

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 17-121, 17-122, 17-124, and 17-125 as
6 follows:

7 (40 ILCS 5/17-121) (from Ch. 108 1/2, par. 17-121)

8 Sec. 17-121. Survivor's pensions - Eligibility.

9 (a) A surviving spouse of a teacher shall be entitled to
10 a survivor's pension only if the surviving spouse was married
11 to the teacher for at least one year immediately prior to the
12 teacher's death.

13 The changes made to this subsection (a) by this
14 amendatory Act of the 92nd General Assembly apply (i) only to
15 the surviving spouse of a person who dies on or after the
16 effective date of this amendatory Act, and only if the amount
17 of any refund of contributions for survivor's pension is
18 repaid with interest in accordance with subsection (f), and
19 (ii) notwithstanding Section 17-157 and without regard to
20 whether the deceased person was in service on or after the
21 effective date of this amendatory Act.

22 (b) If the surviving spouse is under age 50 and there
23 are no eligible ~~minor~~ children born to or legally adopted by
24 the contributor and his or her surviving spouse, payment of
25 the survivor's pension shall begin when the surviving spouse
26 attains age 50.

27 (c) Beginning January 1, 2003, the remarriage of a
28 surviving spouse at any age does not terminate his or her
29 survivor's pension.

30 A surviving spouse whose survivor's pension (or
31 expectation of a survivor's pension upon attainment of age

1 50) was terminated before January 1, 2003 due to remarriage
2 and who applies for reinstatement of that pension and repays
3 the amount of any refund of contributions for survivor's
4 pension with interest in accordance with subsection (f) shall
5 be entitled to have the survivor's pension (or expectation of
6 a survivor's pension upon attainment of age 50) reinstated.
7 The reinstated pension shall begin to accrue on the first day
8 of the month following the month in which the application and
9 repayment, if any, are received by the Fund, but in no event
10 sooner than January 1, 2003 and, if subsection (b) applies,
11 no sooner than upon attainment of age 50. The reinstated
12 pension shall include any one-time or annual increases in the
13 survivor's pension received prior to the date of termination,
14 but not any increases that would otherwise have accrued from
15 the date of termination to the date of reinstatement.

16 This subsection (c) applies notwithstanding Section
17 17-157 and without regard to whether the deceased teacher was
18 in service on or after the effective date of this amendatory
19 Act of the 92nd General Assembly.

20 (d) Except as provided in subsection (c), remarriage of
21 the surviving spouse prior to September 1, 1983 while in
22 receipt of a survivor's pension shall permanently terminate
23 payment thereof, regardless of any subsequent change in
24 marital status; however, beginning September 1, 1983,
25 remarriage of a surviving spouse after attainment of age 55
26 shall not terminate the survivor's pension.

27 A surviving spouse whose pension was terminated on or
28 after September 1, 1983 due to remarriage after attainment of
29 age 55, and who applies for reinstatement of that pension
30 before January 1, 1990, shall be entitled to have the pension
31 reinstated effective January 1, 1990.

32 (e) A surviving spouse of a member or annuitant under
33 this Fund who is also a dependent beneficiary under the
34 provisions of Section 16-140 is eligible for a reciprocal

1 survivor's pension, provided that any refund of survivor's
2 pension contributions is repaid to the Fund and application
3 is made within 30 days after the effective date of this
4 amendatory Act of the 92nd General Assembly.

5 (f) If a refund of contributions for survivor's pension
6 has been paid, a person choosing to establish or reestablish
7 the right to receive a survivor's pension pursuant to the
8 changes made to this Section by this amendatory Act of the
9 92nd General Assembly must first repay to the Fund the amount
10 of the refund of contributions for survivor's pension,
11 together with interest thereon at the rate of 5% per year,
12 compounded annually, from the date of the refund to the date
13 of repayment.

14 (Source: P.A. 92-416, eff. 8-17-01; 92-599, eff. 6-28-02.)

15 (40 ILCS 5/17-122) (from Ch. 108 1/2, par. 17-122)

16 Sec. 17-122. Survivor's and children's pensions - Amount.
17 Upon the death of a teacher who has completed at least 1 1/2
18 years of contributing service with either this Fund or the
19 State Universities Retirement System or the Teachers'
20 Retirement System of the State of Illinois, provided his
21 death occurred while (a) in active service covered by the
22 Fund or during his first 18 months of continuous employment
23 without a break in service under any other participating
24 system as defined in the Illinois Retirement Systems
25 Reciprocal Act except the State Universities Retirement
26 System and the Teachers' Retirement System of the State of
27 Illinois, (b) on a creditable leave of absence, (c) on a
28 noncreditable leave of absence of no more than one year, or
29 (d) a pension was deferred or pending provided the teacher
30 had at least 10 years of validated service credit, or upon
31 the death of a pensioner otherwise qualified for such
32 benefit, the surviving spouse, eligible and ~~unmarried~~ ~~minor~~
33 children of the deceased teacher under age 18, and dependent

1 parents of the deceased teacher shall be entitled to
2 pensions, under the conditions stated hereinafter. Such
3 ~~survivor's and children's~~ pensions shall be based on the
4 average of the 4 highest consecutive years of salary in the
5 last 10 years of service or on the average salary for total
6 service, if total service has been less than 4 years,
7 according to the following percentages:

8 30% of average salary or 50% of the retirement pension
9 earned by the teacher, whichever is larger, subject to the
10 prescribed maximum monthly payment, for a surviving spouse
11 alone on attainment of age 50;

12 60% of average salary for a surviving spouse and
13 eligible ~~minor~~ children of the deceased teacher.

14 If no eligible spouse survives, or the surviving spouse
15 remarries, or the parent of the children of the deceased
16 member is otherwise ineligible for a survivor's pension, a
17 children's pension for eligible ~~minor~~ children ~~under-age-18~~
18 shall be paid to their parent or legal guardian for their
19 benefit according to the following percentages:

20 30% of average salary for one child;

21 60% of average salary for 2 or more children.

22 A disabled child who was dependent upon a deceased
23 teacher at the time of his or her death whose children's
24 pension was terminated due to attainment of age 18 may apply
25 to the Fund for reinstatement of that pension. An
26 application for reinstatement shall be accompanied by the
27 payment of an amount equal to (1) the amount of any refund
28 received by the deceased teacher under Section 17-125 and (2)
29 interest thereon from the date of the payment of the refund
30 to the date of application for reinstatement at the rate of
31 5% per year. The reinstated pension shall begin to accrue on
32 the first day of the month following the month the
33 application is received by the Fund, but in no event sooner
34 than January 1, 2004. However, if the pension is payable to

1 anyone else, the pension shall not be reinstated until the
2 pension is no longer payable to any eligible surviving spouse
3 or other eligible children. A reinstated annuity shall
4 include any one-time or annual increases received prior to
5 the date of termination, as well as any increases that would
6 otherwise have accrued from the date of termination to the
7 date of reinstatement.

8 The changes made to this Section by this amendatory Act
9 of the 93rd General Assembly pertaining to reinstatement of a
10 children's pension apply notwithstanding Section 17-157 and
11 without regard to whether the deceased teacher was in service
12 on or after the effective date of this amendatory Act.

13 If there is no eligible spouse and no eligible child,
14 then a pension shall be paid to the eligible parents of the
15 deceased teacher, if any, according to the following
16 percentages:

17 30% of average salary for one eligible parent;

18 60% of average salary for 2 eligible parents.

19 On January 1, 1981, any survivor or child who was
20 receiving a survivor's or children's pension on or before
21 January 1, 1971, shall have his survivor's or children's
22 pension then being paid increased by 1% for each full year
23 which has elapsed from the date the pension began. On January
24 1, 1982, any survivor or child whose pension began after
25 January 1, 1971, but before January 1, 1981, shall have his
26 survivor's or children's pension then being paid increased 1%
27 for each full year which has elapsed from the date the
28 pension began. On January 1, 1987, any survivor or child
29 whose pension began on or before January 1, 1977, shall have
30 the monthly survivor's or children's pension increased by \$1
31 for each full year which has elapsed since the pension began.

32 Beginning January 1, 1990, every survivor's and
33 children's pension shall be increased (1) on each January 1
34 occurring on or after the commencement of the pension if the

1 deceased teacher died while receiving a retirement pension,
2 or (2) in other cases, on each January 1 occurring on or
3 after the first anniversary of the commencement of the
4 pension, by an amount equal to 3% of the current amount of
5 the pension, including all increases previously granted under
6 this Article, notwithstanding Section 17-157. Such increases
7 shall apply without regard to whether the deceased teacher
8 was in service on or after the effective date of this
9 amendatory Act of 1991, but shall not accrue for any period
10 prior to January 1, 1990.

11 Subject to the minimum established below, the maximum
12 amount of pension for a surviving spouse alone or one minor
13 child shall be \$400 per month, and the maximum combined
14 pensions for a surviving spouse and children of the deceased
15 teacher shall be \$600 per month, with individual pensions
16 adjusted for all beneficiaries pro rata to conform with this
17 limitation. If proration is unnecessary the minimum
18 survivor's and children's pensions shall be \$40 per month.
19 The minimum total survivor's and children's pension payable
20 upon the death of a contributor or annuitant which occurs
21 after December 31, 1986, shall be 50% of the earned
22 retirement pension of such contributor or annuitant,
23 calculated without early retirement discount in the case of
24 death in service.

25 On death after retirement, the total survivor's and
26 children's pensions shall not exceed the monthly retirement
27 or disability pension paid to the deceased retirant.
28 Survivor's and children's benefits described in this Section
29 shall apply to all service and disability pensioners eligible
30 for a pension as of July 1, 1981.

31 For the purposes of this Section, the term "eligible
32 child" means an unmarried minor child of a deceased teacher
33 who is under 18 years of age or a child of a deceased teacher
34 who is disabled and was dependent upon the deceased teacher

1 at the time of his or her death.

2 For the purposes of this Section, the term "eligible
3 parent" means a parent of a deceased teacher who was
4 dependent upon the teacher at the time of his or her death.

5 In this Article, the term "survivor's and children's
6 benefits" includes benefits paid to an eligible parent and
7 the term "survivor's and children's pension" includes a
8 pension paid to an eligible parent, unless the context
9 requires otherwise.

10 (Source: P.A. 90-32, eff. 6-27-97; 90-566, eff. 1-2-98.)

11 (40 ILCS 5/17-124) (from Ch. 108 1/2, par. 17-124)

12 Sec. 17-124. Death Benefits - Death on pension. On
13 written application to the Board, there shall be paid to the
14 estate of a deceased teacher-pensioner pension payments,
15 accrued, temporarily withheld or represented by checks
16 uncashed at the date of his death and the excess, if any, of
17 an amount equal to his refundable contributions for service
18 or disability retirement pension over pension to the date of
19 death; provided, that if there be filed with the Board prior
20 to the death of the pensioner his written direction, signed
21 and acknowledged before an officer authorized to take
22 acknowledgments, that such payments be paid to designated
23 beneficiaries, they shall be so paid on written application
24 therefor to the Board. If none of several named beneficiaries
25 survives the pensioner and no directive was furnished by the
26 member to cover this contingency, the deceased beneficiary's
27 share shall be paid to the estate of the pensioner.

28 If a reversionary pension is payable upon death of a
29 pensioner, the determination and payment of any refund of
30 contributions payable under this Section shall be made upon
31 death of the reversionary pensioner. At such time a refund of
32 contributions less (1) the amount contributed for annual
33 increases in pension and (2) total pension payments to the

1 teacher-pensioner and survivor shall be paid in the manner
2 provided in this Section to the designated beneficiaries, or
3 estate of the deceased survivor.

4 If a pension is payable to a surviving spouse, eligible
5 child, or an eligible parent and/or-minor-children upon death
6 of a pensioner, the determination of any refund of
7 contributions payable under this Section shall be made when
8 the last of those pensions is no longer payable upon-death-of
9 the--survivor--and--marriage-or-attainment-of-age-18-of-minor
10 children. At that time a refund of contributions for
11 retirement and survivors' and children's pensions less total
12 pension payments to the teacher-pensioner, surviving spouse,
13 eligible survivor and--minor children, and eligible parents
14 shall be paid in the manner provided in this Section to the
15 designated beneficiaries, or estate of the deceased survivor.

16 If eligible beneficiaries for survivors' or children's
17 benefits existed at the time of a pensioner's retirement but
18 not on the date of his death thereafter, the excess of total
19 contributions for retirement and survivors' and children's
20 pensions over pensions paid shall be determined upon death of
21 the pensioner and paid in the manner provided in this Section
22 to the designated beneficiaries, or estate of the deceased
23 teacher-pensioner.

24 Reversionary or survivor's pension payments accrued,
25 temporarily withheld, or represented by uncashed checks to
26 the date of death shall be paid to the reversionary
27 pensioner's or survivor's designated beneficiaries, or estate
28 in the manner provided in this Section.

29 On death of a retired teacher whose death occurs on or
30 after the effective date of this amendatory Act of 1991,
31 there shall be payable a lump sum death benefit equal to 6
32 times the teacher's salary rate for his last month of service
33 or \$10,000, whichever is less, upon death during the first
34 year on pension minus 1/5 of the death benefit, as defined

1 herein, for each year or fraction thereof on pension after
2 the first full year, to a minimum of \$5,000.

3 Notwithstanding Section 17-157, the changes made in this
4 Section and Section 17-123 by this amendatory Act of 1991
5 shall apply to teachers dying on or after the effective date
6 of this amendatory Act of 1991 without regard to whether
7 service terminated prior to that date.

8 (Source: P.A. 90-566, eff. 1-2-98.)

9 (40 ILCS 5/17-125) (from Ch. 108 1/2, par. 17-125)

10 Sec. 17-125. Refund of contributions. Upon certification
11 by the Employer of his resignation or cancellation of his
12 teaching certificate prior to completion of the minimum term
13 of service required to establish eligibility for a pension
14 and on written application therefor, a teacher shall be paid
15 a refund of all the amounts he has contributed to the Fund,
16 less any former refund that has not been repaid.

17 Upon certification by the Employer of his resignation or
18 cancellation of his teaching certificate after completion of
19 the minimum term of service required to establish eligibility
20 for a pension and on written application therefor, a teacher
21 shall be paid a refund of all the amounts he has contributed,
22 less (1) any former refund that has not been repaid, and (2)
23 pension payments received, provided he has executed and
24 delivered to the Board his written receipt and release in
25 that behalf. Thereupon, he shall have no further interest in
26 or claim against the Fund.

27 A request for refund under either of the preceding
28 paragraphs shall be considered valid if withdrawal from
29 service occurred at least 2 months prior to the filing of
30 such request.

31 Upon retirement of a teacher either on immediate or
32 deferred pension, if the teacher is not then married, or if
33 his spouse, ~~or~~ children, or parents do not meet the

1 qualifying conditions for survivor's or children's pensions,
2 the total amount contributed by him or otherwise paid by
3 deductions from salary for survivor's pension, shall be
4 refunded to him, without interest. No survivor's or
5 children's pension rights shall be effective thereafter in
6 such a case.

7 During a teacher's term of service, no refund is payable
8 except contributions made in error.

9 (Source: P.A. 90-566, eff. 1-2-98.)

10 Section 90. The State Mandates Act is amended by adding
11 Section 8.27 as follows:

12 (30 ILCS 805/8.27 new)

13 Sec. 8.27. Exempt mandate. Notwithstanding Sections 6
14 and 8 of this Act, no reimbursement by the State is required
15 for the implementation of any mandate created by this
16 amendatory Act of the 93rd General Assembly.

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.