

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 15-145 as follows:

6 (40 ILCS 5/15-145) (from Ch. 108 1/2, par. 15-145)
7 Sec. 15-145. Survivors insurance benefits; conditions
8 and amounts.

9 (a) The survivors insurance benefits provided under this
10 Section shall be payable to the eligible survivors of a
11 participant covered under the traditional benefit package
12 upon the death of (1) a participating employee with at least
13 1 1/2 years of service, (2) a participant who terminated
14 employment with at least 10 years of service, and (3) an
15 annuitant in receipt of a retirement annuity or disability
16 retirement annuity under this Article.

17 Service under the State Employees' Retirement System of
18 Illinois, the Teachers' Retirement System of the State of
19 Illinois and the Public School Teachers' Pension and
20 Retirement Fund of Chicago shall be considered in determining
21 eligibility for survivors benefits under this Section.

22 If by law, a function of a governmental unit, as defined
23 by Section 20-107, is transferred in whole or in part to an
24 employer, and an employee transfers employment from this
25 governmental unit to such employer within 6 months after the
26 transfer of this function, the service credits in the
27 governmental unit's retirement system which have been
28 validated under Section 20-109 shall be considered in
29 determining eligibility for survivors benefits under this
30 Section.

31 (b) A surviving spouse of a deceased participant, or of

1 a deceased annuitant who did not take a refund or additional
2 annuity consisting of accumulated survivors insurance
3 contributions, shall receive a survivors annuity of 30% of
4 the final rate of earnings. Payments shall begin on the day
5 following the participant's or annuitant's death ~~or the date~~
6 ~~the surviving spouse attains age 50, whichever is later,~~ and
7 continue until the death of the surviving spouse.

8 The removal of the age 50 limitation by this amendatory
9 Act of the 93rd General Assembly applies to all persons
10 otherwise eligible to receive a survivors annuity under this
11 subsection (b), without regard to whether the deceased
12 participant or annuitant was in service on or after the
13 effective date of this amendatory Act. A person otherwise
14 eligible whose annuity under this subsection is being
15 deferred due to the age 50 limitation shall, upon
16 application, be entitled to have the annuity begin, payable
17 from the effective date of this amendatory Act. The annuity
18 ~~shall be payable to the surviving spouse prior to attainment~~
19 ~~of age 50 if the surviving spouse has in his or her care a~~
20 ~~deceased participant's or annuitant's dependent unmarried~~
21 ~~child under age 18 (under age 22 if a full-time student) who~~
22 ~~is eligible for a survivors annuity.~~

23 Remarriage of a surviving spouse prior to attainment of
24 age 55 that occurs before July 6, 2000 ~~the effective date of~~
25 ~~this amendatory Act of the 91st General Assembly~~ shall
26 disqualify him or her for the receipt of a survivors annuity
27 until July 6, 2000.

28 A surviving spouse whose survivors annuity has been
29 terminated due to remarriage may apply for reinstatement of
30 that annuity. The reinstated annuity shall begin to accrue
31 on July 6, 2000, except that if, on July 6, 2000, the annuity
32 is payable to an eligible surviving child or parent, payment
33 of the annuity to the surviving spouse shall not be
34 reinstated until the annuity is no longer payable to any

1 eligible surviving child or parent. The reinstated annuity
2 shall include any one-time or annual increases received prior
3 to the date of termination, as well as any increases that
4 would otherwise have accrued from the date of termination to
5 the date of reinstatement. An eligible surviving spouse
6 whose expectation of receiving a survivors annuity was lost
7 due to remarriage before attainment of age 50 shall also be
8 entitled to reinstatement under this subsection, but the
9 resulting survivors annuity shall not begin to accrue sooner
10 than the effective date of this amendatory Act of the 93rd
11 General Assembly upon--the-surviving-spouse's-attainment-of
12 age-50.

13 The changes made to this subsection by Public Act 92-749
14 this--amendatory-Act-of-the-92nd-General-Assembly (pertaining
15 to remarriage prior to age 55 or 50) apply without regard to
16 whether the deceased participant or annuitant was in service
17 on or after the effective date of that this-amendatory Act.

18 (c) Each dependent unmarried child under age 18 (under
19 age 22 if a full-time student) of a deceased participant, or
20 of a deceased annuitant who did not take a refund or
21 additional annuity consisting of accumulated survivors
22 insurance contributions, shall receive a survivors annuity
23 equal to the sum of (1) 20% of the final rate of earnings,
24 and (2) 10% of the final rate of earnings divided by the
25 number of children entitled to this benefit. Payments shall
26 begin on the day following the participant's or annuitant's
27 death and continue until the child marries, dies, or attains
28 age 18 (age 22 if a full-time student). If the child is in
29 the care of a surviving spouse who is eligible for survivors
30 insurance benefits, the child's benefit shall be paid to the
31 surviving spouse.

32 Each unmarried child over age 18 of a deceased
33 participant or of a deceased annuitant who had a survivor's
34 insurance beneficiary at the time of his or her retirement,

1 and who was dependent upon the participant or annuitant by
2 reason of a physical or mental disability which began prior
3 to the date the child attained age 18 (age 22 if a full-time
4 student), shall receive a survivor's annuity equal to the sum
5 of (1) 20% of the final rate of earnings, and (2) 10% of the
6 final rate of earnings divided by the number of children
7 entitled to survivors benefits. Payments shall begin on the
8 day following the participant's or annuitant's death and
9 continue until the child marries, dies, or is no longer
10 disabled. If the child is in the care of a surviving spouse
11 who is eligible for survivors insurance benefits, the child's
12 benefit may be paid to the surviving spouse. For the
13 purposes of this Section, disability means inability to
14 engage in any substantial gainful activity by reason of any
15 medically determinable physical or mental impairment that can
16 be expected to result in death or that has lasted or can be
17 expected to last for a continuous period of at least one
18 year.

19 (d) Each dependent parent of a deceased participant, or
20 of a deceased annuitant who did not take a refund or
21 additional annuity consisting of accumulated survivors
22 insurance contributions, shall receive a survivors annuity
23 equal to the sum of (1) 20% of final rate of earnings, and
24 (2) 10% of final rate of earnings divided by the number of
25 parents who qualify for the benefit. Payments shall begin
26 when the parent reaches age 55 or the day following the
27 participant's or annuitant's death, whichever is later, and
28 continue until the parent dies. Remarriage of a parent prior
29 to attainment of age 55 shall disqualify the parent for the
30 receipt of a survivors annuity.

31 (e) In addition to the survivors annuity provided above,
32 each survivors insurance beneficiary shall, upon death of the
33 participant or annuitant, receive a lump sum payment of
34 \$1,000 divided by the number of such beneficiaries.

1 (f) The changes made in this Section by Public Act
2 81-712 pertaining to survivors annuities in cases of
3 remarriage prior to age 55 shall apply to each survivors
4 insurance beneficiary who remarries after June 30, 1979,
5 regardless of the date that the participant or annuitant
6 terminated his employment or died.

7 The change made to this Section by this amendatory Act of
8 the 91st General Assembly, pertaining to remarriage prior to
9 age 55, applies without regard to whether the deceased
10 participant or annuitant was in service on or after the
11 effective date of this amendatory Act of the 91st General
12 Assembly.

13 (g) On January 1, 1981, any person who was receiving a
14 survivors annuity on or before January 1, 1971 shall have the
15 survivors annuity then being paid increased by 1% for each
16 full year which has elapsed from the date the annuity began.
17 On January 1, 1982, any survivor whose annuity began after
18 January 1, 1971, but before January 1, 1981, shall have the
19 survivor's annuity then being paid increased by 1% for each
20 year which has elapsed from the date the survivor's annuity
21 began. On January 1, 1987, any survivor who began receiving a
22 survivor's annuity on or before January 1, 1977, shall have
23 the monthly survivor's annuity increased by \$1 for each full
24 year which has elapsed since the date the survivor's annuity
25 began.

26 (h) If the sum of the lump sum and total monthly
27 survivor benefits payable under this Section upon the death
28 of a participant amounts to less than the sum of the death
29 benefits payable under items (2) and (3) of Section 15-141,
30 the difference shall be paid in a lump sum to the beneficiary
31 of the participant who is living on the date that this
32 additional amount becomes payable.

33 (i) If the sum of the lump sum and total monthly
34 survivor benefits payable under this Section upon the death

1 of an annuitant receiving a retirement annuity or disability
2 retirement annuity amounts to less than the death benefit
3 payable under Section 15-142, the difference shall be paid to
4 the beneficiary of the annuitant who is living on the date
5 that this additional amount becomes payable.

6 (j) Effective on the later of (1) January 1, 1990, or
7 (2) the January 1 on or next after the date on which the
8 survivor annuity begins, if the deceased member died while
9 receiving a retirement annuity, or in all other cases the
10 January 1 nearest the first anniversary of the date the
11 survivor annuity payments begin, every survivors insurance
12 beneficiary shall receive an increase in his or her monthly
13 survivors annuity of 3%. On each January 1 after the initial
14 increase, the monthly survivors annuity shall be increased by
15 3% of the total survivors annuity provided under this
16 Article, including previous increases provided by this
17 subsection. Such increases shall apply to the survivors
18 insurance beneficiaries of each participant and annuitant,
19 whether or not the employment status of the participant or
20 annuitant terminates before the effective date of this
21 amendatory Act of 1990. This subsection (j) also applies to
22 persons receiving a survivor annuity under the portable
23 benefit package.

24 (k) If the Internal Revenue Code of 1986, as amended,
25 requires that the survivors benefits be payable at an age
26 earlier than that specified in this Section the benefits
27 shall begin at the earlier age, in which event, the
28 survivor's beneficiary shall be entitled only to that amount
29 which is equal to the actuarial equivalent of the benefits
30 provided by this Section.

31 (l) The changes made to this Section and Section 15-131
32 by this amendatory Act of 1997, relating to benefits for
33 certain unmarried children who are full-time students under
34 age 22, apply without regard to whether the deceased member

1 was in service on or after the effective date of this
2 amendatory Act of 1997. These changes do not authorize the
3 repayment of a refund or a re-election of benefits, and any
4 benefit or increase in benefits resulting from these changes
5 is not payable retroactively for any period before the
6 effective date of this amendatory Act of 1997.

7 (Source: P.A. 91-887, eff. 7-6-00; 92-749, eff. 8-2-02.)

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.