

1 AN ACT to amend the Illinois Pension Code by changing  
2 Section 16-128.

3 Be it enacted by the People of the State of Illinois,  
4 represented in the General Assembly:

5 "Section 5. The Illinois Pension Code is amended by  
6 changing Section 16-128 as follows:

7 (40 ILCS 5/16-128) (from Ch. 108 1/2, par. 16-128)

8 Sec. 16-128. Creditable service - required  
9 contributions.

10 (a) In order to receive the creditable service specified  
11 under subsection (b) of Section 16-127, a member is required  
12 to make the following contributions: (i) an amount equal to  
13 the contributions which would have been required had such  
14 service been rendered as a member under this System; (ii) for  
15 military service not immediately following employment and for  
16 service established under subdivision (b)(10) of Section  
17 16-127, an amount determined by the Board to be equal to the  
18 employer's normal cost of the benefits accrued for such  
19 service; and (iii) interest from the date the contributions  
20 would have been due (or, in the case of a person establishing  
21 credit for military service under subdivision (b)(3) of  
22 Section 16-127, from the date the employee last became a  
23 member of the System or November 19, 1991, whichever the date  
24 of first membership in the System, if that date is later) to  
25 the date of payment, at the following rate of interest,  
26 compounded annually: for periods prior to July 1, 1965,  
27 regular interest; from July 1, 1965 to June 30, 1977, 4% per  
28 year; on and after July 1, 1977, regular interest.

29 The change in the manner of calculating interest for  
30 certain military service credit made by this amendatory Act  
31 of the 93rd General Assembly applies to credit purchased by a

1 teacher on or after its effective date and does not entitle  
2 any person to a refund of contributions or interest already  
3 paid.

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

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

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

32 (e) The contributions required under this Section may be  
33 made from the date the statement for such creditable service  
34 is issued until retirement date. All such required

1 contributions must be made before any retirement annuity is  
2 granted.

3 (Source: P.A. 89-430, eff. 12-15-95.)

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