



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**  
**HB4013**

Introduced 1/14/2004, by Roger L. Eddy

**SYNOPSIS AS INTRODUCED:**

40 ILCS 5/16-127

from Ch. 108 1/2, par. 16-127

Amends the Downstate Teacher Article of the Illinois Pension Code. Increases the maximum permitted amount of out-of-state service for which credit may be established, from 10 to 15 years, and from 2/5 to 3/5 of the person's total service. Effective immediately.

LRB093 15385 LRD 40988 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

A BILL FOR

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 changing  
5 Section 16-127 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 which  
10 satisfactory evidence is supplied and all contributions have  
11 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 of  
23 the United States, or under the auspices of any agency or  
24 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 State  
27 or any other State, territory, dependency or possession of  
28 the United States, and service prior to February 1, 1951 as  
29 a recreation worker for the Illinois Department of Public  
30 Safety, for a period not exceeding the lesser of 3/5 ~~2/5~~ of  
31 the total creditable service of the member or 15 ~~10~~ years.  
32 The maximum service of 15 ~~10~~ years which is allowable under

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

21 (3) Any periods immediately following teaching  
22 service, under this System or under Article 17, (or  
23 immediately following service prior to February 1, 1951 as  
24 a recreation worker for the Illinois Department of Public  
25 Safety) spent in active service with the military forces of  
26 the United States; periods spent in educational programs  
27 that prepare for return to teaching sponsored by the  
28 federal government following such active military service;  
29 if a teacher returns to teaching service within one  
30 calendar year after discharge or after the completion of  
31 the educational program, a further period, not exceeding  
32 one calendar year, between time spent in military service  
33 or in such educational programs and the return to  
34 employment as a teacher under this System; and a period of  
35 up to 2 years of active military service not immediately  
36 following employment as a teacher.

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

24          Credit for military service shall be determined as  
25          follows: if entry occurs during the months of July, August,  
26          or September and the member was a teacher at the end of the  
27          immediately preceding school term, credit shall be granted  
28          from July 1 of the year in which he or she entered service;  
29          if entry occurs during the school term and the teacher was  
30          in teaching service at the beginning of the school term,  
31          credit shall be granted from July 1 of such year. In all  
32          other cases where credit for military service is allowed,  
33          credit shall be granted from the date of entry into the  
34          service.

35          The total period of military service for which credit  
36          is granted shall not exceed 5 years for any member unless

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

14 (4) Any periods served as a member of the General  
15 Assembly.

16 (5) (i) Any periods for which a teacher, as defined in  
17 Section 16-106, is granted a leave of absence, provided he  
18 or she returns to teaching service creditable under this  
19 System or the State Universities Retirement System  
20 following the leave; (ii) periods during which a teacher is  
21 involuntarily laid off from teaching, provided he or she  
22 returns to teaching following the lay-off; (iii) periods  
23 prior to July 1, 1983 during which a teacher ceased covered  
24 employment due to pregnancy, provided that the teacher  
25 returned to teaching service creditable under this System  
26 or the State Universities Retirement System following the  
27 pregnancy and submits evidence satisfactory to the Board  
28 documenting that the employment ceased due to pregnancy;  
29 and (iv) periods prior to July 1, 1983 during which a  
30 teacher ceased covered employment for the purpose of  
31 adopting an infant under 3 years of age or caring for a  
32 newly adopted infant under 3 years of age, provided that  
33 the teacher returned to teaching service creditable under  
34 this System or the State Universities Retirement System  
35 following the adoption and submits evidence satisfactory  
36 to the Board documenting that the employment ceased for the

1 purpose of adopting an infant under 3 years of age or  
2 caring for a newly adopted infant under 3 years of age.  
3 However, total credit under this paragraph (5) may not  
4 exceed 3 years.

5 Any qualified member or annuitant may apply for credit  
6 under item (iii) or (iv) of this paragraph (5) without  
7 regard to whether service was terminated before the  
8 effective date of this amendatory Act of 1997. In the case  
9 of an annuitant who establishes credit under item (iii) or  
10 (iv), the annuity shall be recalculated to include the  
11 additional service credit. The increase in annuity shall  
12 take effect on the date the System receives written  
13 notification of the annuitant's intent to purchase the  
14 credit, if the required evidence is submitted and the  
15 required contribution paid within 60 days of that  
16 notification, otherwise on the first annuity payment date  
17 following the System's receipt of the required evidence and  
18 contribution. The increase in an annuity recalculated  
19 under this provision shall be included in the calculation  
20 of automatic annual increases in the annuity accruing after  
21 the effective date of the recalculation.

22 Optional credit may be purchased under this subsection  
23 (b) (5) for periods during which a teacher has been granted  
24 a leave of absence pursuant to Section 24-13 of the School  
25 Code. A teacher whose service under this Article terminated  
26 prior to the effective date of P.A. 86-1488 shall be  
27 eligible to purchase such optional credit. If a teacher who  
28 purchases this optional credit is already receiving a  
29 retirement annuity under this Article, the annuity shall be  
30 recalculated as if the annuitant had applied for the leave  
31 of absence credit at the time of retirement. The difference  
32 between the entitled annuity and the actual annuity shall  
33 be credited to the purchase of the optional credit. The  
34 remainder of the purchase cost of the optional credit shall  
35 be paid on or before April 1, 1992.

36 The change in this paragraph made by Public Act 86-273

1 shall be applicable to teachers who retire after June 1,  
2 1989, as well as to teachers who are in service on that  
3 date.

4 (6) Any days of unused and uncompensated accumulated  
5 sick leave earned by a teacher. The service credit granted  
6 under this paragraph shall be the ratio of the number of  
7 unused and uncompensated accumulated sick leave days to 170  
8 days, subject to a maximum of 2 years of service credit.  
9 Prior to the member's retirement, each former employer  
10 shall certify to the System the number of unused and  
11 uncompensated accumulated sick leave days credited to the  
12 member at the time of termination of service. The period of  
13 unused sick leave shall not be considered in determining  
14 the effective date of retirement. A member is not required  
15 to make contributions in order to obtain service credit for  
16 unused sick leave.

17 Credit for sick leave shall, at retirement, be granted  
18 by the System for any retiring regional or assistant  
19 regional superintendent of schools at the rate of 6 days  
20 per year of creditable service or portion thereof  
21 established while serving as such superintendent or  
22 assistant superintendent.

23 (7) Periods prior to February 1, 1987 served as an  
24 employee of the Illinois Mathematics and Science Academy  
25 for which credit has not been terminated under Section  
26 15-113.9 of this Code.

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

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

31 (10) Up to 2 years of employment with Southern Illinois  
32 University - Carbondale from September 1, 1959 to August  
33 31, 1961, or with Governors State University from September  
34 1, 1972 to August 31, 1974, for which the teacher has no  
35 credit under Article 15. To receive credit under this item  
36 (10), a teacher must apply in writing to the Board and pay

1 the required contributions before May 1, 1993 and have at  
2 least 12 years of service credit under this Article.

3 (b-1) A member may establish optional credit for up to 2  
4 years of service as a teacher or administrator employed by a  
5 private school recognized by the Illinois State Board of  
6 Education, provided that the teacher (i) was certified under  
7 the law governing the certification of teachers at the time the  
8 service was rendered, (ii) applies in writing on or after June  
9 1, 2002 and on or before June 1, 2005, (iii) supplies  
10 satisfactory evidence of the employment, (iv) completes at  
11 least 10 years of contributing service as a teacher as defined  
12 in Section 16-106, and (v) pays the contribution required in  
13 subsection (d-5) of Section 16-128. The member may apply for  
14 credit under this subsection and pay the required contribution  
15 before completing the 10 years of contributing service required  
16 under item (iv), but the credit may not be used until the item  
17 (iv) contributing service requirement has been met.

18 (c) The service credits specified in this Section shall be  
19 granted only if: (1) such service credits are not used for  
20 credit in any other statutory tax-supported public employee  
21 retirement system other than the federal Social Security  
22 program; and (2) the member makes the required contributions as  
23 specified in Section 16-128. Except as provided in subsection  
24 (b-1) of this Section, the service credit shall be effective as  
25 of the date the required contributions are completed.

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

28 Credit may not be granted under this Section covering any  
29 period for which an age retirement or disability retirement  
30 allowance has been paid.

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

32 Section 99. Effective date. This Act takes effect upon  
33 becoming law.