, in lieu of a widow's annuity,
33 elect to receive a refund of the accumulated contributions

1 for annuity purposes, based on the amounts contributed by her
2 deceased employee husband, but reduced by any amounts
3 theretofore paid to him in the form of an annuity or refund
4 out of such accumulated contributions.

5 Accumulated contributions shall mean the amounts
6 including interest credited thereon contributed by the
7 employee for age and service and widow's annuity to the date
8 of his withdrawal or death, whichever first occurs, and
9 including the accumulations from any amounts contributed for
10 him as salary deductions while receiving duty disability
11 benefits; provided that such amounts contributed by the city
12 after December 31, 1983 while the employee is receiving duty
13 disability benefits and amounts credited to the employee for
14 annuity purposes by the fund after December 31, 2000 while
15 the employee is receiving ordinary disability benefits shall
16 not be included.

17 The acceptance of such refund in lieu of widow's annuity,
18 on the part of a widow, shall not deprive a child or children
19 of the right to receive a child's annuity as provided for in
20 Sections 11-153 and 11-154 of this Article, and neither shall
21 the payment of a child's annuity in the case of such refund
22 to a widow reduce the amount herein set forth as refundable
23 to such widow electing a refund in lieu of widow's annuity.
24 (Source: P.A. 91-887, eff. 7-6-00; 92-599, eff. 6-28-02;
25 revised 10-22-02.)

26 (40 ILCS 5/11-170.1) (from Ch. 108 1/2, par. 11-170.1)

27 Sec. 11-170.1. Pickup of employee contributions.

28 (a) The employer may pick up the employee contributions
29 required by Sections 11-156, 11-170, 11-174 and 11-175.1 for
30 salary earned after December 31, 1981. If employee
31 contributions are not picked up, the amount that would have
32 been picked up under this amendatory Act of 1980 shall
33 continue to be deducted from salary. If contributions are

1 picked up they shall be treated as employer contributions in
2 determining tax treatment under the United States Internal
3 Revenue Code; however, the employer shall continue to
4 withhold Federal and state income taxes based upon these
5 contributions until the Internal Revenue Service or the
6 Federal courts rule that pursuant to Section 414(h) of the
7 United States Internal Revenue Code, these contributions
8 shall not be included as gross income of the employee until
9 such time as they are distributed or made available. The
10 employer shall pay these employee contributions from the same
11 source of funds which is used in paying salary to the
12 employee. The employer may pick up these contributions by a
13 reduction in the cash salary of the employee or by an offset
14 against a future salary increase or by a combination of a
15 reduction in salary and offset against a future salary
16 increase. If employee contributions are picked up they shall
17 be treated for all purposes of this Article 11, including
18 Section 11-169, in the same manner and to the same extent as
19 employee contributions made prior to the date picked up.

20 (b) Subject to the requirements of federal law and the
21 rules of the Board, the Fund may allow the employee to elect
22 to have the employer pick up the optional contributions that
23 the employee has elected to pay to the Fund, and the
24 contributions so picked up shall be treated as employer
25 contributions for the purpose of determining federal tax
26 treatment. The employer shall pick up the contributions by a
27 reduction in the cash salary of the employee and shall pay
28 contributions from the same source of funds that is used to
29 pay earnings of the employee. The election to have the
30 contributions picked up is irrevocable, and the optional
31 contributions may not thereafter be prepaid, by direct
32 payment or otherwise.

33 If the provision authorizing the optional contribution
34 requires payment by a stated date (rather than the date of

1 withdrawal or retirement), the requirement will be deemed to
2 have been satisfied if (i) on or before the stated date the
3 employee executes a valid irrevocable election to have the
4 contributions picked up under this subsection, and (ii) the
5 picked-up contributions are in fact paid to the Fund as
6 provided in the election.

7 If employee contributions are picked up under this
8 subsection, they shall be treated for all purposes of this
9 Article 11, including Section 11-169, in the same manner and
10 to the same extent as optional employee contributions made
11 prior to the date picked up.

12 (Source: P.A. 81-1536.)

13 (40 ILCS 5/11-221.4 new)

14 Sec. 11-221.4. Credit for certain military service. In
15 addition to any creditable service established under Section
16 11-221, creditable service for annuity purposes only may be
17 granted for service in the armed forces of the United States
18 that was not immediately preceded by service with the
19 employer. A member shall receive service credit for military
20 service under this Section, provided that all of the
21 following conditions are met:

22 (1) The employee must be employed by the employer
23 and contributing to the Fund for current service when he
24 makes the payment for military service.

25 (2) The employee must have entered or re-entered
26 the service of the employer within 2 years after his
27 discharge.

28 (3) The discharge from military service must have
29 been other than a dishonorable discharge.

30 (4) The employee must apply to the Fund in writing
31 and provide evidence of the military service that is
32 satisfactory to the Board.

33 (5) The employee must have paid for all unpaid

1 service with the employer (refund repayment, payment for
2 temporary service, or any other service with the
3 employer) before payment may be made under this Section.

4 (6) The employee must have been in active duty
5 military service; service in the military reserves is not
6 eligible under this Section.

7 (7) The employee must not receive credit in any
8 other pension plan for this period of military service.

9 (8) The employee must contribute to the Fund an
10 amount representing employee contributions. The required
11 contribution shall be calculated by the Fund, based on
12 the contribution rates in effect during the period of
13 military service and the employee's salary rate on the
14 first day of service in the Fund following the military
15 service, and shall include interest at the effective rate
16 from the employee's first day of service in the Fund
17 following the military service to the date of payment.
18 The employee must pay the required contribution in full
19 before withdrawal or death in service. If the employee
20 withdraws or dies in service before full payment is made,
21 the amount paid by him shall be refunded.

22 (9) The amount of military service credit
23 established by an employee under this Section, when added
24 to his credit for military service under Section 11-221,
25 shall not exceed 5 years.

26 Section 90. The State Mandates Act is amended by adding
27 Section 8.27 as follows:

28 (30 ILCS 805/8.27 new)

29 Sec. 8.27. Exempt mandate. Notwithstanding Sections 6
30 and 8 of this Act, no reimbursement by the State is required
31 for the implementation of any mandate created by this
32 amendatory Act of the 93rd General Assembly.

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.