

1 AN ACT concerning 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 Sections 7-114, 7-135, 7-139, 7-145.1, 7-170, 7-171, 7-172,
6 7-173, 7-204, 7-205, and 7-211 and by adding Section 7-153.1 as
7 follows:

8 (40 ILCS 5/7-114) (from Ch. 108 1/2, par. 7-114)

9 Sec. 7-114. Earnings. "Earnings":

10 (a) An amount to be determined by the board, equal to the
11 sum of:

12 1. The total amount of money paid to an employee for
13 personal services or official duties as an employee (except
14 those employed as independent contractors) paid out of the
15 general fund, or out of any special funds controlled by the
16 municipality, or by any instrumentality thereof, or
17 participating instrumentality, including compensation,
18 fees, allowances, or other emolument paid for official
19 duties (but not including automobile maintenance, travel
20 expense, or reimbursements for expenditures incurred in
21 the performance of duties) and, for fee offices, the fees
22 or earnings of the offices to the extent such fees are paid
23 out of funds controlled by the municipality, or
24 instrumentality or participating instrumentality; and

25 2. The money value, as determined by rules prescribed
26 by the governing body of the municipality, or
27 instrumentality thereof, of any board, lodging, fuel,
28 laundry, and other allowances provided an employee in lieu
29 of money.

30 (b) For purposes of determining benefits payable under this
31 fund payments to a person who is engaged in an independently
32 established trade, occupation, profession or business and who

1 is paid for his service on a basis other than a monthly or
2 other regular salary, are not earnings.

3 (c) If a disabled participating employee is eligible to
4 receive Workers' Compensation for an accidental injury and the
5 participating municipality or instrumentality which employed
6 the participating employee when injured continues to pay the
7 participating employee regular salary or other compensation or
8 pays the employee an amount in excess of the Workers'
9 Compensation amount, then earnings shall be deemed to be the
10 total payments, including an amount equal to the Workers'
11 Compensation payments. These payments shall be subject to
12 employee contributions and allocated as if paid to the
13 participating employee when the regular payroll amounts would
14 have been paid if the participating employee had continued
15 working, and creditable service shall be awarded for this
16 period.

17 (d) If an elected official who is a participating employee
18 becomes disabled but does not resign and is not removed from
19 office, then earnings shall include all salary payments made
20 for the remainder of that term of office and the official shall
21 be awarded creditable service for the term of office.

22 (e) If a participating employee is paid pursuant to "An Act
23 to provide for the continuation of compensation for law
24 enforcement officers, correctional officers and firemen who
25 suffer disabling injury in the line of duty", approved
26 September 6, 1973, as amended, the payments shall be deemed
27 earnings, and the participating employee shall be awarded
28 creditable service for this period.

29 (f) Additional compensation received by a person while
30 serving as a supervisor of assessments, assessor, deputy
31 assessor or member of a board of review from the State of
32 Illinois pursuant to Section 4-10 or 4-15 of the Property Tax
33 Code shall not be earnings for purposes of this Article and
34 shall not be included in the contribution formula or
35 calculation of benefits for such person pursuant to this
36 Article.

1 (g) Any moneys received by an elected official who has
2 elected to establish alternative credit under Section 7-145.1
3 before this amendatory Act of the 94th General Assembly from
4 the State of Illinois for service in that capacity shall be
5 deemed earnings unless specifically excluded in this Code.

6 (Source: P.A. 87-740; 88-670, eff. 12-2-94.)

7 (40 ILCS 5/7-135) (from Ch. 108 1/2, par. 7-135)

8 Sec. 7-135. Authorized agents.

9 (a) Each participating municipality and participating
10 instrumentality shall appoint an authorized agent who shall
11 have the powers and duties set forth in this section. In
12 absence of such appointment, the duties of the authorized agent
13 shall devolve upon the clerk or secretary of the municipality
14 or instrumentality and in the case of township school trustees
15 upon the township school treasurer. ~~In townships the Authorized~~
16 ~~Agent shall be the township supervisor.~~

17 (b) The authorized agent shall have the following powers
18 and duties:

19 1. To certify to the fund whether or not a given person
20 is authorized to participate in the fund;

21 2. To certify to the fund when a participating employee
22 is on a leave of absence authorized by the municipality;

23 3. To request the proper officer to cause employee
24 contributions to be withheld from earnings and transmitted
25 to the fund;

26 4. To request the proper officer to cause municipality
27 contributions to be forwarded to the fund promptly;

28 5. To forward promptly to all participating employees
29 any communications from the fund for such employees;

30 6. To forward promptly to the fund all applications,
31 claims, reports and other communications delivered to him
32 by participating employees;

33 7. To perform all duties related to the administration
34 of this retirement system as requested by the fund and the
35 governing body of his municipality.

1 (c) The governing body of each participating municipality
2 and participating instrumentality may delegate any or all of
3 the following powers and duties to its authorized agent, but
4 only if the agent is a member of the fund:

5 1. To file a petition for nomination of an executive
6 trustee of the fund.

7 2. To cast the ballot for election of an executive
8 trustee of the fund.

9 If a governing body does not authorize its agent to perform
10 the powers and duties set forth in this paragraph (c), they
11 shall be performed by the governing body itself, unless the
12 governing body by resolution duly certified to the fund
13 delegates them to some other officer or employee.

14 (d) The delivery of any communication or document by an
15 employee or a participating municipality or participating
16 instrumentality to its authorized agent shall not constitute
17 delivery to the fund.

18 (Source: P.A. 87-740.)

19 (40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)

20 Sec. 7-139. Credits and creditable service to employees.

21 (a) Each participating employee shall be granted credits
22 and creditable service, for purposes of determining the amount
23 of any annuity or benefit to which he or a beneficiary is
24 entitled, as follows:

25 1. For prior service: Each participating employee who
26 is an employee of a participating municipality or
27 participating instrumentality on the effective date shall
28 be granted creditable service, but no credits under
29 paragraph 2 of this subsection (a), for periods of prior
30 service for which credit has not been received under any
31 other pension fund or retirement system established under
32 this Code, as follows:

33 If the effective date of participation for the
34 participating municipality or participating
35 instrumentality is on or before January 1, 1998, creditable

1 service shall be granted for the entire period of prior
2 service with that employer without any employee
3 contribution.

4 If the effective date of participation for the
5 participating municipality or participating
6 instrumentality is after January 1, 1998, creditable
7 service shall be granted for the last 20% of the period of
8 prior service with that employer, but no more than 5 years,
9 without any employee contribution. A participating
10 employee may establish creditable service for the
11 remainder of the period of prior service with that employer
12 by making an application in writing, accompanied by payment
13 of an employee contribution in an amount determined by the
14 Fund, based on the employee contribution rates in effect at
15 the time of application for the creditable service and the
16 employee's salary rate on the effective date of
17 participation for that employer, plus interest at the
18 effective rate from the date of the prior service to the
19 date of payment. Application for this creditable service
20 may be made at any time while the employee is still in
21 service.

22 A municipality that (i) has at least 35 employees; (ii)
23 is located in a county with at least 2,000,000 inhabitants;
24 and (iii) maintains an independent defined benefit pension
25 plan for the benefit of its eligible employees may restrict
26 creditable service in whole or in part for periods of prior
27 service with the employer if the governing body of the
28 municipality adopts an irrevocable resolution to restrict
29 that creditable service and files the resolution with the
30 board before the municipality's effective date of
31 participation.

32 Any person who has withdrawn from the service of a
33 participating municipality or participating
34 instrumentality prior to the effective date, who reenters
35 the service of the same municipality or participating
36 instrumentality after the effective date and becomes a

1 participating employee is entitled to creditable service
2 for prior service as otherwise provided in this subdivision
3 (a)(1) only if he or she renders 2 years of service as a
4 participating employee after the effective date.
5 Application for such service must be made while in a
6 participating status. The salary rate to be used in the
7 calculation of the required employee contribution, if any,
8 shall be the employee's salary rate at the time of first
9 reentering service with the employer after the employer's
10 effective date of participation.

11 2. For current service, each participating employee
12 shall be credited with:

13 a. Additional credits of amounts equal to each
14 payment of additional contributions received from him
15 under Section 7-173, as of the date the corresponding
16 payment of earnings is payable to him.

17 b. Normal credits of amounts equal to each payment
18 of normal contributions received from him, as of the
19 date the corresponding payment of earnings is payable
20 to him, and normal contributions made for the purpose
21 of establishing out-of-state service credits as
22 permitted under the conditions set forth in paragraph 6
23 of this subsection (a).

24 c. Municipality credits in an amount equal to 1.4
25 times the normal credits, except those established by
26 out-of-state service credits, as of the date of
27 computation of any benefit if these credits would
28 increase the benefit.

29 d. Survivor credits equal to each payment of
30 survivor contributions received from the participating
31 employee as of the date the corresponding payment of
32 earnings is payable, and survivor contributions made
33 for the purpose of establishing out-of-state service
34 credits.

35 3. For periods of temporary and total and permanent
36 disability benefits, each employee receiving disability

1 benefits shall be granted creditable service for the period
2 during which disability benefits are payable. Normal and
3 survivor credits, based upon the rate of earnings applied
4 for disability benefits, shall also be granted if such
5 credits would result in a higher benefit to any such
6 employee or his beneficiary.

7 4. For authorized leave of absence without pay: A
8 participating employee shall be granted credits and
9 creditable service for periods of authorized leave of
10 absence without pay under the following conditions:

11 a. An application for credits and creditable
12 service is submitted to the board while the employee is
13 in a status of active employment, ~~and within 2 years~~
14 ~~after termination of the leave of absence period for~~
15 ~~which credits and creditable service are sought.~~

16 b. Not more than 12 complete months of creditable
17 service for authorized leave of absence without pay
18 shall be counted for purposes of determining any
19 benefits payable under this Article.

20 c. Credits and creditable service shall be granted
21 for leave of absence only if such leave is approved by
22 the governing body of the municipality, including
23 approval of the estimated cost thereof to the
24 municipality as determined by the fund, and employee
25 contributions, plus interest at the effective rate
26 applicable for each year from the end of the period of
27 leave to date of payment, have been paid to the fund in
28 accordance with Section 7-173. The contributions shall
29 be computed upon the assumption earnings continued
30 during the period of leave at the rate in effect when
31 the leave began.

32 d. Benefits under the provisions of Sections
33 7-141, 7-146, 7-150 and 7-163 shall become payable to
34 employees on authorized leave of absence, or their
35 designated beneficiary, only if such leave of absence
36 is creditable hereunder, and if the employee has at

1 least one year of creditable service other than the
2 service granted for leave of absence. Any employee
3 contributions due may be deducted from any benefits
4 payable.

5 e. No credits or creditable service shall be
6 allowed for leave of absence without pay during any
7 period of prior service.

8 5. For military service: The governing body of a
9 municipality or participating instrumentality may elect to
10 allow creditable service to participating employees who
11 leave their employment to serve in the armed forces of the
12 United States for all periods of such service, provided
13 that the person returns to active employment within 90 days
14 after completion of full time active duty, but no
15 creditable service shall be allowed such person for any
16 period that can be used in the computation of a pension or
17 any other pay or benefit, other than pay for active duty,
18 for service in any branch of the armed forces of the United
19 States. If necessary to the computation of any benefit, the
20 board shall establish municipality credits for
21 participating employees under this paragraph on the
22 assumption that the employee received earnings at the rate
23 received at the time he left the employment to enter the
24 armed forces. A participating employee in the armed forces
25 shall not be considered an employee during such period of
26 service and no additional death and no disability benefits
27 are payable for death or disability during such period.

28 Any participating employee who left his employment
29 with a municipality or participating instrumentality to
30 serve in the armed forces of the United States and who
31 again became a participating employee within 90 days after
32 completion of full time active duty by entering the service
33 of a different municipality or participating
34 instrumentality, which has elected to allow creditable
35 service for periods of military service under the preceding
36 paragraph, shall also be allowed creditable service for his

1 period of military service on the same terms that would
2 apply if he had been employed, before entering military
3 service, by the municipality or instrumentality which
4 employed him after he left the military service and the
5 employer costs arising in relation to such grant of
6 creditable service shall be charged to and paid by that
7 municipality or instrumentality.

8 Notwithstanding the foregoing, any participating
9 employee shall be entitled to creditable service as
10 required by any federal law relating to re-employment
11 rights of persons who served in the United States Armed
12 Services. Such creditable service shall be granted upon
13 payment by the member of an amount equal to the employee
14 contributions which would have been required had the
15 employee continued in service at the same rate of earnings
16 during the military leave period, plus interest at the
17 effective rate.

18 5.1. In addition to any creditable service established
19 under paragraph 5 of this subsection (a), creditable
20 service may be granted for up to 24 months of service in
21 the armed forces of the United States.

22 In order to receive creditable service for military
23 service under this paragraph 5.1, a participating employee
24 must (1) apply to the Fund in writing and provide evidence
25 of the military service that is satisfactory to the Board;
26 (2) obtain the written approval of the current employer;
27 and (3) make contributions to the Fund equal to (i) the
28 employee contributions that would have been required had
29 the service been rendered as a member, plus (ii) an amount
30 determined by the board to be equal to the employer's
31 normal cost of the benefits accrued for that military
32 service, plus (iii) interest on items (i) and (ii) from the
33 date of first membership in the Fund to the date of
34 payment. If payment is made during the 6-month period that
35 begins 3 months after the effective date of this amendatory
36 Act of 1997, the required interest shall be at the rate of

1 2.5% per year, compounded annually; otherwise, the
2 required interest shall be calculated at the regular
3 interest rate.

4 6. For out-of-state service: Creditable service shall
5 be granted for service rendered to an out-of-state local
6 governmental body under the following conditions: The
7 employee had participated and has irrevocably forfeited
8 all rights to benefits in the out-of-state public employees
9 pension system; the governing body of his participating
10 municipality or instrumentality authorizes the employee to
11 establish such service; the employee has 2 years current
12 service with this municipality or participating
13 instrumentality; the employee makes a payment of
14 contributions, which shall be computed at 8% (normal) plus
15 2% (survivor) times length of service purchased times the
16 average rate of earnings for the first 2 years of service
17 with the municipality or participating instrumentality
18 whose governing body authorizes the service established
19 plus interest at the effective rate on the date such
20 credits are established, payable from the date the employee
21 completes the required 2 years of current service to date
22 of payment. In no case shall more than 120 months of
23 creditable service be granted under this provision.

24 7. For retroactive service: Any employee who could have
25 but did not elect to become a participating employee, or
26 who should have been a participant in the Municipal Public
27 Utilities Annuity and Benefit Fund before that fund was
28 superseded, may receive creditable service for the period
29 of service not to exceed 50 months; however, a current or
30 former elected or appointed official of a participating
31 municipality may establish credit under this paragraph 7
32 for more than 50 months of service as an official of that
33 municipality, if the excess over 50 months is approved by
34 resolution of the governing body of the affected
35 municipality filed with the Fund before January 1, 2002.

36 Any employee who is a participating employee on or

1 after September 24, 1981 and who was excluded from
2 participation by the age restrictions removed by Public Act
3 82-596 may receive creditable service for the period, on or
4 after January 1, 1979, excluded by the age restriction and,
5 in addition, if the governing body of the participating
6 municipality or participating instrumentality elects to
7 allow creditable service for all employees excluded by the
8 age restriction prior to January 1, 1979, for service
9 during the period prior to that date excluded by the age
10 restriction. Any employee who was excluded from
11 participation by the age restriction removed by Public Act
12 82-596 and who is not a participating employee on or after
13 September 24, 1981 may receive creditable service for
14 service after January 1, 1979. Creditable service under
15 this paragraph shall be granted upon payment of the
16 employee contributions which would have been required had
17 he participated, with interest at the effective rate for
18 each year from the end of the period of service established
19 to date of payment.

20 8. For accumulated unused sick leave: A participating
21 employee who is applying for a retirement annuity shall be
22 entitled to creditable service for that portion of the
23 employee's accumulated unused sick leave for which payment
24 is not received, as follows:

25 a. Sick leave days shall be limited to those
26 accumulated under a sick leave plan established by a
27 participating municipality or participating
28 instrumentality which is available to all employees or
29 a class of employees.

30 b. Only sick leave days accumulated with a
31 participating municipality or participating
32 instrumentality with which the employee was in service
33 within 60 days of the effective date of his retirement
34 annuity shall be credited; If the employee was in
35 service with more than one employer during this period
36 only the sick leave days with the employer with which

1 the employee has the greatest number of unpaid sick
2 leave days shall be considered.

3 c. The creditable service granted shall be
4 considered solely for the purpose of computing the
5 amount of the retirement annuity and shall not be used
6 to establish any minimum service period required by any
7 provision of the Illinois Pension Code, the effective
8 date of the retirement annuity, or the final rate of
9 earnings.

10 d. The creditable service shall be at the rate of
11 1/20 of a month for each full sick day, provided that
12 no more than 12 months may be credited under this
13 subdivision 8.

14 e. Employee contributions shall not be required
15 for creditable service under this subdivision 8.

16 f. Each participating municipality and
17 participating instrumentality with which an employee
18 has service within 60 days of the effective date of his
19 retirement annuity shall certify to the board the
20 number of accumulated unpaid sick leave days credited
21 to the employee at the time of termination of service.

22 9. For service transferred from another system:
23 Credits and creditable service shall be granted for service
24 under Article 3, 4, 5, 14 or 16 of this Act, to any active
25 member of this Fund, and to any inactive member who has
26 been a county sheriff, upon transfer of such credits
27 pursuant to Section 3-110.3, 4-108.3, 5-235, 14-105.6 or
28 16-131.4, and payment by the member of the amount by which
29 (1) the employer and employee contributions that would have
30 been required if he had participated in this Fund as a
31 sheriff's law enforcement employee during the period for
32 which credit is being transferred, plus interest thereon at
33 the effective rate for each year, compounded annually, from
34 the date of termination of the service for which credit is
35 being transferred to the date of payment, exceeds (2) the
36 amount actually transferred to the Fund. Such transferred

1 service shall be deemed to be service as a sheriff's law
2 enforcement employee for the purposes of Section 7-142.1.

3 10. For service transferred from an Article 3 system
4 under Section 3-110.8: Credits and creditable service
5 shall be granted for service under Article 3 of this Act as
6 provided in Section 3-110.8, to any active member of this
7 Fund upon transfer of such credits pursuant to Section
8 3-110.8. If the amount by which (1) the employer and
9 employee contributions that would have been required if he
10 had participated in this Fund during the period for which
11 credit is being transferred, plus interest thereon at the
12 effective rate for each year, compounded annually, from the
13 date of termination of the service for which credit is
14 being transferred to the date of payment, exceeds (2) the
15 amount actually transferred to the Fund, then the amount of
16 creditable service established under this paragraph 10
17 shall be reduced by a corresponding amount in accordance
18 with the rules and procedures established under this
19 paragraph 10.

20 The board shall establish by rule the manner of making
21 the calculation required under this paragraph 10, taking
22 into account the appropriate actuarial assumptions; the
23 member's service, age, and salary history; the level of
24 funding of the employer; and any other factors that the
25 board determines to be relevant.

26 (b) Creditable service - amount:

27 1. One month of creditable service shall be allowed for
28 each month for which a participating employee made
29 contributions as required under Section 7-173, or for which
30 creditable service is otherwise granted hereunder. Not
31 more than 1 month of service shall be credited and counted
32 for 1 calendar month, and not more than 1 year of service
33 shall be credited and counted for any calendar year. A
34 calendar month means a nominal month beginning on the first
35 day thereof, and a calendar year means a year beginning
36 January 1 and ending December 31.

1 2. A seasonal employee shall be given 12 months of
2 creditable service if he renders the number of months of
3 service normally required by the position in a 12-month
4 period and he remains in service for the entire 12-month
5 period. Otherwise a fractional year of service in the
6 number of months of service rendered shall be credited.

7 3. An intermittent employee shall be given creditable
8 service for only those months in which a contribution is
9 made under Section 7-173.

10 (c) No application for correction of credits or creditable
11 service shall be considered unless the board receives an
12 application for correction while (1) the applicant is a
13 participating employee and in active employment with a
14 participating municipality or instrumentality, or (2) while
15 the applicant is actively participating in a pension fund or
16 retirement system which is a participating system under the
17 Retirement Systems Reciprocal Act. A participating employee or
18 other applicant shall not be entitled to credits or creditable
19 service unless the required employee contributions are made in
20 a lump sum or in installments made in accordance with board
21 rule.

22 (d) Upon the granting of a retirement, surviving spouse or
23 child annuity, a death benefit or a separation benefit, on
24 account of any employee, all individual accumulated credits
25 shall thereupon terminate. Upon the withdrawal of additional
26 contributions, the credits applicable thereto shall thereupon
27 terminate. Terminated credits shall not be applied to increase
28 the benefits any remaining employee would otherwise receive
29 under this Article.

30 (Source: P.A. 93-933, eff. 8-13-04; 94-356, eff. 7-29-05.)

31 (40 ILCS 5/7-145.1)

32 Sec. 7-145.1. Alternative annuity for county officers.

33 (a) The benefits provided in this Section and Section
34 7-145.2 are available only if (1) the county board has filed
35 with the Board of the Fund a resolution or ordinance expressly

1 consenting to the availability of these benefits for its
2 elected county officers and (2) the elected county officer has
3 elected to establish alternative credit under this Section
4 before the effective date of this amendatory Act of the 94th
5 General Assembly. The county board's consent is irrevocable
6 with respect to persons participating in the program, but may
7 be revoked at any time with respect to persons who have not
8 paid an additional optional contribution under this Section
9 before the date of revocation.

10 An elected county officer may elect to establish
11 alternative credits for an alternative annuity by electing in
12 writing before the effective date of this amendatory Act of the
13 94th General Assembly to make additional optional
14 contributions in accordance with this Section and procedures
15 established by the board. These alternative credits are
16 available only for periods of service as an elected county
17 officer. The elected county officer may discontinue making the
18 additional optional contributions by notifying the Fund in
19 writing in accordance with this Section and procedures
20 established by the board.

21 Additional optional contributions for the alternative
22 annuity shall be as follows:

23 (1) For service as an elected county officer after the
24 option is elected, an additional contribution of 3% of
25 salary shall be contributed to the Fund on the same basis
26 and under the same conditions as contributions required
27 under Section 7-173.

28 (2) For service as an elected county officer before the
29 option is elected, an additional contribution of 3% of the
30 salary for the applicable period of service, plus interest
31 at the effective rate from the date of service to the date
32 of payment, plus any additional amount required by the
33 county board under paragraph (3). All payments for past
34 service must be paid in full before credit is given.

35 (3) With respect to service as an elected county
36 officer before the option is elected, if payment is made

1 after the county board has filed with the Board of the Fund
2 a resolution or ordinance requiring an additional
3 contribution under this paragraph, then the contribution
4 required under paragraph (2) shall include an amount to be
5 determined by the Fund, equal to the actuarial present
6 value of the additional employer cost that would otherwise
7 result from the alternative credits being established for
8 that service. A county board's resolution or ordinance
9 requiring additional contributions under this paragraph
10 (3) is irrevocable.

11 No additional optional contributions may be made for any
12 period of service for which credit has been previously
13 forfeited by acceptance of a refund, unless the refund is
14 repaid in full with interest at the effective rate from the
15 date of refund to the date of repayment.

16 (b) In lieu of the retirement annuity otherwise payable
17 under this Article, an elected county officer who (1) has
18 elected to participate in the Fund and make additional optional
19 contributions in accordance with this Section, (2) has held and
20 made additional optional contributions with respect to the same
21 elected county office for at least 8 years, and (3) has
22 attained age 55 with at least 8 years of service credit (or has
23 attained age 50 with at least 20 years of service as a
24 sheriff's law enforcement employee) may elect to have his
25 retirement annuity computed as follows: 3% of the participant's
26 salary for each of the first 8 years of service credit, plus 4%
27 of that salary for each of the next 4 years of service credit,
28 plus 5% of that salary for each year of service credit in
29 excess of 12 years, subject to a maximum of 80% of that salary.

30 This formula applies only to service in an elected county
31 office that the officer held for at least 8 years, and only to
32 service for which additional optional contributions have been
33 paid under this Section. If an elected county officer qualifies
34 to have this formula applied to service in more than one
35 elected county office, the qualifying service shall be
36 accumulated for purposes of determining the applicable accrual

1 percentages, but the salary used for each office shall be the
2 separate salary calculated for that office, as defined in
3 subsection (g).

4 To the extent that the elected county officer has service
5 credit that does not qualify for this formula, his retirement
6 annuity will first be determined in accordance with this
7 formula with respect to the service to which this formula
8 applies, and then in accordance with the remaining Sections of
9 this Article with respect to the service to which this formula
10 does not apply.

11 (c) In lieu of the disability benefits otherwise payable
12 under this Article, an elected county officer who (1) has
13 elected to participate in the Fund, and (2) has become
14 permanently disabled and as a consequence is unable to perform
15 the duties of his office, and (3) was making optional
16 contributions in accordance with this Section at the time the
17 disability was incurred, may elect to receive a disability
18 annuity calculated in accordance with the formula in subsection
19 (b). For the purposes of this subsection, an elected county
20 officer shall be considered permanently disabled only if: (i)
21 disability occurs while in service as an elected county officer
22 and is of such a nature as to prevent him from reasonably
23 performing the duties of his office at the time; and (ii) the
24 board has received a written certification by at least 2
25 licensed physicians appointed by it stating that the officer is
26 disabled and that the disability is likely to be permanent.

27 (d) Refunds of additional optional contributions shall be
28 made on the same basis and under the same conditions as
29 provided under Section 7-166, 7-167 and 7-168. Interest shall
30 be credited at the effective rate on the same basis and under
31 the same conditions as for other contributions.

32 If an elected county officer fails to hold that same
33 elected county office for at least 8 years, he or she shall be
34 entitled after leaving office to receive a refund of the
35 additional optional contributions made with respect to that
36 office, plus interest at the effective rate.

1 (e) The plan of optional alternative benefits and
2 contributions shall be available to persons who are elected
3 county officers and active contributors to the Fund on or after
4 November 15, 1994 and have elected to establish alternative
5 credit before the effective date of this amendatory Act of the
6 94th General Assembly. A person who was an elected county
7 officer and an active contributor to the Fund on November 15,
8 1994 but is no longer an active contributor may apply to make
9 additional optional contributions under this Section at any
10 time within 90 days after the effective date of this amendatory
11 Act of 1997; if the person is an annuitant, the resulting
12 increase in annuity shall begin to accrue on the first day of
13 the month following the month in which the required payment is
14 received by the Fund.

15 (f) For the purposes of this Section and Section 7-145.2,
16 the terms "elected county officer" and "elected county office"
17 include, but are not limited to: (1) the county clerk,
18 recorder, treasurer, coroner, assessor (if elected), auditor,
19 sheriff, and State's Attorney; members of the county board; and
20 the clerk of the circuit court; and (2) a person who has been
21 appointed to fill a vacancy in an office that is normally
22 filled by election on a countywide basis, for the duration of
23 his or her service in that office. The terms "elected county
24 officer" and "elected county office" do not include any officer
25 or office of a county that has not consented to the
26 availability of benefits under this Section and Section
27 7-145.2.

28 (g) For the purposes of this Section and Section 7-145.2,
29 the term "salary" means the final rate of earnings for the
30 elected county office held, calculated in a manner consistent
31 with Section 7-116, but for that office only. If an elected
32 county officer qualifies to have the formula in subsection (b)
33 applied to service in more than one elected county office, a
34 separate salary shall be calculated and applied with respect to
35 each such office.

36 (h) The changes to this Section made by this amendatory Act

1 of the 91st General Assembly apply to persons who first make an
2 additional optional contribution under this Section on or after
3 the effective date of this amendatory Act.

4 (Source: P.A. 90-32, eff. 6-27-97; 91-685, eff. 1-26-00;
5 91-887, eff. 7-6-00.)

6 (40 ILCS 5/7-153.1 new)

7 Sec. 7-153.1. Disability hearings; request for closed
8 meeting. Those portions of meetings of the Board or of Board
9 committees in which matters relating to the determination of
10 disability or the results of medical examinations are to be
11 considered may be closed, but only if the request for a closed
12 meeting is initiated by the participating employee whose
13 disability determination or whose medical examination results
14 are at issue.

15 (40 ILCS 5/7-170) (from Ch. 108 1/2, par. 7-170)

16 Sec. 7-170. Federal Social Security coverage.

17 (a) It is declared to be the policy and purpose of this
18 Section to extend to covered employees as defined in Section
19 7-138, the benefits of the Federal Old Age and Survivors
20 Insurance System as authorized by the Federal Social Security
21 Act and amendments thereto. To effect this, the board shall
22 take such action as may be required by applicable State and
23 Federal laws or regulations.

24 (b) The board shall execute an agreement with the State
25 Agency to secure coverage of covered employees as provided in
26 paragraph (a) of this section.

27 (c) Each participating municipality and each participating
28 instrumentality shall remit payment of contributions for
29 Social Security purposes on behalf of covered employees and
30 covered municipalities and participating instrumentalities in
31 the manner provided by law ~~as required by the board and the~~
32 ~~State Agency established by the Social Security Enabling Act.~~

33 (d) (Blank). ~~Contributions of covered employees to this~~
34 ~~fund for Federal Social Security purposes shall be paid to the~~

1 ~~State Agency in such amounts and at such time as are designated~~
2 ~~by State laws or regulations.~~

3 (e) (Blank). ~~Contributions in behalf of covered~~
4 ~~municipalities and participating instrumentalities for Federal~~
5 ~~Social Security purposes and the required pro rata share of~~
6 ~~administrative expenses shall be paid to the State Agency from~~
7 ~~this fund in accordance with applicable State laws and~~
8 ~~regulations.~~

9 (f) The board shall maintain such records and submit such
10 reports as may be required by applicable State and Federal laws
11 or regulations.

12 (Source: P.A. 81-793.)

13 (40 ILCS 5/7-171) (from Ch. 108 1/2, par. 7-171)

14 Sec. 7-171. Finance; taxes.

15 (a) Each municipality other than a school district shall
16 appropriate an amount sufficient to provide for the current
17 municipality contributions required by Section 7-172 of this
18 Article, for the fiscal year for which the appropriation is
19 made and all amounts due for municipal contributions for
20 previous years. Those municipalities which have been assessed
21 an annual amount to amortize its unfunded obligation, as
22 provided in subparagraph 4 ~~5~~ of paragraph (a) of Section 7-172
23 of this Article, shall include in the appropriation an amount
24 sufficient to pay the amount assessed. The appropriation shall
25 be based upon an estimate of assets available for municipality
26 contributions and liabilities therefor for the fiscal year for
27 which appropriations are to be made, including funds available
28 from levies for this purpose in prior years.

29 (b) For the purpose of providing monies for municipality
30 contributions, beginning for the year in which a municipality
31 is included in this fund:

32 (1) A municipality other than a school district may
33 levy a tax which shall not exceed the amount appropriated
34 for municipality contributions.

35 (2) A school district may levy a tax in an amount

1 reasonably calculated at the time of the levy to provide
2 for the municipality contributions required under Section
3 7-172 of this Article for the fiscal years for which
4 revenues from the levy will be received and all amounts due
5 for municipal contributions for previous years. Any levy
6 adopted before the effective date of this amendatory Act of
7 1995 by a school district shall be considered valid and
8 authorized to the extent that the amount was reasonably
9 calculated at the time of the levy to provide for the
10 municipality contributions required under Section 7-172
11 for the fiscal years for which revenues from the levy will
12 be received and all amounts due for municipal contributions
13 for previous years. In no event shall a budget adopted by a
14 school district limit a levy of that school district
15 adopted under this Section.

16 (c) Any county which is served by a regional office of
17 education that serves 2 or more counties may include in its
18 appropriation an amount sufficient to provide its
19 proportionate share of the municipality contributions for that
20 regional office of education. The tax levy authorized by this
21 Section may include an amount necessary to provide monies for
22 this contribution.

23 (d) Any county that is a part of a multiple-county health
24 department or consolidated health department which is formed
25 under "An Act in relation to the establishment and maintenance
26 of county and multiple-county public health departments",
27 approved July 9, 1943, as amended, and which is a participating
28 instrumentality may include in the county's appropriation an
29 amount sufficient to provide its proportionate share of
30 municipality contributions of the department. The tax levy
31 authorized by this Section may include the amount necessary to
32 provide monies for this contribution.

33 (d-5) A school district participating in a special
34 education joint agreement created under Section 10-22.31 of the
35 School Code that is a participating instrumentality may include
36 in the school district's tax levy under this Section an amount

1 sufficient to provide its proportionate share of the
2 municipality contributions for current and prior service by
3 employees of the participating instrumentality created under
4 the joint agreement.

5 (e) Such tax shall be levied and collected in like manner,
6 with the general taxes of the municipality and shall be in
7 addition to all other taxes which the municipality is now or
8 may hereafter be authorized to levy upon all taxable property
9 therein, and shall be exclusive of and in addition to the
10 amount of tax levied for general purposes under Section 8-3-1
11 of the "Illinois Municipal Code", approved May 29, 1961, as
12 amended, or under any other law or laws which may limit the
13 amount of tax which the municipality may levy for general
14 purposes. The tax may be levied by the governing body of the
15 municipality without being authorized as being additional to
16 all other taxes by a vote of the people of the municipality.

17 (f) The county clerk of the county in which any such
18 municipality is located, in reducing tax levies shall not
19 consider any such tax as a part of the general tax levy for
20 municipality purposes, and shall not include the same in the
21 limitation of any other tax rate which may be extended.

22 (g) The amount of the tax to be levied in any year shall,
23 within the limits herein prescribed, be determined by the
24 governing body of the respective municipality.

25 (h) The revenue derived from any such tax levy shall be
26 used only for the purposes specified in this Article and, as
27 collected, shall be paid to the treasurer of the municipality
28 levying the tax. Monies received by a county treasurer for use
29 in making contributions to a regional office of education for
30 its municipality contributions shall be held by him for that
31 purpose and paid to the regional office of education in the
32 same manner as other monies appropriated for the expense of the
33 regional office.

34 (Source: P.A. 89-329, eff. 8-17-95; 90-448, eff. 8-16-97;
35 90-511, eff. 8-22-97; 90-655, eff. 7-30-98.)

1 (40 ILCS 5/7-172) (from Ch. 108 1/2, par. 7-172)

2 (Text of Section before amendment by P.A. 94-712)

3 Sec. 7-172. Contributions by participating municipalities
4 and participating instrumentalities.

5 (a) Each participating municipality and each participating
6 instrumentality shall make payment to the fund as follows:

7 1. municipality contributions in an amount determined
8 by applying the municipality contribution rate to each
9 payment of earnings paid to each of its participating
10 employees;

11 2. an amount equal to the employee contributions
12 provided by paragraphs (a) and (b) of Section 7-173,
13 whether or not the employee contributions are withheld as
14 permitted by that Section;

15 3. all accounts receivable, together with interest
16 charged thereon, as provided in Section 7-209;

17 4. if it has no participating employees with current
18 earnings, an amount payable which, over a period of 20
19 years ~~beginning with the year following an award of~~
20 ~~benefit~~, will amortize, at the effective rate for that year
21 any unfunded obligation. The unfunded obligation shall be
22 computed as provided in paragraph 2 of subsection (b), ~~any~~
23 ~~negative balance in its municipality reserve resulting~~
24 ~~from the award.~~ This amount when established will be
25 payable as a separate contribution whether or not it later
26 has participating employees; ~~;~~

27 5. if it has fewer than 7 participating employees or
28 has a negative balance in its municipality reserve, the
29 greater of (A) an amount payable which, over a period of 20
30 years, will amortize at the effective rate for that year
31 any unfunded obligation, computed as provided in paragraph
32 2 of subsection (b) or (B) the amount required by paragraph
33 1 of this subsection.

34 (b) A separate municipality contribution rate shall be
35 determined for each calendar year for all participating
36 municipalities together with all instrumentalities thereof.

1 The municipality contribution rate shall be determined for
2 participating instrumentalities as if they were participating
3 municipalities. The municipality contribution rate shall be
4 the sum of the following percentages:

5 1. The percentage of earnings of all the participating
6 employees of all participating municipalities and
7 participating instrumentalities which, if paid over the
8 entire period of their service, will be sufficient when
9 combined with all employee contributions available for the
10 payment of benefits, to provide all annuities for
11 participating employees, and the \$3,000 death benefit
12 payable under Sections 7-158 and 7-164, such percentage to
13 be known as the normal cost rate.

14 2. The percentage of earnings of the participating
15 employees of each participating municipality and
16 participating instrumentalities necessary to adjust for
17 the difference between the present value of all benefits,
18 excluding temporary and total and permanent disability and
19 death benefits, to be provided for its participating
20 employees and the sum of its accumulated municipality
21 contributions and the accumulated employee contributions
22 and the present value of expected future employee and
23 municipality contributions pursuant to subparagraph 1 of
24 this paragraph (b). This adjustment shall be spread over
25 the remainder of the period that is allowable under
26 generally accepted accounting principles.

27 3. The percentage of earnings of the participating
28 employees of all municipalities and participating
29 instrumentalities necessary to provide the present value
30 of all temporary and total and permanent disability
31 benefits granted during the most recent year for which
32 information is available.

33 4. The percentage of earnings of the participating
34 employees of all participating municipalities and
35 participating instrumentalities necessary to provide the
36 present value of the net single sum death benefits expected

1 to become payable from the reserve established under
2 Section 7-206 during the year for which this rate is fixed.

3 5. The percentage of earnings necessary to meet any
4 deficiency arising in the Terminated Municipality Reserve.

5 (c) A separate municipality contribution rate shall be
6 computed for each participating municipality or participating
7 instrumentality for its sheriff's law enforcement employees.

8 A separate municipality contribution rate shall be
9 computed for the sheriff's law enforcement employees of each
10 forest preserve district that elects to have such employees.
11 For the period from January 1, 1986 to December 31, 1986, such
12 rate shall be the forest preserve district's regular rate plus
13 2%.

14 In the event that the Board determines that there is an
15 actuarial deficiency in the account of any municipality with
16 respect to a person who has elected to participate in the Fund
17 under Section 3-109.1 of this Code, the Board may adjust the
18 municipality's contribution rate so as to make up that
19 deficiency over such reasonable period of time as the Board may
20 determine.

21 (d) The Board may establish a separate municipality
22 contribution rate for all employees who are program
23 participants employed under the federal Comprehensive
24 Employment Training Act by all of the participating
25 municipalities and instrumentalities. The Board may also
26 provide that, in lieu of a separate municipality rate for these
27 employees, a portion of the municipality contributions for such
28 program participants shall be refunded or an extra charge
29 assessed so that the amount of municipality contributions
30 retained or received by the fund for all CETA program
31 participants shall be an amount equal to that which would be
32 provided by the separate municipality contribution rate for all
33 such program participants. Refunds shall be made to prime
34 sponsors of programs upon submission of a claim therefor and
35 extra charges shall be assessed to participating
36 municipalities and instrumentalities. In establishing the

1 municipality contribution rate as provided in paragraph (b) of
2 this Section, the use of a separate municipality contribution
3 rate for program participants or the refund of a portion of the
4 municipality contributions, as the case may be, may be
5 considered.

6 (e) Computations of municipality contribution rates for
7 the following calendar year shall be made prior to the
8 beginning of each year, from the information available at the
9 time the computations are made, and on the assumption that the
10 employees in each participating municipality or participating
11 instrumentality at such time will continue in service until the
12 end of such calendar year at their respective rates of earnings
13 at such time.

14 (f) Any municipality which is the recipient of State
15 allocations representing that municipality's contributions for
16 retirement annuity purposes on behalf of its employees as
17 provided in Section 12-21.16 of the Illinois Public Aid Code
18 shall pay the allocations so received to the Board for such
19 purpose. Estimates of State allocations to be received during
20 any taxable year shall be considered in the determination of
21 the municipality's tax rate for that year under Section 7-171.
22 If a special tax is levied under Section 7-171, none of the
23 proceeds may be used to reimburse the municipality for the
24 amount of State allocations received and paid to the Board. Any
25 multiple-county or consolidated health department which
26 receives contributions from a county under Section 11.2 of "An
27 Act in relation to establishment and maintenance of county and
28 multiple-county health departments", approved July 9, 1943, as
29 amended, or distributions under Section 3 of the Department of
30 Public Health Act, shall use these only for municipality
31 contributions by the health department.

32 (g) Municipality contributions for the several purposes
33 specified shall, for township treasurers and employees in the
34 offices of the township treasurers who meet the qualifying
35 conditions for coverage hereunder, be allocated among the
36 several school districts and parts of school districts serviced

1 by such treasurers and employees in the proportion which the
2 amount of school funds of each district or part of a district
3 handled by the treasurer bears to the total amount of all
4 school funds handled by the treasurer.

5 From the funds subject to allocation among districts and
6 parts of districts pursuant to the School Code, the trustees
7 shall withhold the proportionate share of the liability for
8 municipality contributions imposed upon such districts by this
9 Section, in respect to such township treasurers and employees
10 and remit the same to the Board.

11 The municipality contribution rate for an educational
12 service center shall initially be the same rate for each year
13 as the regional office of education or school district which
14 serves as its administrative agent. When actuarial data become
15 available, a separate rate shall be established as provided in
16 subparagraph (i) of this Section.

17 The municipality contribution rate for a public agency,
18 other than a vocational education cooperative, formed under the
19 Intergovernmental Cooperation Act shall initially be the
20 average rate for the municipalities which are parties to the
21 intergovernmental agreement. When actuarial data become
22 available, a separate rate shall be established as provided in
23 subparagraph (i) of this Section.

24 (h) Each participating municipality and participating
25 instrumentality shall make the contributions in the amounts
26 provided in this Section in the manner prescribed from time to
27 time by the Board and all such contributions shall be
28 obligations of the respective participating municipalities and
29 participating instrumentalities to this fund. The failure to
30 deduct any employee contributions shall not relieve the
31 participating municipality or participating instrumentality of
32 its obligation to this fund. Delinquent payments of
33 contributions due under this Section may, with interest, be
34 recovered by civil action against the participating
35 municipalities or participating instrumentalities.
36 Municipality contributions, other than the amount necessary

1 for employee contributions and Social Security contributions,
2 for periods of service by employees from whose earnings no
3 deductions were made for employee contributions to the fund,
4 may be charged to the municipality reserve for the municipality
5 or participating instrumentality.

6 (i) Contributions by participating instrumentalities shall
7 be determined as provided herein except that the percentage
8 derived under subparagraph 2 of paragraph (b) of this Section,
9 and the amount payable under subparagraph 4 ~~5~~ of paragraph (a)
10 of this Section, shall be based on an amortization period of 10
11 years.

12 (j) Each county with current or former elected county
13 officers, as defined in Section 7-145.1, participating in the
14 alternative annuity program established under that Section
15 shall have a separate municipality contribution rate computed
16 for those elected county officers.

17 (Source: P.A. 92-424, eff. 8-17-01.)

18 (Text of Section after amendment by P.A. 94-712)

19 Sec. 7-172. Contributions by participating municipalities
20 and participating instrumentalities.

21 (a) Each participating municipality and each participating
22 instrumentality shall make payment to the fund as follows:

23 1. municipality contributions in an amount determined
24 by applying the municipality contribution rate to each
25 payment of earnings paid to each of its participating
26 employees;

27 2. an amount equal to the employee contributions
28 provided by paragraphs (a) and (b) of Section 7-173,
29 whether or not the employee contributions are withheld as
30 permitted by that Section;

31 3. all accounts receivable, together with interest
32 charged thereon, as provided in Section 7-209;

33 4. if it has no participating employees with current
34 earnings, an amount payable which, over a period of 20
35 years ~~beginning with the year following an award of~~

1 ~~benefit~~, will amortize~~r~~ at the effective rate for that year
2 any unfunded obligation. The unfunded obligation shall be
3 computed as provided in paragraph 2 of subsection (b),~~any~~
4 ~~negative balance in its municipality reserve resulting~~
5 ~~from the award.~~ This amount when established will be
6 payable as a separate contribution whether or not it later
7 has participating employees~~i~~.

8 5. if it has fewer than 7 participating employees or
9 has a negative balance in its municipality reserve, the
10 greater of (A) an amount payable which, over a period of 20
11 years, will amortize at the effective rate for that year
12 any unfunded obligation, computed as provided in paragraph
13 2 of subsection (b) or (B) the amount required by paragraph
14 1 of this subsection.

15 (b) A separate municipality contribution rate shall be
16 determined for each calendar year for all participating
17 municipalities together with all instrumentalities thereof.
18 The municipality contribution rate shall be determined for
19 participating instrumentalities as if they were participating
20 municipalities. The municipality contribution rate shall be
21 the sum of the following percentages:

22 1. The percentage of earnings of all the participating
23 employees of all participating municipalities and
24 participating instrumentalities which, if paid over the
25 entire period of their service, will be sufficient when
26 combined with all employee contributions available for the
27 payment of benefits, to provide all annuities for
28 participating employees, and the \$3,000 death benefit
29 payable under Sections 7-158 and 7-164, such percentage to
30 be known as the normal cost rate.

31 2. The percentage of earnings of the participating
32 employees of each participating municipality and
33 participating instrumentalities necessary to adjust for
34 the difference between the present value of all benefits,
35 excluding temporary and total and permanent disability and
36 death benefits, to be provided for its participating

1 employees and the sum of its accumulated municipality
2 contributions and the accumulated employee contributions
3 and the present value of expected future employee and
4 municipality contributions pursuant to subparagraph 1 of
5 this paragraph (b). This adjustment shall be spread over
6 the remainder of the period that is allowable under
7 generally accepted accounting principles.

8 3. The percentage of earnings of the participating
9 employees of all municipalities and participating
10 instrumentalities necessary to provide the present value
11 of all temporary and total and permanent disability
12 benefits granted during the most recent year for which
13 information is available.

14 4. The percentage of earnings of the participating
15 employees of all participating municipalities and
16 participating instrumentalities necessary to provide the
17 present value of the net single sum death benefits expected
18 to become payable from the reserve established under
19 Section 7-206 during the year for which this rate is fixed.

20 5. The percentage of earnings necessary to meet any
21 deficiency arising in the Terminated Municipality Reserve.

22 (c) A separate municipality contribution rate shall be
23 computed for each participating municipality or participating
24 instrumentality for its sheriff's law enforcement employees.

25 A separate municipality contribution rate shall be
26 computed for the sheriff's law enforcement employees of each
27 forest preserve district that elects to have such employees.
28 For the period from January 1, 1986 to December 31, 1986, such
29 rate shall be the forest preserve district's regular rate plus
30 2%.

31 In the event that the Board determines that there is an
32 actuarial deficiency in the account of any municipality with
33 respect to a person who has elected to participate in the Fund
34 under Section 3-109.1 of this Code, the Board may adjust the
35 municipality's contribution rate so as to make up that
36 deficiency over such reasonable period of time as the Board may

1 determine.

2 (d) The Board may establish a separate municipality
3 contribution rate for all employees who are program
4 participants employed under the federal Comprehensive
5 Employment Training Act by all of the participating
6 municipalities and instrumentalities. The Board may also
7 provide that, in lieu of a separate municipality rate for these
8 employees, a portion of the municipality contributions for such
9 program participants shall be refunded or an extra charge
10 assessed so that the amount of municipality contributions
11 retained or received by the fund for all CETA program
12 participants shall be an amount equal to that which would be
13 provided by the separate municipality contribution rate for all
14 such program participants. Refunds shall be made to prime
15 sponsors of programs upon submission of a claim therefor and
16 extra charges shall be assessed to participating
17 municipalities and instrumentalities. In establishing the
18 municipality contribution rate as provided in paragraph (b) of
19 this Section, the use of a separate municipality contribution
20 rate for program participants or the refund of a portion of the
21 municipality contributions, as the case may be, may be
22 considered.

23 (e) Computations of municipality contribution rates for
24 the following calendar year shall be made prior to the
25 beginning of each year, from the information available at the
26 time the computations are made, and on the assumption that the
27 employees in each participating municipality or participating
28 instrumentality at such time will continue in service until the
29 end of such calendar year at their respective rates of earnings
30 at such time.

31 (f) Any municipality which is the recipient of State
32 allocations representing that municipality's contributions for
33 retirement annuity purposes on behalf of its employees as
34 provided in Section 12-21.16 of the Illinois Public Aid Code
35 shall pay the allocations so received to the Board for such
36 purpose. Estimates of State allocations to be received during

1 any taxable year shall be considered in the determination of
2 the municipality's tax rate for that year under Section 7-171.
3 If a special tax is levied under Section 7-171, none of the
4 proceeds may be used to reimburse the municipality for the
5 amount of State allocations received and paid to the Board. Any
6 multiple-county or consolidated health department which
7 receives contributions from a county under Section 11.2 of "An
8 Act in relation to establishment and maintenance of county and
9 multiple-county health departments", approved July 9, 1943, as
10 amended, or distributions under Section 3 of the Department of
11 Public Health Act, shall use these only for municipality
12 contributions by the health department.

13 (g) Municipality contributions for the several purposes
14 specified shall, for township treasurers and employees in the
15 offices of the township treasurers who meet the qualifying
16 conditions for coverage hereunder, be allocated among the
17 several school districts and parts of school districts serviced
18 by such treasurers and employees in the proportion which the
19 amount of school funds of each district or part of a district
20 handled by the treasurer bears to the total amount of all
21 school funds handled by the treasurer.

22 From the funds subject to allocation among districts and
23 parts of districts pursuant to the School Code, the trustees
24 shall withhold the proportionate share of the liability for
25 municipality contributions imposed upon such districts by this
26 Section, in respect to such township treasurers and employees
27 and remit the same to the Board.

28 The municipality contribution rate for an educational
29 service center shall initially be the same rate for each year
30 as the regional office of education or school district which
31 serves as its administrative agent. When actuarial data become
32 available, a separate rate shall be established as provided in
33 subparagraph (i) of this Section.

34 The municipality contribution rate for a public agency,
35 other than a vocational education cooperative, formed under the
36 Intergovernmental Cooperation Act shall initially be the

1 average rate for the municipalities which are parties to the
2 intergovernmental agreement. When actuarial data become
3 available, a separate rate shall be established as provided in
4 subparagraph (i) of this Section.

5 (h) Each participating municipality and participating
6 instrumentality shall make the contributions in the amounts
7 provided in this Section in the manner prescribed from time to
8 time by the Board and all such contributions shall be
9 obligations of the respective participating municipalities and
10 participating instrumentalities to this fund. The failure to
11 deduct any employee contributions shall not relieve the
12 participating municipality or participating instrumentality of
13 its obligation to this fund. Delinquent payments of
14 contributions due under this Section may, with interest, be
15 recovered by civil action against the participating
16 municipalities or participating instrumentalities.
17 Municipality contributions, other than the amount necessary
18 for employee contributions and Social Security contributions,
19 for periods of service by employees from whose earnings no
20 deductions were made for employee contributions to the fund,
21 may be charged to the municipality reserve for the municipality
22 or participating instrumentality.

23 (i) Contributions by participating instrumentalities shall
24 be determined as provided herein except that the percentage
25 derived under subparagraph 2 of paragraph (b) of this Section,
26 and the amount payable under subparagraph 4 ~~5~~ of paragraph (a)
27 of this Section, shall be based on an amortization period of 10
28 years.

29 (j) Notwithstanding the other provisions of this Section,
30 the additional unfunded liability accruing as a result of this
31 amendatory Act of the 94th General Assembly shall be amortized
32 over a period of 30 years beginning on January 1 of the second
33 calendar year following the calendar year in which this
34 amendatory Act takes effect, except that the employer may
35 provide for a longer amortization period by adopting a
36 resolution or ordinance specifying a 35-year or 40-year period

1 and submitting a certified copy of the ordinance or resolution
2 to the fund no later than June 1 of the calendar year following
3 the calendar year in which this amendatory Act takes effect.

4 (k) Each county with current or former elected county
5 officers, as defined in Section 7-145.1, participating in the
6 alternative annuity program established under that Section
7 shall have a separate municipality contribution rate computed
8 for those elected county officers.

9 (Source: P.A. 94-712, eff. 6-1-06.)

10 (40 ILCS 5/7-173) (from Ch. 108 1/2, par. 7-173)

11 Sec. 7-173. Contributions by employees.

12 (a) Each participating employee shall make contributions
13 to the fund as follows:

14 1. For retirement annuity purposes, normal
15 contributions of 3 3/4% of earnings.

16 2. Additional contributions of such percentages of
17 each payment of earnings, as shall be elected by the
18 employee for retirement annuity purposes, but not in excess
19 of 10%. The selected rate shall be applicable to all
20 earnings beginning on the first day of the second month
21 following receipt by the Board of written notice of
22 election to make such contributions. Additional
23 contributions at the selected rate shall be made
24 concurrently with normal contributions.

25 3. Survivor contributions, by each participating
26 employee, of 3/4% of each payment of earnings.

27 (b) Each employee shall make contributions ~~to the fund~~ for
28 Federal Social Security taxes, for periods during which he is a
29 covered employee, as required by the Social Security Enabling
30 Act and federal law. For participating employees, such
31 contributions shall be in addition to those required under
32 paragraph (a) of this Section.

33 (c) Contributions shall be deducted from each
34 corresponding payment of earnings paid to each employee and
35 shall be remitted to the board by the participating

1 municipality or participating instrumentality making such
2 payment. The remittance, together with a report of the earnings
3 and contributions shall be made as directed by the board. For
4 township treasurers and employees of township treasurers
5 qualifying as employees hereunder, the contributions herein
6 required as deductions from salary shall be withheld by the
7 school township trustees from funds available for the payment
8 of the compensation of such treasurers and employees as
9 provided in the School Code and remitted to the board.

10 (d) An employee who has made additional contributions under
11 paragraph (a)2 of this Section may upon retirement or at any
12 time prior thereto, elect to withdraw the total of such
13 additional contributions including interest credited thereon
14 to the end of the preceding calendar year.

15 (e) Failure to make the deductions for employee
16 contributions provided in paragraph (c) of this Section shall
17 not relieve the employee from liability for such contributions.
18 The amount of such liability may be deducted, with interest
19 charged under Section 7-209, from any annuities or benefits
20 payable hereunder to the employee or any other person receiving
21 an annuity or benefit by reason of such employee's
22 participation.

23 (f) A participating employee who has at least 40 years of
24 creditable service in the Fund may elect to cease making the
25 contributions required under this Section. The status of the
26 employee under this Article shall be unaffected by this
27 election, except that the employee shall not receive any
28 additional creditable service for the periods of employment
29 following the election. An election under this subsection
30 relieves the employer from making additional employer
31 contributions in relation to that employee.

32 (Source: P.A. 87-1265.)

33 (40 ILCS 5/7-204) (from Ch. 108 1/2, par. 7-204)

34 Sec. 7-204. Municipality reserves.

35 (a) Except as provided in paragraph (b) of this Section,

1 each participating municipality and its instrumentalities, and
2 each participating instrumentality, shall be treated as an
3 independent unit within the fund, except that if it has any
4 sheriff's law enforcement employees or any elected county
5 officers (as defined in Section 7-154.1) participating in the
6 alternative annuity program, it shall be treated as multiple ~~2~~
7 independent units, one for its sheriff's law enforcement
8 employees, one for its elected county officers participating in
9 the alternative retirement program, and one ~~the second~~ for its
10 other employees. Separate municipality reserves shall be
11 maintained in such form and detail as is necessary to show the
12 net accumulated balances of each municipality, created or
13 arising under this Article.

14 (b) In the event of termination and dissolution of any
15 participating municipality or participating instrumentality, ~~and~~
16 if ~~and~~ its obligations are not assumed or transferred by law to
17 another municipality, any net debit or credit balance remaining
18 in the reserve account of such municipality, or participating
19 instrumentality, shall be transferred to a Terminated
20 Municipality Reserve Account which shall be used to fund any
21 future benefits of its employees arising out of service with
22 the terminated municipality or participating instrumentality.

23 Any deficiency arising in the Terminated Municipality
24 Reserve Account shall be eliminated by a contribution by all
25 remaining municipalities and participating instrumentalities
26 at a uniform percent of payroll, to be determined, collected
27 with other contributions required under Section 7-172.

28 (c) The municipality reserve for each municipality or
29 participating instrumentality that has any sheriff's law
30 enforcement employees shall be divided into 2 reserves. A
31 reserve for the sheriff's law enforcement employees shall be
32 allocated an amount in the same proportion to the total amount
33 in reserve as the total number of sheriff's law enforcement
34 employees is to the total participating employees of the
35 municipality or participating instrumentality at that date.
36 The remainder shall be allocated to the reserve for other

1 employees.

2 (d) The Fund shall determine what amounts shall be
3 transferred or credited to the reserve for elected county
4 officers participating in the alternative retirement program.

5 (Source: P.A. 87-740.)

6 (40 ILCS 5/7-205) (from Ch. 108 1/2, par. 7-205)

7 Sec. 7-205. Reserves for annuities. Appropriate reserves
8 shall be created for payment of all annuities granted under
9 this Article at the time such annuities are granted and in
10 amounts determined to be necessary under actuarial tables
11 adopted by the Board upon recommendation of the actuary of the
12 fund. All annuities payable shall be charged to the annuity
13 reserve.

14 1. Amounts credited to annuity reserves shall be derived by
15 transfer of all the employee credits from the appropriate
16 employee reserves and by charges to the municipality reserve of
17 those municipalities in which the retiring employee has
18 accumulated service. If a retiring employee has accumulated
19 service in more than one participating municipality or
20 participating instrumentality, (i) in the case of concurrent
21 service, aggregate municipality charges shall be prorated on a
22 basis of the employee's earnings ~~in case of concurrent service~~
23 and (ii) in the case of nonconcurrent service, aggregate
24 municipality charges shall be prorated among all nonfinal
25 employers on a basis of service credit and projected earnings
26 with those employers and, for the final employer, municipality
27 charges shall be paid on a basis of the remaining cost of the
28 employee's pension, as determined by the Board. ~~creditable~~
29 ~~service in other cases.~~

30 2. Supplemental annuities shall be handled as a separate
31 annuity and amounts to be credited to the annuity reserve
32 therefor shall be derived in the same manner as a regular
33 annuity.

34 3. When a retirement annuity is granted to an employee with
35 a spouse eligible for a surviving spouse annuity, there shall

1 be credited to the annuity reserve an amount to fund the cost
2 of both the retirement and surviving spouse annuity as a joint
3 and survivors annuity.

4 4. Beginning January 1, 1989, when a retirement annuity is
5 awarded, an amount equal to the present value of the \$3,000
6 death benefit payable upon the death of the annuitant shall be
7 transferred to the annuity reserve from the appropriate
8 municipality reserves in the same manner as the transfer for
9 annuities.

10 5. All annuity reserves shall be revalued annually as of
11 December 31. Beginning as of December 31, 1973, adjustment
12 required therein by such revaluation shall be charged or
13 credited to the earnings and experience variation reserve.

14 6. There shall be credited to the annuity reserve all of
15 the payments made by annuitants under Section 7-144.2, plus an
16 additional amount from the earnings and experience variation
17 reserve to fund the cost of the incremental annuities granted
18 to annuitants making these payments.

19 7. As of December 31, 1972, the excess in the annuity
20 reserve shall be transferred to the municipality reserves. An
21 amount equal to the deficiency in the reserve of participating
22 municipalities and participating instrumentalities which have
23 no participating employees shall be allocated to their
24 reserves. The remainder shall be allocated in amounts
25 proportionate to the present value, as of January 1, 1972, of
26 annuities of annuitants of the remaining participating
27 municipalities and participating instrumentalities.

28 (Source: P.A. 89-136, eff. 7-14-95.)

29 (40 ILCS 5/7-211) (from Ch. 108 1/2, par. 7-211)

30 Sec. 7-211. Authorizations.

31 (a) Each participating municipality and instrumentality
32 thereof and each participating instrumentality shall:

33 1. Deduct all normal and additional contributions and
34 contributions for federal Social Security taxes as
35 required by the Social Security Enabling Act from each

1 payment of earnings payable to each participating employee
2 who is entitled to any earnings from such municipality or
3 instrumentality thereof or participating instrumentality,
4 and remit all such normal and additional contributions
5 immediately to the board and all such contributions for
6 federal Social Security taxes in the manner provided by
7 law; and

8 2. Pay to the board contributions required by this
9 Article.

10 (b) Each participating employee shall, by virtue of the
11 payment of contributions to this fund, receive a vested
12 interest in the annuities and benefits provided in this Article
13 and in consideration of such vested interest shall be deemed to
14 have agreed and authorized the deduction from earnings of all
15 contributions payable to this fund in accordance with this
16 Article.

17 (c) Payment of earnings less the amounts of contributions
18 provided in this Article and in the Social Security Enabling
19 Act shall be a full and complete discharge of all claims for
20 payment for services rendered by any employee during the period
21 covered by any such payment.

22 (d) Any covered annuitant may authorize the withholding of
23 all or a portion of his or her annuity, for the payment of
24 premiums on group accident and health insurance provided
25 pursuant to Section 7-199.1. The annuitant may revoke this
26 authorization at any time.

27 (Source: P.A. 91-887, eff. 7-6-00.)

28 Section 90. The State Mandates Act is amended by adding
29 Section 8.30 as follows:

30 (30 ILCS 805/8.30 new)

31 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8
32 of this Act, no reimbursement by the State is required for the
33 implementation of any mandate created by this amendatory Act of
34 the 94th General Assembly.

1 Section 95. No acceleration or delay. Where this Act makes
2 changes in a statute that is represented in this Act by text
3 that is not yet or no longer in effect (for example, a Section
4 represented by multiple versions), the use of that text does
5 not accelerate or delay the taking effect of (i) the changes
6 made by this Act or (ii) provisions derived from any other
7 Public Act.

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.