

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 14-108 as follows:

6 (40 ILCS 5/14-108) (from Ch. 108 1/2, par. 14-108)

7 Sec. 14-108. Amount of retirement annuity. A member who
8 has contributed to the System for at least 12 months shall be
9 entitled to a prior service annuity for each year of
10 certified prior service credited to him, except that a member
11 shall receive 1/3 of the prior service annuity for each year
12 of service for which contributions have been made and all of
13 such annuity shall be payable after the member has made
14 contributions for a period of 3 years. Proportionate amounts
15 shall be payable for service of less than a full year after
16 completion of at least 12 months.

17 The total period of service to be considered in
18 establishing the measure of prior service annuity shall
19 include service credited in the Teachers' Retirement System
20 of the State of Illinois and the State Universities
21 Retirement System for which contributions have been made by
22 the member to such systems; provided that at least 1 year of
23 the total period of 3 years prescribed for the allowance of a
24 full measure of prior service annuity shall consist of
25 membership service in this system for which credit has been
26 granted.

27 (a) In the case of a member who retires on or after
28 January 1, 1998 and is a noncovered employee, the retirement
29 annuity for membership service and prior service shall be
30 2.2% of final average compensation for each year of service.
31 Any service credit established as a covered employee shall be

1 computed as stated in paragraph (b).

2 (b) In the case of a member who retires on or after
3 January 1, 1998 and is a covered employee, the retirement
4 annuity for membership service and prior service shall be
5 computed as stated in paragraph (a) for all service credit
6 established as a noncovered employee; for service credit
7 established as a covered employee it shall be 1.67% of final
8 average compensation for each year of service.

9 (c) For a member retiring after attaining age 55 but
10 before age 60 with at least 30 but less than 35 years of
11 creditable service if retirement is before January 1, 2001,
12 or with at least 25 but less than 30 years of creditable
13 service if retirement is on or after January 1, 2001, the
14 retirement annuity shall be reduced by 1/2 of 1% for each
15 month that the member's age is under age 60 at the time of
16 retirement.

17 (d) A retirement annuity shall not exceed 75% of final
18 average compensation, subject to such extension as may result
19 from the application of Section 14-114 or Section 14-115.

20 (e) The retirement annuity payable to any covered
21 employee who is a member of the System and in service on
22 January 1, 1969, or in service thereafter in 1969 as a result
23 of legislation enacted by the Illinois General Assembly
24 transferring the member to State employment from county
25 employment in a county Department of Public Aid in counties
26 of 3,000,000 or more population, under a plan of coordination
27 with the Old Age, Survivors and Disability provisions
28 thereof, if not fully insured for Old Age Insurance payments
29 under the Federal Old Age, Survivors and Disability Insurance
30 provisions at the date of acceptance of a retirement annuity,
31 shall not be less than the amount for which the member would
32 have been eligible if coordination were not applicable.

33 (f) The retirement annuity payable to any covered
34 employee who is a member of the System and in service on

1 January 1, 1969, or in service thereafter in 1969 as a result
 2 of the legislation designated in the immediately preceding
 3 paragraph, if fully insured for Old Age Insurance payments
 4 under the Federal Social Security Act at the date of
 5 acceptance of a retirement annuity, shall not be less than an
 6 amount which when added to the Primary Insurance Benefit
 7 payable to the member upon attainment of age 65 under such
 8 Federal Act, will equal the annuity which would otherwise be
 9 payable if the coordinated plan of coverage were not
 10 applicable.

11 (g) In the case of a member who is a noncovered
 12 employee, the retirement annuity for eligible creditable
 13 membership service as defined in Section 14-110 a--security
 14 ~~employee---of--the--Department--of--Corrections--or--security~~
 15 ~~employee-of-the-Department-of-Human-Services~~ shall be: if
 16 retirement occurs on or after January 1, 2001, 3% of final
 17 average compensation for each year of creditable service; or
 18 if retirement occurs before January 1, 2001, 1.9% of final
 19 average compensation for each of the first 10 years of
 20 service, 2.1% for each of the next 10 years of service, 2.25%
 21 for each year of service in excess of 20 but not exceeding
 22 30, and 2.5% for each year in excess of 30; except that the
 23 annuity may be calculated under subsection (a) rather than
 24 this subsection (g) if the resulting annuity is greater.

25 (h) In the case of a member who is a covered employee,
 26 the retirement annuity for eligible creditable membership
 27 service as defined in Section 14-110 a-security--employee--of
 28 ~~the--Department--of--Corrections--or--security-employee-of-the~~
 29 ~~Department-of-Human-Services~~ shall be: if retirement occurs
 30 on or after January 1, 2001, 2.5% of final average
 31 compensation for each year of creditable service; or if
 32 retirement occurs before January 1, 2001, 1.67% of final
 33 average compensation for each of the first 10 years of
 34 service, 1.90% for each of the next 10 years of service,

1 2.10% for each year of service in excess of 20 but not
2 exceeding 30, and 2.30% for each year in excess of 30.

3 (i) (Blank). For--the--purposes--of--this--Section--and
4 Section--14-133--of--this-Act, the term-"security-employee-of
5 the--Department--of--Corrections"--and--the--term---"security
6 employee--of-the-Department-of-Human-Services"--shall-have-the
7 meanings-aseribed--to--them--in--subsection--(e)--of--Section
8 14-110.

9 (j) The retirement annuity computed pursuant to
10 paragraphs (g) or (h) shall be applicable only to these
11 security employees of--the--Department--of--Corrections-and
12 security-employees-of-the-Department-of--Human--Services who
13 have at least 20 years of membership service and who are not
14 eligible for the alternative retirement annuity provided
15 under Section 14-110. However, persons transferring to this
16 System under Section 14-108.2 or 14-108.2c who have service
17 credit under Article 16 of this Code may count such service
18 toward establishing their eligibility under the 20-year
19 service requirement of this subsection; but such service may
20 be used only for establishing such eligibility, and not for
21 the purpose of increasing or calculating any benefit.

22 (k) (Blank).

23 (l) The changes to this Section made by this amendatory
24 Act of 1997 (changing certain retirement annuity formulas
25 from a stepped rate to a flat rate) apply to members who
26 retire on or after January 1, 1998, without regard to whether
27 employment terminated before the effective date of this
28 amendatory Act of 1997. An annuity shall not be calculated
29 in steps by using the new flat rate for some steps and the
30 superseded stepped rate for other steps of the same type of
31 service.

32 (Source: P.A. 91-927, eff. 12-14-00; 92-14, eff. 6-28-01)

33 Section 99. Effective date. This Act takes effect upon

1 becoming law.