

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 ~~2005,~~ and applying for a retirement annuity within 6 months
10 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 35 years. If a member is at least age 55 and has at least 34
7 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 90. The State Mandates Act is amended by adding
29 Section 8.27 as follows:

30 (30 ILCS 805/8.27 new)

31 Sec. 8.27. Exempt mandate. Notwithstanding Sections 6
32 and 8 of this Act, no reimbursement by the State is required

1 for the implementation of any mandate created by this
2 amendatory Act of the 93rd General Assembly.

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.