

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 16-127 and 16-128 as follows:

6 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)
7 Sec. 16-127. Computation of creditable service.

8 (a) Each member shall receive regular credit for all
9 service as a teacher from the date membership begins, for
10 which satisfactory evidence is supplied and all contributions
11 have been paid.

12 (b) The following periods of service shall earn optional
13 credit and each member shall receive credit for all such
14 service for which satisfactory evidence is supplied and all
15 contributions have been paid as of the date specified:

16 (1) Prior service as a teacher.

17 (2) Service in a capacity essentially similar or
18 equivalent to that of a teacher, in the public common
19 schools in school districts in this State not included
20 within the provisions of this System, or of any other
21 State, territory, dependency or possession of the United
22 States, or in schools operated by or under the auspices
23 of the United States, or under the auspices of any agency
24 or department of any other State, and service during any
25 period of professional speech correction or special
26 education experience for a public agency within this
27 State or any other State, territory, dependency or
28 possession of the United States, and service prior to
29 February 1, 1951 as a recreation worker for the Illinois
30 Department of Public Safety, for a period not exceeding
31 the lesser of 2/5 of the total creditable service of the

1 member or 10 years. The maximum service of 10 years
2 which is allowable under this paragraph shall be reduced
3 by the service credit which is validated by other
4 retirement systems under paragraph (i) of Section 15-113
5 and paragraph 1 of Section 17-133. Credit granted under
6 this paragraph may not be used in determination of a
7 retirement annuity or disability benefits unless the
8 member has at least 5 years of creditable service earned
9 subsequent to this employment with one or more of the
10 following systems: Teachers' Retirement System of the
11 State of Illinois, State Universities Retirement System,
12 and the Public School Teachers' Pension and Retirement
13 Fund of Chicago. Whenever such service credit exceeds
14 the maximum allowed for all purposes of this Article, the
15 first service rendered in point of time shall be
16 considered. The changes to this subdivision (b)(2) made
17 by Public Act 86-272 shall apply not only to persons who
18 on or after its effective date (August 23, 1989) are in
19 service as a teacher under the System, but also to
20 persons whose status as such a teacher terminated prior
21 to such effective date, whether or not such person is an
22 annuitant on that date.

23 (3) Any periods immediately following teaching
24 service, under this System or under Article 17, (or
25 immediately following service prior to February 1, 1951
26 as a recreation worker for the Illinois Department of
27 Public Safety) spent in active service with the military
28 forces of the United States; periods spent in educational
29 programs that prepare for return to teaching sponsored by
30 the federal government following such active military
31 service; if a teacher returns to teaching service within
32 one calendar year after discharge or after the completion
33 of the educational program, a further period, not
34 exceeding one calendar year, between time spent in

1 military service or in such educational programs and the
2 return to employment as a teacher under this System; and
3 a period of up to 5 years ~~2--years~~ of active military
4 service not immediately following employment as a
5 teacher.

6 The changes to this Section and Section 16-128
7 relating to military service made by P.A. 87-794 shall
8 apply not only to persons who on or after its effective
9 date are in service as a teacher under the System, but
10 also to persons whose status as a teacher terminated
11 prior to that date, whether or not the person is an
12 annuitant on that date. In the case of an annuitant who
13 applies for credit allowable under this Section for a
14 period of military service that did not immediately
15 follow employment, and who has made the required
16 contributions for such credit, the annuity shall be
17 recalculated to include the additional service credit,
18 with the increase taking effect on the date the System
19 received written notification of the annuitant's intent
20 to purchase the credit, if payment of all the required
21 contributions is made within 60 days of such notice, or
22 else on the first annuity payment date following the date
23 of payment of the required contributions. In calculating
24 the automatic annual increase for an annuity that has
25 been recalculated under this Section, the increase
26 attributable to the additional service allowable under
27 P.A. 87-794 shall be included in the calculation of
28 automatic annual increases accruing after the effective
29 date of the recalculation.

30 Credit for military service shall be determined as
31 follows: if entry occurs during the months of July,
32 August, or September and the member was a teacher at the
33 end of the immediately preceding school term, credit
34 shall be granted from July 1 of the year in which he or

1 she entered service; if entry occurs during the school
2 term and the teacher was in teaching service at the
3 beginning of the school term, credit shall be granted
4 from July 1 of such year. In all other cases where
5 credit for military service is allowed, credit shall be
6 granted from the date of entry into the service.

7 The total period of military service for which
8 credit is granted shall not exceed 5 years for any member
9 unless the service: (A) is validated before July 1,
10 1964, and (B) does not extend beyond July 1, 1963.
11 Credit for military service shall be granted under this
12 Section only if not more than 5 years of the military
13 service for which credit is granted under this Section is
14 used by the member to qualify for a military retirement
15 allotment from any branch of the armed forces of the
16 United States. The changes to this subdivision (b)(3)
17 made by Public Act 86-272 shall apply not only to persons
18 who on or after its effective date (August 23, 1989) are
19 in service as a teacher under the System, but also to
20 persons whose status as such a teacher terminated prior
21 to such effective date, whether or not such person is an
22 annuitant on that date.

23 (4) Any periods served as a member of the General
24 Assembly.

25 (5)(i) Any periods for which a teacher, as defined
26 in Section 16-106, is granted a leave of absence,
27 provided he or she returns to teaching service creditable
28 under this System or the State Universities Retirement
29 System following the leave; (ii) periods during which a
30 teacher is involuntarily laid off from teaching, provided
31 he or she returns to teaching following the lay-off;
32 (iii) periods prior to July 1, 1983 during which a
33 teacher ceased covered employment due to pregnancy,
34 provided that the teacher returned to teaching service

1 creditable under this System or the State Universities
2 Retirement System following the pregnancy and submits
3 evidence satisfactory to the Board documenting that the
4 employment ceased due to pregnancy; and (iv) periods
5 prior to July 1, 1983 during which a teacher ceased
6 covered employment for the purpose of adopting an infant
7 under 3 years of age or caring for a newly adopted infant
8 under 3 years of age, provided that the teacher returned
9 to teaching service creditable under this System or the
10 State Universities Retirement System following the
11 adoption and submits evidence satisfactory to the Board
12 documenting that the employment ceased for the purpose of
13 adopting an infant under 3 years of age or caring for a
14 newly adopted infant under 3 years of age. However,
15 total credit under this paragraph (5) may not exceed 3
16 years.

17 Any qualified member or annuitant may apply for
18 credit under item (iii) or (iv) of this paragraph (5)
19 without regard to whether service was terminated before
20 the effective date of this amendatory Act of 1997. In
21 the case of an annuitant who establishes credit under
22 item (iii) or (iv), the annuity shall be recalculated to
23 include the additional service credit. The increase in
24 annuity shall take effect on the date the System receives
25 written notification of the annuitant's intent to
26 purchase the credit, if the required evidence is
27 submitted and the required contribution paid within 60
28 days of that notification, otherwise on the first annuity
29 payment date following the System's receipt of the
30 required evidence and contribution. The increase in an
31 annuity recalculated under this provision shall be
32 included in the calculation of automatic annual increases
33 in the annuity accruing after the effective date of the
34 recalculation.

1 Optional credit may be purchased under this
2 subsection (b)(5) for periods during which a teacher has
3 been granted a leave of absence pursuant to Section 24-13
4 of the School Code. A teacher whose service under this
5 Article terminated prior to the effective date of P.A.
6 86-1488 shall be eligible to purchase such optional
7 credit. If a teacher who purchases this optional credit
8 is already receiving a retirement annuity under this
9 Article, the annuity shall be recalculated as if the
10 annuitant had applied for the leave of absence credit at
11 the time of retirement. The difference between the
12 entitled annuity and the actual annuity shall be credited
13 to the purchase of the optional credit. The remainder of
14 the purchase cost of the optional credit shall be paid on
15 or before April 1, 1992.

16 The change in this paragraph made by Public Act
17 86-273 shall be applicable to teachers who retire after
18 June 1, 1989, as well as to teachers who are in service
19 on that date.

20 (6) Any days of unused and uncompensated
21 accumulated sick leave earned by a teacher. The service
22 credit granted under this paragraph shall be the ratio of
23 the number of unused and uncompensated accumulated sick
24 leave days to 170 days, subject to a maximum of 2 years
25 of service credit. Prior to the member's retirement,
26 each former employer shall certify to the System the
27 number of unused and uncompensated accumulated sick leave
28 days credited to the member at the time of termination of
29 service. The period of unused sick leave shall not be
30 considered in determining the effective date of
31 retirement. A member is not required to make
32 contributions in order to obtain service credit for
33 unused sick leave.

34 Credit for sick leave shall, at retirement, be

1 granted by the System for any retiring regional or
2 assistant regional superintendent of schools at the rate
3 of 6 days per year of creditable service or portion
4 thereof established while serving as such superintendent
5 or assistant superintendent.

6 (7) Periods prior to February 1, 1987 served as an
7 employee of the Illinois Mathematics and Science Academy
8 for which credit has not been terminated under Section
9 15-113.9 of this Code.

10 (8) Service as a substitute teacher for work
11 performed prior to July 1, 1990.

12 (9) Service as a part-time teacher for work
13 performed prior to July 1, 1990.

14 (10) Up to 2 years of employment with Southern
15 Illinois University - Carbondale from September 1, 1959
16 to August 31, 1961, or with Governors State University
17 from September 1, 1972 to August 31, 1974, for which the
18 teacher has no credit under Article 15. To receive
19 credit under this item (10), a teacher must apply in
20 writing to the Board and pay the required contributions
21 before May 1, 1993 and have at least 12 years of service
22 credit under this Article.

23 (b-1) A member may establish optional credit for up to 2
24 years of service as a teacher or administrator employed by a
25 private school recognized by the Illinois State Board of
26 Education, provided that the teacher (i) was certified under
27 the law governing the certification of teachers at the time
28 the service was rendered, (ii) applies in writing on or after
29 June 1, 2002 and on or before June 1, 2005, (iii) supplies
30 satisfactory evidence of the employment, (iv) completes at
31 least 10 years of contributing service as a teacher as
32 defined in Section 16-106, and (v) pays the contribution
33 required in subsection (d-5) of Section 16-128. The member
34 may apply for credit under this subsection and pay the

1 required contribution before completing the 10 years of
2 contributing service required under item (iv), but the credit
3 may not be used until the item (iv) contributing service
4 requirement has been met.

5 (c) The service credits specified in this Section shall
6 be granted only if: (1) such service credits are not used for
7 credit in any other statutory tax-supported public employee
8 retirement system other than the federal Social Security
9 program; and (2) the member makes the required contributions
10 as specified in Section 16-128. Except as provided in
11 subsection (b-1) of this Section, the service credit shall be
12 effective as of the date the required contributions are
13 completed.

14 Any service credits granted under this Section shall
15 terminate upon cessation of membership for any cause.

16 Credit may not be granted under this Section covering any
17 period for which an age retirement or disability retirement
18 allowance has been paid.

19 (Source: P.A. 92-867, eff. 1-3-03.)

20 (40 ILCS 5/16-128) (from Ch. 108 1/2, par. 16-128)
21 Sec. 16-128. Creditable service - required
22 contributions.

23 (a) In order to receive the creditable service specified
24 under subsection (b) of Section 16-127, a member is required
25 to make the following contributions: (i) an amount equal to
26 the contributions which would have been required had such
27 service been rendered as a member under this System; (ii) ~~for~~
28 ~~military-service-not-immediately-following-employment-and~~ for
29 service established under subdivision (b)(10) of Section
30 16-127, an amount determined by the Board to be equal to the
31 employer's normal cost of the benefits accrued for such
32 service; and (iii) interest from the date the contributions
33 would have been due (or, in the case of a person establishing

1 credit for military service under subdivision (b)(3) of
2 Section 16-127, the date of first membership in the System,
3 if that date is later) to the date of payment, at the
4 following rate of interest, compounded annually: for periods
5 prior to July 1, 1965, regular interest; from July 1, 1965 to
6 June 30, 1977, 4% per year; on and after July 1, 1977,
7 regular interest.

8 (b) In order to receive creditable service under
9 paragraph (2) of subsection (b) of Section 16-127 for those
10 who were not members on June 30, 1963, the minimum required
11 contribution shall be \$420 per year of service together with
12 interest at 4% per year compounded annually from July 1,
13 preceding the date of membership until June 30, 1977 and at
14 regular interest compounded annually thereafter to the date
15 of payment.

16 (c) In determining the contribution required in order to
17 receive creditable service under paragraph (3) of subsection
18 (b) of Section 16-127, the salary rate for the remainder of
19 the school term in which a member enters military service
20 shall be assumed to be equal to the member's salary rate at
21 the time of entering military service. However, for military
22 service not immediately following employment, the salary rate
23 on the last date as a participating teacher prior to such
24 military service, or on the first date as a participating
25 teacher after such military service, whichever is greater,
26 shall be assumed to be equal to the member's salary rate at
27 the time of entering military service. For each school term
28 thereafter, the member's salary rate shall be assumed to be
29 5% higher than the salary rate in the previous school term.

30 (d) In determining the contribution required in order to
31 receive creditable service under paragraph (5) of subsection
32 (b) of Section 16-127, a member's salary rate during the
33 period for which credit is being established shall be assumed
34 to be equal to the member's last salary rate immediately

1 preceding that period.

2 (d-5) For each year of service credit to be established
3 under subsection (b-1) of Section 16-127, a member is
4 required to contribute to the System (i) 16.5% of the annual
5 salary rate during the first year of full-time employment as
6 a teacher under this Article following the private school
7 service, plus (ii) interest thereon from the date of first
8 full-time employment as a teacher under this Article
9 following the private school service to the date of payment,
10 compounded annually, at the rate of 8.5% per year for periods
11 before the effective date of this amendatory Act of the 92nd
12 General Assembly, and for subsequent periods at a rate equal
13 to the System's actuarially assumed rate of return on
14 investments.

15 (e) The contributions required under this Section may be
16 made from the date the statement for such creditable service
17 is issued until retirement date. All such required
18 contributions must be made before any retirement annuity is
19 granted.

20 (Source: P.A. 92-867, eff. 1-3-03.)

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.