

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 Section 16-133.2 as follows:

6 (40 ILCS 5/16-133.2) (from Ch. 108 1/2, par. 16-133.2)

7 Sec. 16-133.2. Early retirement without discount. A  
8 member retiring after June 1, 1980 and on or before June 30,  
9 2010 2005, and applying for a retirement annuity within 6  
10 months of the last day of teaching for which retirement  
11 contributions were required, may elect at the time of  
12 application for a retirement annuity, to make a one time  
13 member contribution to the System and thereby avoid the  
14 reduction in the retirement annuity for retirement before age  
15 60 specified in paragraph (B) of Section 16-133. The  
16 exercise of the election shall also obligate the last  
17 employer to make a one time non-refundable contribution to  
18 the System. Substitute teachers wishing to exercise this  
19 election must teach 85 or more days in one school term with  
20 one employer, who shall be deemed the last employer for  
21 purposes of this Section. The last day of teaching with that  
22 employer must be within 6 months of the date of application  
23 for retirement. All substitute teaching credit applied  
24 toward the required 85 days must be earned after June 30,  
25 1990.

26 The one time member and employer contributions shall be a  
27 percentage of the retiring member's highest annual salary  
28 rate used in the determination of the average salary for  
29 retirement annuity purposes. However, when determining the  
30 one-time member and employer contributions, that part of a  
31 member's salary with the same employer which exceeds the

1 annual salary rate for the preceding year by more than 20%  
2 shall be excluded. The member contribution shall be at the  
3 rate of 7% for the lesser of the following 2 periods: (1)  
4 for each year that the member is less than age 60; or (2) for  
5 each year that the member's creditable service is less than  
6 34 35 years. If a member is at least age 55 and has at  
7 least 34 years of creditable service, no member or employer  
8 contribution for the early retirement option shall be  
9 required. The employer contribution shall be at the rate of  
10 20% for each year the member is under age 60.

11 Upon receipt of the application and election, the System  
12 shall determine the one time employee and employer  
13 contributions required. The member contribution shall be  
14 credited to the individual account of the member and the  
15 employer contribution shall be credited to the Employer's  
16 Contribution Reserve. The provisions of this Section shall  
17 not be applicable until the member's contribution, if any,  
18 has been received by the System; however, the date such  
19 contributions are received shall not be considered in  
20 determining the effective date of retirement.

21 The number of members working for a single employer who  
22 may retire under this Section in any year may be limited at  
23 the option of the employer to a specified percentage of those  
24 eligible, not less than 30%, with the right to participate to  
25 be allocated among those applying on the basis of seniority  
26 in the service of the employer.

27 (Source: P.A. 90-582, eff. 5-27-98; 91-17, eff. 6-4-99.)

28 Section 99. Effective date. This Act takes effect upon  
29 becoming law.