



**Adopted in House Comm. on Feb 28, 2006**

09400HB4973ham001

LRB094 15880 AMC 56694 a

1 AMENDMENT TO HOUSE BILL 4973

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 4973 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by  
5 changing Sections 7-114, 7-135, 7-139, 7-145.1, 7-170, 7-171,  
6 7-172, 7-173, 7-204, 7-205, and 7-211 and by adding Section  
7 7-153.1 as 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

1           2. The money value, as determined by rules prescribed  
2           by the governing body of the municipality, or  
3           instrumentality thereof, of any board, lodging, fuel,  
4           laundry, and other allowances provided an employee in lieu  
5           of money.

6           (b) For purposes of determining benefits payable under this  
7           fund payments to a person who is engaged in an independently  
8           established trade, occupation, profession or business and who  
9           is paid for his service on a basis other than a monthly or  
10          other regular salary, are not earnings.

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

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

30          (e) If a participating employee is paid pursuant to "An Act  
31          to provide for the continuation of compensation for law  
32          enforcement officers, correctional officers and firemen who  
33          suffer disabling injury in the line of duty", approved  
34          September 6, 1973, as amended, the payments shall be deemed

1 earnings, and the participating employee shall be awarded  
2 creditable service for this period.

3 (f) Additional compensation received by a person while  
4 serving as a supervisor of assessments, assessor, deputy  
5 assessor or member of a board of review from the State of  
6 Illinois pursuant to Section 4-10 or 4-15 of the Property Tax  
7 Code shall not be earnings for purposes of this Article and  
8 shall not be included in the contribution formula or  
9 calculation of benefits for such person pursuant to this  
10 Article.

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

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

17 (40 ILCS 5/7-135) (from Ch. 108 1/2, par. 7-135)

18 Sec. 7-135. Authorized agents.

19 (a) Each participating municipality and participating  
20 instrumentality shall appoint an authorized agent who shall  
21 have the powers and duties set forth in this section. In  
22 absence of such appointment, the duties of the authorized agent  
23 shall devolve upon the clerk or secretary of the municipality  
24 or instrumentality and in the case of township school trustees  
25 upon the township school treasurer. ~~In townships the Authorized~~  
26 ~~Agent shall be the township supervisor.~~

27 (b) The authorized agent shall have the following powers  
28 and duties:

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

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

33 3. To request the proper officer to cause employee

1 contributions to be withheld from earnings and transmitted  
2 to the fund;

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

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

7 6. To forward promptly to the fund all applications,  
8 claims, reports and other communications delivered to him  
9 by participating employees;

10 7. To perform all duties related to the administration  
11 of this retirement system as requested by the fund and the  
12 governing body of his municipality.

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

17 1. To file a petition for nomination of an executive  
18 trustee of the fund.

19 2. To cast the ballot for election of an executive  
20 trustee of the fund.

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

26 (d) The delivery of any communication or document by an  
27 employee or a participating municipality or participating  
28 instrumentality to its authorized agent shall not constitute  
29 delivery to the fund.

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

31 (40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)

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

33 (a) Each participating employee shall be granted credits

1 and creditable service, for purposes of determining the amount  
2 of any annuity or benefit to which he or a beneficiary is  
3 entitled, as follows:

4 1. For prior service: Each participating employee who  
5 is an employee of a participating municipality or  
6 participating instrumentality on the effective date shall  
7 be granted creditable service, but no credits under  
8 paragraph 2 of this subsection (a), for periods of prior  
9 service for which credit has not been received under any  
10 other pension fund or retirement system established under  
11 this Code, as follows:

12 If the effective date of participation for the  
13 participating municipality or participating  
14 instrumentality is on or before January 1, 1998, creditable  
15 service shall be granted for the entire period of prior  
16 service with that employer without any employee  
17 contribution.

18 If the effective date of participation for the  
19 participating municipality or participating  
20 instrumentality is after January 1, 1998, creditable  
21 service shall be granted for the last 20% of the period of  
22 prior service with that employer, but no more than 5 years,  
23 without any employee contribution. A participating  
24 employee may establish creditable service for the  
25 remainder of the period of prior service with that employer  
26 by making an application in writing, accompanied by payment  
27 of an employee contribution in an amount determined by the  
28 Fund, based on the employee contribution rates in effect at  
29 the time of application for the creditable service and the  
30 employee's salary rate on the effective date of  
31 participation for that employer, plus interest at the  
32 effective rate from the date of the prior service to the  
33 date of payment. Application for this creditable service  
34 may be made at any time while the employee is still in

1 service.

2 A municipality that (i) has at least 35 employees; (ii)  
3 is located in a county with at least 2,000,000 inhabitants;  
4 and (iii) maintains an independent defined benefit pension  
5 plan for the benefit of its eligible employees may restrict  
6 creditable service in whole or in part for periods of prior  
7 service with the employer if the governing body of the  
8 municipality adopts an irrevocable resolution to restrict  
9 that creditable service and files the resolution with the  
10 board before the municipality's effective date of  
11 participation.

12 Any person who has withdrawn from the service of a  
13 participating municipality or participating  
14 instrumentality prior to the effective date, who reenters  
15 the service of the same municipality or participating  
16 instrumentality after the effective date and becomes a  
17 participating employee is entitled to creditable service  
18 for prior service as otherwise provided in this subdivision  
19 (a)(1) only if he or she renders 2 years of service as a  
20 participating employee after the effective date.  
21 Application for such service must be made while in a  
22 participating status. The salary rate to be used in the  
23 calculation of the required employee contribution, if any,  
24 shall be the employee's salary rate at the time of first  
25 reentering service with the employer after the employer's  
26 effective date of participation.

27 2. For current service, each participating employee  
28 shall be credited with:

29 a. Additional credits of amounts equal to each  
30 payment of additional contributions received from him  
31 under Section 7-173, as of the date the corresponding  
32 payment of earnings is payable to him.

33 b. Normal credits of amounts equal to each payment  
34 of normal contributions received from him, as of the

1 date the corresponding payment of earnings is payable  
2 to him, and normal contributions made for the purpose  
3 of establishing out-of-state service credits as  
4 permitted under the conditions set forth in paragraph 6  
5 of this subsection (a).

6 c. Municipality credits in an amount equal to 1.4  
7 times the normal credits, except those established by  
8 out-of-state service credits, as of the date of  
9 computation of any benefit if these credits would  
10 increase the benefit.

11 d. Survivor credits equal to each payment of  
12 survivor contributions received from the participating  
13 employee as of the date the corresponding payment of  
14 earnings is payable, and survivor contributions made  
15 for the purpose of establishing out-of-state service  
16 credits.

17 3. For periods of temporary and total and permanent  
18 disability benefits, each employee receiving disability  
19 benefits shall be granted creditable service for the period  
20 during which disability benefits are payable. Normal and  
21 survivor credits, based upon the rate of earnings applied  
22 for disability benefits, shall also be granted if such  
23 credits would result in a higher benefit to any such  
24 employee or his beneficiary.

25 4. For authorized leave of absence without pay: A  
26 participating employee shall be granted credits and  
27 creditable service for periods of authorized leave of  
28 absence without pay under the following conditions:

29 a. An application for credits and creditable  
30 service is submitted to the board while the employee is  
31 in a status of active employment, ~~and within 2 years~~  
32 ~~after termination of the leave of absence period for~~  
33 ~~which credits and creditable service are sought.~~

34 b. Not more than 12 complete months of creditable

1 service for authorized leave of absence without pay  
2 shall be counted for purposes of determining any  
3 benefits payable under this Article.

4 c. Credits and creditable service shall be granted  
5 for leave of absence only if such leave is approved by  
6 the governing body of the municipality, including  
7 approval of the estimated cost thereof to the  
8 municipality as determined by the fund, and employee  
9 contributions, plus interest at the effective rate  
10 applicable for each year from the end of the period of  
11 leave to date of payment, have been paid to the fund in  
12 accordance with Section 7-173. The contributions shall  
13 be computed upon the assumption earnings continued  
14 during the period of leave at the rate in effect when  
15 the leave began.

16 d. Benefits under the provisions of Sections  
17 7-141, 7-146, 7-150 and 7-163 shall become payable to  
18 employees on authorized leave of absence, or their  
19 designated beneficiary, only if such leave of absence  
20 is creditable hereunder, and if the employee has at  
21 least one year of creditable service other than the  
22 service granted for leave of absence. Any employee  
23 contributions due may be deducted from any benefits  
24 payable.

25 e. No credits or creditable service shall be  
26 allowed for leave of absence without pay during any  
27 period of prior service.

28 5. For military service: The governing body of a  
29 municipality or participating instrumentality may elect to  
30 allow creditable service to participating employees who  
31 leave their employment to serve in the armed forces of the  
32 United States for all periods of such service, provided  
33 that the person returns to active employment within 90 days  
34 after completion of full time active duty, but no



1       creditable service shall be allowed such person for any  
2       period that can be used in the computation of a pension or  
3       any other pay or benefit, other than pay for active duty,  
4       for service in any branch of the armed forces of the United  
5       States. If necessary to the computation of any benefit, the  
6       board shall establish municipality credits for  
7       participating employees under this paragraph on the  
8       assumption that the employee received earnings at the rate  
9       received at the time he left the employment to enter the  
10      armed forces. A participating employee in the armed forces  
11      shall not be considered an employee during such period of  
12      service and no additional death and no disability benefits  
13      are payable for death or disability during such period.

14       Any participating employee who left his employment  
15      with a municipality or participating instrumentality to  
16      serve in the armed forces of the United States and who  
17      again became a participating employee within 90 days after  
18      completion of full time active duty by entering the service  
19      of a different municipality or participating  
20      instrumentality, which has elected to allow creditable  
21      service for periods of military service under the preceding  
22      paragraph, shall also be allowed creditable service for his  
23      period of military service on the same terms that would  
24      apply if he had been employed, before entering military  
25      service, by the municipality or instrumentality which  
26      employed him after he left the military service and the  
27      employer costs arising in relation to such grant of  
28      creditable service shall be charged to and paid by that  
29      municipality or instrumentality.

30       Notwithstanding the foregoing, any participating  
31      employee shall be entitled to creditable service as  
32      required by any federal law relating to re-employment  
33      rights of persons who served in the United States Armed  
34      Services. Such creditable service shall be granted upon

1 payment by the member of an amount equal to the employee  
2 contributions which would have been required had the  
3 employee continued in service at the same rate of earnings  
4 during the military leave period, plus interest at the  
5 effective rate.

6 5.1. In addition to any creditable service established  
7 under paragraph 5 of this subsection (a), creditable  
8 service may be granted for up to 24 months of service in  
9 the armed forces of the United States.

10 In order to receive creditable service for military  
11 service under this paragraph 5.1, a participating employee  
12 must (1) apply to the Fund in writing and provide evidence  
13 of the military service that is satisfactory to the Board;  
14 (2) obtain the written approval of the current employer;  
15 and (3) make contributions to the Fund equal to (i) the  
16 employee contributions that would have been required had  
17 the service been rendered as a member, plus (ii) an amount  
18 determined by the board to be equal to the employer's  
19 normal cost of the benefits accrued for that military  
20 service, plus (iii) interest on items (i) and (ii) from the  
21 date of first membership in the Fund to the date of  
22 payment. If payment is made during the 6-month period that  
23 begins 3 months after the effective date of this amendatory  
24 Act of 1997, the required interest shall be at the rate of  
25 2.5% per year, compounded annually; otherwise, the  
26 required interest shall be calculated at the regular  
27 interest rate.

28 6. For out-of-state service: Creditable service shall  
29 be granted for service rendered to an out-of-state local  
30 governmental body under the following conditions: The  
31 employee had participated and has irrevocably forfeited  
32 all rights to benefits in the out-of-state public employees  
33 pension system; the governing body of his participating  
34 municipality or instrumentality authorizes the employee to

1 establish such service; the employee has 2 years current  
2 service with this municipality or participating  
3 instrumentality; the employee makes a payment of  
4 contributions, which shall be computed at 8% (normal) plus  
5 2% (survivor) times length of service purchased times the  
6 average rate of earnings for the first 2 years of service  
7 with the municipality or participating instrumentality  
8 whose governing body authorizes the service established  
9 plus interest at the effective rate on the date such  
10 credits are established, payable from the date the employee  
11 completes the required 2 years of current service to date  
12 of payment. In no case shall more than 120 months of  
13 creditable service be granted under this provision.

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

26 Any employee who is a participating employee on or  
27 after September 24, 1981 and who was excluded from  
28 participation by the age restrictions removed by Public Act  
29 82-596 may receive creditable service for the period, on or  
30 after January 1, 1979, excluded by the age restriction and,  
31 in addition, if the governing body of the participating  
32 municipality or participating instrumentality elects to  
33 allow creditable service for all employees excluded by the  
34 age restriction prior to January 1, 1979, for service

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

12 8. For accumulated unused sick leave: A participating  
13 employee who is applying for a retirement annuity shall be  
14 entitled to creditable service for that portion of the  
15 employee's accumulated unused sick leave for which payment  
16 is not received, as follows:

17 a. Sick leave days shall be limited to those  
18 accumulated under a sick leave plan established by a  
19 participating municipality or participating  
20 instrumentality which is available to all employees or  
21 a class of employees.

22 b. Only sick leave days accumulated with a  
23 participating municipality or participating  
24 instrumentality with which the employee was in service  
25 within 60 days of the effective date of his retirement  
26 annuity shall be credited; If the employee was in  
27 service with more than one employer during this period  
28 only the sick leave days with the employer with which  
29 the employee has the greatest number of unpaid sick  
30 leave days shall be considered.

31 c. The creditable service granted shall be  
32 considered solely for the purpose of computing the  
33 amount of the retirement annuity and shall not be used  
34 to establish any minimum service period required by any

1 provision of the Illinois Pension Code, the effective  
2 date of the retirement annuity, or the final rate of  
3 earnings.

4 d. The creditable service shall be at the rate of  
5 1/20 of a month for each full sick day, provided that  
6 no more than 12 months may be credited under this  
7 subdivision 8.

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

10 f. Each participating municipality and  
11 participating instrumentality with which an employee  
12 has service within 60 days of the effective date of his  
13 retirement annuity shall certify to the board the  
14 number of accumulated unpaid sick leave days credited  
15 to the employee at the time of termination of service.

16 9. For service transferred from another system:  
17 Credits and creditable service shall be granted for service  
18 under Article 3, 4, 5, 14 or 16 of this Act, to any active  
19 member of this Fund, and to any inactive member who has  
20 been a county sheriff, upon transfer of such credits  
21 pursuant to Section 3-110.3, 4-108.3, 5-235, 14-105.6 or  
22 16-131.4, and payment by the member of the amount by which  
23 (1) the employer and employee contributions that would have  
24 been required if he had participated in this Fund as a  
25 sheriff's law enforcement employee during the period for  
26 which credit is being transferred, plus interest thereon at  
27 the effective rate for each year, compounded annually, from  
28 the date of termination of the service for which credit is  
29 being transferred to the date of payment, exceeds (2) the  
30 amount actually transferred to the Fund. Such transferred  
31 service shall be deemed to be service as a sheriff's law  
32 enforcement employee for the purposes of Section 7-142.1.

33 10. For service transferred from an Article 3 system  
34 under Section 3-110.8: Credits and creditable service

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

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

22 (b) Creditable service - amount:

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

33 2. A seasonal employee shall be given 12 months of  
34 creditable service if he renders the number of months of

1 service normally required by the position in a 12-month  
2 period and he remains in service for the entire 12-month  
3 period. Otherwise a fractional year of service in the  
4 number of months of service rendered shall be credited.

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

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

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

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

29 (40 ILCS 5/7-145.1)

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

31 (a) The benefits provided in this Section and Section  
32 7-145.2 are available only if (1) the county board has filed  
33 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.



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

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

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

32           This formula applies only to service in an elected county  
33 office that the officer held for at least 8 years, and only to  
34 service for which additional optional contributions have been

1 paid under this Section. If an elected county officer qualifies  
2 to have this formula applied to service in more than one  
3 elected county office, the qualifying service shall be  
4 accumulated for purposes of determining the applicable accrual  
5 percentages, but the salary used for each office shall be the  
6 separate salary calculated for that office, as defined in  
7 subsection (g).

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

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

31 (d) Refunds of additional optional contributions shall be  
32 made on the same basis and under the same conditions as  
33 provided under Section 7-166, 7-167 and 7-168. Interest shall  
34 be credited at the effective rate on the same basis and under

1 the same conditions as for other contributions.

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

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

21 (f) For the purposes of this Section and Section 7-145.2,  
22 the terms "elected county officer" and "elected county office"  
23 include, but are not limited to: (1) the county clerk,  
24 recorder, treasurer, coroner, assessor (if elected), auditor,  
25 sheriff, and State's Attorney; members of the county board; and  
26 the clerk of the circuit court; and (2) a person who has been  
27 appointed to fill a vacancy in an office that is normally  
28 filled by election on a countywide basis, for the duration of  
29 his or her service in that office. The terms "elected county  
30 officer" and "elected county office" do not include any officer  
31 or office of a county that has not consented to the  
32 availability of benefits under this Section and Section  
33 7-145.2.

34 (g) For the purposes of this Section and Section 7-145.2,

1 the term "salary" means the final rate of earnings for the  
2 elected county office held, calculated in a manner consistent  
3 with Section 7-116, but for that office only. If an elected  
4 county officer qualifies to have the formula in subsection (b)  
5 applied to service in more than one elected county office, a  
6 separate salary shall be calculated and applied with respect to  
7 each such office.

8 (h) The changes to this Section made by this amendatory Act  
9 of the 91st General Assembly apply to persons who first make an  
10 additional optional contribution under this Section on or after  
11 the effective date of this amendatory Act.

12 (Source: P.A. 90-32, eff. 6-27-97; 91-685, eff. 1-26-00;  
13 91-887, eff. 7-6-00.)

14 (40 ILCS 5/7-153.1 new)

15 Sec. 7-153.1. Disability hearings; request for closed  
16 meeting. Those portions of meetings of the Board or of Board  
17 committees in which matters relating to the determination of  
18 disability or the results of medical examinations are to be  
19 considered may be closed, but only if the request for a closed  
20 meeting is initiated by the participating employee whose  
21 disability determination or whose medical examination results  
22 are at issue.

23 (40 ILCS 5/7-170) (from Ch. 108 1/2, par. 7-170)

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

25 (a) It is declared to be the policy and purpose of this  
26 Section to extend to covered employees as defined in Section  
27 7-138, the benefits of the Federal Old Age and Survivors  
28 Insurance System as authorized by the Federal Social Security  
29 Act and amendments thereto. To effect this, the board shall  
30 take such action as may be required by applicable State and  
31 Federal laws or regulations.

32 (b) The board shall execute an agreement with the State

1 Agency to secure coverage of covered employees as provided in  
2 paragraph (a) of this section.

3 (c) Each participating municipality and each participating  
4 instrumentality shall remit payment of contributions for  
5 Social Security purposes on behalf of covered employees and  
6 covered municipalities and participating instrumentalities in  
7 the manner provided by law ~~as required by the board and the~~  
8 ~~State Agency established by the Social Security Enabling Act.~~

9 (d) (Blank). ~~Contributions of covered employees to this~~  
10 ~~fund for Federal Social Security purposes shall be paid to the~~  
11 ~~State Agency in such amounts and at such time as are designated~~  
12 ~~by State laws or regulations.~~

13 (e) (Blank). ~~Contributions in behalf of covered~~  
14 ~~municipalities and participating instrumentalities for Federal~~  
15 ~~Social Security purposes and the required pro rata share of~~  
16 ~~administrative expenses shall be paid to the State Agency from~~  
17 ~~this fund in accordance with applicable State laws and~~  
18 ~~regulations.~~

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

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

23 (40 ILCS 5/7-171) (from Ch. 108 1/2, par. 7-171)

24 Sec. 7-171. Finance; taxes.

25 (a) Each municipality other than a school district shall  
26 appropriate an amount sufficient to provide for the current  
27 municipality contributions required by Section 7-172 of this  
28 Article, for the fiscal year for which the appropriation is  
29 made and all amounts due for municipal contributions for  
30 previous years. Those municipalities which have been assessed  
31 an annual amount to amortize its unfunded obligation, as  
32 provided in subparagraph 4 ~~5~~ of paragraph (a) of Section 7-172  
33 of this Article, shall include in the appropriation an amount

1 sufficient to pay the amount assessed. The appropriation shall  
2 be based upon an estimate of assets available for municipality  
3 contributions and liabilities therefor for the fiscal year for  
4 which appropriations are to be made, including funds available  
5 from levies for this purpose in prior years.

6 (b) For the purpose of providing monies for municipality  
7 contributions, beginning for the year in which a municipality  
8 is included in this fund:

9 (1) A municipality other than a school district may  
10 levy a tax which shall not exceed the amount appropriated  
11 for municipality contributions.

12 (2) A school district may levy a tax in an amount  
13 reasonably calculated at the time of the levy to provide  
14 for the municipality contributions required under Section  
15 7-172 of this Article for the fiscal years for which  
16 revenues from the levy will be received and all amounts due  
17 for municipal contributions for previous years. Any levy  
18 adopted before the effective date of this amendatory Act of  
19 1995 by a school district shall be considered valid and  
20 authorized to the extent that the amount was reasonably  
21 calculated at the time of the levy to provide for the  
22 municipality contributions required under Section 7-172  
23 for the fiscal years for which revenues from the levy will  
24 be received and all amounts due for municipal contributions  
25 for previous years. In no event shall a budget adopted by a  
26 school district limit a levy of that school district  
27 adopted under this Section.

28 (c) Any county which is served by a regional office of  
29 education that serves 2 or more counties may include in its  
30 appropriation an amount sufficient to provide its  
31 proportionate share of the municipality contributions for that  
32 regional office of education. The tax levy authorized by this  
33 Section may include an amount necessary to provide monies for  
34 this contribution.

1 (d) Any county that is a part of a multiple-county health  
2 department or consolidated health department which is formed  
3 under "An Act in relation to the establishment and maintenance  
4 of county and multiple-county public health departments",  
5 approved July 9, 1943, as amended, and which is a participating  
6 instrumentality may include in the county's appropriation an  
7 amount sufficient to provide its proportionate share of  
8 municipality contributions of the department. The tax levy  
9 authorized by this Section may include the amount necessary to  
10 provide monies for this contribution.

11 (d-5) A school district participating in a special  
12 education joint agreement created under Section 10-22.31 of the  
13 School Code that is a participating instrumentality may include  
14 in the school district's tax levy under this Section an amount  
15 sufficient to provide its proportionate share of the  
16 municipality contributions for current and prior service by  
17 employees of the participating instrumentality created under  
18 the joint agreement.

19 (e) Such tax shall be levied and collected in like manner,  
20 with the general taxes of the municipality and shall be in  
21 addition to all other taxes which the municipality is now or  
22 may hereafter be authorized to levy upon all taxable property  
23 therein, and shall be exclusive of and in addition to the  
24 amount of tax levied for general purposes under Section 8-3-1  
25 of the "Illinois Municipal Code", approved May 29, 1961, as  
26 amended, or under any other law or laws which may limit the  
27 amount of tax which the municipality may levy for general  
28 purposes. The tax may be levied by the governing body of the  
29 municipality without being authorized as being additional to  
30 all other taxes by a vote of the people of the municipality.

31 (f) The county clerk of the county in which any such  
32 municipality is located, in reducing tax levies shall not  
33 consider any such tax as a part of the general tax levy for  
34 municipality purposes, and shall not include the same in the

1 limitation of any other tax rate which may be extended.

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

5 (h) The revenue derived from any such tax levy shall be  
6 used only for the purposes specified in this Article and, as  
7 collected, shall be paid to the treasurer of the municipality  
8 levying the tax. Monies received by a county treasurer for use  
9 in making contributions to a regional office of education for  
10 its municipality contributions shall be held by him for that  
11 purpose and paid to the regional office of education in the  
12 same manner as other monies appropriated for the expense of the  
13 regional office.

14 (Source: P.A. 89-329, eff. 8-17-95; 90-448, eff. 8-16-97;  
15 90-511, eff. 8-22-97; 90-655, eff. 7-30-98.)

16 (40 ILCS 5/7-172) (from Ch. 108 1/2, par. 7-172)

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

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

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

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

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

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

32 4. if it has no participating employees with current  
33 earnings, an amount payable which, over a period of 20



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

9            5. if it has fewer than 7 participating employees or  
10          has a negative balance in its municipality reserve, the  
11          greater of (A) an amount payable which, over a period of 20  
12          years, will amortize at the effective rate for that year  
13          any unfunded obligation, computed as provided in paragraph  
14          2 of subsection (b) or (B) the amount required by paragraph  
15          1 of this subsection.

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

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

32            2. The percentage of earnings of the participating  
33            employees of each participating municipality and  
34            participating instrumentalities necessary to adjust for

1 the difference between the present value of all benefits,  
2 excluding temporary and total and permanent disability and  
3 death benefits, to be provided for its participating  
4 employees and the sum of its accumulated municipality  
5 contributions and the accumulated employee contributions  
6 and the present value of expected future employee and  
7 municipality contributions pursuant to subparagraph 1 of  
8 this paragraph (b). This adjustment shall be spread over  
9 the remainder of the period that is allowable under  
10 generally accepted accounting principles.

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

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

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

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

28 A separate municipality contribution rate shall be  
29 computed for the sheriff's law enforcement employees of each  
30 forest preserve district that elects to have such employees.  
31 For the period from January 1, 1986 to December 31, 1986, such  
32 rate shall be the forest preserve district's regular rate plus  
33 2%.

34 In the event that the Board determines that there is an

1 actuarial deficiency in the account of any municipality with  
2 respect to a person who has elected to participate in the Fund  
3 under Section 3-109.1 of this Code, the Board may adjust the  
4 municipality's contribution rate so as to make up that  
5 deficiency over such reasonable period of time as the Board may  
6 determine.

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

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

1 at such time.

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

20 (g) Municipality contributions for the several purposes  
21 specified shall, for township treasurers and employees in the  
22 offices of the township treasurers who meet the qualifying  
23 conditions for coverage hereunder, be allocated among the  
24 several school districts and parts of school districts serviced  
25 by such treasurers and employees in the proportion which the  
26 amount of school funds of each district or part of a district  
27 handled by the treasurer bears to the total amount of all  
28 school funds handled by the treasurer.

29 From the funds subject to allocation among districts and  
30 parts of districts pursuant to the School Code, the trustees  
31 shall withhold the proportionate share of the liability for  
32 municipality contributions imposed upon such districts by this  
33 Section, in respect to such township treasurers and employees  
34 and remit the same to the Board.

1           The municipality contribution rate for an educational  
2 service center shall initially be the same rate for each year  
3 as the regional office of education or school district which  
4 serves as its administrative agent. When actuarial data become  
5 available, a separate rate shall be established as provided in  
6 subparagraph (i) of this Section.

7           The municipality contribution rate for a public agency,  
8 other than a vocational education cooperative, formed under the  
9 Intergovernmental Cooperation Act shall initially be the  
10 average rate for the municipalities which are parties to the  
11 intergovernmental agreement. When actuarial data become  
12 available, a separate rate shall be established as provided in  
13 subparagraph (i) of this Section.

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

32           (i) Contributions by participating instrumentalities shall  
33 be determined as provided herein except that the percentage  
34 derived under subparagraph 2 of paragraph (b) of this Section,

1 and the amount payable under subparagraph 4 ~~5~~ of paragraph (a)  
2 of this Section, shall be based on an amortization period of 10  
3 years.

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. 92-424, eff. 8-17-01.)

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

11 Sec. 7-172. Contributions by participating municipalities  
12 and participating instrumentalities.

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

15 1. municipality contributions in an amount determined  
16 by applying the municipality contribution rate to each  
17 payment of earnings paid to each of its participating  
18 employees;

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

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

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

1 has participating employees;~~i-~~

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

9 (b) A separate municipality contribution rate shall be  
10 determined for each calendar year for all participating  
11 municipalities together with all instrumentalities thereof.  
12 The municipality contribution rate shall be determined for  
13 participating instrumentalities as if they were participating  
14 municipalities. The municipality contribution rate shall be  
15 the sum of the following percentages:

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

25 2. The percentage of earnings of the participating  
26 employees of each participating municipality and  
27 participating instrumentalities necessary to adjust for  
28 the difference between the present value of all benefits,  
29 excluding temporary and total and permanent disability and  
30 death benefits, to be provided for its participating  
31 employees and the sum of its accumulated municipality  
32 contributions and the accumulated employee contributions  
33 and the present value of expected future employee and  
34 municipality contributions pursuant to subparagraph 1 of

1           this paragraph (b). This adjustment shall be spread over  
2           the remainder of the period that is allowable under  
3           generally accepted accounting principles.

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

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

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

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

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

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

34          (d) The Board may establish a separate municipality



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

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

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

1 other than a vocational education cooperative, formed under the  
2 Intergovernmental Cooperation Act shall initially be the  
3 average rate for the municipalities which are parties to the  
4 intergovernmental agreement. When actuarial data become  
5 available, a separate rate shall be established as provided in  
6 subparagraph (i) of this Section.

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

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

31 (j) Notwithstanding the other provisions of this Section,  
32 the additional unfunded liability accruing as a result of this  
33 amendatory Act of the 94th General Assembly shall be amortized  
34 over a period of 30 years beginning on January 1 of the second

1 calendar year following the calendar year in which this  
2 amendatory Act takes effect, except that the employer may  
3 provide for a longer amortization period by adopting a  
4 resolution or ordinance specifying a 35-year or 40-year period  
5 and submitting a certified copy of the ordinance or resolution  
6 to the fund no later than June 1 of the calendar year following  
7 the calendar year in which this amendatory Act takes effect.

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

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

14 (40 ILCS 5/7-173) (from Ch. 108 1/2, par. 7-173)

15 Sec. 7-173. Contributions by employees.

16 (a) Each participating employee shall make contributions  
17 to the fund as follows:

18 1. For retirement annuity purposes, normal  
19 contributions of 3 3/4% of earnings.

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

29 3. Survivor contributions, by each participating  
30 employee, of 3/4% of each payment of earnings.

31 (b) Each employee shall make contributions ~~to the fund~~ for  
32 Federal Social Security taxes, for periods during which he is a  
33 covered employee, as required by the Social Security Enabling

1 Act and federal law. For participating employees, such  
2 contributions shall be in addition to those required under  
3 paragraph (a) of this Section.

4 (c) Contributions shall be deducted from each  
5 corresponding payment of earnings paid to each employee and  
6 shall be remitted to the board by the participating  
7 municipality or participating instrumentality making such  
8 payment. The remittance, together with a report of the earnings  
9 and contributions shall be made as directed by the board. For  
10 township treasurers and employees of township treasurers  
11 qualifying as employees hereunder, the contributions herein  
12 required as deductions from salary shall be withheld by the  
13 school township trustees from funds available for the payment  
14 of the compensation of such treasurers and employees as  
15 provided in the School Code and remitted to the board.

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

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

29 (f) A participating employee who has at least 40 years of  
30 creditable service in the Fund may elect to cease making the  
31 contributions required under this Section. The status of the  
32 employee under this Article shall be unaffected by this  
33 election, except that the employee shall not receive any  
34 additional creditable service for the periods of employment

1 following the election. An election under this subsection  
2 relieves the employer from making additional employer  
3 contributions in relation to that employee.

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

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

6 Sec. 7-204. Municipality reserves.

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

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

30 Any deficiency arising in the Terminated Municipality  
31 Reserve Account shall be eliminated by a contribution by all  
32 remaining municipalities and participating instrumentalities  
33 at a uniform percent of payroll, to be determined, collected

1 with other contributions required under Section 7-172.

2 (c) The municipality reserve for each municipality or  
3 participating instrumentality that has any sheriff's law  
4 enforcement employees shall be divided into 2 reserves. A  
5 reserve for the sheriff's law enforcement employees shall be  
6 allocated an amount in the same proportion to the total amount  
7 in reserve as the total number of sheriff's law enforcement  
8 employees is to the total participating employees of the  
9 municipality or participating instrumentality at that date.  
10 The remainder shall be allocated to the reserve for other  
11 employees.

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

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

16 (40 ILCS 5/7-205) (from Ch. 108 1/2, par. 7-205)

17 Sec. 7-205. Reserves for annuities. Appropriate reserves  
18 shall be created for payment of all annuities granted under  
19 this Article at the time such annuities are granted and in  
20 amounts determined to be necessary under actuarial tables  
21 adopted by the Board upon recommendation of the actuary of the  
22 fund. All annuities payable shall be charged to the annuity  
23 reserve.

24 1. Amounts credited to annuity reserves shall be derived by  
25 transfer of all the employee credits from the appropriate  
26 employee reserves and by charges to the municipality reserve of  
27 those municipalities in which the retiring employee has  
28 accumulated service. If a retiring employee has accumulated  
29 service in more than one participating municipality or  
30 participating instrumentality, (i) in the case of concurrent  
31 service, aggregate municipality charges shall be prorated on a  
32 basis of the employee's earnings ~~in case of concurrent service~~  
33 and (ii) in the case of nonconcurrent service, aggregate

1 municipality charges shall be prorated among all nonfinal  
2 employers on a basis of service credit and projected earnings  
3 with those employers and, for the final employer, municipality  
4 charges shall be paid on a basis of the remaining cost of the  
5 employee's pension, as determined by the Board. ~~creditable~~  
6 ~~service in other cases.~~

7 2. Supplemental annuities shall be handled as a separate  
8 annuity and amounts to be credited to the annuity reserve  
9 therefor shall be derived in the same manner as a regular  
10 annuity.

11 3. When a retirement annuity is granted to an employee with  
12 a spouse eligible for a surviving spouse annuity, there shall  
13 be credited to the annuity reserve an amount to fund the cost  
14 of both the retirement and surviving spouse annuity as a joint  
15 and survivors annuity.

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

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

26 6. There shall be credited to the annuity reserve all of  
27 the payments made by annuitants under Section 7-144.2, plus an  
28 additional amount from the earnings and experience variation  
29 reserve to fund the cost of the incremental annuities granted  
30 to annuitants making these payments.

31 7. As of December 31, 1972, the excess in the annuity  
32 reserve shall be transferred to the municipality reserves. An  
33 amount equal to the deficiency in the reserve of participating  
34 municipalities and participating instrumentalities which have



1 no participating employees shall be allocated to their  
2 reserves. The remainder shall be allocated in amounts  
3 proportionate to the present value, as of January 1, 1972, of  
4 annuities of annuitants of the remaining participating  
5 municipalities and participating instrumentalities.

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

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

8 Sec. 7-211. Authorizations.

9 (a) Each participating municipality and instrumentality  
10 thereof and each participating instrumentality shall:

11 1. Deduct all normal and additional contributions and  
12 contributions for federal Social Security taxes as  
13 required by the Social Security Enabling Act from each  
14 payment of earnings payable to each participating employee  
15 who is entitled to any earnings from such municipality or  
16 instrumentality thereof or participating instrumentality,  
17 and remit all such normal and additional contributions  
18 immediately to the board and all such contributions for  
19 federal Social Security taxes in the manner provided by  
20 law; and

21 2. Pay to the board contributions required by this  
22 Article.

23 (b) Each participating employee shall, by virtue of the  
24 payment of contributions to this fund, receive a vested  
25 interest in the annuities and benefits provided in this Article  
26 and in consideration of such vested interest shall be deemed to  
27 have agreed and authorized the deduction from earnings of all  
28 contributions payable to this fund in accordance with this  
29 Article.

30 (c) Payment of earnings less the amounts of contributions  
31 provided in this Article and in the Social Security Enabling  
32 Act shall be a full and complete discharge of all claims for  
33 payment for services rendered by any employee during the period

1 covered by any such payment.

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

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

8 Section 90. The State Mandates Act is amended by adding  
9 Section 8.30 as follows:

10 (30 ILCS 805/8.30 new)

11 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8  
12 of this Act, no reimbursement by the State is required for the  
13 implementation of any mandate created by this amendatory Act of  
14 the 94th General Assembly.

15 Section 95. No acceleration or delay. Where this Act makes  
16 changes in a statute that is represented in this Act by text  
17 that is not yet or no longer in effect (for example, a Section  
18 represented by multiple versions), the use of that text does  
19 not accelerate or delay the taking effect of (i) the changes  
20 made by this Act or (ii) provisions derived from any other  
21 Public Act.

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